

STATES OF JERSEY

OFFICIAL REPORT

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The Roll was called and the Dean led the Assembly in Prayer.

PUBLIC BUSINESS (continued...)

1. Annual Business Plan 2007 (P.92/2006) (continued...)

The Deputy Bailiff:

So the Assembly will now resume debate upon the business plan and we have come to paragraph (a)(vi) Housing Objectives, which will be proposed by Senator Le Main.

Deputy G.C.L. Baudains of St. Clement:

Just before we start, may I raise a matter of business? Yesterday during oral question time the Minister for Home Affairs said that she would supply us with a document giving the figures that were mentioned during oral question time. I do not see those figures on our desk yet. Could I ask when they may be forthcoming?

Senator W. Kinnard (The Minister for Home Affairs):

Yes, Sir, indeed there were a number of documents including the recommendations, of course, that have been completed up at the prison in terms of suicide and self harm and that is quite a bit of information. It is being collated today and will be in Members' pigeonholes later on. Thank you.

1.1 Senator T.J. Le Main (The Minister for Housing):

Good morning and I hope you are all going to be nice to me. I had prepared considerable notes but have been told to make it very short and sweet. Thus, I will do, Sir, and then I propose my objectives for the next few years which are very achievable. Thank you.

The Deputy Bailiff:

Are those objectives seconded? **[Seconded]** Does any Member wish to speak on those objectives?

1.1.1 Deputy A. Breckon of St. Saviour:

We will try and pick up something from the written word, Sir, rather than the spoken one. In the performance criteria, about a year ago, the then Housing Committee lodged a document about the formation of a management agency. That was subsequently withdrawn and I see in the first bullet point that it talks about States approval for the proposed changes to the management estates rental housing stock and the question that flows from that, Sir, is what happened to the management agency? Has that been ditched? It is not going to happen because that debate has never taken place? The reason I raise that point, Sir, is that it has proved cost-effective for agencies to do it on an arm's length basis with accountability to government, rather than government themselves and that has been done in other places. I would ask the Minister if he could give some response to that?

1.1.2 Deputy P.V.F. Le Claire of St. Helier:

I would just like to ask the Minister under objective 3, the shared equity scheme, when he thinks that will be coming forward, and whether or not instead of "or other similar scheme" he might

consider changing that “or” in their investigations, to “and other schemes”. For example, in the United Kingdom there is a scheme whereby companies are now taking out properties as part of their portfolios to bolster their insurance schemes for pensions, et cetera. They are encouraging people to rent those and by renting them, the people that do so for a long period of time establish a portion of equity through their rental, giving them an opportunity over a long period of time to build-up the funds necessary to enable a first deposit on those properties. So it is a scheme where initiative is given to the companies to invest in property, to bolster their pensions and it is also a scheme which enables people who are just renting property to make sure that that rental money is just not flushed down the toilet every month as in many other cases. So I wondered if perhaps the department could look at that? Also, whether or not he envisages much sell-off of States property. For example, we had some controversy over the La Fallaise property and maybe perhaps he might want to discuss that; how that proved to be; whether it was a good thing or not and how much we got for it.

1.1.3 Deputy A.D. Lewis of St. John:

I just wondered if the Minister could also perhaps expand upon what Deputy Le Claire was mentioning earlier which is about ownership. Shared equity is mentioned but the selling-off of property is not mentioned terribly deeply and if more property is sold-off, that good value is attained and that money is then reinstated in housing stock and maintenance. I know it has been talked about but it is not mentioned in the report here. Perhaps you could expand upon that in your summing up, Sir. Thank you.

1.1.4 Deputy F.J. Hill of St. Martin:

I know the Minister for Housing has been in the House for a long time but I really think he is doing a disservice not only to the House this morning but also to the members of the public and also those who listen to the radio, because I do believe it is incumbent upon the Minister to give some idea of where he intends to go. Particularly maybe he could give an answer as to how he is going to seek to improve the management and long-term sustainability of the States rental housing stock, that is part of the objectives. The members of the public are not aware of what we have in front of us and I also know that we did meet with the Minister at Scrutiny. We had a good meeting. It was very valuable, and we do value the opportunity of having dialogue with the Minister for Housing but - also to let other people know - maybe he could tell us a little bit more about how he is going to reduce the list of the rent arrears. So, what action is being taken to reduce the rent arrears? Thank you, Sir.

1.1.5 Deputy S. Power of St. Brelade:

I would like to ask the Minister for Housing how he proposes in the next 5 years to increase the volume of sheltered housing stock on the Island and what his plans are in terms of a split between socially-owned or States-owned sheltered housing stock and private housing stock? Thank you, Sir.

The Deputy Bailiff:

Does any Member wish to speak? Deputy Martin.

1.1.6 Deputy J.A. Martin of St. Helier:

Just briefly, Sir. I am again disappointed with the opening speech or non-opening speech of the Minister for Housing because we are asked to agree some objectives here which basically tell us absolutely nothing. I am really worried about the agreement with the States of Jersey Treasury that Housing is permitted to retain a sufficient amount for its rental income to ensure that it is self-sufficient and able to maintain housing stock. We all know that for years, - and it happens to be the

same Minister who was a Committee President - he did not seem to fight the corner hard enough and we have about £89 million worth of refurbishments that need to be done to our housing stock. As I say, I hope that the Minister will give me some assurance that these will be carried out in the next year and if he is not satisfied with the Council of Ministers' decision that he brings this back to the House. We have now got to sort this out and I am really not satisfied that it is just going to be an agreement with the Treasury because, at the moment, the Treasury is never giving enough to social rented houses and they are falling down which is costing us a lot more in the long run. Thank you, Sir.

The Deputy Bailiff:

Does any other Member wish to speak?

1.1.7 Deputy G.P. Southern of St. Helier:

Not a repetition of previous questions but certainly specifically I would like to know what proportion of the States rental stock this Minister intends to sell-off, because that is important. Secondly, I note that there is no mention in here of security of tenure, nor of rental deposit schemes, which I know has been rejected in the past but I believe needs to be re-examined. Finally, I would like to know where he talks about shared equity or other similar scheme; how wide is he thinking? What sort of schemes has he got in mind? I would encourage him to think as widely as possible.

The Deputy Bailiff:

Does any other Member wish to speak?

1.1.8 Deputy S. Pitman of St. Helier:

I would like to follow on a little from Deputy Martin's speech. I would like to know from the Minister how much does he think a year is ideal to maintain the housing stock? Is £6 million enough? Thank you.

1.1.9 Deputy J.J. Huet of St. Helier:

I would like to ask the Minister if he would confirm that the Community Bank, which he is setting up for the public, has offered to help with a rental deposit scheme and they will shortly be in communication on this? Thank you.

1.1.10 Deputy P.N. Troy of St. Brelade:

Can the Minister explain his current policy in relation to housing trusts, where instructions have been given that they do not proceed with any agreements at the moment on the new social rented housing sites? Can he expand upon that policy and explain what he is doing to address the progression of social rented units?

The Deputy Bailiff:

Does any other Member wish to speak? Very well. I call upon the Minister to reply.

1.1.11 Senator T.J. Le Main:

I suppose really I ought to start from the issue of the lack of funding that we have had over a number of years and now that my Assistant Minister and I ... because I have probably referred to it as I, but it is the Assistant Minister and I that have been fully involved in this. We are relooking at the whole issue of the business of the Housing Department; the relationship with trusts; the whole spectrum of where we are with the private sector and every form we are looking at. So we start off

on an excellent footing, Sir, now that we have got £6 million a year from 2007 to 2011. This has enabled us to commence in 2007 the refurbishment which, in total, is costed at in excess of £80 million. A programme of work is achievable within the 10 years required and it has been devised and it is ready to go. Refurbishment work will, therefore, start in 2007 and subject to further funding will be completed to the decent U.K. home standard by 2016. Now, the other issue, Sir, is planning for homes. Planning for homes is in itself being delivered by the Planning and Environment Department in conjunction with the Housing Department. Much of the information necessary for the development of the report comes from our department and the Population Office and, as I say, officers of these departments are working closely to be able to deliver a draft of the report very shortly. It should have been ready in June but has been delayed through various issues at the Planning Department which have now been resolved and it should be ready, hopefully, in September – by the end of this month, or by October. It will absolutely and categorically show that there is a growing demand for sheltered accommodation and what may be referred to as last time homes in regard to design, so that existing owners of family homes whose children have moved on can downsize into more appropriate accommodation, releasing equity which they can utilise to enjoy their golden years while recycling their family home back in the market for a new family to occupy. As I say, Sir, we have a total of £30 million which has been provided by the Treasury from 2007 to 2011. However, it is quite clear that in order to achieve the aim of refurbishing all the stock by 2016, more funding is required. There is approximately another £50 million of work which is unfunded. The strategic use of the Housing portfolio as outlined in our forthcoming Property Plan which is virtually ready now but is with the Treasury and will be with Members very soon - has provided, and will hopefully provide, a number of solutions to the various pressing needs of additional funding, together with a need to promote wider home ownership. This document sets out the full refurbishment programme and the options for increasing home ownership. It also draws attention to the need to maintain the property in good order once refurbished. The department needs to be able to retain sufficient of its income and the average any property company, such as a trust, would be retaining 20 per cent of its income and, this is not the case at present due to the heavy demand on the department's revenue from the rental subsidy schemes. I cannot wait to see the back of the rental subsidy scheme. That has been the cause of all the major problems in the running of the Housing Department's business. As I say, Sir, the Property Plan that I alluded to has now been completed. The document is with the Treasury for financial appraisal and comment. When this has been concluded, the Plan will be considered by the Council of Ministers and distributed to States Members and, of course, to the Social Affairs Scrutiny Panel. I believe, Sir, this is an exciting document and I look forward to sharing it with Members as soon as I can. May I say, Sir, I look forward again to working with all Members on this Property Plan because we cannot do it on our own as I have reiterated - the sharing of help and advice from all Members is most welcome. I welcome all input from every Member to assist the Assistant Minister and myself in putting forward policies that are going to be good for the people of this Island. Now, the Property Plan, as I say, is nearly ready but we are now at the point of reviewing and implementing some new strategies for the provision of social housing. This is being worked on at the moment. It will include the role that the trusts are playing. The setting of fair rents we do not believe fair rents should be set by the Housing Department. It includes what Deputy Breckon is asking: whether we should have a management company, or if we should privatise, et cetera; the whole issue of social housing in the Island, because lists are dropping - apart, as I say, for the elderly's, sheltered needs -and we want to make sure that we are working together with the trusts and that the trusts are working with us. At the moment, I am a little uneasy at the behaviour or otherwise of one or 2 trusts and the issue is that we need, I believe, Sir, to have a common policy that brings them in line with what the States Assembly requires of them. As I say, it is only a tickling of the issues. Nothing serious, but I believe, Sir, that there are issues that need to be addressed and that we will, by September/October, have another document ready for this Assembly to assimilate, to look at and to be shared and worked with on the Social Affairs Scrutiny Panel. Now, Sir, we are fully committed to having a shared equity home ownership scheme in this Island. It is top priority but I have to say we already

have part of a shared equity scheme. We have seen in the last few months the sale of 18 homes in Le Squez, 23 in Le Marais in the last 12 months, and of course in these sales 10 per cent of the future equity value of all those homes is returned to the States on the first onward sale. Shared equity is something that I have very seriously considered and which features significantly in the Property Plan. Similarly, Sir, various discount schemes have been looked at. These are also being investigated and expanded upon within the Plan. I believe, Sir, that Housing has a very busy and exciting period ahead of it and I am delighted to report that we are already on the way to delivering many of our objectives. As Minister for Housing I still remain responsible for the Housing Law and Regulations until the development of the new Migration Law. There are 2 objectives linked to that part of my responsibilities. One is to introduce policies which ensure more equality in entitlement to accommodation by 2008. Equity and social inclusion are some of the key touch stones in the development of the Migration Law and policies and will be considered at each stage subject to meeting the overall objective of migration to ensure that economic growth is balanced against the demands on the resources of the Island. I will work with other Ministers on the Migration Advisory Group in developing a Migration Law which will increase equity in entitlement to accommodation. This will also include a 10-year qualification period, subject to the conditions being right and only in the last 2 or 3 weeks I have had another update and relook at whether we should reduce the 13 year period to 12 I have to say that I am uncomfortable, at present, in reducing at this time and I shall wait until either the end of the year or early next year to consider it again. In relation to Deputy Southern, it is vital that we introduce the security of tenure legislation in 2007. It is in our objectives. It gives the tenants the rights they deserve and introduce proper notice periods. It is also my hope - and the reason for this delay - that security of tenure will be extended to the unqualified sector where many of the problems exist. We are assured that legally we can have in the security of tenure legislation something that will resolve a considerable amount of the issues regarding 'unqualifieds'. In regard to deposits, yes the Assistant Minister and I have met with Brian Curtis from the Community Bank and he is more than happy to do the deposits. One of the issues that I am concerned about is the location and the premises currently occupied by the Community Bank. I have been pressing and attempting but, at the moment, there is no room to have them located in proper facilities which could be the new premises at the bottom of St. Saviour's Hill - the Bridge - but unfortunately I am told there is no room. The Community Bank has a great role to play for the ordinary people of this Island and I think it is rather unfair, at the moment, that we let them struggle to cope on their own. I think that one of my big priorities in the next few weeks is to go back to the Bridge, to get Brian Curtis back in, and I shall be talking to the Property Services, to Eric Le Ruez to see whether we can relocate him in proper premises. In Ireland, for instance, all over the place, in every town, every village virtually there is a community bank and they have got some decent premises that people can access.

Deputy J.J. Huet:

If I might just interrupt just for one moment to assure the Minister that the Waterfront Enterprise Board, as soon as everything is up and going, is more than happy to give premises down at the Waterfront to the Community Bank but obviously this is not right immediately. It will be as soon as possible.

Senator T.J. Le Main:

That is excellent news and I will take up the point. As I say a draft of the proposed security of tenure legislation, is now being considered and that will be in place for 2007. So I think I have answered the questions of Deputy Breckon and the management agency and their involvement. But I am very, very happy to include Deputy Breckon in any discussions and any point of view he may have. I am going to be very positive to say that I want Members to really help and assist us in their views and points on many of the issues. Now, Deputy Le Claire mentioned shared equity. I think I have done that. We will take up the point; we will invite Deputy Le Claire in to speak to us about the various issues that he has read about or heard about and will go through that with him. In regard

to La Fallaise I am pleased to be able to announce that La Fallaise has been sold and we received a magnificent sum of £675,000 for it. It really was an old property of absolutely no use to the Housing Department. It needed a fortune spending on it to bring it up to modern day standards. We will now be able to work with Connétable of St. Brelade and others in refurbishment of Clos de Quennevais right along the Red Houses where we will make them into an over-50s housing estate and the assistance of the Deputies of St. Brelade and the Connétable is going to be very valuable to us in some of the work we are going to do there, particularly in the front of the estate where we believe it could be a landmark garden area for the area and perhaps an ideal place for Senator Cohen to place a nice sculpture. **[Laughter]** The Deputy of St. John was on about home ownership and the sell off of stock. Yes, it is going to be proposed and I cannot come out with too much of what is in the Property Plan being worked upon at the moment but it is anticipated to sell off some stock to create more home ownership. A small amount of stock, hopefully, will be sold which has no place to play in a modern social housing policy and the money has to be reinvested back into existing stock. Deputy Hill wanted to know about States rental stock long-term. My view is, and it is certainly coming out from my department and officers, that we carry far too much stock - much bigger than we really need - and we can reduce it and make it more easily manageable and maintainable. As for the rent arrears, Sir, the rent arrears are on the low end of the scale compared to many of the councils and the housing departments in the U.K. There always will be a problem with rent arrears and the rent arrears are not solely about people that cannot or will not pay their rent: many of the rental payments are paid. For instance, someone will be paid on the 1st of the month and their rent is due on the 25th of the previous month so they are always in arrears, but only on paper. We also have to remind ourselves that we are dealing with people that really have some difficulties and we have all kinds of issues. We have a hugely professional staff, at the moment, who are very kind and assist all our clients in many ways on repayment schemes, et cetera. So I am not really too bothered about that although, as I say, our management has changed. We have now delegated individual members of staff to deal with a lower amount of clients so that they can attend to these arrears in a more efficient and quicker manner, so that people are not allowed to creep up and increase their arrears without having some assistance from the department. Deputy Power: I think I have answered his question about increased sheltered housing. I am pleased to say that the Assistant Minister, the Planning Minister and I attended with the Connétables on Monday pleading with them to try to assist us in finding land for sheltered homes. I can assure this Assembly that we are in desperate need of sheltered accommodation for people with mobility and medical problems and it has to be ground floor accommodation. The Connétables have a great role to play in the provision of such and I am looking forward to the full co-operation of the Connétables in assisting, not only their own parishioners, but assisting the Island in placing people that are able to move closer to families - sons and daughters - so they can seek and have assistance from their families while they are in old age. The position is, at this present time, we have around 16 per cent of our population in retirement and by 2030, 30 per cent of the population in Jersey will be in active retirement. So we have a huge increasing problem in finding sheltered homes in the Parishes and, as I have said on several occasions, Sir, the issue is that we are pulling in people from various Parishes now where there is not accommodation for them to remain in the Parish of their birth or where they have lived all their lives or where they have children and family. It is heartbreaking to pull in people from those country Parishes and have to place them in places like the high rises of the Le Marais, Convent Court, Caesarea Court and places like that. So I am pleading with the Connétables and I am pleading with this Assembly, as members of their municipalities and their Parishes, to support the Connétables in assisting us to be able to have the provision of sheltered homes.

Deputy R.G. Le Hérissier of St. Saviour:

I wonder, on a point of information, could the Housing Minister inform us, is that really a search for green zone land that he is engaged in?

Senator T.J. Le Main:

Yes, unfortunately that will be the case. We are rather hoping, and the Planning Minister and I have been working on this, and it may very well be that around the villages, the churches, the shops, the Connétables may be able to find some land, affordable land, that we can assist these people.

Deputy S. Power:

Could I ask the Minister to clarify, if the Minister would give way for a second? I asked a question about sheltered housing and the Minister is answering some of my queries on sheltered housing but the problem is there is no reference in the business plan to any capital provision for sheltered housing. My question was how does he propose to provide sheltered housing when there is no capital provision? Is it going to be under States control, public control or private control? That was my question.

Senator T.J. Le Main:

The issue is that we would propose an arrangement similar to St. Martin and Trinity, such that the Parishes would borrow the money and they would have it over 25 years. So there is no States capital funding required at all. They would meet the requirements of what is happening now with the trusts. They would have a guarantee of anything over a certain percentage so that they would have a safeguard. At the moment, Sir, we need anything between 400 and 500 units of combination sheltered homes. within the next 18 months, 400 to 500. It is a very serious situation. I meet virtually on a daily basis elderly people who are in real difficulty and we are able to do this if we can just put everything together without any capital costs to the States. It can be done. So I urge everyone to get behind the Connétables. I urge the Connétables to go forward and assist us in this. Deputy Martin mentioned retaining sufficient income. I think I have replied to that that once we get rid of the subsidy scheme - which has made me go grey in the last 18 months - like any other property company, we ought to be able to retain sufficient income out of our rental to maintain, and I aim to go for that. Deputy Southern asked what proportion is proposed. I am not prepared to say that at the moment but very soon you will have an opportunity to look at the Property Plan within a matter of probably 3 or 4 weeks and I would want to work with Deputy Southern and other Members on what we are proposing. I think the security of tenure has been answered. Home ownership. Deputy Pitman, I think it is 20 per cent of the income. Deputy Huet, I have answered in regard to banks. Deputy Troy mentioned no agreements on trusts. That is incorrect, Sir. All trusts that seek some comfort from the States, have to have an agreement in place. I am well aware of one trust, at the moment, that evolved with a development and has not sought the comfort of the States. That is not a problem. They are privately funding it, that is okay; but if their bankers want the comfort of the States, then they have to have an agreement. Sir, I think I have answered all the questions.

Deputy I.J. Gorst of St. Clement:

Could I ask for clarification from the Minister regarding his ...

The Deputy Bailiff:

I am sorry, Deputy, but I think you have had your opportunity to speak. It is too late now.

Senator T.J. Le Main:

I would like to say that I have an open door policy at the Housing Department and I urge Members to come and talk to us about any of the issues. I would far sooner discuss it around the table than read about arguments in the media. We are not going to get very far that way. At the beginning of this year I invited all new States Members to come and talk to us and we were going to give them some site visits and all that. I would like to reiterate, Sir, that I would make that offer again, that if there are any Members that have not had an update or otherwise on current Housing policy; where we are, questions that need to be asked - then I am more than happy to invite them for a day out

including going to visit sites and issues regarding housing. As I say, Sir, I would like to thank all Members for their assistance and I would like to so propose.

Deputy G.P. Southern:

May I have a point of clarification?

The Deputy Bailiff:

Yes, you did speak so you can ask for clarification if you think there is something.

Deputy G.P. Southern:

The Minister mentioned a trust that has been involved in a private development. Is it a trust that the department has had dealings with in the past and was he prepared to name that trust? Secondly, he talked about being uncomfortable about further reduction in the qualification period down to 12 years. Could he give any reasons as why he is suffering discomfort?

The Deputy Bailiff:

I am sorry, Deputy, but I do not think those are points of clarification, either of your speech or of his. They are simply asking the Minister ...

Senator T.J. Le Main:

I am quite happy to talk to the Deputy after and give him the answers, Sir.

The Deputy Bailiff:

Very well. Now, all those in favour of adopting the objectives pursuant to paragraph (a)(vi) kindly show? Those against? The objectives are adopted. Then we come to paragraph (a)(vii) which are the Planning and Environment Objectives which were proposed by the Minister.

1.2 Senator F.E. Cohen (The Minister for Planning and Environment):

The business plan period will be an exciting and challenging time for Planning and Environment as we strive to deliver important new objectives with far reaching consequences for the Island against a very tight budget. The objectives on pages 81 to 83 are designed to improve our environment and to ensure that we use natural resources in a sustainable way. To see development that is sustainable; that is contemporary; that respects our traditional values and that, at the same time, enables the creation of a thriving Island economy and community. We want to promote a high quality environment encompassing good design and architecture and delivering pride to all. Our key objectives span the total range of the business plan but I will draw attention to some of the more significant items. The new Planning Law was introduced in July and this will greatly improve the planning process. However, I wish to see our resources more efficiently utilised and to assist in this endeavour and to reduce red tape, I will shortly be publishing proposals to deliver a raft of exemptions from the planning process. Many exemptions will focus on the promotion of environmentally sensitive construction and renewable energy. We are working extremely hard on the Waterfront Project and we are making very exciting progress on a number of fronts. I am building a spirit of co-operation between the Waterfront Enterprise Board and Planning and we are working to deliver an accelerated timetable. I hope to provide further information to Members very soon. The St. Helier development and regeneration strategy is well under way. A consultant team led by Edaw is nearing completion of the first draft of the strategy. This project, the first comprehensive plan for St. Helier will look at how best the development opportunities in the town can be exploited to contribute to its regeneration. In particular, it will bring forward viable proposals for the delivery of the town park and provide direction for the future use for Fort Regent. We will continue to implement many of the findings of the excellent Chris Shepley planning review, wisely commissioned by my predecessor, Senator Ozouf. A scoping report for the review

of the 2002 Island plan will be completed later this week for discussion at the Council of Ministers. It will address, in particular, the objectives of the States economy growth plan and the rural economic strategy. It will also address the Island's housing needs on which I am working closely with the Housing Minister and the Parishes, particularly in the provision of social retirement housing. The new plan will consolidate the planning policy work being undertaken for the Waterfront east of Albert and the St. Helier development and regeneration strategy. It is imperative that these areas are brought together holistically as they are wholly inter-dependent. The revised Island Pan should be presented to the States during 2008. Draft legislation for the control of high hedges is presently with the Law Officers Department and I hope to be able to bring this to the House for debate before the end of 2006. We have set about changing the way Planning works, centred around the simple principle that good buildings start with good design. To this end, I have issued a set of Ministers' Design Principles and have set up an internal design review group to provide a design view to applicants. Further changes will be delivered through supplementary planning guidance. The percentage for art supplementary planning guidance is at public consultation stage and its implementation has the potential to significantly improve the display of public art. A design statement supplementary planning guidance requiring applicants to provide detailed design statements is in final draft. An archaeology supplementary planning guidance will be completed in a few weeks and this will lead to the appointment of a part-time field archaeologist in the coming months. Additionally, the Design for Homes supplementary planning guidance is presently the subject of ongoing work by the department and the Environmental Scrutiny Panel. I have sought to raise the status of our heritage buildings and with this in mind have set up a new panel, the Ministerial Registration and Listing Advisory Group. It is important, however, that old buildings remain viable and my department will continue to support the Forts and Towers Project. I will also continue to support the conservation and enhancement of the built fabric of our important buildings through the Historic Buildings Grant Scheme. We will introduce third party appeals into the planning system as the Council of Ministers is now committed to funding this objective. I will also bring forward a review of the building bylaws which, subject to resources, will introduce new lifetime home standards of buildings to ensure that new development takes account of the specific needs of our aging population. I recently launched the first tranche of biodiversity action plans. This will be followed-through and added to during the plan period. I also intend to bring forward further ecological sites for designation of sites of special interest together with the sites of archaeological, historic and architectural value. I will also expect to achieve continued progress in improving the environmental and economic performance of our agricultural land, building on the success of the countryside renewal scheme which is progressively creating and restoring important landscape features such as hedgerows, field margins and footpaths. My department delivers important regulatory roles such as the prevention of water pollution and we intend to widen its remit by bringing into effect the Waste Management Law and bringing forward for debate the Water Resources Law following the completion of the investigatory work into the origin of deep ground water. We will also be working with health protection to address the need for legislation around the adoption of an air quality strategy. Progress has been made in reducing the cost of meteorology, both by reducing staffing by 25 per cent and by achieving financial contributions from Guernsey. This programme must continue and we will also examine the scope of a joint Channel Islands service. Later in 2006 we will issue a draft energy policy for Jersey. My department is leading on this inter-departmental piece of work that has enormous strategic significance for Jersey. We will also be bringing forward proposals for environmental taxes and associated spending packages that are intended to improve the environmental performance of Jersey. Finally, I intend to launch 'Eco Active' at the end of this year. This will be a major and continuing programme aimed at showing Islanders how each and every one of us can make a real contribution to our environmental well being. How small acts multiplied together will make a real difference. 'Eco Active' will act as a hub to draw a multiplicity of environmental initiatives into a cohesive plan to which Islanders can sign up. The 'Eco Active' programme, led by its website, will provide a range of tools to enable Islanders to make more of their environmentally conscious

choices. I will endeavour to answer any questions Members may have and I will try to incorporate their reasonable views in the way we develop the objectives of the business plan.

The Deputy Bailiff:#

Are those objectives seconded? [**Seconded**] Does any Member wish to speak?

1.2.1 Deputy J.B. Fox of St. Helier:

Thank you, Minister. Very comprehensive but there is an area that I would like you to take on board for me in your supplementary planning ...

The Deputy Bailiff:

Through the chair, please.

Deputy J.B. Fox:

Sorry, Sir. Supplementary planning guide in your current review is in relation ...

The Deputy Bailiff:

Through the chair.

Deputy J.B. Fox:

My apologies to you. It is the excitement of having all this information all at once. My apologies to you, Sir. Now, the important area that does need to be on the upper front of most people's minds is the inclusion of amenity space, especially for our young people. It is an area, with the enthusiasm of the developers, that often gets reduced or put on the sideline and it is an area that then subsequently affects all of us in one way or another from law and order to the environmental conditions that we live and work in, et cetera. So if part of that review could be subject to looking at that particular area for the future well being and refurbishment, I think that we will all benefit. Thank you, Sir.

1.2.2 Deputy C.J. Scott Warren of St. Saviour:

Amongst the many worthy objectives, I particularly support the appointment of the archaeology field officer in 2007. I would like to ask the Minister, despite the verbal assurances given, whether he could explain why resources were not identified for the 2 remaining provisions of the Planning and Building Law to be brought into force as was agreed in amendment 472 of the Strategic Plan. Many thanks.

1.2.3 Senator B.E. Shenton:

One of the objectives is to implement the Water Resources (Jersey) Law, a law that does not exist. One of the initiatives is to bring in the Water Resources (Jersey) Law by the end of 2006. Would the Minister please clarify whether he is going to do that? Thank you.

1.2.4 Deputy S. Power:

My question is related to third party appeals. Can the Minister confirm to the Assembly when he believes he will have a fund or a budget for third party appeals and dangerous structures? Can the Minister also make a comment on whether he feels comfortable the proposed structure for third party appeals should come under the Royal Court or whether it might be more practical to have an independent Jersey third party appeals panel? Finally, Sir, I would like clarification from the Minister that as lead member on the Designer Homes Panel there is a wealth of information

available to this panel on scrutiny in areas such as design for homes, amenity spaces, room sizes, and so on. I notice that both the Housing Minister and the Planning Minister have discussed bringing forward their planning for homes document and I think that there is so much commonality in what the Housing Minister is doing, the Planning Minister himself is doing and what we are doing on Scrutiny, there might be room for a combined meeting at least on one occasion.

1.2.5 Deputy R.G. Le Hérisier:

I wonder if I could ask for a series of little detailed answers. In terms of the exemptions that the Minister is introducing, will these exemptions extend to the installation of UPVC (Unplasticised Polyvinyl Chloride) windows or is it still wood for wood? Secondly, Sir, in terms of mapping the geography of the Island, is he happy that there has been a resolution to the rumblings about so-called monopolies in the digital mapping area and is he happy that access to that information is well managed? Thirdly, Sir, it has been raised, and without wishing to pre-empt the findings of the scrutiny panel, there is a real issue about the status - legal and policy wise - of development briefs. Would he bring the House up to date as to where he is in regard to development briefs as nothing seems to be appearing in the objectives. Fourthly, Sir, how does the archaeologist relate to the archaeologist employed by the Jersey Heritage Trust. Is this duplication or could somehow we have supported theirs in some way to have achieved the same end? Fifthly, Sir, the very vexed question which he knows goes on and on and I know his department is trying to wrestle with it: agricultural sheds. Is a policy imminent in that regard? This has been around a long, long time and again I see no mention.

1.2.6 The Deputy of St. John:

It is just a couple of minor things I would like to ask the Minister. One in particular was, is any consideration being given for rezoning for sheltered housing specifically? I know that Deputy Power mentioned it earlier to the Housing Minister. I wonder if he could say something about that. Also, the Minister mentions, under resource and allocation on page 81, that there will be a reduction in staff in both enforcement and building control. Is this as a result of a reduction in bureaucracy particularly with regard to application for small items - minor works, signage, that sort of thing? If it is, I would be interested to know because, at the moment, there is still quite a lot involved in minor works and the like. Is that where your reduction in staffing is coming from? Thank you, Sir.

1.2.7 Senator J.L. Perchard:

The Minister has engaged the services of Hoskins as a planning supremo. Could he inform the Assembly as to who will be paying the bill for Hoskins and under what mechanism will he be extracting the necessary funding for paying of this architect other than the normal planning fees charged to an applicant?

1.2.8 Senator P.F.C. Ozouf:

Sir, should the Senator not have declared that he is a director of W.E.B. (Waterfront Enterprise Board) in asking that question and that is an issue which will have to be dealt with by W.E.B.? Should he not have declared that?

The Deputy Bailiff:

I do not think we know enough about it. The Minister will deal with it when he gets here. Deputy Duhamel.

1.2.9 Deputy R.C. Duhamel of St. Saviour:

I note that the House has yet to discuss the mineral strategy debate. It is not something that is itemised as something to be done in 2007 but I would ask the Minister to bear that in mind and to put it on his list of things to do to bring it to this House at the earliest opportunity.

The Deputy Bailiff:

Does any Member wish to speak?

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

Sorry, I was just gathering my thoughts. I was wondering if the Minister could clarify his position on what I will call the interior/spatial standards, essentially. Certainly some of the issues we have had with the St. Lawrence houses, as he is well aware, have been the bit classified as design of the house. I know from the exterior he is working on this very strongly but is he also making sure that the houses - specifically H2 style houses - are coming through which are designed for people to live rather than just to have a shelter under a roof, if you see what I mean. In other words, can we move away from the rabbit style of design that we are currently seeing?

The Deputy Bailiff:

Does any Member wish to speak? Very well. I call upon the Minister to reply.

1.2.11 Senator F.E. Cohen:

I will do my best to answer those questions. Deputy Fox asked whether we are giving proper regard to amenity space. Amenity space is a very important issue. It is very important in relation to amenity space to ensure that it does not just exist but that it is usable and I am working very hard in relation to the provision of amenity space on the Waterfront to provide, firstly, additional amenity space over what was in some quarters originally anticipated and, secondly, usable amenity space. It is important that amenity space reflects weather and that it can be used all the year around, and as far as youth provision is concerned on the Waterfront, we are already working directly on the provision of additional youth space theme. Deputy Scott Warren raised the question of the archaeology field officer. The archaeology field officer is something I committed to long before I was elected. Jersey Heritage Trust was very keen to promote the concept of an archaeology field officer. Ideally I would like to have a full-time field officer but, quite simply, we do not have the money for it. Therefore, what I have done is nothing short of cobbling together a few pounds from one element of the budget and a few pounds from another element of the budget to provide a small sum that is only enough to employ a part-time field officer on a consultancy basis. The idea will be that large scale developers will be expected to pay for their own archaeology, but small individual developments will come under the archaeology field officer, who clearly will have to prioritise very limited time. What I am hoping is that over a period of time, we will show the absolute necessity for a permanent archaeology field officer and that in time we will be able to convince the House that an appointment of a permanent archaeology field officer is essential. The other question Deputy Scott Warren raised was in relation to why was money not identified for third party appeals initially. I am afraid I do not know the answer but what I do know is that the Council of Ministers is absolutely committed to the implementation of third party appeals and we will be moving towards implementation of third party appeals in 2007. Senator Shenton raised the issue of the Water Resources Law and seemed to think that there was some inconsistency in the speech that I made a little earlier. Just to clarify the position, currently, as I think everyone knows, we are engaged in underground drilling which we hope will prove once and for all whether or not there are underground water links to France. It is only when we have the answer to that question that we will

be able to determine how we should be monitoring and managing our water resources, but as soon as the results of those tests are out, I do intend to move forward in adapting the Water Resources Law that was withdrawn earlier this year to meet whatever the outcome of those tests is. One thing I will make clear, the thresholds I do intend to increase very significantly. I consider that the thresholds in the old Law were too low. I am aware that Deputy Troy had tabled an amendment and I will be taking that into account in the preparation of a new Water Resources Law. Deputy Power raised also the question of third party appeals and when will the system begin. I think I have answered that - 2007. With regard to an independent third party appeals panel, I understand that this was rejected previously on cost grounds. I think we are where we are and we have to proceed on the presently proposed basis. He also suggested that we have a meeting, a combined meeting - with Housing on 'Design for Homes' and my response to that is what a jolly good idea and I will arrange that. I have already offered to discuss the issue of the 'Design for Homes' policies and how we get to the end of this with the Chairman of the Environment Scrutiny Panel. I am hoping that we will have a Scrutiny Panel meeting with the planning officers to try and resolve the issues. Deputy Le Hérisier raised the question of whether the exemptions will allow the substitution of plastic windows for wood. Well, I am sorry to tell him that I am firmly a wood man and I have reservations generally about plastic windows. There are certain situations where they are acceptable but I am certainly not going to be promoting a policy of swapping existing wooden windows for plastic windows. He raised the issue also of digital mapping. I have some concerns about the issue of digital mapping and how the programme is funded. It seems a strange concept to have, effectively, a commercial partner where the burden of further investment, from what I can see, seems to fall on the public purse and I have asked for a review of that and the Chief Officer has that in hand. Deputy Le Hérisier raised the issue of development briefs as well. I have concerns about development briefs to the extent that I have asked for advice from the Law Officers' Department to ensure that any development briefs in the future do not unreasonably bind the Planning Department and the Planning Minister. Development briefs have a function and a very useful function. Very clearly it is worthwhile that the developer knows what is likely to be expected. My concern is where the Planning Department has an intention of creating that atmosphere but that somehow or other turns into a development application that complies with a development brief that is far away from the intention of the Planning Department, and I want to make sure we are not locked into that situation. As far as a field archaeologist and relationship with Jersey Heritage Trust, let me assure the House that the field archaeologist, whoever he or she may be - and we have not advertised yet - will be working very closely with Jersey Heritage Trust. The Planning Department has a very close relationship with Jersey Heritage Trust through the functions that Heritage Trust provides for us under a service level agreement in relation to historic buildings. There will be an ongoing relationship between our field archaeologist and the archaeologist at Jersey Heritage Trust. Policy on agricultural sheds - yes, I am working on this. I have some ideas that I think are quite novel. We have not got very far. There is a great deal of work going on in the Planning Department in developing much needed policies. This is one of them and I will be reporting back to the House in the coming months on agricultural sheds. The Deputy of St. John raised the issue of sheltered housing. As the Housing Minister has made very clear this morning, there is an urgent, immediate demand for at least 400 social retirement houses for elderly people in the Island. I believe that the Planning Department has an absolute obligation to assist the Housing Minister in housing these members of our community who have given so much during their lives. I intend to do everything I possibly can to facilitate the Housing Minister's objectives in housing the retired people of the Island in an appropriate way as quickly as possible and will be doing everything to assist him in this endeavour. He also asked a question about reduction in staff in development control. I did not quite understand the question - my fault, not his - all I can say on this is that we are doing what we can to apply our limited resources to important planning matters. That means that the way we are addressing this is in many parts but the key will be these exemptions. Not only are we trying to reduce red tape with these exemptions but we are trying to remove the time burden from the Planning Department so that the officers can concentrate on more important issues. When you see

the list - we are still working on it - that we are going to publish shortly, I think you will see how we have tried to address that. Senator Perchard asked a question about who is paying for Hopkins. The Hopkins team have injected a whole new raft of ideas - some absolutely brilliant, into the Waterfront process. Some of the ideas are elegantly simplistic and some of them you look at and you think: "Why did I not think of that?" but without Hopkins we would not have achieved them and they are an absolutely essential part of the process. That deals with how we are going to pay for them which is the bigger problem. So far, when the Hopkins team have been blue sky thinking - i.e. they have been looking at the area from a distance - the Planning Department has been meeting the cost. This is very expensive for the Planning Department and we cannot afford to carry on doing that but we cannot ruin the Waterfront for the sake of, by comparison, a very small sum of money. So, I am seeking to put together a method for paying for Hopkins blue sky work as we move forward. The majority of the Hopkins work, once we have got past the blue sky work, will concentrate on advising on individual schemes and I have made it very clear to the Waterfront developers from the start that we will be expecting to recharge the Waterfront developers for the Hopkins costs. The department is presently working on a proper formula so that the developers will sign up to in order that we can ensure that the burden does not fall on the public purse. Do remember - and it is really important to appreciate this - that the Hopkins team have been appointed to provide architectural advice on the whole of the Waterfront. That means on every new building, every public space, every public realm, ranging from the Weighbridge right the way through to La Frigate. My intention is to retain Hopkins until the doors of the buildings are open. I do not want to be in a position where Hopkins, effectively, approve initial plans which later get done down and we end up with poor buildings. But it will be expensive. Deputy Duhamel raised the question of the mineral strategy. This is on my list but I am afraid I have not got a way forward on this yet, but as soon as I do so I will inform the House and I will update Deputy Duhamel on it at our next regular meeting. Deputy Le Fondré raised the question of interior space and the design of homes. This is a very important issue. There is great concern in the Island that houses – flats - are being approved with inadequately-sized rooms and this is something that cannot go on. I have some concerns about the current proposals in the 'Design for Homes' document and that is the reason why I intend to meet with Deputy Duhamel and the Environment Scrutiny Panel so that we can bring this forward and assure Islanders that homes in the future will have adequate space. Deputy Duhamel and I have very similar views on this and we will ensure that buildings are adequately designed in terms of room sizes. I hope that has answered all the questions.

The Deputy Bailiff:

Very well. All those in favour of adopting paragraph (a)(vii), kindly show. Those against. Paragraph (a)(vii) is adopted. We come next to paragraph (a)(viii), the Social Security Objectives. They will be proposed by the Minister, Senator Routier.

1.3 Senator P.F. Routier (The Minister for Social Security):

I have to say it gives me great pleasure to propose the Social Security objectives this year because it is going to be a really exciting year for the department. My stated aim and that of the department is to help people to achieve and maintain financial independence which of course extends to supporting those unable to support themselves. The objectives underlying this aim are to support people to achieve and maintain an acceptable standard of living. Also, to provide opportunities for higher skills and better employment, and help employers and employees to work well together for their mutual benefit, and the economy of the Island. For the department to deliver high quality services now and in the future. The business plan itself lays out what we shall be doing in 2007 to fulfil those objectives and I would like to perhaps draw Members' attention just to a few of those tasks. Whatever new initiatives we are pursuing, the day-to-day operations of the department have to be of utmost importance. In 2005, for instance, the department paid out in excess of £183 million

in benefits and pensions. The delivery of benefits to those that are entitled to them in the right amount and on time remains our chief objective, but as well as delivering those benefits, the department collects approximately £137 million of contributions in an efficient and cost-effective manner and with the highest standard of customer care. While that is our business as usual, the department never stands still and 2007 will be, as I said, an enormous year of change. Next year we will introduce the new income support system - a task that simply cannot be underestimated - pulling together the various social support mechanisms into a single transparent, equitable safety net. The draft law which Members have, which is a straightforward and flexible piece of enabling legislation, was lodged last month and we aim to debate this during next month. The detail of how the system will work is subject, of course, to consultation which will be published in a few weeks' time. I hope as many people as possible will take the opportunity to read the document and to feed back their opinions to us. The data collection that will be required for the modelling and the setting of rates will be carried out over the coming months and that will obviously be key to the proposals for the rates. Those rates and how the system will work will be lodged with the States in the form of Regulations in March of next year. The successful implementation of income support will be the major focus of the department for the coming year, but next year we will also see the development of the next phase of employment legislation. Now that the Employment Forum is wrapping up its consultation into redundancy and business transfer issues, it will be making proposals to me by the end of the year and the department will work upon law drafting through 2007. Towards the end of the year the Forum will also commence consultation into family friendly working practices. We also plan to take any action necessary as a result of the review currently being carried out by Professor Stafford of Nottingham University in respect of incapacity benefits. We will also develop modern health and safety Regulations for and with the construction industry. Importantly, we will be working closely with the Health and Social Services Department to develop the new direction for primary health care in the Island. Last, but by no means least, we will bring forward to the States, proposals for the winter fuel payment scheme and implement any scheme which the States approve in time for payments to be made for the winter of 2007/2008. We plan to do that after consideration and assessment of all options and by providing Members with plain, straightforward facts and funding requirements that Members will need to be able to make a rational and considered decision. While I have the opportunity, Sir, I would like to pay tribute and extend my thanks to the dedication of the staff of the department and in particular the previous controller, Anne Esterson, whose hard work, leadership and vision, developed the department into the modern customer-focussed and efficient service we have today, one that I am confident will be able to cope with the huge pressures facing it in the coming years. As I say, it is with a sense of great excitement and great pride that I propose our business objectives for the coming year.

The Deputy Bailiff:

Is it seconded? [**Seconded**] There is an amendment to those objectives in the name of Senator Shenton and I will ask the Greffier to read the amendment.

The Greffier of the States:

In paragraph (a)(viii), after the words "pages 94 and 95 of the annex" insert the words "accepting objective 1 on page 94 of the annex, for the words "winter fuel payment for pensioners introduced in 2007", substitute the words "agreement reached by the Council of Ministers on an appropriate reallocation of expenditure within existing States expenditure limits by February 2007 to fund a new winter fuel payment for pensioners with the scheme introduced by April 2007."

The Deputy Bailiff:

Chief Minister, this is a matter where you are bringing an amendment to this amendment. Is that right?

Senator F.H. Walker (The Chief Minister):

Yes, Sir, we are.

The Deputy Bailiff:

Senator Shenton.

1.3.1 Senator B.E. Shenton:

We are today, and yesterday, debating the business plan. The business plan was set by the Strategic Plan and yesterday I asked the Chief Minister the following question: Can the Chief Minister confirm that the Council of Ministers is charged with delivering the Strategic Plan as passed by the States Assembly and not altered in any way? The answer from the Chief Minister was emphatically: "Yes." The Council of Ministers is charged with delivering the Strategic Plan. Now, in most of the Strategic Plan, this is fairly straightforward because they wrote most of it and it was doing what they wanted to do. Here we have an amendment that clearly states: "Introduce in early 2007 - early 2007 - a winter fuel payment based on the U.K. system for all pensioners resident in Jersey." Now, the Council of Ministers were charged with delivering that and it seems to me that in terms of this new Ministerial government they have fallen at the first fence because they have made no attempt whatsoever to deliver what was decided by the States Assembly. This is not about the winter fuel allowance *per se* because we have not debated the winter fuel allowance yet, and the winter fuel allowance that is passed by the States Assembly may alter slightly from what I perceive it should be. What we are faced with here is a Council of Ministers that says that it is going to carry out what we ask it to do in the Strategic Plan and then blatantly refuse to do so. The reason that it blatantly refuse to do so is because it has gone off to its Chief Officers and the Chief Officers have said: "Oh no, we cannot do that. The timeframe is not right." Well, the Strategic Plan was passed months ago and they have done no work yet. I do not know how many people have seen the film *The Stepford Wives* where wives were brainwashed to do whatever their husbands wanted - a brilliant concept in my case - well, what we have ended up with is the Stepford Ministers. The Stepford Ministers that go off and do whatever their Chief Officers want and do not act as Ministers at all. So, the reason I have brought the amendment is simply because all the way through the strategic debate, the Chief Minister said: "We will do whatever the States Assembly ask us to do." The States Assembly have asked them to do something. They have not delivered. As a result of that, if we have a harsh winter, people will find it tough. Electricity bills have gone through the roof; oil prices are through the roof; gas bills are through the roof. It is very expensive to live in Jersey and it is getting more and more expensive, and yet this winter they will just have to grin and bear it because the Council of Ministers has failed to deliver. This is probably the first thing they have been asked to deliver outside what was regular within the plan and they have failed. So, I ask this House to accept this amendment, force the Council of Ministers to do what they should be doing and make sure that pensioners get a retrospective payment this April to cover their high heating costs. Thank you.

The Deputy Bailiff:

Is the amendment seconded? **[Seconded]** There is an amendment to the amendment and I will ask the Greffier to read that amendment.

The Greffier of the States:

For the words "by April 2007" substitute the words "by November 2007."

Senator F.H. Walker:

Can I ask that Senator Routier act as rapporteur on this amendment?

The Deputy Bailiff:

Very well. Senator Routier.

1.3.2 Senator P.F. Routier (Rapporteur):

Thank you, Sir. Firstly, I need to make it abundantly clear that the Council of Ministers and I want to introduce this winter fuel payment as soon as practical and we will. That is exactly what we will do. It is not because the Council is trying to backtrack on the decision of the Strategic Plan. We are charged to bring it forward but, simply, what is being asked of us in April is just unachievable. I hope I can take it for granted that Members want to introduce a scheme which is fit for purpose after due consideration of what all the options are and after a decision made by this House, and have all the facts available to them. I do not expect that if any Minister was to bring forward a proposition, without all that having taken place, that Scrutiny would allow that to happen, because that is what we would be facing if we try to put this through without the due process taking place. As I said, the Council of Ministers remains committed to the introduction of a winter fuel payment scheme in time for the claimants to be paid for winter of 2007. To reflect this strong commitment, we have decided, rather than oppose Senator Shenton's well-meaning - but I am afraid it is misguided and impractical - amendment, that we would seek to amend it to November 2007. Implementing a new scheme for November; even that will be a significant challenge for the department which already faces the enormous task of implementing the income support system next year. Members will see by the timetable contained in the report to the amendment that it is tight. Perhaps if Members would just like to go through the process in the report which explains what needs to happen to get a benefit into place. October of 2006: we are talking about the options going to the Council of Ministers; November 2006, the preferred option would be lodged with the States; January 2007 - because you have to leave a 6-week period, so we are into January - the proposition would be debated by the States. That is just the basic principles. Then, we have to get the law drafting done. That starts in January and we should have it back with the law drafting brief; then law drafting commences and we would be in a position to lodge a law in May. That is just plain, simple facts of the process, the things that need to happen. So, another 6-week period, July, then we have the debate of the Law. It goes off to Privy Council; it comes back and we can do the actual Regulations which should be fairly straightforward because we know all the details of that and the scheme can be introduced in November. These are not just imaginary things in which the Council has just failed to do any work. We have tried to do some work and it just does not stack up that we can get it in place for April of next year. That timetable does not even reflect all the work that has to go on within the departments, with the new computer system: to deliver it and get all the data together, also communicating with all the benefit recipients. All that has to go on as well, and of course there is staff training. Because I am not someone who just reacts to a bit of a poster on a wall if I can do things; things must be done and all those sorts of things, a bit of rhetoric going around in the report that has been attached to this amendment. I am a guy who likes to get on and do things and I do have a "can do" approach to deliver things. So, I try to think out of the box and try to achieve it in a different way and that was to think about perhaps attaching an additional payment to the Christmas Bonus scheme but, of course, that does not work, unfortunately. Firstly, if we were to attach something to the Christmas Bonus scheme, the Christmas Bonus is paid in November of 2007. So, that does not achieve any more than what we are suggesting, but the main reason for not using the Christmas Bonus scheme is because it delivers for different people than the Senator is wanting to do - to focus it on pensioners living in the Island - because the Christmas Bonus is also delivered to people who do not live in the Island. It is delivered to people who are on other benefits as well. So, unfortunately, it just does not stack-up. It pays it to millionaires as well and to people of all ages who have other benefits. If, for instance, the proposition - our amendment - was not successful and Senator Shenton's amendment was successful and the House agreed with it, if we were to give each person who currently receives a Christmas Bonus £200, for

instance, which is the U.K. fuel payment, that would cost £3.6 million. Even if it would be £50 it would cost over £900,000. When I think back to the original debate when we were talking about the amounts, I looked at the Hansard report of the debate, and if I may just quote some of the comments which Senator Shenton made. This is Senator Shenton: “Now, what I said in my proposition is that it should be based on the U.K. system. It does not say it should be equivalent to or have the same amounts of money. It should just be based on the UK system.” Of course, our benefit system does not relate anything like the U.K. benefit system. In the report, it goes on to say: ... It should be non-means tested with higher payments for people over 80.” ... So, even using the Christmas Bonus scheme, it would be difficult to achieve that as well. This is Senator Shenton again: “So, I was a little bit surprised, bearing in mind that the Council of Ministers does understand what a Strategic Plan is, that it should come back to me and say we cannot support this because of cost.” This is the important bit: “Well, I never said how much I wanted to pay pensioners. This was just a vision document. If we took it to a ridiculous level and paid pensioners £10, that would come to about £140,000 a year.” Those comments from Senator Shenton do make you wonder how we are going to proceed because I have met with Senator Shenton to discuss this matter and although he was saying we should reflect what happens in the U.K., the U.K. system starts from the age of 60 and we have discussed it quite openly and said: “Well, we think it should be 65” so there is a lot of detail to be worked through. I have to say that it does question some of the tactics that were used during that debate to get it through, to sway the House. I would say it is a debating tactic: some have said to me it is mischievous, but I would not go as far as that. As I said before, this is not a debate about whether we introduce a winter fuel payment scheme. We are committed to doing it. This is a choice between rushing through a scheme in a slap dash manner with no consideration of the consequences or whether we take a little time to think through our options and to come to a sensible, reasoned solution that achieves what Members and the public want. The Senator, quite rightly, commented about the fuel prices that have gone up even last year. We have got to a situation where we are just about to up-rate our pensions for this October. Of course, the pension up-rating is the earnings index. It is above cost of living. Of course, if it was just cost of living, that would have already reflected the winter fuel increases that happened last year so last year’s winter fuel increase will have been reflected in the indices already. But the increase that the pensioners will be getting will be above cost of living. It will be at 3.3 per cent as opposed to the 2.9 per cent, which is the cost of living increase. So, there is that differential being continued to be made. So, pensioners will be protected a bit more. Well, they are protected from last year’s increase, certainly, in winter fuel increases and the differential between the cost of living and the earnings index will also protect them a little bit more. As I say, we are committed to bringing forward a winter fuel allowance in an appropriate timescale. I would suggest to Members that we need to do this properly and I would ask Members to support the amendment.

The Deputy Bailiff:

Is the amendment seconded? **[Seconded]** Very well. Does any Member wish to speak on the amendment to the amendment? Deputy Scott Warren.

1.3.3 Deputy C.J. Scott Warren:

The question is a basic one. Will some senior citizens be feeling the cold this winter, 2006 to 2007? I believe the Council of Ministers must deal with this coming winter. Perhaps an advance payment at Christmas or early next year, but delayed legislation will not keep people warm. I am unhappy with this further delay, as you can obviously tell, and, therefore, I cannot support the Chief Minister’s amendment as it stands. Something must be done in the interim period. Thank you.

1.3.4 Deputy P.N. Troy

Deputy Scott Warren and Senator Shenton seem, in my opinion, to have made the same mistake, because Senator Shenton said he hoped there would be a retrospective payment in relation to this winter, which is 2006 winter. I believe that there are no funds allocated to making a retrospective payment at all. Perhaps the Treasury Minister might confirm that. So, I think, firstly, it has to be recognised by Members that there will not be a payment related to this winter unless the Treasury Minister has funds to release and I think that is an important point to make before everyone starts talking about the winter of 2006. If we do bring this in, in 2007, it must relate to the winter of 2007. The department and the Minister will make every effort to get this through the States in a timely fashion so that it can be introduced.

1.3.5 Senator M.E. Vibert:

I know people may have already written their speeches, but it seemed to me that Deputy Scott Warren quite rightly says what she says, but I hope she was listening to the Minister for Social Security when he gave, I thought, very cogent reasons why it would be an absolute mistake to rush in, produce something very bad, and then repent at leisure. Not at our leisure, if you like, but at the public's cost because we would be wasting money. Those of us who - and I unfortunately include myself in this now - have been in the States for some time can look back on previous States decisions which I had hoped we had grown out of, where we have acted impulsively, listened to the emotion of speakers: "Yes, we want to do this. Yes, let us introduce something" and then we spend years trying to claw back to a sensible position. How many Members here still believe the way we introduced the Mobility Transport Allowance was a good thing? That was rushed through on an amendment. We have wasted millions by not targeting the need, by rushing something through. Are we going to repeat the same mistakes by listening to emotional rhetoric that ignores the evidence, ignores the facts; and I would expect Scrutiny to be supporting the amendment to the amendment saying: "We really need to do this properly, not rush it, make a pig's ear of it" and then have to spend a load of taxpayer's money paying for it and spending years trying to get back to a sensible position. I hope Senator Shenton will accept the amendment to the amendment, because it is the only sensible thing to do and I hope States Members will see that we must do things properly, not just rushing and then spend taxpayers' money without doing it properly. We should not be even thinking of including it in the ChristmaP Bonus, which is the only way of doing it, because that just spreads it about and really would be giving it in large amounts to people for which I do not think any of us believe that would be targeted need. I believe in targeting need. We need to think it through; Members need the evidence. They need to see the different schemes that could be put through; they need to see how it would work; and you cannot do that, as Senator Routier outlined, in the timescale provided. Yes, we want to help people; we do not want anybody to go cold this coming winter without reasons. I believe, our social services and the parishes will ensure that will not happen. I do not think that just giving out money willy-nilly to all and sundry is going to solve that problem and I think we need to be a bit more grown up about it if we are going to introduce something like this. As the States have decided, let us do it properly. Let us not go back to the bad old days, vote on emotion, and then spend taxpayers' money and regret it and have to change it in the end.

1.3.6 Senator B.E. Shenton:

Maybe Senator Vibert would like to put it on the price of beer. The cost of living for pensioners is much higher than the cost of living as worked out by the index, but we are not talking about the winter fuel allowance here. We are talking about the business plan and we are talking about the Council of Ministers delivering the Strategic Plan and having the will to deliver the Strategic Plan. In answer to a question from Deputy Le Hérissier yesterday, Senator Walker said: "Where there is a will, a way will be found." It seems to me that the Council of Ministers is failing to carry out the tasks as set by the States Assembly. Now, either they carry out what the States Assembly require

them to carry out or they do not. They cannot pick and choose what they want to carry out. If the Minister had perhaps got his department to act on this a little bit quicker and had done some work 3 months ago when the thing went through, we would not be having this debate at all. It is the Minister's failure to say: "Right, the States Assembly want this; let us get cracking on it" that has caused this problem. The whole problem is down to the Council of Ministers and the Minister for Social Security. Because of them, we are going to have pensioners out there suffering hardship and cold this winter and that is why I have to reject the amendment, because the pensioners will suffer and because the Council of Ministers are not doing their job.

1.3.7 Deputy J.J. Huet:

I do believe I have got a social conscience or I like to think I have got one and when I look at the Connétables we have in the House, I have got great faith in those Connétables here. I believe those Connétables know their parishioners. I really do believe they know their parishioners. I am sure if they know that hardship is occurring in their Parish, they will be doing something about it already. St. Helier is and I cannot believe that the other Parishes are not doing exactly the same. I am not arguing for or against; I am just saying we must be very cautious how we go into this. We have agreed that it will be done - fine - but what is the saying that says something about jumping out of the frying pan into the fire? I remember the Transport Disability Allowance and it was a good thing and it was what was needed but we did not go into it the right way. Then, you can go to the Christmas Bonuses. I have got friends of mine that say to me quite bluntly: "Jac, I do not need it but it is paid into my bank account every year so I do not send it back" but they are dead blunt about it. They are saying they do not need it. Now, maybe I am too Jersey born and bred, I do not know, but I believe money should go where it is really needed. If somebody needs the money, you can give them more if you have not given the rest to somebody else that does not need it. That is what help and assistance is about. Help and assistance is not about giving money to everybody. I could give you all money. That is stupid. Help is about giving it to the people that really need it and to look after the people that really need it and that is what we should be aiming for. I am not arguing about giving it to them at all, Sir. Give it to the ones that need it. Do not let us be stupid and rush into something and then, again, another saying: "Live to regret it at a later stage" or whatever it is but I am sure you know what I mean. So, please, do put your thinking caps on and let us do this the right way. Thank you, Sir.

1.3.8 Connétable T.J. du Feu of St. Peter:

I think that the way forward and how to deal with it has clearly been seen in the content of the report to which Senator Routier outlined. Perhaps, just for the comfort of those that are concerned that these senior citizens have been forgotten about, I can assure you, far from it because month by month in - I am sure I can speak for all my colleagues in all the Parish halls - we discuss it at our meetings and from there assistance is certainly offered to anyone that is in need of that help to ensure that they do not suffer from the problems clearly that they could do.

The Deputy Bailiff:

Does any other member wish to speak? Deputy Gorst.

1.3.9 The Deputy of St. Clement:

Thank you, Sir. I was one, during this Strategic Plan, that supported Senator Shenton's amendment, I believe, much to his surprise. But what I voted for on that day was the principle of a winter fuel allowance for senior citizens. We did not necessarily discuss the detail of what that allowance would look like. Some argued in favour of a means tested allowance; some suggested that the best approach would be non-means tested. I think, the figures suggested were something like 60 per cent

of people would fall into a means test and therefore we needed not to make it means tested and we would cover everyone, and that way no one would fall through the net. Those arguments convinced me on that day to support Senator Shenton. However, I have long believed that legislation made on the hoof and not thought through is some of the worst legislation on any statute book anywhere in the world. I believe if we do not support the Chief Minister's amendment today that is what we will be doing. We have heard from the Minister of Social Security that there does not appear that there is any currently feasible option for making a payment this winter. I believe him. I look at his proposed timetable in the report and that, to me, seems reasonable, rational. It will give this House opportunity to consider all the options and ensure that the winter fuel payment to senior citizens that we approved in the Strategic Plan is the right one. Therefore, I will be supporting this amendment to say that winter fuel allowance will be in by November 2007 and I believe that this amendment will give us the opportunity to get it right which is always important with legislation. Thank you, Sir.

1.3.10 Deputy J.A. Martin:

I have listened to the arguments and I am really still not sure whether I might support the amendment. My problem is working along with the low income support; dates keep moving and moving backwards. Now, we have a very tight schedule here for introduction of the Regulations in November 2007 and if - and this is still an if - I can get from the Minister for Social Security, which probably has been discussed, a categorical assurance that monies will be ready in whatever form we decide and discuss in this House, for the winter of 2007, I may support this. But I want an assurance that even if law drafting and Regs are not made, somehow the people who need the money will get it. By then social security will be in a position because they will have introduced the low income support. I am very sorry; I do not agree with Deputy Huet - it is a nice concept that the Connétables know all their parishioners that are in need. Unfortunately, they do not. We have 3 very large urban Parishes and the Connétables would not even recognise their parishioners in those Parishes. I am very sorry. It is demographics and that. At least some of the Connétables are nodding with me - agreeing with me, I hope, when they are nodding and not saying I do not know anything as usual - but there we go, Sir. As I say, I am looking for absolute assurance that there will be some form of payment and this is not let to slip before I decide which way I vote. I can see the timing and I do understand but this was agreed; I have the Strategic Plan revised. I keep it in my desk, not like Senator Ozouf with his Plan which he carries around which is why one arm is now longer than the other, but he does assure me he carries it around every day. It does say introduce in early 2007, but if we are introducing it some time in 2007 and we are guaranteed, as I say again, Sir, that pensioners or those in need over 60 or whatever age, get the money somehow, I may support this amendment by the Council of Ministers. Thank you, Sir.

1.3.11 Senator T.A. Le Sueur:

There have been a couple of questions raised about the funding of this. Basically, this debate is not about funding, but I just wanted to reassure Members, and to reiterate what the Chief Minister has said on behalf of the Council of Ministers and which I equally endorse, that the Council of Ministers is committed to funding this scheme. The Council of Ministers is committed to delivering the will of the House, which was to introduce a winter fuel allowance, and that funding will be found for the 2007 winter and that will be simply something that has to be done. It is not a question of if or maybe. This is a commitment, which the House has given; it is a commitment, which the Council of Ministers has given. So, this debate today is not about money. It is purely about timing. The timing, as many Members have indicated, is that the reality of the situation is that we cannot bring in this legislation in a timescale that Senator Shenton suggests. Even if we had started and brought forward the options this month, we would still not be able to deliver. Even if you pushed this timescale back by 2 months, it might be by October or September 2007. That is the sort of

timescale we are talking about. So, really we have to be realistic about this. The date of April 2007 is unrealistic and unachievable. The date of November 2007 is a target which I think is achievable and which I am sure Members will hold the Council of Ministers and the Social Security Minister, in particular, to make sure that he does deliver by that date. But set targets which are achievable, Sir, and then it is up to us to make sure that they are achieved.

1.3.12 Deputy G.P. Southern:

I would urge my colleague on my right, Deputy Martin, to not, please, not be tempted to let the Council of Ministers off the hook on this one. As she correctly pointed out, the Strategic Plan 2006 to 2011, sixth amendment 2.25: "Introduce in early 2007 a winter fuel payment" et cetera, Introduce in early 2007. The proposer of the original amendment which is now being amended, Senator Shenton, clearly identified that they knew about this in July. So, let us just imagine the process it goes through in the minds of the Minister for Social Security or the Council of Ministers collectively. To start with, let us draw up a schedule for doing it properly. It reads: "October 2006" and ends in November 2007. Well, we could not possibly do that. It is going to take too long. The first question is why is the first date on there not July when the decision was taken, when this body instructed the Council of Ministers to get on with it? Why does that timetable not start in July? What is the thinking that has gone through their heads? The thinking is, I believe: "Let us have a look at that schedule. Oh, we could possibly do it by November. Phew, we do not have to do anything for 2006. That will save us a good deal of money. We can put it off until 2007. Nobody will notice. But we have noticed. Senator Shenton, quite rightly, is insisting that the Council of Ministers does deliver what this House instructs it to do. The clear intention of early 2007 was to compensate - from what I remember of the debate - for fuel price rises that are going on now, projected for this winter. The cost will be there this winter. So, instead of sitting back comfortably with a sigh of relief, as apparently they have done: "Well, we cannot do anything in 2007. Let us put it to one side. It will go away." Perhaps they should have said: "Well, hang on, let us have a look at the law drafting process. We cannot do the full works before November 2007, but we have got a system of delivering welfare. Let us get on with devising an interim scheme so that we can deliver some relief to our needy pensioners this winter or early 2007, this winter." We have got a system. As the Connétable of St. Peter pointed out, we have got a system for delivering welfare and support to our elderly. Why was the Minister for Social Security not immediately, in July, in contact with the Chairman of the Connétables' Committee, saying: "What can we get together to deliver something this year because the need is clearly there and identified?" Why have they not done that? That then, at least, would have met the need. The need was proven; this House was convinced by Deputy Shenton that there was a need, that it was an urgent need; it was an immediate need for this year, hence the date early 2007. Yet, apparently the Council of Ministers wants us to let them off the hook on this one and say: "There, there. We understand you cannot do anything for next year in any way, shape or form, so that is okay then." We are told time and time again, and we were told only yesterday, how the Chief Minister considers that this House is supreme and it is this House that instructs the Council of Ministers. Deputy Shenton is absolutely correct. The Council of Ministers is about to let this House down and should be held to account. I urge Members to reject the Chief Minister's amendment to this amendment.

1.3.13 Senator P.F.C. Ozouf:

The Assembly has been asked to let the Council of Ministers off the hook, says Deputy Southern. Well, let me tell Deputy Southern and those other Members, I was one of those Members who argued against the introduction of the fuel allowance, but as a Member of this Assembly and as a Minister, I accept the decision of the Assembly. That is why the Assembly can be reassured that not only has the Social Security Minister and his department got on with planning a properly implemented fuel allowance as set out in the timetable, but we have done more - and I will explain

what we have done in excess of that in a second. I do not like to be lectured by backbenchers about whether or not we should be listening **[Interruption]**, because what is the experience of other jurisdictions. Deputy Martin is absolutely right when she says to note the issues of the income support system. She is absolutely right when she says that timetables have, in some cases in some major policies, slipped. They slip because it is important to get them right. Deputy Martin, no doubt, will have read the U.K. press. She will be aware of initiatives put forward by the U.K. Government which then catastrophically fail because they are implemented without the appropriate systems, without the appropriate controls, and public money is wasted and people do not get the benefits that they are entitled to. That is what happens when people and when governments rush things and do not do things properly. The Assembly should bear that in mind when they are told, with honesty and with respect to Members, that the scheme needs to be done properly and it needs to be done on a timely basis. Deputy Martin is quite right to say that it must be done by November 2007 because the income support system will be in place and the Parish system, which is the interim solution. Whether or not it is perfect or not is debatable and Parishes and Connétables will be even more alert this winter because of the issue of the lack of the fuel allowance, I am sure, in the determination of their welfare payments, et cetera. The interim solution this year is for those in need because nobody in this Island needs to be freezing in their homes and not being able to pay for their fuel. That point needs to be made absolutely clear. The interim arrangement this year is the Parish solution. I just want to say to those Members who may think that the Council of Ministers does not respect a decision of the States: there are 2 other departments who are exceeding what this Assembly said in respect of fuel payments and fuel payment costs. My own department is now looking with the JCRA (Jersey Competition Regulatory Authority) at the whole competitiveness of the issue of fuel markets and energy markets. We are considering bringing forward early implementation of legislation to regulate energy providers in a way which has never been done before, which will give people further comfort because, effectively, lower prices and more competition is the same as having more money. I am sure that Deputy Martin and other people will welcome that initiative which is now well underway and I hope it will also coincide with the winter fuel allowance arrangements made for November of 2007. So, in fact, Senator Shenton should be saying that we have not only put about a plan - I am speaking through the Chair to Senator Shenton: I may be looking at him but I am talking to the Chair – he should be saying yes, he has achieved his objective of bringing forward a winter fuel allowance, but other departments are therefore turning their attention even more to the interests of consumers in relation to fuel markets. I have not even mentioned the work that is going on in the overall review of the energy markets which is being jointly done by the Minister for Planning and Environment with the Minister for Health and Social Services also involved. So, in fact, it is not only a winter fuel allowance that pensioners are going to get; I hope that they are going to get a better and more competitive energy market and lower prices and narrowing that differential for energy market prices which we know are in the U.K. Actually, I hope that for those reasons, and in addition to those reasons, this Assembly will support the Chief Minister's amendment.

1.3.14 Deputy G.C.L. Baudains:

Interesting comments. I note that Senator Ozouf does not like being lectured by backbenchers. I can assure him the feeling is mutual. Maybe I do not understand these amendments, but I read them as both delivering a winter fuel payment for pensioners during 2007, the only difference being that one delivers in April and the other in November. Perhaps somebody could explain to me if I have that wrong. It does occur to me that winter is normally December, January and February, the coldest months, so I am really not quite understanding the point of having a winter fuel payment ready by April, which is the beginning of summer. As long as it is in place by November, surely it will be there in time. Frankly, Sir, I cannot understand what all this fuss is about.

1.3.15 Deputy G.W.J. de Faye of St. Helier:

I really hesitate to prolong this debate, but not for long. It is a source of some surprise to me that when it seems quite clear to all in the Chamber that Senator Shenton has won the war, why he wants to stage a pitched battle over when the final outcome of proceedings is going to take place. I was an opponent of what I considered to be an entirely misguided proposition in the first place. I am all in favour of winter fuel allowances for those who need it, but I am not in favour of allowances that are based on arbitrary measures such as you reach a certain age and you come into an award of money. The awards of money make no consideration of the fact that you have got pots of money already. I think that it just shows the rushed nature of Senator Shenton's original proposition and I am delighted that some sense is prevailing and we will iron it out. Already, I understand, there are discussions between the Senator and the Social Security Department, so we hear already that perhaps the U.K. legislation was not as clever as we thought, and that perhaps their start point of 60 would be better replaced by a start point of 65. All this shows the value of taking a little time to work things out and make sure it comes into place properly. We have also heard from the Minister directly concerned that the timescale that is being requested is simply not achievable. Now, Ministers, I can assure all Members, do not wish to have themselves hung out to dry and exposed on this type of problem. Ministers want to get things done and it is the last thing any Minister wants to have to turn round and then tell the House that: "No, we cannot." So, only when faced with, effectively, the impossibility of a situation is a Minister going to come in and say: "We have looked at this, the department have gone through it, and this timescale is not achievable" and that is what we have been told. Now, I also listened with some incredulity to Deputy Southern, not for the first time, and heard him repeatedly tell us that the original proposition said that this was to be brought in, in early 2007. Well, I think, on the back of that, any reasonable thinking person would have accepted that that obviously meant there was no need to arrange for winter fuel allowances for 2006, but suddenly this morning we have heard that, in fact, Senator Shenton wants all these payments backdated. Well, I have to say, that is the first time I have heard that and if that is the case it would have been helpful if early indications were that the winter fuel allowance would be in place by late 2006, not early 2007, when I think everyone would have looked at it and said: "Well, that is a jolly good idea. We will have winter fuel allowances in place for Christmas time 2007", certainly what I thought. I hope Members will simply understand that there is no conspiracy of obfuscation and obstruction by the Council of Ministers in this amendment. All that is being said is that we generally agree with what is being requested by the States. We intend to implement it, but the implementation period being requested is just not doable; however it can absolutely and certainly be done by November 2007. Quite frankly, if we agree to this amendment, which I believe we should, that is it; done, dusted, case over. I simply remind Senator Shenton - because he is already the victor in this - that he would well serve his position if he accepted the Chief Minister's amendment and we can move on to more business.

1.3.16 Senator S Syvret:

I was quite torn as to which way I should vote in this debate and it is something that I have thought about and I have listened with interest to the contributions that have been made. I find myself in a similar position to Deputy Martin, in that I was, like Deputy Gorst, originally a supporter of this proposal. I think I was the only Minister - correct me if I am wrong - who voted in favour of the principle, but I do think there is a legitimate case to be made for making sure we get it right. After all, as has been pointed out by other speakers, we are talking about either April or further on in 2007. I think, as Deputy Baudains correctly remarked, that we are talking about either bringing the winter fuel allowance, in effect, in the spring of 2007 or bringing it, in effect, in time for the winter of 2007. I do think that that is a perfectly reasonable proposition. So, I certainly, on that basis, will be supporting the amendment of the Chief Minister. I am inclined to do so because of the assurances that have been given to the Assembly by the Minister for Social Security and the Connétables that nobody will suffer hardship in this forthcoming winter. I am persuaded very strongly and convinced by that. After all, Sir, it cannot be many occasions; indeed, it might even be

a unique occasion, when Deputy Baudains agrees with and is on the same side as Senator Ozouf, so I think we should take that as an indication.

The Deputy Bailiff:

Very well. Does any other Member wish to speak?

1.3.17 Connétable K.P. Vibert of St. Ouen:

I would just like to clarify what the position is at the moment because it has been mentioned, and Deputy Southern mentioned it. At the moment, there is a fuel allowance which is available to all people on welfare and it is calculated on a monthly basis. It is not calculated at the beginning of the winter and goes right through, it is calculated on a set scale and there is the ability within that to help people who have problems with fuel expenses through the winter. So, I can reassure Members that anybody who does suffer through the winter because of the cost of fuel can be helped through the present system. Now, I would like to just turn, if I may, to the amendment which Senator Shenton successfully passed through the Strategic Plan and I say that I also supported that. But I think that I supported it and probably did not realise the impact it might have if it was accepted purely on the wording of the amendment. I think that yesterday's discussions during the Home Affairs Minister's proposition point out that we have got to learn - this House has got to learn - that if it is going to make best use of the funds available to it, it must target the people who need it most. If we are going to improve the facilities at the prison, we need to make sure that we are not giving money to people who do not need it. I would rather see a fuel allowance scheme which paid a higher amount to those who do need it. **[Approbation]** The scheme which was proposed, and which I admit I supported, would mean that the people that are housed in the St. Ouen's Senior Citizens' Sheltered Housing Scheme - where within the rent they pay is the cost of their fuel; so they do not pay any extra for their fuel, whether it is a bad winter or a mild winter - would receive the same amount as someone who is having to pay out every week for the fuel they are using. So, I think that if this House is going to be seen by the public to be doing the right thing, we seriously need to look at how we target the assistance we give.

1.3.18 Deputy C.J. Scott Warren:

Can I ask for clarification from the last speaker? If we have a parishioner who was, say, just above the welfare limit but was having difficulty paying their fuel bill, would the Connétable be able to help them out or is it only the very, very low income people? Thank you.

The Connétable of St. Ouen:

The Connétable would be able to help anybody who is in genuine need.

The Deputy Bailiff:

Very well. Any other Member wish to speak? Then I call upon Senator Routier to **[Interruption]** I beg your pardon? Deputy Lewis, just in time.

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

[Laughter] I had great pleasure in seconding Senator Shenton's proposal on the fuel allowances. I am not going to lecture Ministers but I would like to give the opinion of the other side of government. Oil, electricity and gas are not necessarily going up next year, they have gone up now. I appreciate that the machinery has to be put in place but we need payments sooner rather than later or there will be some very cold pensioners this winter. Thank you, Sir.

The Deputy Bailiff:

Very well. I call upon Senator Routier to reply.

1.3.20 Senator P.F. Routier:

I hope and I believe from the debate that the issue with regard to the actual practicalities of getting it in place for this winter as opposed to next winter, I think, have been explained and accepted by most people. The process we need to go through to have a law in place which is sound and stands up to scrutiny does require the timetable that we have set out. It has been reassuring to hear not only from the Connétables but also from Deputy Southern that the Parishes are there to support people and to ensure that if they are in need, they can get additional help if they do need it. There is no need for anyone to be cold in their homes through lack of money because there is an existing system in place with the Connétables which will be replaced with income support in the coming year. But it has been good to have the reassurance of the Connétables who have spoken that they are prepared to help people for this coming winter if need be. Deputy Martin was asking for an absolute assurance that funds will be available for the scheme when it comes into place in November of 2007. We have heard from the Treasury Minister that money will be found; we have had an absolute reassurance from him that money will be found for that. So, there is no fear that the money will not be available to introduce it in November of next year. The timetable we have set out is that I will be coming back to the House with a formal proposition of the scheme in November and that will be the time when you can really have a go at me if I do not do that; I will be doing it. So, I look forward to your support at that time. I maintain the amendment, Sir.

The Deputy Bailiff:

The Appel is called then on the amendment of the Chief Minister to Senator Shenton's amendment, so the vote is pour or contre the amendment of the Chief Minister. The Greffier will open the voting.

POUR: 40

Senator S. Syvret
Senator F.H. Walker
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator T.J. Le Main
Senator F.E. Cohen
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Saviour
Connétable of St. Mary
Connétable of St. Peter
Connétable of St. Clement
Connétable of Trinity
Connétable of St. Lawrence
Connétable of Grouville
Connétable of St. Martin
Deputy R.C. Duhamel (S)
Deputy J.J. Huet (H)
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy P.N. Troy (B)

CONTRE: 5

Senator B.E. Shenton
Deputy C.J. Scott Warren (S)
Deputy G.P. Southern (H)
Deputy S. Pitman (H)
Deputy K.C. Lewis (S)

ABSTAIN: 0

Deputy R.G. Le Hérissier (S)
Deputy J.A. Martin (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy of Trinity
Deputy S.S.P.A. Power (B)
Deputy A.J.H. Maclean (H)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

The Deputy Bailiff:

Now, we return to the debate on Senator Shenton's amendment. Does any member wish to speak on that? Very well. You have no wish to reply Senator?

Senator B.E. Shenton:

No, thank you.

The Deputy Bailiff:

All those in favour of adopting Senator Shenton's amendment, kindly show? Those against? The amendment is adopted. So, then we return to the debate on the proposition paragraph (a)(viii) as proposed by Senator Routier, does any Member wish to speak on the objectives?

1.3.21 Deputy G.C.L. Baudains:

My reading of the new income support system means, if I understand it correctly, that those actively seeking employment will be able to seek benefit. In other words, my understanding of the new income support system is that it now includes unemployment benefit; something which the Island has previously avoided. So, I would like to ask the Minister how he considers this might increase the number of people registered as unemployed - because obviously, to claim benefit, one needs to be registered - and how much extra, in monetary terms, he expects the benefit may cost? A second issue, Sir, I would like him to explain how the £1.4 million in 2007 and the further £1.5 million in 2008 - awarded to meet the increased costs of welfare and residential care - plugs into the welfare and residential costs as paid for by the Parishes out of the rates?

The Deputy Bailiff:

Any other Member wish to speak?

1.3.22 Deputy R.G. Le Hérissier:

From time-to-time I have raised with both the Minister of ESS (Employment and Social Security) and the Health Minister the issue of long-term residential care insurance. Could he confirm, because it makes no appearance in the objectives, that his department is actively working on this

issue? Because we have a time bomb there as we well know and we should have looked at this years and years ago. Our Guernsey colleagues did look at it; they have a system - albeit with some imperfections - and I certainly hear Senator Syvret speak positively about that scheme. But please, please when will we have some action because we a looking at a long, long-term project here. Secondly, Sir, I find some of the objectives a bit vague - but by this point I had got a bit tired of a schoolmasterly approach of writing objectives - but what is the percentage reduction in benefit fraud he wishes to achieve, by way of example? Thirdly, Sir, although I was told by one of the Connétables yesterday that unemployment is - in terms of the overall employment situation in Jersey - not a vast issue, but, of course, we do not really know at the end of the day. Okay, it may be at the lower end but is he going to do anything about improving those, so-called, unemployment figures? Again, I see all this attention placed to retraining but retraining on what, putting his finger in the air and just assuming he has assessed the situation correctly? Sir, I would like, with the Minister, to commend the Controller; I did not agree with everything she did, and I occasionally collided with her, but I think she put through an immense programme of reform and needs to be praised for that.

The Deputy Bailiff:

Any other Member wish to speak?

1.3.23 Connétable D.F. Gray of St. Clement:

The Minister mentioned in his speech that income support Regulations would be introduced in March of next year. I wonder if it is still intended to institute the scheme itself in May and, if not, when does he envisage it will be introduced? Thank you.

1.3.24 Deputy J.A. Martin:

Yes, Sir. I am not going to answer the Minister's question for him but I think it has moved back to 1st June as I am scrutinising the Law. I would just like to say that we have worked very well with the Minister for Social Security on the sub-panel. Unfortunately, we have been frustrated with the movement of the actual amount that will be given to each component. Therefore, about the same time as you will be discussing the law, we are producing an interim report which will basically just focus on where we are now; the delivery of the income support and the Citizen's Fund and our already obvious concerns that we have about the budget and how some people will be winners and losers. All that I can say is that I do have grave concerns about the budget that has been proposed for income support; there has been a lot of assertions that on scrutinising - as I say, it will be more in the report - we have found that the research, possibly, has not been done, Sir, by Social Security. Scrutiny is doing this research which we are waiting to report back to Social Security, which is probably not the actual job that we should be doing. But we do not mind because we, as I say, have quite a good working relationship. We, on the Panel, all feel that a central system combining all the benefits, if they are worked out correctly ... unfortunately, with Social Security, they have had to now get the LTIA (Long Term Incapacity Allowance) assessed by Professor Stafford because it did not really meet their objectives. I would like to say at this point, if they had properly appointed somebody who knew what they were doing in social benefits, they may be a lot further forward and the gaping holes that we see, may not be there. But, as I say, I wish them well and be prepared that the budget may not cover everything that it is proposed to do. I looked forward to discussing the Regulations, which keep seem to be put off, and then we will know exactly what the system will pay out and who to, and who will be the unfortunate losers in the so-called new income support scheme. Thank you, Sir.

The Deputy Bailiff:

Does any other Member wish to speak? Very well. I call upon Senator Routier, the Minister, to reply.

1.3.25 Senator P.F. Routier:

Deputy Baudains asked about how the phrase in the income support system about actively seeking work was going to work within the system. Certainly, there will be an expectation that people are required to work unless they have specific needs; if they are over a certain age, if they have a disability, if they are caring, there will not be a requirement to work. But if there is no plain, simple reason that they cannot work, they will be expected to work. So, I think the Deputy has the impression, from the reading of it, that there was going to be an unemployment benefit as such; that is not the case. It is going to require more people to go out to work than probably is currently the case. So, I believe what we are putting forward is going to help the economy to a certain extent and more people are going to be into the workplace through the system. So, we do not see that there will be an additional cost involved in providing an unemployment benefit; that is not the way it is going to work at all. You asked the question about £1.4 million and £1.8 million which I think will come up later on when we talk about the actual figures. We are just talking about the general principles at the present time and I am quite happy to deal with that, Sir, at a later stage if you want to repeat ... **[Interruption]**

The Deputy Bailiff:

Through the chair, Minister.

Senator P.F. Routier:

Sorry, I do apologise.

The Deputy Bailiff:

Can I perhaps, for the benefit of all Members, remind Members why one speaks through the chair; it is not because the Chair necessarily is longing to be lectured, **[Laughter]** but it is part of parliamentary tradition and it also distances people from remarks which are made. In other words, during a parliamentary debate tempers can rise, feelings can get strong; this is part of parliamentary debate. But it helps to distance people by always speaking in the third-person. So, that is why one should always refer to the Minister or the Member or Senator X or Deputy Y. One should never refer to you. I would ask Members to try and remember that.

Senator P.F. Routier:

I appreciate that, Sir, and I am sorry for making the slip. I should know better after being in the States for a little while. Deputy Le Hérisser was asking about our plans for long-term health insurance schemes; that is certainly a piece of work that will come on-stream as soon as income support is finished. Obviously, our department is heavily involved in bringing forward income support. There has been a report already carried out - which was a couple of years ago now - which highlights all the areas; from memory I think it is R.C.69 of 2004. So, there is a document there which highlights all the areas and we know that is a major piece of work which needs to be carried out and which will start in the autumn of next year. The Deputy also asked about the percentage reduction in fraud; obviously, with the introduction of an income support system, bringing together all the benefit systems from around the Island, it is going to avoid the possibility of a member of the public going to one benefit provider and telling them one set of figures and going to another person and telling them another set of circumstances. So, it is going to bring that all together and there is just going to be the one application form and we are pretty sure that that will certainly help identify any areas where things like that have been going on in the past. So, with regard to a percentage figure; it is very difficult to put a percentage figure on it. We know that there are some areas which will identify those possibilities of reducing any fraud that may be around. The

concern - obviously following on from yesterday's questioning - about unemployment and what are we going to do? Well, as was mentioned yesterday, the Council of Ministers did have a mini conference on it a fortnight ago whereby all the Ministers discussed the issues about skills and how we are going to match the skills with what the business community want and the skills of the labour force within the island. As I said yesterday, there is that mismatch and all I can really say on that is that we are working very closely with our fellow Ministers to ensure that we do come up with a better situation than we currently have; because what we currently have is not working as well it could be. The training opportunities we provide directly; we do have a computer bureau within our department where people can come in and do computer training - the European Computer Driving Licence - to give them those skills and we help them with writing C.V.s and those basic skills. On top of that, we also have people who need additional support; we fund the Jersey Employment Trust who help people who have specific needs and additional needs to get into the work force. The Connétable of Grouville was enquiring about the timescale for income support **[Interruption]** oh, St. Clement, I do apologise; I knew it was on the south coast somewhere. **[Laughter]** The Connétable of St. Clement was enquiring about the income support timescale. We are currently going to be issuing a consultation document regarding the Regulations and the actual workings of the income support scheme; that will be happening within the next couple of weeks. That is going to help us to develop the regulations which will come later. Because we have got the Law debate on 10th October, then we will be writing to the Housing Department and the tenants asking for them to share their information with us so that we can have hard and fast details of the actual benefits they are currently receiving, and to explain to them the changes that are going to be happening in the next year or so. So, the draft Regulations themselves are going to be lodged in March and the Regulations will be debated in April and we will go live in June; that is the timescale that we are working to. Deputy Martin, who did answer that question for me - thank you for that - she has had close involvement with the Scrutiny Panel which is overseeing the work that we are doing. I share her view on the good relationship that we have and the good working relationship we have is, I think, an example to other Ministers that we can work really well with Scrutiny. Because we have come in right at the very beginning of setting up income support; we have involved the Scrutiny Panel, and it is working right through for the main law, the Regulations and I have to say, I feel it is working very, very well. Deputy Martin mentioned that she will be issuing an interim report on how they feel things are going and I look forward to receiving a copy of that. She did say that she had some grave concerns about the budget allocation; I have to say that there is an allocated budget for income support. There seems to be a thought from some people that a scheme will be developed and then we will have to find the money to pay for everything; I am afraid that is not the situation. We have set budgets to work to and that is how we have to approach this, I am afraid. We are having housing rebates money, Parish welfare money, educational grant money and our social security benefit money; that is all we have. Plus we have the additional money to cover for the GST (Goods and Services Tax), plus some amounts; £20 million over a number of years for the transition of the benefit system from one system to the other. This is just to provide the protection for people who would ordinarily be assessed at a lower rate. So, the Council of Ministers has given that additional £20 million to protect those people who would be assessed at a lower rate. So, I believe we are coming forward with a sound system; it is taking time but we want to get this right. It is a one-off chance of getting it right. I have to say, as I did at the opening of my speech, it is a really exciting thing to be doing and I think it is going to be really good for the people who are in need in the Island and I maintain the proposition. Thank you, Sir.

The Deputy Bailiff:

Very well then. All those in favour of adopting paragraph (a)(viii) kindly show? Those against? The objectives are adopted. We come then to paragraph (a)(ix) the Transport and Technical Services objectives and they are to be proposed by the Minister, Deputy de Faye.

1.4 Deputy G.W.J. de Faye (The Minister for Transport and Technical Services):

There was some discussion yesterday about a time period of 3 minutes. The Chief Minister, I know, is a seasoned politician and there are also very many veteran Members in the Chamber and he will know and they will know that 3 minutes is a long time in politics as I intend to demonstrate. **[Laughter]** I will, of course, be talking quite a lot of rubbish **[Laughter]** but I hope Members will bear with me. The main areas of operation for Transport and Technical Services are waste management, primarily at the sewerage treatment works and incinerator at Bellozanne and the composting and disposal operations at La Collette. Also, transport, with the exception of air and sea links and facilities; and infrastructure including drainage systems, gardens, parks, roads and sea defences. In addition to maintaining essential services the department has a number of key objectives for implementation in 2007. As a top priority, we want to continue to cut down on the amount of waste that has to be disposed of by promoting and facilitating recycling. In 2005 the recycling rate was 24 per cent; this year, assisted by a successful recycling partnership with the Parish of St. John, we expect to exceed our current target of 25 per cent. Our benchmark for 2007 is 27 per cent, which keeps us on track to achieve at least 32 per cent by 2009 as was approved by the States in the Solid Waste Strategy. However, I would remind Members that recycling schemes cost progressively more money and continuing positive results are putting pressure on our budget, which means that the £450,000 requirement identified in the Solid Waste Strategy for 2009 will be needed sooner if we are to maintain momentum. The establishment of a temporary reuse and recycling centre in early 2007 will be a major step forward to progressing a culture change in recycling. The facility will be located within the current Bellozanne complex until a permanent site is available at La Collette alongside the new energy from waste plant when that is commissioned. Unfortunately, in view of the ongoing debate in this House over the location of a new green waste composting facility, the original planned completion date of mid 2007 is no longer achievable; but that has now been revised to early 2008. Having gained approval from the House earlier this year to site the new energy from waste plant at La Collette to replace the current Bellozanne plant, we are now pushing ahead with that project. Environment and health impact assessments are being undertaken and the architectural design for the new plant has been referred to the planning and environment supremo Hopkins. A big milestone in 2007 will be to invite tenders for the plant. In respect of liquid waste, Transport and Technical Services' main role is ensuring that surface water and sewerage effluent is adequately treated to ensure that it is safe to put back into the environment. The department is regulated by the Planning and Environment Minister, a number of tolerant parameters are measured and the department has performed well on all but one of these. Ensuring that the drainage system to transport and treat the sewerage is adequate and well-maintained is vital to minimising the possibility of a pollution incident; the department undertakes condition surveys and works through a programme of planned maintenance. In early 2007 we intend to produce an updated liquid waste policy to provide direction for the future. This year, the States showed their commitment to ensuring that an adequate robustness is maintained in the infrastructure by approving an investment of £4.5 million from 2007 to 2009. Just over £2 million of this will be spent on roads resurfacing projects in 2007. This, together with £700,000 worth of revenue expenditure, will bring investment in line with the recommended whole-life cycle requirement and will help continue to bring the roads up to an acceptable standard which will mean less reactive maintenance - such as filling of potholes - will be required. However, I would emphasise to Members that we are in effect trading water; in other words, that sum of money will ensure that the roads' conditions will not continue to substantially deteriorate. However, it is not allowing us to improve substantially on road conditions. A lot of work has also been undertaken this year on the integrated Travel and Transport Plan; this will guide the future of traffic management in the Island

by promoting public transport and encouraging both cycling and walking in an effort to reduce the heavy reliance on the private car. Parking issues are currently being addressed within the Edaw St. Helier Regeneration Project and I expect recommendations for better provision and utilisation of public parking spaces in St. Helier will be forthcoming. The last couple of years have seen extensive improvement work on our sea defences in places such as St. Ouen's and St. Aubin's Bays. This programme, in line with the sea defence strategy, will continue in 2007 to ensure the integrity of our sea walls and minimise the possibility of breaches. Transport and Technical Services also operates quite a comprehensive cleaning service for the major roads, public toilets and many of the major public places in the Island; it tends to be one of those jobs that you only hear about when you get it wrong. It has been very gratifying to find out from the public this year, through the Jersey Annual Social Survey, how highly our services are rated. In 2006 staff joined the cleaning section from the Harbours Department and in 2007 there will be a review of cleaning services to allow full integration of those staff into Transport and Technical Services. In support of the States Strategic Plan the department will also continue to play its part in the upgrading of historic forts and towers around the Island - turning them into holiday accommodation - and a further 5 sites will be upgraded in 2007. In conclusion, the primary role of the recently integrated Driver and Vehicle Standards Department is to ensure that vehicles and drivers that use our roads are safe to do so. Road checks will continue to be carried out in conjunction with the Parishes as a way of monitoring and improving the basic requirements of road worthiness. Also, vehicles involved in accidents will continue to be inspected to see if defects were the cause. I have presented to you today only a high level plan for Transport and Technical Services in 2007, our departmental business plan will be providing much more detailed information about how we will be fulfilling those outlined objectives. So, I move the House accept sub-paragraph (a)(ix) of the business plan as subject to amendment.

The Deputy Bailiff:

Is that seconded? [**Seconded**] There is an Amendment 6 in the name of Deputy Le Hérissier and I will ask the Greffier to read the amendment.

The Greffier of the States:

In paragraph a(ix) after the words "pages 104 and 105 of the annex" insert the words "except that in objective 4 on page 104 of the annex." For the words "increased number of bus passengers", substitute the words "Public Transport Strategy presented to the Assembly by 30th June 2007 with all viable options identified and costed."

The Deputy Bailiff:

Chief Minister, is this one which you propose to accept?

Senator F.H. Walker:

Yes, it is, Sir.

1.4.1 Deputy R.G. Le Hérissier:

I will be brief. By my comments, it was obvious I was a bit worried that the Minister was doing it all - although he is very exercised by this issue and keeps fronting, I should say, some very commendable initiatives, Sir - without the context of a proper plan and it seemed to have drifted into the ether. But clearly this is exercising his mind and that of the Council so hopefully, this will go through quickly. Thank you.

The Deputy Bailiff:

Is the amendment seconded? [**Seconded**] Any Member wish to speak on the amendment?

1.4.2 Deputy G.W.J. de Faye:

Just very briefly, Sir, there was perhaps only one level of disappointment for me in the Deputy's amendment and that was that he deleted a key policy driver from my document which was the increase in the number of passengers. It is perhaps slightly ironic, in terms of the timing, because it was only yesterday that Connex announced their 10 millionth passenger that had taken to the buses and it was only the other week I received extremely encouraging figures that show that year-on-year up to this, the 12th period in year 4 of Connex's operations, we have increased the number of passengers on our local buses by 108,000 in the last year. So, I hope the Deputy will forgive me if I do say to Members that while this key policy driver has been deleted, I will still have it in my mind to look at the value of increasing the number of passengers on our buses. I look forward, in due course, to having a comprehensive debate with the Deputy about just what sustainability means as well as any other details that emerge from the forthcoming strategy.

The Deputy Bailiff:

Any other Member wish to speak?

1.4.3 Deputy P.N. Troy:

Deputy Le Hérissier quite rightly points out that the previous transport strategy was withdrawn and he is now looking at a public transport strategy coming back to the Assembly. Perhaps, Sir, I should address this later on to the Minister but in reality the whole strategy needs to come back to the Assembly and not just one section of it, and that is the point that I would make, Sir.

The Deputy Bailiff:

Does any other Member wish to speak? I call upon Deputy Le Hérissier to reply.

1.4.4 Deputy R.G. Le Hérissier:

Yes, I thank the Minister. But of course, that is an integral part of any strategy to put these figures in, so it will come through in that event. Deputy Troy, Sir, is absolutely correct, I should have included the whole lot and I think that is included in the re-working of my amendment, so to speak, and that is expected, and I think the Minister understands that. Thank you, Sir.

The Deputy Bailiff:

All those in favour of adopting Deputy Le Hérissier's amendment, kindly show? Those against? The amendment is adopted. So, we now return to the debate on the objectives as amended. Any other Member wish to speak?

1.4.5 Deputy C.J. Scott Warren:

As a former member of the Public Services Committee, albeit a long time ago, I totally support the ongoing programme to improve the condition of our roads. I want to ask the Minister whether the Travel and Transport Plan will include the resources to continue with the very worthy initiatives for the safer routes to schools? Thank you.

1.4.6 Deputy P.N. Troy:

Sir, I would like to ask the Minister for official confirmation as to when he expects to bring the whole transport strategy back to the States?

1.4.7 Deputy R.G. Le Hérissier:

I have been in correspondence with the Minister on the issue of the extension of drains and I understand, Sir, that even minor extensions for people who are isolated in the countryside now, there is absolutely no further money. He has very kindly answered this in a private exchange but I wonder, Sir, if he could confirm that, and what solace he can give to people who now find themselves, for example, stranded in the middle between 2 sets of pipes so to speak. I had not realised, Sir, until I investigated this, just how dire the situation was. So, I would be most obliged if he could mention that. The other issue, Sir, although he has made a public pronouncement that he will never, ever speak in public again on the issue of speed limits, **[Laughter]** I wonder if in a moment of intemperance, he could tell us whether the plan to rationalise speed limits is indeed on the way. I think people get lobbied about speed limits in different parts of the Parish and there seems to be this great bureaucratic system which is meant to come into place but it now seems to have gone underground. So, I wonder if the Minister could assure us that positive work is being done and that there can be quick solutions perhaps, for what seems to have become a bit of a bureaucratic circus. Thank you, Sir.

The Deputy Bailiff:

Any other member wish to speak?

1.4.8 Deputy D.W. Mezbourian of St. Lawrence:

he Minister stated that vehicles involved in an accident would be inspected and I would like the Minister to advise the House, Sir, whether vehicles that are part of a fleet and are found to be defective, a check is instituted on the fleet in which they belong, Sir. Thank you.

The Deputy Bailiff:

Any other Member wish to speak? Very well. call upon the Minister to reply.

1.4.9 Deputy S. Pitman:

I would like to know in the Minister's strategy for recycling whether or not he will be increasing the amount of depots for recycling and also placing them in more accessible places? Thank you.

The Deputy Bailiff:

Any other Member wish to speak? I call upon the Minister to reply.

1.4.10 Deputy G.W.J. de Faye:

I am very grateful to Deputy Scott Warren for her support about our roads programme. I have to say, despite the odd hiccup, our first major project at Queen's Road has gone remarkably well thanks to an awful lot of forward planning that went into it and the new approach to how we are signing diversions. I do not know whether it is a first or not but I am very happy and proud to announce that the department has received fan mail. **[Laughter]** A modest handful of letters have come in praising how the works have gone, thanking the contractors and thanking the department for how chaos and horror was expected but how everything went jolly smoothly in the end. So, that has been very reassuring; touch wood. I can also assure the Deputy that, yes, safer routes to schools are very much in our minds. The prototype route at St. Martin's School has been a tremendous success and we are looking at other schemes. **[Interruption]** Oh, the Deputy from St. Martin indicates it has not been a tremendous success. Well, there we go; that is not the information I have but I will take it up with the Deputy in due course. In respect to Deputy Troy, of course, one of the reasons I was able to so happily accept Deputy Le Hérisier's amendment is that we have established a level of understanding that we have a common ground and when we say sustainable

travel and transport strategy, we mean public transport strategy. In fact, we also mean integrated travel and transport strategy. So, we are establishing a level of common ground here and I am very much hoping that that will be presented to the States by the end of the year. I am also pleased to say that we already have, to some extent, pretty well fully costed a new bus routing structure and I hope to have - and hopefully in co-operation with Scrutiny - perhaps an even more radicalised approach to our bus routing and structure in due course. But we have one up our sleeves already. To continue with Deputy Le Hérissier on drains extensions; I am sorry to say this is an unfortunate and difficult subject. The House and longer serving Members will know this has reached the “old chestnut” level but it is difficult with budgets. Our budget constraints are such that we are having to devote our attentions to maintaining the existing drainage system in order to ensure that it is properly functional. Otherwise, we end up with debilitating costs when actual collapses and so on occur; which is much more expensive than maintenance. This means that we are simply not in the position to entertain any further serious extension work and I realise this is extremely frustrating for members of the public. I am confronted with exchanges with them on numerous occasions and I regret to say, even offers of: “We will go 50/50 on it” simply cannot be entertained; the budgets will not run to this sort of thing. Also, we cannot change those priorities that currently exist for extensions that are being held in abeyance to go off into other directions on private initiatives. It is a difficult situation and is, in many respects, being made to some degree worse, by the new planning restrictions that say, quite rightly in environmental terms, that if you are putting extensions to your properties and you have been on soakaway systems, that you will now be expected to move to tight tanks. I regret to say that even though our tight tanker emptying operation is, to a very large extent, quite heavily subsidised there are many householders out there who have made extensions to their property and now face quite substantial bills for having their tight tanks emptied. This is a difficult problem but as I have indicated, my department will be moving towards producing a liquid waste strategy and I hope that we will find ways of addressing it. But it is not, as I have indicated, a problem limited to the realm of my department only; there are planning implications in this as well as a number of other factors. So, I will certainly be calling on the help and assistance of other Members to see how we may address this really quite difficult problem. Speed limits; well, there are a number of issues here, not least of which is: “Do speed limits work, as opposed to, say, physical restrictions in the road itself such as speed humps?” This is a matter of some internal debate but we certainly, among other things, intend to press ahead. As soon as possible we are introducing speed limits around schools on a - as it were - temporary basis. In other words a flashing light system that means that a speed limit can be introduced at appropriate times of school functioning but may effectively be lifted on occasions in the evening or weekends when there is no requirement. I cannot answer Deputy Mezbourian’s question in detail because while I am aware our inspectors do check vehicles after accidents for defects, I simply do not know whether, if we do find a defect in a fleet vehicle, whether we then go on to checking the entire fleet. I will have to ask the Deputy to bear with me while I check with the department to see what our process is on that matter. Finally, yes, I can assure Deputy Pitman that following quite useful preliminary discussions with our Environmental Scrutiny Panel, who have contributed some very useful ideas, we are looking at increasing the number of recycling sites - I think she used the word “depots” but perhaps I will stick to sites - in the Island. We understand that there are ways of making the recycling of various elements easier to do to cut down on traffic rides and that will be part of how we roll forward with our recycling facilities in the future. I move the proposition, Sir.

Deputy C.F. Labey of Grouville:

Sir, could I just ask the question because I do not believe that Deputy de Faye answered Deputy Le Hérissier’s question about speed limits?

The Deputy Bailiff:

Well, I think that is a matter for Deputy Le Hérissier to answer. You did not speak in the debate, Deputy. We cannot have other Deputies popping up after the debate is over. So, if Deputy Le Hérissier ...

The Deputy of Grouville:

Well, Sir, I did not speak because he has asked the question and it has not been answered.

The Deputy Bailiff:

Well, then it is up to Deputy Hérissier, I think, to press the point

Deputy R.G. Le Hérissier:

Well, I was trying to be kind with the approach of the lunch hour, Sir. Sir, could the Minister, please, (a) answer my questions as posed and (b) say whether he is in discussion with the Parishes - as I was trying to ask - and that they will imminently be told, or that negotiations will imminently take place, on rationalising speed limits?

Deputy G.W.J. de Faye:

Yes, Sir, it is certainly my intention to rationalise speed limits and how they are applied. I think it is quite important that a level of consistency is shown throughout the Island and I do have a level of concern about how distracting it might be for drivers when faced with varying speed limits. There are certain stretches of road on the Island which can be quite confusing for drivers to know precisely what speed they are supposed to be driving at. Of course, all this will be fully consulted with the Connétables because, as I am sure everyone realises in the Chamber, the Connétables have particular power and authority over their own Parish roads and work in conjunctions with very wise men and women who form their Roads Committees.

The Deputy Bailiff:

Very well. All those in favour of adopting paragraph (a)(ix) kindly show? Those against? Paragraph (a)(ix) is adopted. We then come to paragraph (a)(x) the Treasury and Resources objectives to be proposed by the Minister, Senator Le Sueur.

1.5 Senator T.A. Le Sueur:

Thank you, Sir. Although there are 4 key objectives in the annex, my main focus at the present time, has to be that of delivering the fiscal strategy on time. The 2 main strands in that respect are firstly, Goods and Services Tax and, secondly, the amendments to the Income Tax Law required to implement and cope with a move to 'Zero 10'. I say it is the most important because it is critical from a time factor; unless we can achieve that timetable and stick to it, then all the other objectives - both within the Strategic Plan and business plan - are put at serious risk because of lack of funding. To those who felt at the time that we were debating the fiscal strategy too early, all I can say now is: "See how important that timing was?" There has been an important amount of detail to work through and the deadline for implementation is approaching all too rapidly. We have however, had widespread consultations and great assistance from the Corporate Affairs Scrutiny Panel so I am confident that when we do come forward those proposals will be well thought through and considered. But as well as the tax initiatives my department has to carry out these 4 functions and build on these; particularly in respect of the accounting systems and the need to develop those in order to be more accountable to other Members of the States and members of the public as a whole. So, I am happy that we are moving towards GAAP (General Accepted Accounting Principles) compliance because that will enable us to move on to the next stage of enhancements suggested by Deputy of St. Ouen in his amendments. I am happy to confirm that I will be accepting these amendments because I think they are in the best interests of the States; I will

work with the Deputy and the Public Accounts Committee in order to deliver that in an orderly way. This year has seen a new facet in the Treasury Resources function with the transfer of responsibility for property and the creation of a Property Holdings Division. That is still in its early days and is building on what was agreed last year in Projet 93, and there is a specific paragraph in the business plan dealing with property matters so I am not going to talk about them in detail now. But, in fact, I will also say that I am prepared to accept the amendment from Deputy Ferguson but we will defer that discussion until a later date when we have got more information. But, clearly, the objectives of the Property Division are to make the States run in a more efficient and effective way. As well as doing this work load, there is an internal restructuring within the whole States organisation aimed at rationalising the financial function across the States; that is going well and on target to save over £1 million by next year and every year thereafter from the Finance function. I think that that is a tremendous example of how the States can deliver things in a more efficient way but also in a way which makes departments more joined up and ensures that they are thinking the same way as well as acting the same way. So, there are more details within the objectives if anyone wants to ask questions but at the moment, I am prepared to leave it that, Sir, and propose the objectives on those 2 pages.

The Deputy Bailiff:

Seconded? [**Seconded**] Now, in this case there are 4 amendments from the Deputy of St. Ouen. They are all accepted as I understand it. Deputy, are you happy that they should all be taken at once?

Deputy J.G. Reed of St. Ouen:

Yes, Sir.

The Deputy Bailiff:

Yes. In that case, I will ask the Greffier to read the amendments. Unless you want to take them as read? No, we had better read them. [**Laughter**]

The Greffier of the States:

In paragraph (a)(x) after the words “pages 114 and 115 of the annex” insert the words “except that (1) in objective 1 on page 115 of the annex.” Then after the words “strategic reserve” in the last performance success indicator insert the words “and submitted to the States for approval in 2007.” (2) After objective 1 insert the following new objective and associated performance success criteria and renumber subsequent objectives accordingly. New objective 2: “Managing the States Finances. Performance success criteria; clear financial targets by which performance can be monitored/developed. Improved financial reporting systems and performance measures developed in conjunction with the Comptroller and Auditor General and the Public Accounts Committee. Revenue consequences of all capital projects in the legislation programme fully quantified prior to approval by the States. Whole of life costing for all capital projects implemented.” (3) In objective 3, on page 115 of the annex, after the existing performance success criteria, insert the following new item: “An asset register for all States property which shows initial costs, depreciation and replacement value created.” (4) In objective 4, on page 115 of the annex, after the existing performance success criteria, insert the following new items: “Efficiency statements and use of resource statement introduced to assess departmental performance” and “Resource accounting implemented by 2008.”

1.5.1 The Deputy of St. Ouen:

Amendment (2)(i) simply places a timeframe on the development of a policy for the Strategic Reserve. I am pleased to note that the Council of Ministers not only believes that the development of a policy for the newly created Stabilisation Fund is intrinsically linked to developing a clear policy for the Strategic Reserve but that the new policy can be achieved in 2007 and I look forward to seeing it. Amendment (2)(ii); this, in my view, is the most important amendment as it highlights the fact that one of the main objectives of the Treasury Department is to manage the States finances. Over a number of years, the requirement for improved financial control over the States finances has been raised by both the Public Accounts Committee and, in fact, the Audit Commission as well as the States Auditors. Timely, accurate and reliable information is required if one is to avoid a potentially adverse impact on the decision-making process carried out by management. The setting of clear financial targets, including those for individual departments, will encourage ownership by those departments of their individual balance sheets; this in turn, will ensure that all items are accounted for correctly and improve the overall reliability of end of year results. Systems such as JDEdwards and the issuing of financial directions are all very well but unless one has complete compliance then the information gathered will not be complete. I have also included 2 other performance or success criteria. In the first, I have included the involvement of the Public Accounts Committee and the Comptroller and Auditor General in developing improved financial reporting systems and performance measures. We have a great opportunity to take advantage of the knowledge that exists locally and it is my belief that we should not miss this opportunity. It is also the case that both the Public Accounts Committee and the Comptroller and Auditor General desire to see improvements in the States financial controls and I am sure that this will follow with its partnership with the Treasury. The Council of Ministers' report points to the performance and financial targets which will be incorporated in the balanced scorecard reporting mechanism as detailed in section 9 of the annex. Most of the performance measures included are relatively high-level, whereas what is also required is detailed information on the delivery of individual services and whether they are providing value for money. Only once this information is available will we, as Members of the States, be able to properly demonstrate the effectiveness of our public service to the general public. Individual reviews carried out by the Comptroller and Auditor General, on specific areas of States activity, will be useful. However, what is even more important is to perpetuate a culture throughout the States that clearly, and openly, demonstrates how taxpayers' monies are being spent. The last 2 performance measures in this particular amendment are that revenue consequences, or capital projects and the legislation programme, are fully quantified prior to States approval and that whole life costings for all capital projects be implemented. The Council of Ministers in its report suggests that, in relation to capital works, this is already being done. However, it accepts that the process requires refining. In practice, this can be demonstrated by the fact that presently no account is taken of what happens to the redundant school building when we build a new school, for example. One only needs to look at the current bland statements that are made under each of the capital projects, to realise that there is scope for improvement. Furthermore, if this Assembly is to evaluate any proposed capital investment, all the relevant information should be provided in order to make a considered and informed judgment. Regarding the legislation programme: in my view this still leaves a lot to be desired. The report claims that the programme for 2007, contained in this document, includes a commentary on the likely revenue and manpower impact of each item. It also goes on to say that this information assures that Members are fully aware of such consequences when considering the programme. All I can say is that I wish I had as much confidence as they do. I will not dwell on this subject, as I am sure that this subject will be discussed later at the relevant moment. Needless to say, this performance measure - in my view - is extremely important and necessary, if we are to see an overall improvement in how we determine the ongoing revenue consequences of the legislation programme. Amendment 2(iii): this performance measure is based around the need to have an asset register for all States property, which shows initial costs, depreciation and replacement value. I am pleased to see that development of such a register is in hand. However, it obviously is not complete as we are still 'guesstimating' values included under the heading of "Interest and repayment of

capital debt.” Currently, interest and repayments on capital debt is a paper figure, which tries to show the cost of the replacement of property. The reason for this estimated figure is that the States currently do not have an accurate property register. I, therefore, look forward to this changing in the not too distant future. Finally, amendment 2(iv): efficiency and use of resource statements have recently been introduced by the U.K. Audit Commission, requiring the authority to provide these statements which are then considered by the auditors. These additional processes are designed to work alongside the present benchmarking process, which has been recently introduced locally as a corporate management tool. The main aim is to focus predominantly upon States-wide performance improvement, as well as all resourcing requirements on an ongoing basis. As part of this process, assessments of departmental performance will play a part in providing an effective tool for continuous performance improvement and resource allocation. With all financial processes, the over-riding importance is the quality of the information and this cannot be stressed in the way it is presented. So, I am pleased to see that the Council of Ministers is committed, with the Treasury Minister, to produce a 2007 account in accordance with GAAP. This should eventually help to provide detailed information in a clear and transparent manner that can be clearly understood. In the meantime, the Treasury Department will be able to develop and introduce these new tools to improve departmental performance and overall management of the States finance and I, therefore, propose these amendments. Thank you.

The Deputy Bailiff:

Is the amendment seconded? [**Seconded**]

Senator S. Syvret:

I wondered if now might be an opportune moment to propose the adjournment? It is now 12.45 p.m.

The Deputy Bailiff:

Does any Member want to see whether anyone wants to speak on the amendments or not? Does anyone want to speak on the amendments?

Deputy R.G. Le Hérissier:

Just to thank Deputy Reed, Sir. He does a wonderful job in that area. He is very persistent and very tenacious and I think it is very self-evident what he is putting forward. Thank you.

The Deputy Bailiff:

Does anyone else wish to speak? Very well, all those in favour of adopting the amendments kindly show. Those against. The amendments are adopted.

Senator S. Syvret:

Before we adjourn, could I perhaps ask that Members give some thought over the lunchtime adjournment to what we do if we do not complete the business on the agenda? It seems quite clear the business plan is going to take the rest of the day, at least. There are still a number of other items on the agenda. It seems to me that there are 3 options: we could come back tomorrow, but I understand that would be problematic for a number of Scrutiny Panels and other Members; we could come back next Tuesday; or we could leave over business until the next scheduled States sitting. So, I would just like to hear some views over lunchtime.

Senator M.E. Vibert:

My understanding is that previously we had agreed we would sit for as long as it took and we would come back tomorrow, the third day. That is what I had written down.

The Deputy Bailiff:

I will just check with the Greffier, certainly, that was my understanding. Yes, Senator, I think that was what was agreed before. Certainly for 3 days. I am not sure if any decision was taken on Friday, but I think Thursday was put in people's diaries.

The Deputy of St. Martin:

My amendment, Sir, and I am pleased to see that we should continue to Thursday.

The Deputy Bailiff:

Very well. So, we will adjourn until 2.15 p.m.

LUNCHTIME ADJOURNMENT

The Deputy Bailiff:

I understand we are not in quorate yet, could you round up the Members? Right. We are now in quorate. Then we return to the debate on the objectives of Treasury and Resources, the amendments having been adopted the matter is open for debate. Does any Member wish to speak? Deputy Le Hérissier.

1.5.2 Deputy R.G. Le Hérissier:

There is no doubt the Corporate Supplies Department seems to have more comebacks than Frank Sinatra. It seems to come back in various incarnations. I thought, Sir, it had disappeared and that the big players, like Health, had taken back their supplies function and there was some kind of transitional arrangement in place. But we now have, Sir, a Strategic Procurement Director, which obviously gives the job a totally different flavour. Whether that means she is able to order pencils in greater quantities than the previous holder, thereby making it strategic, I do not know. What I would like to know, Sir, from the Treasury Minister - while I applaud the initiative - is there or is there not a Corporate Supplies Department, and is the sum of money he has put down as a net saving including or excluding the cost of that department? Are we now back to centralised supplies? Thank you, Sir.

The Deputy Bailiff:

Does any other Member wish to speak?

1.5.3 Deputy P.J.D. Ryan of St. Helier:

I was very pleased to see that Deputy Reed's amendment on the use of the Strategic Reserve has been passed. I think that is important because in the past, we have had a situation where there have been certain people arguing - and I think there is some merit in the argument, some merit - that without absolute clarity on what the Strategic Reserve might be for what is its use? What is it to be used for? Now, we know that it is there for a rainy day fund. We know when it might be used but there has still been a certain amount of a lack of clarity on, really, will that day ever come? If it never comes why have we got £500 million-odd - you know whatever the latest figure is - stashed or squirreled away? What is it for? think that some work certainly needs to be done to try and focus the edges on our understanding of what that Strategic Reserve is for. But that leads me on to another point that Members will recall from the Strategic Plan debate, what we now have - and I

see it is in the Treasury Minister's work programme - is work on a new Stabilisation Reserve Fund. I think, harking back if I can for a moment to the Strategic Plan debate, a lot of things were said there about what its use would be for. I think, again, it is very important that we do, quite urgently, discover what exactly this Stabilisation Reserve Fund - which will be created, to remind Members, out of the Dwelling Houses Loan Fund - what are we going to use it for. I can see a situation in the future where this Assembly and the Treasury and Resources Minister, whoever he or she is in the future, one of the most fundamental things that they are going to be doing and having debates on - and perhaps quite interesting debate - is going to be on: "Are the conditions right for releasing funds from that Stabilisation Fund now or are they not?" I am sure that that is going to be quite a political, shall we say, "bun fight" if that is the right word, in the future; the use of a Stabilisation Fund, whether the conditions are right to release money, whether we should be running in deficit because the economic climate is such that we are in recession. All of those kinds of areas are going to be very important. I am very pleased to see that the Treasury Minister is putting some resource and officer time into discovering that, as was agreed in fact in the Strategic Plan. I would like to turn just for a second to a couple of Scrutiny reviews that we are currently doing: 2 very large and complicated ones with the timescales quite difficult, as the Treasury Minister has already referred to. The timescales and the work programme for both GST and for 'Zero 10' are quite time critical. To start with we, indeed, as a Scrutiny Panel, were of the opinion: "Well, does it have to be that fast?" But I think I can say and support the Treasury Minister now that we have had evidence to suggest that - certainly for businesses and the implementation of GST and the work they need to do - that needs to be got on with as quickly as possible. So, certainly as a Scrutiny Panel, we would support the Minister's view that we need to try and stick to the timetables as far as we can. It has been complicated to some degree in that Senator Syvret's proposition - I cannot remember the number but to do with exemptions - is going to be a critical debate. My Panel intends to inform the States Assembly, and each individual Member, with perhaps an interim report on the question of zero ratings and exemptions to do with GST, in time for the debate on Senator Syvret's proposition. I think that will be helpful but it will not be the full report on the new GST law and implications because simply time may not allow us to do that. It will have to be followed with a full report fairly quickly afterwards, again, in time for the full and remaining debate on the GST Law when it comes in, in perhaps a couple of weeks or so, or 3 weeks or so, after the proposition from Senator Syvret. So that is where we are with the GST review. I thought States Members might be interested to hear that. With regard to the Zero '10 review' - of which I am a Member although ably chaired by Senator Perchard - I do not know if Senator Perchard intends to say anything about that particular review but that is going ahead. The timescales, again, are tight but we intend to try and keep to them and report. I think, on behalf of both sub panels of Corporate Services Scrutiny, I would like to thank the Treasury Minister and his officers for a very high level of co-operation and transparency. We have been very pleased with the results of requests for information, generally, and with the co-operation that we have been getting from his department all round. I suppose Members could be forgiven - in fact the Chief Minister might even be forgiven for believing that we have been lulling him into a bit of a false sense of security by not really concentrating very much on his department. But we will get around to it, Chief Minister, in due course no doubt. But the fact is that there are such a lot of fiscal changes to do with taxation that we have, naturally enough. I am sure the public demand is that we have concentrated on the Treasury Department and that is where we are at the moment. So, Sir, I think that is really all I want to say. I hope that Members will take the time to read our reviews on both 'Zero 10' and GST when they come out. It is necessarily a very complicated subject but it will affect all of our futures, and the future of Jersey, in a very profound manner. So, I would encourage everybody to try and not fall asleep when they read them. We will try and make them interesting but the subject matter is, of necessity, fairly dry. Thank you, Sir.

The Deputy Bailiff:

Does any other Member wish to speak? Very well. I call upon the Minister to reply.

1.5.4 Senator T.A. Le Sueur (The Minister for Treasury and Resources):

I thank the 2 Deputies for their comments. Deputy Le Hérisier: yes, the reincarnation of Corporate Supplies in a totally different form. The previous system was a drain on resources and ran at a loss, which was clearly a ridiculous way in which to proceed. What we are now doing, and I think the title stands for itself: Strategic Procurement Director. So, it is procurement rather than carrying large stocks of goods. It is making sure that the contractual arrangements for obtaining those goods is done on the best possible terms and on a strategic basis, not on the basis of trying to run a corner shop which is not the way to run a business. That department has targets for performance and for delivering at a benefit to the States, rather than a cost to the States. If that department fails to meet those objectives, or fails to meet its targets, then it will have to disappear. But I am confident that in its new role - on a strategic procurement basis - it will indeed pay its way and pay its way substantially. I think there is scope there for doing things in a much better way than we are now doing at the current time. To Deputy Ryan, in terms of the Strategic Reserve: yes, I think it is probably a good thing for me, as well, to have this agreed in principle by the whole House because then Members are in no doubt about what things we could or could not be doing with Strategic Reserve. But also in terms of the sort of investment policy which should be followed in respect of that reserve, which must follow the decision on what the reserve is there for. If it is there for long-term purposes it may be invested in a different way than if it is there for short-term purposes. That debate will be had next year and we have a clear target date to do that. As far as the Stabilisation Fund is concerned, that target date is much closer. As Members can see from our objectives, the proposal is for that to be presented alongside the 2007 budget. I would remind Members - who often get confused the way I did - that the 2007 budget is the one I will be lodging in October 2006, in other words next month. So, the proposal for the Stabilisation Fund will be brought forward and debated by this House before the end of this year. I hope that that is a timely matter and that, thereafter, of course the Public Finances Law requires - as part of the budget process - that I have to propose any transfers to and from reserves. So, it will be at the budget time that any transfers, the additions to the Stabilisation Fund or withdrawals from that Stabilisation Fund, would be made. Finally, I thank the Deputy for his comments about Scrutiny in the way the Corporate Scrutiny Panel has worked in conjunction with myself, and my officers of my department. I think we have tried to achieve the objective of Scrutiny in keeping the Panel informed at an early stage of the way I am thinking, involving them in each stage of the process and, conversely, that the Panel themselves - for example, understanding Senator Syvret's amendment - will come in with an interim report in order that Members can be fully informed at each stage of the process. I think it is a good example of working together and I hope that the outcome, eventually, will be that we have proposals - both in respect of GST and 'Zero 10' - which have been properly scrutinised and refined and all the better for them. So, I welcome the contributions of the Scrutiny Panel in that respect and I confirm that I will continue to work with them, in as open a way as possible, in order that we can deliver for the benefit of the Island as a whole. With that, Sir, and with the assumption that silence means some sort of consent, I propose the objectives on pages 114 and 115.

The Deputy Bailiff:

All those in favour of paragraph (a)(x) kindly show. The Appel is called for. So, this is for paragraph (a)(x), the objectives of the Treasury and Resources Department. I invite Members to return to the Chamber and the Greffier will open the voting.

POUR: 33

CONTRE: 2

ABSTAIN: 0

Senator S. Syvret	Deputy G.C.L. Baudains (C)
Senator F.H. Walker	Deputy S. Pitman (S)
Senator T.A. Le Sueur	
Senator P.F. Routier	
Senator M.E. Vibert	
Senator J.L. Perchard	
Connétable of St. Mary	
Connétable of St. Peter	
Connétable of St. Clement	
Connétable of t. Helier	
Connétable of Trinity	
Connétable of St. Lawrence	
Connétable of St. Brelade	
Connétable of St. Martin	
Deputy A. Breckon (S)	
Deputy J.J. Huet (H)	
Deputy of St. Martin	
Deputy C.J. Scott Warren (S)	
Deputy R.G. Le Hérissier (S)	
Deputy J.B. Fox (H)	
Deputy J.A. Martin (H)	
Deputy G.P. Southern (H)	
Deputy S.C. Ferguson (B)	
Deputy of St. Ouen	
Deputy P.J.D. Ryan (H)	
Deputy of St. Peter	
Deputy J.A. Hilton (H)	
Deputy J.A.N. Le Fondré (L)	
Deputy S.S.P.A. Power (B)	
Deputy A.J.H. Maclean (H)	
Deputy K.C. Lewis (S)	
Deputy of St. John	
Deputy of St. Mary	

The Deputy Bailiff:

Very well, then we come next to paragraph (a)(xi), the States Assembly and its services objectives to be proposed by the Connétable of St. Clement.

The Connétable of St. Clement:

I seem to be moving around the Parishes, Sir. **[Laughter]**

The Deputy Bailiff:

You are having a peripatetic time, I am afraid.

1.6 The Connétable of St. Clement:

The key objects and key performances are very much to the forefront of the way the PPC (Privileges and Procedures Committee) operates. I just would like to make one or 2 references to them and that is really to say the progress we are making. The Mori poll has been issued. We would like to thank all the people who participated in the poll. When they were phoned they readily gave the answers to quite a lengthy questionnaire. We are still on target to bring forward proposals to the

States. The Mori poll final report will come to the Committee at its next meeting, which is due next week. We will immediately distribute to Members and then shortly afterwards to the public generally. That is for their comments. Scrutiny is an important function and we are still fulfilling our obligation to liaise with the Chairman's Committee and the Public Accounts Committee. I must say that we find them very co-operative and they do willingly work with this Committee. Particularly, I would like to thank, at this stage, the Scrutiny Officers who do an enormous amount of work on behalf of the Scrutiny Panels. **[Interruption]** We are obviously quite often, at the request of Members, looking at Standing Orders and keeping them as up-to-date as we can but we are trying to avoid a piecemeal approach to that. We would like, really, to assemble the Standing Orders revisions that people would like and put forward a comprehensive project in the future. There is one other item in the forefront of everybody's mind and certainly in the local media's mind, that is pay; at this stage whether Ministers and Scrutiny Chairmen should get more than other Members. Without taking any sides, I would just want to remind the House that it has already been agreed that a Panel, a remuneration body, was appointed and they had the duty of fixing the salaries of Members for the next 3 years - in other words this year and the preceding 2 years - which they did and this Assembly agreed to the recommendations. Having said that, I would just like to propose paragraph (a)(xi), Sir.

The Deputy Bailiff:

Is that seconded? **[Seconded]** Does any Member wish to speak on the States Assembly and its service objectives? Very well, all those in favour of adopting paragraph (a)(xi) kindly show. Those against. Paragraph (a)(xi) is adopted. We then come to paragraph (a)(xii), Jersey Airport Objectives, which is to be proposed by Deputy Maclean as Assistant Minister.

1.7 Deputy A.J.H. Maclean of St. Helier (Assistant Minister for Economic Development):

Over the next few minutes I will highlight Jersey Airport's principal aims and objectives within the 2007 Business Plan. It should be noted that the business plan was prepared in May only a short time after the new Airport Director took up his post. Furthermore, a comprehensive review of the airport, that was due for completion by the end of August, has been delayed until the end of this month. This is a 'belt and braces' review and involves aviation consultants, as well as organisational specialists and an internal working group. In the preparation of the business plan it was recognised that a number of assumptions and contingencies would need to be made. It is clear that once the review is complete it will, undoubtedly, lead to restating of some of the priorities for 2007. You will see from the operating account that the airport is a profitable business in trading terms. However, it is also noticeable for the 2007 estimate that the gross operating surplus has been reducing and will, in fact, reduce by approximately £3 million compared to 2005. This is principally attributable to new contingencies, rising fixed costs and falling revenue, which I will outline in a moment. Total income has fallen by £638,000, compared to 2005. This is attributable to falling airport dues - landing fees. Expenditure, on the other hand, has increased as a result of 2 years of public sector pay awards, together with increased security, utility, insurance, compliance and pension liabilities. Overall, the account still shows a projected net surplus of £2.75 million for 2007. The increased expenditure referred to appears under aeronautical services and passenger and security charges. Also included is a new marketing budget contingency. This reflects the likely future role of the airport in proactively seeking new routes and helping to develop existing ones, while marketing its own services. The overall financial picture shows income being eroded through inflation along with market pressures, causing the primary income source of aeronautical charges, which are falling. On the highly emotive subject of aeronautical charges, landing fees have been actively reduced twice: once in 2004 and once again in January of this year. Few people will, in fact, realise that aeronautical charges have reduced in real terms by 25 per cent since 2000, although we clearly recognise that they are still far too high in comparative terms. Meanwhile

operating costs are rising each year, with inflation. Although there have been significant cost savings to goods and services - as well as to some staff - wage inflation, in particular, has eroded most of these savings. A major concern is the large part of the airport's critical infrastructure, which is in poor condition due to lack of timely reinvestment and improvement. A massive capital works programme, estimated at £58 million, is required to replace aging assets to ensure that the airport is compliant with safety and security measures. The planned works were previously identified in the 2020 Master Plan, but these have had to be retimed to account of the rapid deterioration in the condition and the compliance needs. These works will commence in late September of this year and conclude in early 2010. The 2 primary sources of airport income are from aeronautical charges and the control zone which, together, amount to 80 per cent of the total revenue of the airport. But, more importantly, this large income source is effectively frozen or reducing each year, while also suffering from further inflationary erosion. Radical business improvements will be required to meet the challenging and competitive market conditions that exist. Such improvements will include: increasing commercial revenues to rebalance revenue streams and reductions in inflation-sensitive operating costs. Increasing growth and diversifying the business must be achieved through co-ordinated policy with economic development. We recognise the strategic nature of the airport but, most importantly, we recognise the enormous influence that it has to play to ensure the economic well-being and prosperity of the Island. Inflation-bearing commercial revenues must be maximised. These include: arrivals duty free, the optimising of airside retail and the effective utilisation and development of land and property around the airport. During 2007 there will be organisational restructuring putting the business in line with value generation and a clear market focus. Currently, for example, 89 per cent of traffic is between the Island and the U.K., but the over reliance on this market is clearly a risk to the growth of the business. Accordingly, a market development plan is being prepared that will focus heavily on developing new European route opportunities. In partnership with Economic Development, Tourism and the business community, a concerted effort will also be made to fill empty seats on existing services, as well as promoting new routes and areas that are not currently covered. The ability to attract new traffic will, in the main, be based on a co-operative approach in marketing between airlines, the airport and tourism. It is clear that aeronautical charges need to be restructured to give growth incentives to airlines, greater flexibility in charging and to allow some future inflation adjustment. However, the current significance of these charges to the airport's ability to remain profitable will not easily allow short-term aggressive reductions, without the very unlikely interim intervention of a government subsidy. I look towards the Treasury Minister who is looking quite horrified at the proposal - not that it is a proposal. Instead, they will have to be phased in a balanced way to match revenue sources and efficiencies. There is a great deal of work to be done, but good opportunities lie ahead for a modern and vibrant airport to contribute to the continued economic success of the Island. I believe that the 2007 Business Plan sets the foundation, in preparing for the essential change programme that will need to be implemented to meet the needs of a competitive market and of the Island. I commend this business plan to the House.

The Deputy Bailiff:

Is paragraph (a)(xii) seconded? [**Seconded**] Does any Member wish to speak?

1.7.1 Senator J.L. Perchard:

Just a little one, Sir. Could I congratulate the Assistant Minister on the clarity in which he has put over the provisional business plan and wish him well. Could I ask him a question which is of interest to me, the extra cost of security at Jersey Airport is borne by whom? Would he be able to tell me?

The Deputy Bailiff:

Does any other Member wish to speak?

1.7.2 The Deputy of St. Martin:

The Assistant Minister did not make any mention whatsoever of the parking up at the airport. On page 145, under 209 for the year 2009, it talks about car parking system of £324,000. I think most people who visit the airport know that if you are going to stay there for some time you will pay, and if you just want to pop-in you expect to be able to have somewhere to pop in, drop your passengers off and go-off. One of the problems there is up at the airport at the moment, while it is not too bad, you can at least have a parking spot to drop someone off when they are going away, however, if you now want to pick someone up when they are returning to the Island ... there were 3 spaces, in fact they were marked out for disabled, and now of course those places are taken away and a box of flowers is put there, which is not only dangerous but it is also unfair for those people who want to pick things up. Has the Assistant Minister anything in mind maybe to make it easier for people to pick people up, rather than have to pay 50 pence for the preference of doing so. It is annoying I know, but if one wants to stay for a little while one is prepared to pay the 50 pence but just the process of picking someone up and you are being shooed away by a security officer, it does not seem to make much sense. In giving an answer to that, could he also tell us what is in mind with this £324,000. Is that to improve the parking situation or new meters, et cetera? There was no mention of that made in his speech. Thank you, Sir.

1.7.3 Deputy C.H. Egré of St. Peter:

If I could touch on the airport, Sir. In objective 3 in the plan, Sir, I note: "To safeguard the airport's surrounding environment". As Members will be aware, my parishioners in St. Peter have suffered considerably from pollution caused by the airport in the past. I would like to seek assurance from the Assistant Manager that monies have been set aside to make sure that any compensatory requirement for those affected by pollution is in place so when final solutions are put together that can be actioned reasonably quickly. Thank you.

1.7.4 Deputy R.G. Le Hérisier:

From time-to-time - and perhaps unfairly - comments have been made about the Management structure at the airport; who will be reviewing that? Again, Sir, offering congratulations on the clarity of the report, can I also ask whether the Assistant Minister will be implementing the bollard reduction programme? [Laughter]

The Deputy Bailiff:

Are there any other Members who wish to speak?

1.7.5 Deputy K.C. Lewis:

Just 2 brief questions, Sir, regarding the marketing of flights to and from Jersey Airport. If Jersey Airport will be doing this themselves, will this be as well as or instead of tourism? Regarding the aeronautical charges, which includes funds received in respect of Channel Islands Control Zone and planes flying over Jersey, are all these receipts up-to-date? Thank you, Sir.

1.7.6 Deputy G.C.L. Baudains:

Just a query, again, on page 145. Looking at a couple of the costs, Sir, I just wonder whether the partial demolition of the 1937 building and the arrivals building reconstruction has been put out to tender? If so, how many people have tendered for it because it does seem to be rather expensive to me?

The Deputy Bailiff:

Does any other Member wish to speak? Deputy Scott Warren.

1.7.7 Deputy C.J. Scott Warren:

It is just on a point of interest, really. The Assistant Minister mentioned trying to make sure that aircraft had less empty seats in future. One used to book, certainly in England, sometimes at very short notice and get cheaper fares. Can he please give some information, if there is any available already, on how he is going to progress this?

The Deputy Bailiff:

Does any other Member wish to speak?

1.7.8 Deputy S.C. Ferguson of St. Brelade:

I wonder if the Assistant Minister can give us an idea - because I see no mention of it anywhere - how far progress is coming along with the concept of a Jersey equivalent, or a Channel Islands equivalent, of the CAA (Civil Aviation Authority)?

The Deputy Bailiff:

Does any other Member wish to speak? Then I will call upon the Assistant Minister to reply.

1.7.9 Deputy A.J.H. Maclean:

I will try to take the questions in order and answer them as clearly as I possibly can. Senator Perchard, firstly thank you for your kind words. Security is borne by the airport, in terms of costs on the whole. In the past airports, generally, were able to offset the cost of security as part of their landing charges but, as you will be well aware, the way that landing charges have moved with airports around the U.K. - and the world for that matter - these sorts of costs have become very sensitive, so it is something that the airport has to bear hence it very much hits the profitability of the airport. The Deputy of St. Martin raised the point about parking. The parking system at the airport is very inflexible. I think we probably all agree with that. It is largely down to the barrier system that was installed at the time. It does not, like many airports, allow for short stay, medium stay and longer stay. Clearly, that is something that we wish to be addressed in the future. The funds that were put aside were with a view to replacing the barrier system to allow for splitting-up the parking so that we can, in fact, allow that. The Deputy also mentioned about disabled parking. Disabled parking was moved behind the barrier but disabled drivers can, in fact, get a rebate. They do not have to pay for it. So, that is not a cost. The airport, of course, does need every penny that it can possibly get, as I pointed out with regard to the £58 million of capital expenditure that needs to be spent. So, clearly, parking is an issue that we have looked very closely at. Indeed, all commercial revenues we are looking at in ways of recouping some of the costs, so that we can make the airport compliant, safe and secure and, of course, attract additional airlines. It is a very difficult balancing process from a budgetary point of view. Deputy Egré raised an extremely valid point about the environment. With regard to money being set aside - and I know that Deputy Egré knows a lot about the circumstances that he was referring to as we have had quite a number of conversations on the matter and he has been included with the senior management team in discussions - there is no money set aside. Should money be required in the future, clearly, that would have to be found. So, that is the best way I can answer that question for you. Deputy Le Hérisier asked about the question of the senior management team. There is an organisational specialist which are in fact recruitment agents from the U.K. called Odgers. They are looking and reviewing the entire structure of the airport - including costs - and doing cost comparables and so on. This is a route and branch review of the airport. It is looking at absolutely everything and that is

certainly something I can assure the Deputy is being carefully considered. Bollards: I would welcome suggestions from any Members whose departments might require some bollards. **[Laughter]** We would be more than happy to consider a sensible sale should anybody wish to purchase them but, in all seriousness, the road structure at the airport is being looked at and that forms part of the overall review. Clearly, it would not have been prudent to whip out some extremely well implanted bollards that cost the taxpayer a significant amount of money, until we had worked out what we were going to do with them and what we were going to do with the road structure itself. Bollards are close to my heart and we will continue to keep our beady eye on them. **[Laughter]** Deputy Lewis asked about marketing under the new system of government. As the airport and the harbour, for that matter, fall within Economic Development, it is far more of a joined up process. The concept of having a marketing budget at the airport is something that the new Airport Director was keen to include. I support him in this. From the environment that he came from previously, the airport was involved in doing some of its own marketing as well as with local authorities. Through Economic Development, with Tourism, this is a joined up approach in terms of developing the airport. In developing our ability to increase routes - route traffic and new destinations - the airport needs to have some funding to allow it to negotiate with airlines and act in a proactive fashion with airlines which, in fact, as they are our major customer, has not happened enough in the past and it is going to happen in the future. So, there will be contributions from all areas with marketing initiatives. The control zones income, which is clearly a significant amount of money for the airport; I think it was an up-to-date you were after, Deputy Lewis, about the receipt of funds. As far as I am aware - I have been told nothing to the contrary - they are up-to-date. Deputy Baudains raised the point about the 1937 building. It went out to tender. In fact, this was one of the very first jobs that was presented to me to approve when I gained responsibility for the airport. I, in fact, took the decision, at that stage, not to sign a Ministerial decision to approve the cost of the 1937 building and the new control tower. The main reason for my refusal to do so was that I felt it unreasonable to burden a new Airport Director with a cost that he had not had an opportunity to fully scrutinise himself. Since that time he has looked at it and the initial feeling is - in agreement with yourself - that the cost suggested was probably high. It was not anything to do with the tender. It did go out to tender. It was more the location that was suggested that was going to mean that the cost was quite considerably higher than perhaps it needed to be. So, that is a point that is being very closely looked at and will, indeed, form the overall review. Deputy Ferguson asked about the CAA regulatory issues, the point about having our own regulator within the Island. There are ongoing discussions with the CAA. There are 2 trains of thought. We either regulate and have a regulator here in the Island - an independent regulator outside of the airport - and we could possibly do it jointly with Guernsey which has some advantages to it. The other option, of course, is to allow the CAA themselves to regulate, which is being looked at. We will get back to Members when decisions have been made. All options are being considered at the present moment. I think I have answered all the questions. If there is anybody that I have missed out?

Deputy C.J. Scott Warren:

I asked how you were going to make sure all the aeroplanes were full?

Deputy A.J.H. Maclean:

Now, that is an extremely good question. There was a promotion at the beginning of the year. It was organised between Tourism and the airport: "Spring into Summer". The problem with filling aeroplanes is down to load factor. Airlines do not always necessarily want to fill 100 per cent of their seats, strange as that may seem. Providing they get their load factors right, their profitability is correct and they are more than happy. We devised a system to encourage, with incentives, the filling of the extra capacity. I do not believe that the promotion that was run earlier in the year was particularly successful. However, we do believe with the correct incentives in place and working closely with Economic Development and Tourism, that we can put a system together for next year

that will, indeed, help to address the issues of filling the extra capacity seats and that is what we are going to aim to do.

The Deputy of St. Martin:

I did mention about the £324,000 for the car parking system: what would that entail? I know the Assistant Minister has told us that you are going to change it but will that also mean the ticket in and out, et cetera? I just want an idea of what we are going to get for that £324,000?

Deputy A.J.H. Maclean:

The £324,000 was, as I understand it, a contingency with regard to replacing the barrier system. It has not been decided what system is most appropriate. What we want is a system that is flexible and a system that will allow short and longer term stays.

The Deputy Bailiff:

Very well, so you maintain the position. All those in favour of adopting paragraph (a)(xii) kindly show. Those against. Paragraph (a)(xii) is adopted. We now go to paragraph (a)(xiii) Jersey Harbours Objectives, also to by Deputy Maclean.

1.8 Deputy A.J.H. Maclean:

I am now pleased to present Jersey Harbours principal aims and objectives within the 2007 Business Plan. It is firstly, perhaps, worth commenting on the unique nature of Jersey Harbours, as a business, which is often easy to overlook. It is far more than just a question of ships in and ships out. In fact, I think it is safe to say that there are few ports in Europe that can offer the same potential benefits that come from managing the full range of maritime related services under one roof with one organisation. The critical strategic nature of the port, which delivers more than 98 per cent of the goods arriving in the Island, means that it has a fundamental role to play to deliver the States Strategic Plan. The viability and availability of the port is a vital and absolute necessity for the well-being of the Island's economy. In today's rapidly changing competitive world, it is essential that Jersey Harbours continues its development into a modern and progressive organisation, with far greater emphasis on developing mutually beneficial commercial partnerships and strong customer services; areas that, admittedly, have been weak in the past. There is a conscious effort to move the organisation towards a more commercial and customer-focused business that will constrain operating overheads, while maximising profits and capitalising on some interesting commercial opportunities. Members will recognise that the primary theme central to the 2007 business plan is one of change. The restructuring of the senior teams will be completed during early 2007. The transfer of 48 staff from Jersey Harbours' engineering works to Transport and Technical Services will also be complete in early 2007. The principal short term gain to this transfer will be the vacating and subsequent letting of the harbour work site. This should generate rental income in the region of £250,000 per annum by the second year. Although in the 2007 financial estimate, the sum of £179,000 is allocated because, of course, it will only be a part year rental. The Harbour Charges Law, and other legal infrastructure, will be developed by Economic Development, who now are the maritime regulator, in consultation with Jersey Harbours. The aim will be to develop the right corporate government structure to meet the commercial needs of the organisation. Transparency of harbour charges, in line with the JCRA review, will see another step towards more transparent and cost-related charges for services provided. A key foundation for 2007 and into the future is the East of Albert master planning project. This will form the platform for the long-term business plan for the future of the Board. The East of Albert Project, which confusingly also includes West of Albert, combines a full research and feasibility study covering port logistics, transport in and out of the port, the cruise liner study, engineering and urban development. Essentially it is felt that there could be significant potential benefit in consolidating the commercial

port by relocating it to La Collette, which also offers added operational advantages. Valuable land around the Elizabeth and the Albert Terminals, as well as the new north quay, would then naturally connect to the existing Waterfront boundary. Such an opportunity would allow the seamless linking of St. Helier to the existing Waterfront with the possible creation of a world-class marina and village. I am looking towards the Treasury Minister who, I am sure, on the basis of his recent decision, will be delighted to hear of the intentions to develop our marine leisure industry. This is clearly 'blue sky' thinking, but the results of the project will establish, in one joined-up piece of work, the economic feasibility for a potentially very exciting redesign of the port and surrounding land. The operating account that you have before you shows an overall increase in revenue for 2007 against the 2005 actual, with only the passenger port and terminal showing a decline, in line with the current challenges that face our sea routes. Members will note the increase in expenditure from the 2005 actual to the 2007 estimate. This increase largely includes what is described as abnormal expenditure. This amounts to approximately £500,000 and relates to necessary maintenance, for example, work that is carried out every 5 years or so but which is not referred to as capital. This includes items like the repairs to the Elizabeth Terminal roof, the scouring of Victoria and Albert Quays and the St. Helier Marina cross-wall repairs. Members will also note that the estimated reduction in revenue for the passenger port in 2006 reflects the loss of revenue from harbour use after the sudden and sad withdrawal of Emeraude. It is estimated that the total loss will amount to approximately 15 per cent in 2006, compared to the 2005 actual. A great deal of work is ongoing with operators to help stimulate additional numbers on our sea routes. The framework for incentives to reduce harbour use, initially aimed at the day-trip market, have been agreed. There are also further initiatives through the Tourism Department to add marketing initiatives to promote Brittany and Normandy as well as, of course, the U.K. market. The marine leisure industry has enormous potential for growth, and this area forms a clear priority, as I have already assured the Treasury Minister. Clear proposals will emerge out of the East of Albert Project. In the short term, the unacceptably high cost of our marine fuel prices compared to Guernsey and elsewhere is under close investigation. We must become competitive and offer our marine fuel at the same price as our nearest neighbours. Developing our marine leisure industry is an absolute priority and resolving this issue is essential. I have therefore asked officers to report back within 2 weeks on this particular matter. The Port Estate is again under the microscope, as part of the East of Albert Project. There are a number of properties which are producing below-market rents and improving returns on all port assets is a clear objective to increase revenues. I believe that the 2007 Business Plan sets the necessary foundation for the change that will continue this essential transformation of Jersey Harbours into a modern, commercial and focussed business. I commend it to the House.

The Deputy Bailiff:

Are the objectives seconded? Does any Member wish to speak on the Harbour objectives?

1.8.1 Deputy S.C. Ferguson:

We heard that there is a root and branch review of the organisation at the airport. I wonder if the Assistant Minister would like to confirm that a similar process is being pursued with the harbours?

1.8.2 Deputy G.C.L. Baudains:

I wonder if the Assistant Minister could do me a favour and refer to page 148 and the top of page 149 and explain to me in a dozen words or so what that fancy gobbledegook means because, apart from objective 2, it strikes me that somebody spent an awful lot of time creating something that means absolutely nothing. It certainly has no tangible meaning. Referring, Sir, to the Assistant Minister's comments about redesigning the port area, as I understood it, from the Commercial Buildings westwards, does that include resurrecting the old plan to turn the old harbour into a

marina, which I thought was unviable. If he is working in that area, will he also while he is at it, remove that electric steam clock, which seems to be a permanent monument to States folly?

1.8.3 Deputy K.C. Lewis:

What plans does the Assistant Minister have for opening up the harbour to competition from other car carriers? As I am sure the Assistant Minister is aware travelling to France and the U.K. with a car or commercial vehicle is very expensive. Also, I get from the gist there that the East of Albert is being explored. Does this mean the future demolition of the Elizabeth Terminal?

1.8.4 Senator T.J. Le Main:

I would like to talk about security down at the terminal. The issue is that I am a frequent traveller to France by car, and on one occasion, joining the queue after check-in, I was asked by 2 different lots of persons the same questions, and having gone through the car check at the new warehouse at the rear of Elizabeth Terminal, I was asked to open the boot for a quick look inside. I have another boot in the car I drive, and nobody checked that. I just thought it was rather strange, what were the operational security and the reasons for it. I would like to ask the Assistant Minister what is the actual cost of this car vehicle security that is being carried out at Elizabeth Terminal? Who pays for it? If it is an add-on to the passenger or vehicle ticket, how much does that work out at? Why do we always have to follow or be the leader in many of the issues? When you arrive in St. Malo, you never get your vehicle checked or your boot looked at. In fact, 90 per cent of the time, there is no one there at all. So I presume we are very trustworthy in Jersey. This service is currently provided by one company. Does this operation go out for tender, and when? But the most important thing is I would like to know is why we always have to be in the front of the queue for the provision for services like this when, in fact, at St. Malo nothing happens and there is no check? I have never been checked, in my vehicle, either opening the boot or otherwise in St. Malo, in any way.

1.8.5 Connétable M.K. Jackson of St. Brelade:

I note in the report that there appears to be no mention of costs associated with the proposed repairs to St. Aubin's North Quay, apart from a £406,000 contingency sum in 2007. I am led to believe that costs will be around £1 million. Could the Assistant Minister confirm how this will be funded? Secondly, Sir, incorporation, or corporate governance is loosely mentioned. Now, this has been rambling on for years. It has had enormous amounts of money spent on it already, and we now have further, very expensive, consultants in place. From what one hears, the morale of Jersey Harbours staff - both at a management level and manual worker level - is at an all-time low. Could the Assistant Minister assure us that his department will endeavour to get a grip on this by demonstrating progress in 2007? Finally, Sir, with your permission, at the risk of being accused of being conflicted, I would like to congratulate the Assistant Minister on the thrust towards the support for the marine leisure industry. In fact, a visit by a senior member of the Royal Yachting Association a couple of weeks ago or so indicated that he felt that the potential for development in this element of our industry in Jersey was significant. I would ask, therefore, that the Economic Development Department not only put their efforts in towards blue sky thinking but also to grassroots thinking at this level, so that the industry could have the help now that it needs. Thank you, Sir.

1.8.6 Deputy S. Power:

I, too, was going to quickly ask the Assistant Minister a question on St. Aubin, but it has been covered by my amiable Connétable. Can I first, before I ask my question, complement the Economic Development Department on the clarity of the statistical information that is now

available on Jersey.com, and I would encourage anyone who wants to see any of our statistical data relating to the movement of people - both airport and sea routes, through the Island - to visit Jersey.com and specifically the business section, because it is an example of absolute clarity. I am sure that the Assistant Minister, and indeed the Minister and the Chief Minister, will agree with me when I say that Jersey and the Harbours Department must be very grateful to the efforts of Senator Jean François Le Grand and the Conseil Général de La Manche for the throughput of sea passengers to Jersey in the last 2 years. I give just some very short examples of movements by sea, and I would ask the Assistant Minister to comment very briefly on these. The first 6 months of 2005, compared to 2006, the St. Malo route decreased from 132,000 passengers to 105,000, which is a reduction of 27,000, and we all obviously are clear on the reason for that. The Normandy routes are up 40 per cent, and I believe - I have had a brief discussion with the Assistant Minister on this this morning - that from 1st April to 30th July this year, they carried 41,000 into Jersey. I also ask the Assistant Minister to comment on the fact that the U.K. combined routes between Weymouth, Poole and Portsmouth are now less than 50 per cent of the combined French routes. So it appears now that our primary sea routes are French-based rather than U.K.-based. I would like him to comment on that.

The Deputy Bailiff:

Deputy Fox next.

1.8.7 Deputy J.B. Fox:

Yes, I know that the Economic Development Department and the Minister and his Assistant Minister are doing excellent behind-the-scenes work in relation to the sea routes. First of all, I should declare for the benefit of my questions that I am a frequent traveller, and I own a property in France. What I am trying to clarify at the present time is what stage are we at in relation to the J.C.R.A. review? Are we imminently ready for a report to be published that we can all see? The East of Albert review; again, at what stage are we with that? Is it something that is going to be reported by the end of this year, or is it something that is going to take longer? We heard earlier on this year that there was a proposal that there was going to be the introduction of a slower craft on the southern route from Jersey to St. Malo and vice versa. What stage are we at with that? Are we in a position to know whether there is a consortium or group or company that is going to operate such a route? Again, it would be useful to have an update. The last question I have is that there were times this year, because of the loss of sogestran that the current operator – Condor - was clearly full up on many occasions and people were not able to travel when they wished, regardless of cost factor; even foot passengers. I just wondered if there were any discussions with Condor to see if they were able to increase timescales - and I know they have provided some increased timescales for next season - as obviously this affects the amount of people coming to and from the Island. So those are the areas that perhaps the Assistant Minister could answer for me, thank you.

1.8.8 The Deputy of St. Peter:

Can the Assistant Minister confirm that in the recent past and at present there is a harbour consultant operating in direct support of the Harbour Chief Executive, and, if that is the case, can he indicate the cost of that consultation and for how long it may continue?

1.8.9 Connétable A.S. Crowcroft of St. Helier:

I need to confess to the House that I spent some of my summer holidays in our sister island, and I realise that some Members will not speak to me for a few weeks because of that. I have to say that what impressed me most about St. Peter Port, apart from the obvious thing - the wonderful façade

the town presents to the sea - was the fact that every day we were there there was a different cruise liner in Little Russell. We watched the little boats running no doubt extremely well-heeled trippers from the cruise liners into St. Peter Port, which was particularly amusing on a Sunday, when we could not find anything open at all. One day, in fact, there were 2 cruise liners, one of which was the Q.E.II. We timed this little flotilla of craft, and it took them 25 minutes to get the passengers to a town which, for some people, was eminently free of trading because it was a Sunday. I am pleased that the Minister mentioned in passing the cruise liner study. It does seem to me, having seen it with my own eyes, the presence of cruise liners outside the towns of the Channel Islands does more than simply provide people to spend money. There was a marvellous symbolic feeling about being in St. Peter Port and looking out over Little Russell at these enormous cruise liners, which had clearly decided to put their anchors down and spend time in our sister island. I think it is crucial, that the cruise liner proposals to attract cruise liners to St. Helier. I know I am partial, but I believe there is a lot more for the clients of cruise liners to do in St. Helier than there is in St. Peter Port. We may not have the façade that looks so marvellous, but there is the ability to penetrate into the shopping centre of St. Helier to a far, far greater degree than there is in St. Peter Port, to say nothing of our cultural and other offerings to trippers. So I would urge the Minister to confirm that encouraging cruise liners and making the necessary investment - which I am sure will be great, but has to be made to bring them closer to the town - will be made, because it does seem to me this will contribute a great deal to the revenue of his department and also in general to the ability of Jersey to market itself internationally. Thank you, Sir.

The Deputy Bailiff:

Does any other member wish to speak? Very well, I call upon the Assistant Minister to reply.

Deputy A.J.H. MacLean:

I will take the questions in the order that they came, and I will attempt to answer them as clearly as I can. Deputy Ferguson asked about a root and branch review of the harbour. Quite a lot of work had been done previously on the harbour and, really, to start with a root and branch we did not believe to be necessary. It is moving forward in quite a progressive way at the moment. A lot of the work that was done last year really gave the direction in which we wish to go with the harbour and the way in which it can be developed. In terms of root and branch, I guess you could describe the East of Albert as close as you are going to get to that, in terms of reviewing the port operations.

Deputy S.C. Ferguson:

No. I meant the organisation.

Deputy A.J.H. MacLean:

Okay, that is fine. No, indeed, that was carried out, and in fact the organisation is going through a change programme as we speak at the moment. The management and staffing have been reviewed. Deputy Baudains has asked about the redesign of the port - the Old Harbour - and whether or not there was an intention to include the Old Harbour as part of a proposed new marina. The answer to that is yes. That is going to be reviewed as part of the East of Albert. That whole area has a significant potential for a marina development, the results of which will come out when that project is completed. I would not like to make any comments about the steam clock. I think that has been very well aired in the past. Deputy Lewis; the plan for an open harbour; looking for new car carriers: yes, we are an open port, and we would always be very keen to speak to any operators who may wish to consider operating services between the Channel Islands and the U.K. or, indeed, Europe, not necessarily just St. Malo. The East of Albert; the Deputy has also asked about whether or not the plans could include the demolition of the Elizabeth Terminal. It is a complete review. It could possibly include that, if an alternative use was not found, should the port as a whole be moved to La Collette. I think what we have got to have proven to ourselves is the economic basis -

the cost benefit analysis - as to what we could return on such a project if that were the case. So it is possible, yes. Senator Le Main raised some important issues relating to security, and I think we would all agree that security is absolutely paramount, and I do not think there can be too little security when we live in the world that we do at the moment, with terrorism. Although sea routes, to date, thankfully, have not been the subject of any atrocities, that is not to say that in the future it could not happen. The fact that our French cousins perhaps do not check as closely as we do is not necessarily a benchmark that we would want to align ourselves to, I would have to say. I think we need to make sure that our security procedures are in line with maritime governance set by the U.K., which is what we do at the present moment. There was the question from Senator Le Main about the cost of security. Clearly, the issue of cost is tied up within the harbour dues. It is paid for effectively by the Harbours Department. I think that covers most of the points with regard to that. The Connétable of St. Brelade raised the point about St. Aubin and the St. Aubin's harbour wall. It is a particularly difficult problem that we have at St. Aubin, as the Constable is aware. We had an original quote of around about £800,000 for the essential repair to the wall at St. Aubin's Harbour. It is a critical repair that is necessary to be done to that wall. The plans have gone to Planning for consideration. There are some issues relating to the design of the works that are necessary. The actual cost could range up to as far as £1.4 million, depending on the design that is acceptable from a planning perspective. Incorporation has been well considered over some time, and it is ongoing. There is every possibility that the Harbours could move towards incorporation in the future. Indeed, aligning itself as a more commercial operation will allow that to happen when the time is appropriate. The Connétable also raised an issue about morale. The Connétable raised the issue about morale at the harbour, and I think it would be thoroughly inappropriate to comment on the morale of staff. I am not aware of any issues of morale regarding staff at the present moment. Deputy Power I would like to thank for his compliments, both on behalf of Economic Development and as they were relating to the Harbours as well. I do agree with him, absolutely, that Senator Le Grand and the Normandy government, who recently visited Jersey, have contributed an enormous amount to the sea link between Jersey and Granville. It is a very, very important route, as far as we are concerned. We are thoroughly supportive of that route, and at the meeting, only a matter of a few weeks ago, I gave an undertaking that we would look at harbour dues based on performance, which was met with a great deal of appreciation from Senator Le Grand and his team that came across. We will support it. We have been supporting it, and we will continue to support it, and I am delighted that they have announced that a new ship is being built and, I believe, will come on line next year, and that Jersey is intended to be the hub for the route between Granville and the other Channel Islands. The numbers: Deputy Power also mentioned Normandy numbers are up approximately 40 per cent. There is very little more I can say. The route has been growing. The fact that they are putting a new boat on and that the Normandy government is continuing to support it is clearly very good news for us. The primary routes, I think, Deputy Power also mentioned. He asked for a comment on whether or not I thought France was the primary route, as opposed to the U.K. I would not agree to that. As a comment, the U.K. market is clearly extremely important to the Island. It is a major link. Although declining, it is declining in line with sea routes generally. The competition, I believe that Members will fully appreciate, occurs since the growth of the low cost airlines, which have given many more opportunities for people to travel further afield at significantly reduced prices. However, the U.K. route is still very important. We are keen to grow all routes, whether it be U.K. or to the continent. Deputy Fox asked about the J.C.R.A. review. The review is underway. We are expecting an interim report by the end of the year, and the remaining report during the course of 2007. Clearly the exact timing is difficult at this stage to identify, but once we have the interim report, we will be able to give a little bit more clarity in terms of when we expect the full report to be complete. East of Albert, the actual report itself: we are anticipating an interim by November and the full report on the East of Albert Project in early 2007. The comment about Jersey to St. Malo and the possibility of a slower craft. There have been some expressions of interest from one company in particular. We have met with them. We have engaged with them. We would be extremely supportive of a slower craft. We are waiting for them to come back. It is a

commercial decision, and we are being supportive, both Economic Development in giving statistical support to them and the Harbours Department in terms of the operational side. Condor's intentions for next year: they are continually looking at increasing times. One of the issues that has been mentioned, and I am more than aware of, is the timing of some of the sailings, particularly this year. They are actively looking at moving some of the timings so that passengers are not arriving necessarily in St. Malo late in the evening. Clearly it is a capacity issue, but I think on the whole the season has gone reasonably well in terms of the way that the sea route is operated, the number of sailings and the meeting of capacity through our August month. The Deputy of St. Peter asked the question about consultants. Consultants, as he will be well aware, have been extensively used in the States in the past. Perhaps, from a personal point of view, to too great a degree, I might add. I can confirm that in the past, and I think the Deputy will be aware of this, as he was on the former Harbours and Airport Committee, there was a consultant working through the change programme that has been going on. He is currently still with the Harbours Department. He has had his contract extended until September - the end of this month - when it will be reviewed again. But the process is almost complete, as I was mentioning to Deputy Ferguson a moment ago, and we do not necessarily intend that to continue. The Connétable of St. Helier made some warm comments about cruise liners, which obviously I agree with and welcome. As part of the East of Albert Project, there has been a separate study done on cruise liners, which has been ongoing. That will come out of that particular study. Yes, we are clearly very keen to encourage more cruise liners. We currently have a market of around about 7 to 10 versus Guernsey, who have 80. There is a huge disparity in the numbers. I am not suggesting that from a geographical point of view Jersey could necessarily match that, but certainly there is significant potential for growth. It adds a great deal of economic benefit, and it is something that we will continue to rigorously pursue. I do believe, Sir, that all the questions are answered. Unless there is anything else, I would commend this plan to Members.

Deputy S. Power:

If I may, the Assistant Minister very skilfully and eloquently dodged my question about how the St. Aubin's Quay repair was going to be funded. I wonder if he could perhaps answer that.

Deputy A.J.H. MacLean:

Funds of up to £800,000 had been allocated. Clearly there is an issue with additional funding, depending on the design structure, as I was alluding to. If additional funds are required, it may require a visit to the Treasury Minister in order to seek additional funds from the central reserve. Clearly the view that the Planning Minister takes on the design requirements may well have a bearing on the additional cost.

Deputy S. Power:

On a point of clarification, Sir, the reason St. Peter Port has cruise liners and St. Helier ...

The Deputy Bailiff:

That is a question or a further point, Deputy?

Deputy S. Power:

It is just a point of clarification. It is very quick. The reason St. Peter Port has cruise liners and St. Helier does not is because it has deep water. If I may quote Prince Albert, in the 19th Century he said at low spring tide Jersey is the finest inland natural harbour he had ever seen.

The Deputy Bailiff:

I put the objectives. Those Members in favour of adopting them kindly show. Any against? That paragraph is adopted, and that therefore concludes consideration of paragraph (a) of the

proposition. We move to paragraph (b), and I understand, Chief Minister, you are going to ask the Treasury Minister to act as rapporteur?

Senator F.H. Walker:

Yes, Sir.

The Deputy Bailiff:

Senator Le Sueur? Take the proposition as read?

1.9 Senator T.A. Le Sueur (The Treasury and Resources Minister - rapporteur):

Yes. It falls to me, as the Treasury and Resources Minister, to present these financial proposals contained in sections (b) to (h) of the business plan. This is, of course, the first business plan we have had under the new Public Finances Law and, as Members are aware, there are some significant changes to procedures. Whereas in the past we have debated at a fairly high level in September Resource Plan expenditure allocations, there has been a further chance in December to look at the details in the terms of the budget. Can I remind Members yet again that the budget this December will simply be concerned with revenue raising activities, and all the expenditure matters are dealt with today and only today? So, the good news, if you like, is that my budget speech in December ought to be a lot shorter. The bad news is today it may be a little bit longer, but only a little. The financial framework in which we are working is set out in section 3 of the main report. I think you can put away the annex now and go back to the main report and proposition. That framework relies on the financial policies which have been established over a period of years now and to which we will continue to work. They are the policies of balanced budgets, low inflation targets, improvements in efficiency and sustainable growth in priority services. Those policies, together with the implementation of new tax measures, are essential if we are going to work through the changes arising out of 'Zero 10', and our forecasts are based on the presumption that this will happen in a timely way. The Strategic Plan outlined the financial framework for the next 5 years and that framework included the investment in economic growth and the priority services of health, welfare and social benefits. Stimulating economic growth is essential if we are to sustain and improve our tax revenues, and the financial framework sets aside funding for this investment. Investment and growth in our priority services has been part of previous policy, and we achieve that by redistributing the efficiency savings which are currently being made from the Change Programme and directing those efficiency services into those key priority areas. If we are going to achieve the cuts and economies that we require, that is the only way in which we can deliver that growth in those priority areas, growth which all of us - I think - are signed up to as part of the essential future of the Island. What is important is that the financial framework and the growth in expenditure which is contained inside it is sustainable. The latest forecasts, set out in table 3.1, show a balanced position over the 5-year period. Looking beyond the Strategic Plan, and in fact beyond 2009, the forecasts can only be indicative. Both forecasts will be reviewed annually, or in fact more frequently than that, and the underlying assumptions checked and verified. If they give any indication that we were not going to achieve balanced budgets, then corrective action would have to be taken sooner rather than later because the Council of Ministers has committed itself - and I hope this House will commit itself - to say that by the end of this Strategic Plan there must be no likelihood of any structural deficit. It is within that financial framework that the current spending policies before us today are proposed. There is much that can be done and is being done to contribute to improvements to finances, and the Chief Minister has already outlined some of the performance indicators and the performance framework which is being established. Reporting and monitoring will form an important part of that, and the amendments which we accepted this morning from the Deputy of St. Ouen will only enhance that process. We will need to talk about the prioritisation of resources and the implications arising out of that, and we will be in a better position to do that when we have the information as to how resources are currently being used and

whether they are being used effectively. In areas where they are not being used effectively, they can be diverted into other areas where they can produce more benefits. So, this resource reallocation is important, but resources need to be aligned to objectives, and that is why we spent the last day and a half making sure that we have the right objectives. So, before I move on to the proposals for expenditure and resource allocations, I would draw Members' attention briefly to the latest financial forecasts. Members will be aware that in the course of the Strategic Plan debate, I produced some updated forecasts, and those are the figures which are within this business plan. The figures will be updated again by the time of the budget, but at the moment, this is the information that we are working on, and they reflect, as I said at the time of the Strategic Plan, the improvements we have received in stamp duty and the reduction in the decline on Impôts duty. So, as a result, the financial forecast at the present time is in balance or in fact a slight surplus, but that forecast, I remind Members, is critical on the fiscal measures being introduced in 2008 in a timely way in order to generate revenue in that year, and any delay in that will really unpick the financial forecast and the balance position which we currently have. So we cannot allow that. We cannot be complacent. We are alright so long as we stay on track, and we are also alright so long as we resist any temptation to increase our spending limits. I think the Strategic Plan was designed recognising that we needed to invest in certain areas. We accepted which areas those should be. From now on, any additional pressures ... and I know there are additional pressures. We have heard about them in respect of the prison improvement plan. We have heard about them in respect of education. Those pressures will have to be met by reprioritising existing resources. We cannot spend our way out of trouble. That will be initially for the Council of Ministers to decide how, in the short term, they are going to reprioritise monies to meet these demands, and ultimately they will come back to the House in next year's business plan to see how that allocation is effected. I will go on perhaps to explain it in more detail when I talk about the spending limits for subsequent years. But I think I have emphasised that there is no reason at this stage for complacency. We are there. We are on plan. We have a plan. We have targets to deliver. We can only achieve those if we stick to our policies and we stick to our targets. Finally, to clarify the position which, I think, arose in the course of the discussion on my objectives, the proposals to set up a Stabilisation Fund will be presented in December. They will be debated not as part of the budget but alongside the budget on the same day at the same time so there can be a clearer picture. But they will be in a separate report and proposition. I turn now to the proposals, and they start from the base of last year's budget and have been up-rated. We will be focussing on the changes - the priority - that we apply to social and economic initiatives. They are an increase over the previously agreed figures. They are only put in on the basis that they are sustainable and that they will continue to be sustainable, and that the financial position remains balanced over a 5-year period. They reflect an increase, on average of 3.5 per cent per annum - which is perhaps more than I would like, from a financial point of view - but that is the least that we can deliver if we are going to meet some of the social objectives which we decided in the Strategic Plan were a high priority. Now the first proposition - proposition (b) - really sets out the overall framework, the overall envelope within which we should work. It sets out the global figures for each of the years 2007 to 2011, not distinguishing at this stage between revenue expenditure and capital expenditure. So it is one total figure for each of the 5 years, the figures, as shown on page 58 in the pink pages, are for total net revenue expenditure. So, in total, net expenditure for 2007 of £559.5 million, 2008 of £576 million, 2009 of £590 million; 2010 of £705 million, 2011 of £616 million; a combination of revenue and capital making up that total figure, and I propose, Sir, summary table (c).

The Greffier of the States (in the Chair):

Is paragraph (b) seconded? **[Seconded]** Does anyone wish to speak on paragraph (b) of the proposition? The Deputy of St. Ouen.

1.9.1 The Deputy of St. Ouen:

Are we all suffering from short-term memory loss? Last year, we also had a States business plan which looked forward. It also had a proposition which acknowledged what should be spent and highlighted the sums and target figures for the next 3 years, which were approved. Yet here we are a year later considering a new business plan, and all the goal posts have moved. One must ask why. Maybe we have come into some money. Maybe we have addressed the introduction of new financial and tax strategies to address deficits that were highlighted a year ago. Perhaps we have got a greater income than was anticipated a year ago. Yet, sadly, that is not the case. Yes, the financial forecast looks to be greater this year. However, we have still got many unknowns to address. So I ask again: what has changed? We are told that although the budget comes after the business plan, the financial implications of the business plan are contained in the financial forecast which the States are asked to approve. It must be recognised, however, that the budget is designed to fund the approved expenditure. Therefore it is extremely important to understand the financial implications we are asked to agree within the proposed business plan. It is even more important as a budget debate, as we have already been told by the Treasury Minister he will from this year only approve the tax and funding proposals required - required, I add - as a result of the decisions made by the States on overall expenditure. I would like to make some general comments on the proposed total net expenditure that we are being asked to approve. First overall net expenditure is up 6.3 per cent on the approved 2006 limit. It is worth noting that the figure quoted and approved by the States for total States net revenue expenditure for 2006 in last year's business plan is £9 million less - and that is the approved figure - than the probable figure quoted in this year's financial forecast found on page 19 in table 3.1. I ask what is the point of approving cash limits if they are not adhered to? The Council of Ministers is currently proposing a major departure from the agreed financial position of last year. In the 2006 budget report, on page xiv, it clearly spells out what the States agreed, including 3-year Committee allocations for revenue expenditure, where 2007 and 2008 allocations are to be used as financial targets. We can already see that those targets will not be met. So what comfort can we have in the latest proposals contained within this business plan that the new revised targets will be met? I see none. The Council of Ministers is now promoting an increase in revenue expenditure although the overall financial consequences of the proposed changes are not fully identified. It is like going to a bank manager and saying: "I am planning to spend £5,000 on a holiday, but do not worry. I am not sure where the money is coming from." I can imagine his comments. The introduction of GST in 2008 rather than 2010 provides simply a windfall which is solely due to the fact that the overall effects of 'Zero 10' are not felt fully until 2010. If it was not for this windfall amount being made available for the Treasury to use, the budget certainly would not balance over the 5-year period. It therefore must be of concern that the extra money generated from this source will not be repeated in the following 5 years, especially as predictions are already showing a budget deficit in 2007 of £11 million. We are told that this deficit will need to be addressed in the coming budget that we will be debating in 6 to 8 weeks' time. The question must be asked: how will the Treasury Minister aim to balance budgets both now and in the future? What new or additional taxes will be needed to create a balanced budget? Even before we reach the point, and knowing that there will be a deficit, the Council of Ministers is still proposing to spend or reinvest the remainder of the £20 million efficiency savings. It is proposing to sell off Jersey Telecoms and considering doing the same with other States-owned utility companies. Furthermore, it is actively pursuing, and I believe quite rightly, the policy of selling public property. However, its proposal is to fund ongoing revenue expenditure without addressing the issue of controlling that same expenditure. As I said, we are still there planning to increase expenditure way above the approved net revenue cash limits, including last year's business plan. Continually, we are getting a number of mixed messages. The Treasury Minister states that within the overall process of managing the States finances, we will decide what to spend and then debate how we can pay for it. This is certainly not the way I believe we should be managing the States finances. At the very least, when we are discussing expenditure for the year, we should have some indication of what proposals

may or may not be included in the budget to meet the deficit. We are told that forecasts are improving, and by using accumulated monies in the Consolidated Fund the financial position over 5 years is sustainable until 2011. However, we are also told that forecast deficits in the longer term are still significant and will need to be addressed. Elsewhere, we are told that the States need to maintain low inflation, balanced budgets and improvements in efficiency while ensuring that any growth is sustainable. With all of these actions helping to mitigate the impact of 2010 - which, I hasten to add, still is showing or has been predicted to have an effect of a loss of £80 million to £90 million per year on our current income. So the warnings are clear. However, no one seems to be paying any attention, including those who are issuing those same warnings. This is in itself worrying, and it does not seem to be addressing the fundamental issue of how we manage our resources within our limits. We are told that forecasts beyond 2009 can only be indicative, with possible deficits in future years that will require appropriate measures to be introduced. One must ask what appropriate measures. We are already talking about introducing GST in 2008. Indications have already been given that the proposed GST rate of 3 per cent for 3 years could be altered, and that is even before we have introduced any new taxes, including the GST tax, I hasten to add. There are also a range of new taxes being introduced. We have heard in the last couple of days about environmental taxes, land development levies, user-pays charges for police, and so it goes on. The Council of Ministers believes it is possible that financial performance may exceed the estimates. Brilliant! Where is the evidence? There is no provision for monies to be set aside for the General Reserve, and this has been the case for a number of years. Yes, at the same time, there are still carry forwards and commitments. In fact, the Council of Ministers is aiming - and this is all documented and subscribed in the papers and reports provided - to use the total carry forwards as a way of addressing one-off pressures faced by individual departments. These carry forwards have been amounting to approximately some £9 million to £10 million, on average, over the last 4 or 5 years. So is this their slush fund? Pressing needs highlighted include low-income support, upgrading social housing stock, road infrastructure, as well as investment to continue economic growth. One must ask how are we going to pay for this. Well, we are told that £20 million of the efficiency savings will be reinvested to fund these programmes. My concern is that if you save and then spend that same amount of money, what it should do is have a neutral effect on the overall budget. However, this is not the case. The reinvestment of savings in 2007 will total £3.3 million, if capital receipts from property are removed from the total savings figure. The new Stabilisation Fund created with monies from the Dwelling Houses Loan Fund totalling £32 million is going to be discussed, and we are going to decide on how that is used on or about the time of the budget debate. What is of concern is that proposals for the fund are going to be known after this business plan debate, not before. The States will then have to decide how these monies are used. What I am trying to get at is that if we knew how that Stabilisation Fund could have been used, we possibly could have had an assurance that the proposed £11 million deficit for 2007 was not going to be that particular sum of money. Because I go back to what I said earlier, and I raise that issue that if we agree to a set of figures that declares a deficit of £11 million, then we are obliged, as an Assembly, to address that deficit in the budget debate. That means extra taxes, in one shape or form. We must all ask ourselves if that is what we require. Is that what we believe to be right? Is that the right way of funding the Strategic Plan? We ask and we expect the Council of Ministers to prioritise its savings, to prioritise its Strategic Plan. But equally we expect, and I think that the Island expects, that those priorities will fit within already agreed limits. I am well aware that there are spending pressures; well aware. However, let us receive the money before we spend it, rather than spend it on the hope. Thank you.

1.9.2 Senator J.L. Perchard:

On the same theme, but much shorter I am sure, can I remind the House that in 2007 the proposals are that our gross revenue expenditure will be just under £607 million, and capital expenditure for that year will be £43.5 million, making a total gross expenditure for 2007 of £650 million. The

Minister gave us assurance in his speech that everything would be all right, but is the Minister really confident that the tax reforms he proposes will cover this level of ongoing expenditure? Does he agree that economic growth is dependent on low levels of taxation?

The Greffier of the States (in the Chair):

Can I call on the Minister to reply? Deputy Ryan?

1.9.3 Deputy P.J.D. Ryan:

Just in time, sorry. I was waiting for someone else. Never a good idea, when you want to say something. The link between business plan expenditure that we are discussing today and the budget to pay for it is undoubtedly there. I would certainly agree with the Deputy of St. Ouen when he says that it would be useful for the Assembly to have a better idea of the implications of any increases in spending when it comes to what that means in terms of extra taxation at budget time. I think that is a good point and I think that is something that the Minister needs to take on board for future years. How, I am not too sure, but certainly there is undoubtedly a link. The Minister has spoken about our budgets being broadly neutral over a 5-year period. However, I am aware that taking all of the assumptions into account - the same assumptions that have been used for that 5-year period and going further than 2011; in other words 2012, 2013 and 2014 - we certainly have indications that there is a structural deficit. That is serious because it is only early GST receipts in 2008 and 2009; it is only because of that that those budgets look to be broadly neutral, balanced over that 5-year period. Without those I think we certainly would be looking at a deficit. In my view, therefore, if we have to spend as proposed there have been lots of things said in this House which explain why we must spend as we are spending. The Chief Minister himself, in the Strategic Plan debate, made out a very good case as to why we need to spend the money. Well, that is fine. That debate has been had. The States Assembly has taken votes. We have decided to spend roughly in that way. That is fine. I accept that. But I would say to the Assembly that, in my view, looking at the structural deficits that, in my view again, we have past 2011, this is going to mean that there will need to be increases in GST rates after the initial 3-year guaranteed low rate. I personally cannot see any alternative to that. I would want to be on record as flagging that up at the earliest possible opportunity. I do not see any alternative. Perhaps the Treasury Minister does. If so, I would like to hear about it. Finally, just a couple of words on the Stabilisation Fund. Deputy Reed mentioned it but I believe that he was slightly on the wrong track. A Stabilisation Fund fundamentally, if you will excuse the pun, is not there for structural deficits. I think he was making the point that it could be used to fill structural deficits. It is not there for that purpose. It is only there to smooth out cyclical deficits which would be caused by the sort of growth/inflation/ recession/inflation cycle that typically Western economies are subject to. That is what it is there for. It is to try and smooth that out, and by smoothing that out you get a better longer term economic performance. That is the essence of a Stabilisation Fund. I look to the Treasury and Resources Minister: does he see an alternative to increases in GST, realistically, if we carry on spending at the current rates?

The Greffier of the States (in the Chair):

I now call on the Minister for reply.

1.9.4 Senator T.A. Le Sueur:

I think I will take these in reverse order because the Deputy of St. Ouen may take a bit longer to deal with. Firstly, from Senator Perchard, am I confident that the tax reforms will deliver what I expect them to deliver and what the business plan says they will deliver? The answer to that has to be a resounding yes. The tax reforms were designed for a specific purpose. The proposals we are coming up with match that design. The revenue yield we expect to get from them matches our requirements. I have no doubt that the tax reforms will deliver as required. He also makes a very

valid point that economic growth is conditional, to some extent at least, on having low taxation within the Island. I endorse that and that is why one of my key objectives with a Goods and Services Tax has been to keep the rate low, just as we have kept the rates of income tax low in order that we can maintain our position as a low tax economy. Although it is not in this particular document, I think in either the Strategic Plan or the fiscal strategy I did give indications of the amount of tax suffered by Jersey residents as compared with the tax suffered by other residents of the United Kingdom and other countries in Europe. Even after the imposition of a Goods and Services Tax of 3 per cent, Jersey still remains very much a low tax jurisdiction and that does, I believe, auger well for economic growth. Deputy Ryan suggested it would be useful to know the implications of the spending proposals in respect of additional taxation. Certainly we need to know the implications of the spending proposals. That is why, in the booklet here and in the Strategic Plan, I have outlined the financial framework over the next few years within which we are working. It is that framework which gives me the confidence to make the proposals which I do today. A framework which does, indeed, show balanced budgets over the 5-year period but a warning sign, as Deputy Ryan and Deputy Reed rightly say, of choppy waters ahead; the risk of a structural deficit in the future. I think the important thing for all of us is that we should all be aware of that risk and that we should ensure that that risk does not materialise. How can we do that? There, I think, I part company with Deputy Ryan who suggests that the only solution is to raise the rate of GST. That is not the only solution. The solution will be in Members' hands. There are possible other tax raising measures that could be introduced but there are also things which we are doing now and which we should continue to be doing, which is to seek further reductions in States spending, primarily by doing things more efficiently and, secondly, by cutting out some of the things which perhaps are less important. There is more than one way of solving the problem. The important thing is, first, that we are aware of the problem and, secondly, that we address it. We work, and continue to work, within a framework of balanced budgets over a 5-year period. We continue to work with an ambition of low inflation and we continue to work on the basis of trying to do things better, simpler, more efficiently and at less cost to the public purse. I am also grateful to Deputy Ryan for putting us right about the Stabilisation Fund. That is there, as he says, to deal with cyclical deficits rather than structural deficits. The proposals, which I will bring forward in December, will be for setting up the Fund and seeing how it can be used. Certainly I have no intention in December of spending any of that money. I do not believe that the time will be right at that stage. Equally, I do not believe that any of that money should be spent until the States have agreed the basic rationale behind the Stabilisation Fund. Certainly, no, I would not be using it to solve a 2007 deficit. In fact, I think perhaps here there is a misapprehension in the mind of the Deputy of St. Ouen that the £11 million, or whatever the figure turns out to be as a deficit, has to be reduced to zero. We are following a policy of balanced budgets over a 5-year period. We are not following a policy of having balanced budgets every single year within that period. There will be some years in which we budget for a surplus and other years in which we budget for a deficit. The important thing is that we only budget for a deficit if we can see our way out of it at the end of the day. At the moment we can see a way out of it and so we are budgeting for a deficit. But, then, I think Members are quite entitled to say: "Why should we budget for a deficit? Is that not bad housekeeping? Should we not live within our means?" I think those arguments were debated, at some length, in the course of the debate on the Strategic Plan when we said that we needed to invest more in our infrastructure; that we needed to bring our roads up to scratch; that we needed to improve the state of social rent housing; that we needed to invest in that infrastructure because, if we did not do it soon, we would be faced with a far greater problem in the future. I think some of the expenditure that we are spending over the next 5 years - essential in our view and I think essential in the view of Members - is something which hopefully will then save us from having to spend large sums of money in the future. There are going to be challenges in the years beyond 2011, just as there are challenges now. It is up to us to meet those challenges and to deal with them. But simply to say: "Because there is a question mark, we should not spend anything on anything for the next few years until we are clear where we are" is a policy of stagnation, a policy which

eventually - quite soon, in fact - means you are going backwards into a spiral of decline. That is hardly the way to run an Island, let alone try to stimulate economic growth. But the Deputy of St. Ouen is right that we moved the goalposts. We moved the goalposts at the time of the Strategic Plan debate. We moved them because, yes, revenue forecasts have improved slightly. He talks about the figures showing a £9 million downturn compared with the previous year. That, I am afraid, is one of the smoke and mirrors tricks which accountants use from time to time. It brings in the revenue from Parish rates as both income and expenditure and has the effect, yes, of increasing the expenditure by £9 million. It also has the effect of increasing the income by a similar amount. We are still talking about the same figure. It is just displayed in a different way to make sure that those of us who practise the black art of accountancy **[Laughter]** can feel superior. I think the Deputy asks: "Can we be confident that this ongoing tendency to spend more can be kept in check?" I can say, yes, as far as I am concerned, I will insist that we live within our balanced budget procedures; within our policies which the States agreed of sustainability over a 5-year period. That is why I say to the Council of Ministers and to Members as a whole that if we are going to spend money on new initiatives - and we have agreed to some, such as the winter fuel allowance - that will have to come out of our existing resource allocation because if it does not we will not have sustainable budgets. We will not be able to achieve the policy of living on a 5-year sustainable budget. It will not work. There are going to be challenges ahead; challenges initially for the Council of Ministers, but I think an acknowledgement by all us that there are difficult questions to address. We are not ducking those questions. We are having to face them. We are having to face them, in some cases, in the next month or 2, certainly within the next 12 months in terms of winter fuel, earlier maybe in terms of third party appeals or other areas like that where the States have agreed amendments to the Strategic Plan and the Council of Ministers has committed to delivering on those amendments. The Deputy of St. Ouen suggests that I am giving out mixed messages. I accept that, up to a point, I am because on the one hand I do want to exercise tight restraints on States spending and Ministers often feel a bit aggrieved that I do want to exercise that constraint. I also have to recognise the reality of living in a community and having certain standards, having certain basic requirements. That is why in the Strategic Plan we agreed that we would, if you like, take the foot off the brake. As I said then, it is taking the foot off the brake; it is not putting it on the accelerator. I think, Sir, that that is probably as much as I can usefully add to respond to the Deputy of St. Ouen, but I do thank him and confirm that we are not, I think, on different sides in this respect. We both share the need for restraint. It is just that maybe his foot is still on the brake rather more than mine is. With those comments, Sir, I propose paragraph (b) of the plan.

The Greffier of the States (in the Chair):

I put paragraph (b) of the proposition. Those Members in favour of adopting it, kindly show. Yes, the Appel is called for. I invite Members to return to the Chamber to be in their designated seats. The vote is for or against paragraph (b) of the proposition. The Greffier will open the voting.

POUR: 29

Senator F.H. Walker
 Senator W. Kinnard
 Senator T.A. Le Sueur
 Senator P.F. Routier
 Senator M.E. Vibert
 Senator B.E. Shenton
 Senator F.E. Cohen
 Senator J.L. Perchard
 Connétable of St. Ouen
 Connétable of St. Peter
 Connétable of St. Clement

CONTRE: 1

Deputy of St. Ouen

ABSTAIN: 0

Connétable of Trinity
Deputy A. Breckon (S)
Deputy of St. Martin
Deputy S.J. Scott Warren (S)
Deputy R.G. Le Hérissier (S)
Deputy J.B. Fox (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy of Trinity
Deputy S.S.P.A. Power (B)
Deputy S. Pitman (H)
Deputy K.C. Lewis (S)
Deputy I.J. Gorst (C)

The Greffier of the States (in the Chair):

We move now to paragraph (c) and I invite you to propose paragraph (c), Minister.

1.10 Senator T.A. Le Sueur:

Before I do so, I think I would just express concern that at what is, I suppose, probably the most important debate in the year now, we only had 30 Members in the House to take a vote on there. If we are going to criticise in the future that we spend too little or too much or in the wrong direction, then I hope that those Members not present will acknowledge that fact. But to be more positive now, having set out the general framework, we move to the specifics. Proposition (c) deals with the revenue expenditure allocation for next year. That process began with the figures in the 2006 budget, up-rated then for pay awards, price increases and benefits. It accounts for the transfer of Parish welfare from the Parishes to the States and the full year costs of that. It accounts for the efficiency savings and the reinvestment of that. It reflects the vision of the Strategic Plan to spend those monies in the core areas of health, social and welfare benefits. The Strategic Plan also identified a number of new initiatives and those were prioritised and the implications identified. They fall into, I think, 3 categories: new initiatives which come from the Strategic Plan; emerging pressures since the last Plan, and an example of that is the example of demographic changes on education funding; and the costs of a fiscal strategy and the changes which that will generate. At the same time, we have taken a look at the capital programme, which I will look at later. We have decided for good reasons, which I will explain when I come to them, to increase the allocation of the capital programme by £3 million a year. The effect of that is to change the allocations for 2007 to a total figure of £516 million, which is the figure shown in table (a) and supported in detail by the individual departmental budgets in the annex to the business plan. I can summarise by saying that of that increase, £11 million is due to pay and price increases; £8 million comes from strategic initiatives; £8.5 million comes from the Parish welfare and resource allocations; but £3.5 million is achieved from efficiency savings. That detail is all set out in table 4.1 on page 26, but really what the House is debating at this stage is the overall figure of £516 million. I will propose that, recognising that there are a couple of amendments to be made before that figure can be agreed or debated.

The Greffier of the States (in the Chair):

Is paragraph (c) seconded? **[Seconded]** As the Minister has indicated, there are 2 amendments. The first amendment is in the name of the Privileges and Procedures Committee. I will ask the Greffier to read that amendment.

The Deputy Greffier of the States:

In paragraph (c) after the words “withdrawn from the consolidated fund in 2007” insert the words “except that the net revenue expenditure of each of the ministerial departments be reduced by £18,800 and the net revenue expenditure of the States Assembly and its services be increased by £188,000 in order to fund the establishment of an additional Scrutiny Panel to scrutinise social affairs.”

1.10.1 The Connétable of St. Clement:

The Assembly has already acknowledged the fact that there is a need for a fifth panel and the fifth panel will have enough work to do as the 4 panels have more than enough work to do. I hope our only difference on this matter is funding, although I did notice that the entire Council of Ministers voted against the proposition of establishing the fifth panel. If we are only just talking about the funding and if we look at what the Council of Ministers is suggesting - that any surplus that the panels have at the end of the financial year is used with a top-up from the Council of Ministers - it does not say how that top-up is going to be arrived at but the top-up from the Council of Ministers will make up the difference if there is one. That is all very well but I think what we are trying to do is establish this panel as quickly as possible. We are not going to know what the surplus is from the individual 4 panels that exist at the moment at least until April. So we cannot put any funding in place at least until April because we need assurance of the funding before we appoint the officers who will be the means of running the panel. What we are suggesting, I think, is a fair way of raising the money. The problem really is that the Public Finances Law does not allow any surplus, when it is discovered later on in the year, to be redistributed to the departments that are contributing in the first place. It seems a little bit crazy to me that it is not possible to give the money back to them. All we are having really, depending on how much the surplus is, is a loan from the departments. But we need the money now to make certain that we can operate a fifth panel from January. If the Assembly agrees today, a revision of the Standing Orders will be presented as quickly as possible. That can be debated and the amendment incorporated into the Standing Orders on 1st January and the panel can then go ahead. In the meantime, the 2 officers can be appointed but we need the assurance that we have got the money before those 2 officers can be appointed. I think that that is all I needed to say at this juncture. I just would like to propose the amendment.

The Greffier of the States (in the Chair):

Is the amendment seconded? **[Seconded]** Does anyone wish to speak on the amendment?

1.10.2 Senator T.A. Le Sueur:

Firstly, can I acknowledge, on behalf of the Council of Ministers, that although I think the Connétable is right that Members voted against the setting-up of the fifth panel, having acknowledged the wishes of the House, the Council of Ministers will deliver; does support the fifth panel, and is fully behind its activities. Indeed, as far as I am concerned, there is nothing to stop that fifth panel being set up and starting work right now. It need not even wait until January. Although it may seem penny-pinching to oppose this amendment, I do it for very sound reasons. It is not a matter of the cash. It is a matter of principle here. We are debating a business plan and I think the public expect us - and certainly I expect us - perhaps not to be running a business but to have something of a business-like approach. We have heard already how spending is tight and we should be targeting money to where it is most in need; where it will have the most benefit. This amendment, small though the figures may be, invites Members to revise the existing spending

programme; a spending programme which has been tailored to try and ensure that the scarce resources of the States are used to best effect. It has been tailored to deliver resources where those resources are most needed. What does this amendment do? If this amendment were successful the effect would be to give additional resources to the Privileges and Procedures Committee and take resources, in one way or another, from other departments, some of which, such as Home Affairs, I know are struggling already within the budget they have got. I have to ask myself is it a good use of resources to starve departments in need of funds in order to transfer funds to another department or another operation, in this case the Privileges and Procedures Committee? I would have some sympathy with such a request if P.P.C. was, in fact, short of funds. I have had the benefit of being advised of how much P.P.C. have spent in the first 6 months of this year and, in particular, how much the Scrutiny Panels have spent in the first 6 months of this year. The indication that I have is that there is a clear under-spend in P.P.C.'s budget for this 6 months and there will almost certainly be a clear under-spend in P.P.C.'s budget at the end of 2006. Therefore, what this amendment is going to do is to give additional resources to a department which is already not spending what has been given and taking resources away from those in need. Is that helping or is that hindering our best use of resources? In my view, it is hindering. It is allocating additional funding where it is not needed and taking away funding from where, in some cases, it is desperately needed. But, if that were not enough, there is also a caveat in the final paragraph of the Council of Ministers' comments that if P.P.C., having set up this fifth panel and having got it fully operational and fully staffed, manage to spend even the whole of that £188,000 - which at the moment seems unlikely but might just happen in a full year of full activity - even if it were to happen the Council of Ministers would then underwrite that sum. How will they underwrite it? They will do it either by taking the same £18,000 from each of the departments as the Connétable is proposing in the amendment or in some other way. But they will find it anyway. The important thing, for P.P.C., is that money will be found. It may well be found by the Council of Ministers taking it away from those departments which are not spending it rather than doing a blanket withdrawal from every department whether they need it or not. What I am suggesting to Members is that there is nothing to lose by opposing this amendment. P.P.C. will still get the £188,000 if they need it. If they do not need it, what we will be doing is not starving other departments who I know, at this time, do need it. On that basis, Sir, I suggest this amendment be rejected.

1.10.3 The Deputy of St. Peter:

Mixed messages would appear to be coming across from the Treasury. We talk about the starving of other Ministries of money which could be used for better things, almost an indication that there is not huge support for the setting up of the fifth scrutiny panel or, in fact, for paying for setting-up of the fifth scrutiny panel. What we are looking for and what is needed within P.P.C. is some formal reassurance this is just not something that is going to happen for 2007 but is ongoing financial commitment to Scrutiny. We look at the business plan, and taking a businessman-like approach I would concur that is the state but our business is good governance. In good governance that is fully inclusive of Scrutiny. Scrutiny has been stated as one of the most important parts of the current new governmental system. I do not appear to have had the sort of reassurance I would have wanted from the Treasury in that they will commit themselves to ongoing funding for Scrutiny in its entirety. I can understand them saying: "Well, just for the moment we might and we will commit to top up if necessary" but that is not what I call a business-like approach. I would like to see something far more formal than that. What P.P.C. offered was a more formal solution. It would appear at the end of the day that should we be short, the proposal that we put in front of you today would be accepted and that £18,000 would be removed from each of the Ministries. It seems a very, very strange response. I would encourage people to vote for the amendment because it gives the continuity that we require within P.P.C. I might add this money is not for P.P.C. *per se*. This money is for the operation of Scrutiny.

1.10.4 Deputy C.J. Scott Warren:

I certainly supported the setting up of a fifth Scrutiny Panel. I just wanted to ask the Minister for Treasury and Resources if he can assure Members that if his way of acting - of this fifth panel going ahead regardless at the moment of sufficient resources and that whatever additional money was found to be needed over the next 12 months, that that money will be ongoing – going to be adopted it would be put into the budget. I think we have to have clarity because people - those with tight budgets - will be very tempted to go with the suggestion of the Minister for Treasury and Resources. But we must be sure that scrutiny will be adequately funded year after year.

1.10.5 Deputy G.W.J. de Faye:

This is not an issue about whether this House has confidence in the Scrutiny process. It really does not matter how many Panels Scrutiny want. Scrutiny Panels themselves are entitled to set up as many sub-panels as they deem fit. The number of Panels is essentially irrelevant. The specific amount of money is, in fact, an arbitrary figure that has stemmed from the early calculations based around the whole pot of money - the budget which is controlled as a global amount by Privileges and Procedures - being split into 4. Therefore, there was some sense in using that calculation when looking at the potential budget costing which would be allocated to a fifth panel. Nevertheless, we at this stage do not know how much a year's worth of Scrutiny costs because we have not got there yet. What this debate should concentrate on and I think the reason why this amendment exists is because, certainly from the point of view of the Council of Ministers, we want to support the sensible spending of money. The outcome we want to avoid is a simple and obvious one. If we support the amendment as it stands, it would be possible for 10 departments to cut £18,800 from their budgets and then, halfway through next year when we have added-up all the figures and we have seen what carry forwards may or may not have taken place, we could discover that not one of those departments needed to make a cut at all because, in actual fact, the fifth panel did not spend the amount allocated and, in fact, other Panels did not spend the amounts allocated and there was quite sufficient carry forward within the existing Scrutiny budget to fund all present requirements. It seems to me that the undertakings being given are wholly satisfactory and that there will be an honouring of any amounts of money that are committed by the new Panel. All that is being said is that in year one, when we do not know what the full spending requirements are likely to turn out to be, we ought to take a measured approach to how money is being spent. It really would make all of us look rather silly in the public eye if 10 Ministerial departments each make a roughly £20,000 cut in services that they need not have made when we come to look at the figures in the fullness of time. That, I believe, is the situation. It is a simple one to grasp. That is why I think that we should support the situation as presented by the Treasury Minister.

1.10.6 Senator F.E. Cohen:

The decision has already been taken to establish the fifth panel, of that there is no doubt. That is not, clearly, what we are debating here. But what I would like to make clear to Members of is the effect of the wording of this amendment to my department. The department is being called, effectively, to cut £18,800 of its expenditure. I would like to put this into context. We are presently battling with a reduction in our cash limit of £853,000 for the period 2006 to 2008, which represents 15 per cent of our department's net expenditure. We are trying to do that at the same time as I am attempting to deliver the things we talked about this morning: new SPGs (Standard Practice Guides) in all sorts of different areas, and a field archaeologist. Field archaeologists, I have had to cobble together a few hundred pounds here and a few hundred pounds there to try and raise £10,000 to deliver an absolutely essential service for the good management of our Island's built heritage. Yet, we are being asked here to accept a cut of nearly double that, which we simply cannot afford. How can I deliver a better Waterfront through the appointment of architectural

supremos of the calibre of Hopkins? If I do not have the money to pay people like Hopkins, I simply will not be able to deliver a better Waterfront. We also have to face things like paying for Avian Flu, completely unexpectedly and something that presently we are having to bear. So when Members consider their position on this amendment, I would like them to consider the effects on a small department like mine in terms of budget, and to consider the fact that they have already had an assurance from the Treasury Minister that the £188,000 will be underwritten.

1.10.7 Deputy J.B. Fox:

I find that this is very confusing, to be honest with you, because we are still in the process of finding out precisely how many States Members we really should have. I know it is not particularly clear at the moment but we have allocated already that we are going to have a fifth panel, which means extra people as opposed to taking one off each of the existing Panels, for argument's sake. If we do that at some stage in the future we are not going to have enough Members or is this a way of keeping the amount of Members? You know, turkeys for Christmas, et cetera? I do not know. What I do not like is when you work out a budget and you budget for it: it does not matter how big or how small your budgets are, it is going to affect something. That is the truth of the matter. I have responsibility for youth. That money could be the price of having a professionally trained youth worker in another youth facility somewhere in the Island or doing a project somewhere in the Island involving youth or supporting other anti-social behaviour, anti-crime measures or whatnot; involving the improvement of young people or dovetailing into young people, to give one example. But equally as well it could affect the other side that I have where people want to go and have further education - higher education. It could affect the ability we have for sending 3 or 4 people on a course that might not otherwise get to that course. It has a bearing on it. At the moment I am hearing it is not the money so much, it is the principle that we have not spent the money yet. We have not had a full year, but we need the money now taken out of the individual departments. I do not think we have to make that decision yet. I will go along with the Treasury Minister and say: "Yes, we have made the decision for the fifth panel. Yes, it is important that we have Scrutiny. No, it is not going to affect the operation of the Panel at this time and, therefore, why do we have to make the decision until there is some clearer indication to us that we need it?" We can always come back if there is a necessity but there are assurances that have been given by the Treasury Minister and the Council of Ministers and I think that that is a sufficient reason at this time to say: "No, I do not have to make that decision at the moment." I am not going to put abstain. I am going to vote against it because I do not want someone to lose out that does not have to lose out. That is my reason.

1.10.8 Senator M.E. Vibert:

I would hope that in the light of the comments by the Council of Ministers and the commitment that is included in those comments that we are committed to underwrite the budget of a fifth Scrutiny Panel in 2007 up to a maximum sum which is asked for - £188,000 if required - they would be sufficient for the Privileges and Procedures Committee, Sir - which I must admit I am a member of and which I dissented to this coming forward - would accept the commitment of the Council of Ministers, and accept that they should withdraw this amendment, so that we can get on. It is a shame and I am sad that the Chairman of the Chairman's Committee, Deputy Duhamel, is not in the Chamber because he led the delegation to Privileges and Procedures who asked us to put this amendment in. At the meetings, I twice asked for up-to-date financial information, which was not forthcoming. I finally had to go to the Greffe, as was my right, and get that financial information on what had been spent by the 4 Scrutiny Panels so far. Sir, though it is mentioned whole in the report, I have a breakdown by Panel for spending up to the end of the second quarter of this year - so half of the time of the Panels' life for this year. Taking off the staffing and if you divide the amount left, each Panel had, if it is divided into 4, £85,000 each for transcriptions, consultants, experts brought

in and so on. For Members' understanding of why I believe that we should go along with what the Treasury Minister is proposing and the Council of Ministers is proposing, perhaps I can inform Members that the Corporate Services Panel has spent a considerable amount of their budget, nearly half, as one would expect by the end of 6 months. They spent in the region of just over £35,000 and they have a balance of over £44,000 left. The Economic Affairs Scrutiny Panel has spent, in the first 6 months of this year from that extra money apart from the staffing, a total of just under £2,500, leaving over £77,500 for the second half of the year. The Social Panel has spent just over £4,000 in the first 6 months, leaving a total of over £75,500. The Environment Panel, being even more parsimonious, has spent just under £1,500 leaving a total of £78,500 for their remaining 6 months. Sir, I have every confidence the Panels will not spend when they do not have to spend. I appreciate that it was a setting up time. I appreciate that it was a time of getting ready. There may be much more expenditure required in the second 6 months but, Sir, I find it difficult to believe that all that unspent money which has not been spent in the first 6 months will be required in the second 6 months. If it is, we have a commitment from the Council of Ministers that we will cover the cost of a fifth Scrutiny Panel. But what is important is that, as we would for any department, we look at our own resources first. That goes for Scrutiny and P.P.C. as well as any other department. Scrutiny should not be above scrutiny. I scrutinised the spending of the Scrutiny Panels and I found out that most of the budget had not been spent. That was why I believed it was not right to ask for another large tranche of money when over £300,000 of the original budget had not yet been spent. It is very important that Scrutiny scrutinises itself, brings evidence that this is required. You will see in the P.P.C. report itself, which I dissented from, there is no mention of any of the funds or the budgets, which I think is wrong because Members should have that information which I have just provided for them. I believe that we should agree and I urge my colleagues on P.P.C. and the Chairman to say: "Yes, as we have got a commitment, the funds will be covered if required. We should not push ahead with this." Deputy Egré, who is the Vice-Chairman of P.P.C., mentioned, Sir, about an ongoing financial contribution. Yes, if required and justified by evidence. Funding for Scrutiny was a total 'guesstimate'. It went up and down. We had no idea what it was going to cost. As we have seen from most of the Panels so far, they have not required their full budget for transcripts and expert advice. They may do. They may not do. I have confidence that they will not spend for the sake of spending. We have a review suggested by Senator Shenton of the first 12 months of Ministerial government, which I believe should include Scrutiny, in the first 3 months of the coming year. I believe that will be an opportunity to look at the budget required by Scrutiny, among other things, with the fifth panel. Then we can have a proper debate, with evidence produced for States Members and it will be States Members who decide, with the real evidence, and it will be in this Assembly's power to set whatever budget for Scrutiny it wishes. The guarantee is that the funding will be covered for 2007 and the States will have the power to set whatever budget for Scrutiny they wish for 2008. The power rests with this Assembly. As has been said - the Minister for Planning and Environment mentioned it - if we go along with and this amendment of P.P.C. is supported, it will require every department, on top of other cuts they have all had to make, to find yet another cut, identify it, take it out of their budget. Why? Because the money for Scrutiny is there for the fifth panel and the Treasury Minister and the Council of Ministers have said if all the money is used and needed, we will still find the money to fund the fifth panel in 2007. Why take it out of every other department now? As my Assistant Minister mentioned, it could be a youth worker, it could be ancillaries at school, it could be anything.

Senator B.E. Shenton:

With all due respect, the Minister is just repeating himself again and again. Could we move on?
[Laughter]

Senator M.E. Vibert:

Through the Chair, Sir, I am afraid I had to listen to a lot of emotional rhetoric backed up by no evidence this morning. [Laughter] I am trying to give Members reasons and actual evidence - not

just rhetoric and emotion, as to why they should not support the amendment brought by P.P.C. I am just trying to reiterate, and I will reiterate, that we have guaranteed - committed to - the funding of the fifth Scrutiny Panel. We just do not want unnecessarily to take it out of every department's budget now which will mean a further cut in every department. I hope, P.P.C. and Members, we can just agree on that and move on, Sir.

The Deputy of St. Peter:

Sir, a point of clarification from the last speaker?

The Greffier of the States (in the Chair):

As long as it is a point of clarification, yes.

The Deputy of St. Peter:

The last speaker, in his speech, suggested there would be an ongoing commitment on behalf of the Ministers. That is the first time we have had information that there would be an ongoing commitment. That is very important.

The Greffier of the States (in the Chair):

The Minister did point out the procedural factors is a matter for the Assembly, not really for the Council.

1.10.9 Deputy G.P Southern:

This I suppose is really a swings and roundabouts case. We are told we will get the money for 2007 one way. Scrutiny has suggested it to Privileges and Procedures and Privileges and Procedures suggested that this is the way to proceed. But it is about swings and roundabouts. It seems to me we can be reasonably confident that whatever happens we will get the fifth Scrutiny Panel. But the Treasury and Resources Minister mentioned something early on in his speech about principle. Let us have a look at the principles. The Minister for Transport and Technical Services said we are talking about the sensible spending of money here. Let us consider the principles that we are acting on. First of all, and as an aside, it is interesting that we have yet again placed control in the hands of Members of this body and, yet, when we are talking about rearranging the business plan in a very small way, look how much shroud-waving is going on from this small department or from this Assistant Minister who has just left the room. Where does the power lie with this House? Bear in mind the difficulty that we are experiencing just making a small adjustment to budgets from a different position. But, that aside, what is the principle? The principle is that what the Treasury and Resources Minister is saying is: "Do not worry about the 3 per cent carryover that applies to every Minister and every department. In this particular case we will let you carry over as much as you want as a carryover and use that to fund at least 2 permanent posts." So you use a carryover to fund permanent posts. Is that good practice? No, it is not. The Regulations and the principles around amending the business plan are that if you want to amend the business plan you have to say where the money that you want to rearrange is coming from. That is what we have done. Why is it that the 3 per cent carryover, which applies to every other department, all of a sudden is not to apply to Scrutiny? The same rules are not to apply to Scrutiny?

Senator T.A. Le Sueur:

If the Deputy will give way, Sir, I was not saying that the 3 per cent carryover rule would not apply to Scrutiny. What I was trying to say, Sir, was that the evidence of spending to date was that the budget was totally sufficient to meet the needs for the coming year - for 2007 - and that was without any carry forward from the previous year, from that existing budget as set out but in the knowledge and experience of what had already been spent this year.

Deputy G.P. Southern:

In that case, if that is the interpretation that I should place on your words, then it is even worse than I thought. Effectively, the Minister is saying then, through the Chair, that before the evidence of how much Scrutiny is costing, should cost and does cost is gathered, we are effectively going to make you run 2 extra positions and an extra Panel on the basis of the sums that we allocated originally to 4 Panels. Effectively, it is a way of cutting the budget without cutting the budget. Divide it 5 ways instead of 4 ways, you can manage. If that is what the Minister is saying then it is, effectively, the worst case scenario of the P.P.C. (Privileges and Procedures) being told to divide it up differently and you will get away with it. Also, you are saying it is not a 3 per cent carryover but is it not? We are spending money now. We are told by the Minister for Education that we have not spent enough money but we are told if you do manage to spend that money, we will top you up to £188,000 anyway. That is an open invitation for me, the most abstemious and scrupulous spendthrift Scrutiny chairman in existence, to go out and spend. That is what it says. Whatever happens we will put in the £188,000 no matter how much of your budget is left. We will do that for you, go out and spend. No other Minister in this room, no other person in control of a budget has got the power to go and spend as much as they like and get a guarantee from the Treasury and Resources Minister that they will get topped-up for what they want in 2007. No other Minister has that. It should not be happening. As I say, if we can get the guarantee from the Treasury and Resources Minister that funding will be continued through 2008 and beyond for these 2 permanent places, then perhaps we might be able to say: "Very well, swings and roundabouts, we will do it your way and not this way." Until we have that we really ought to be doing it by the rules, by the principles, sticking to 3 per cent carryovers, sticking to the rules which say: "If you identify extra spending, you must tell us where that spending is coming from." Let us do it by the principles. Let us do it by the rules. That is all the President of P.P.C. is attempting to do.

1.10.10 Deputy J.J. Huet:

I am just wondering quite where to start here. I am very tight with the States money. I like to be careful, let us put it like this. What we are discussing here is principles and sensible spending and small adjustments. I guess you have to get what you think are priorities. Quite likely, with a lot of people, I think, in this Chamber, Sir, I am very involved in "Prison, Me? No Way" which is a very small thing but it does an awful lot of good to awful lot of children in an awful lot of schools and housing estates and so forth. That is a very small amount. At the moment we have been very lucky or very fortunate that we have had Housing with us, we have had Education with us and we have had Home Affairs with us and they have been very, very good. But I already know that my Housing Minister has run into problems that he has not got enough in his kitty and I now will be at the point where I am relying on Education and Home Affairs, as I might just tell the other Ministers to hold on to their purses because I shall be coming around to see what I can cadge from them. But I am thinking what are our priorities? This, to me, is a much bigger priority - than something that has already been said you can have - has already been said it will be paid for - and I am saying so we would be putting in jeopardy something like "Prison, Me? No Way" because you want to take a certain amount, I think it is quoted £18,000-odd, from each Minister. The proportion that these Ministers have given "Prison, Me? No Way" this year is £15,000 each so that is poof, gone, which could be done. There will be no more. Think of how many that benefits at the moment and the good that it is doing to our future generations. We all have said they are our future. Sir, I think I have got my priorities well right. My priorities are on those type of things and I let that rest, Sir. Obviously, I will not be supporting this amendment. Thank you, Sir.

1.10.11 Deputy S. Power:

I did support and vote for the fifth panel and I am an enthusiastic member of Scrutiny. I looked at last year's Shadow Scrutiny accounts and there was a significant underspend on Shadow Scrutiny last year and the non-disbursed portion of its unallocated funds were extinguished. They were not allowed to be carried forward. This year it looks as if scrutiny is going to significantly underspend as well. There is a reason for that. That is that we all are in a learning curve in Scrutiny. Now, the proposal by P.P.C. is to take so much from each Ministry to create the funds, 10 amounts of £18,000 to create £180,000-something. The alternative suggestion by the Treasury Minister is to allow us to use the non-dispersed portion of our scrutiny budget and carry it forward next year and see how the fifth panel operates. Now, Scrutiny is supposed to show by research, by study and by evidence that we can save the States of Jersey money. As we have a guarantee from Treasury I will support the amendment of the Treasury Minister in this case because I think it makes sense. **[Approbation]**

1.10.12 Deputy S. Pitman:

I hear the Treasury Minister point out that if money is taken from departmental budgets, tight budgets - that it will leave them short. Well, I think there is a certain amount of hypocrisy in this statement. I will give you some examples. I would like to refer to the sale of Le Coie, the purchase of which was £20 million by the States and then it was sold off for £12 million to a Trust. The £27,000 that has been spent for 9 police staff at Jersey Live; the £22,000 to spend on a topless model to represent the Battle of Flowers - just a few examples of the misallocation of funds by this government. I say just a few, but there are many which I will not talk about here. We are forever hearing about Ministers saying that they support Scrutiny but actions speak louder than words. In this case its action proves they cannot support the £18,000 for next year out of their budgets for Scrutiny. We were only asking for the principle of an ongoing commitment to the funding of a fundamental part of this government. Thank you.

1.10.13 Deputy S.C. Ferguson:

Foiled again, Sir. I wonder if I can bring this debate out of the emotional arena and back to facts. Ministers have overlooked the fact, I think, that this is a new venture and this situation only appertains until we have a complete year behind us on Scrutiny. By the middle of 2007 there will be a good indication of the running costs of the Scrutiny Panels. In other words, the 2008 budget can be based on real evidence. Senator Vibert in his explanation seemed to overlook the fact that £98,000 of the cost of the Scrutiny Panel is the staff. It takes a very special person to be a Scrutiny Officer. All of them have degrees and all of them are extremely bright. I appreciate the Treasury Minister's appeal on behalf of Ministerial departments. Scrutiny, I think, is beginning to make a very positive contribution on many fronts; witness the Strategic Plan debate. On the whole it offers a solid critical friend. However, we are talking about 2 years at the outside and after that we are talking fully evidenced figures. But the Scrutiny side must have certainty until there is solid evidence of a whole year's costs. The Chairmen's Committee has already said that it is quite happy for its underspend to be returned to the Treasury. Perhaps I can just run through a few simple figures. At the moment the Scrutiny Panels are asking for £188,000; the underspend this year will be something in the order of £150,000-£160,000 - call it £160,000 because I have already done the maths. So the net costs to the Ministers of the scrutiny panel next year - because obviously the underspend will be clawed back, will be £28,000, which is £2,800 per Ministry. Because the Treasury has already had its £160,000 back. ... **[Interruption]** No, with respect to the Chief Minister who is muttering in the background, it is a perfectly simple, practical look at it. The Scrutiny Panels return £160,000; they are asking for £188,000 and this is in effect what the Ministers are saying when they say they will underwrite it. **[Interruption]** With respect, Sir, £188,000 minus £160,000 to me says £28,000. So by mid-2007 we are going to have real figures on which to base the budget for 2008. There has already been a substantial underspend and claw-back

in 2005 therefore I think Scrutiny is demonstrating that it is not spendthrift and is being careful but it must have certainty over the next year.

1.10.14 Deputy R.G. Le Hérisier:

Hopefully we can bring this to an end because I am tending to agree with Deputy Power. The point is to get the money and, much as I respect the Chairman of PAC (Public Accounts Committee), the problem was that P.P.C. was put into a box, they have to follow a certain procedure because of the 3 per cent rule. It has ended up where it makes Scrutiny look selfish and as if we are raiding Ministerial budgets. The money is there, Sir, it is a question of the procedure that is followed. What I would like to suggest - because there are some fears in the background there is an exception being made here - let us assume that we have to use the exception route simply because finances are very tight, even though there has been mis-spending as Deputy Pitman enunciated, let us go that route. But what I would like, Sir, from the Treasury Minister, who is hiding somewhere, is an assurance on 2 grounds which may involve a bit of elasticity in the rules, I am afraid. One, that we can commence the recruitment of permanent staff, and secondly, Sir, that it does not mean irrevocably - and I do not for a moment question Senator Vibert's right to ask for Scrutiny of scrutiny; in fact I am surprised he is not recruiting Scrutiny people to do cost cutting within his Ministry. He must be very proud of what is happening within the Scrutiny function. Why is he not recruiting us here and now? But what I would say to him, Sir, I have got no problem with scrutiny of Scrutiny, as long as we are not entrenching a lower base budget. That is the fear in the background: is there the entrenchment of a budget because we need the working out of a system? So would the Minister for the Treasury, Sir, acknowledge that we can go ahead with the recruitment of permanent staff? This is not a commitment to a lower base budget, and just for this occasion, we are going to forsake - which the Chairman of P.P.C. was doing by the book - that 3 per cent rule. Otherwise we are going to go round and round in circles, Sir, and have all sorts of shroud waving, which has already commenced. Is there any way the Minister for the Treasury can make those promises and we can get on with this debate?

The Deputy Bailiff:

The Chief Minister, I know, is waiting to speak. Chief Minister, if you are going to speak now ... do you want me to call you at this stage? This will be your speech, then. Yes, very well.

1.10.15 Senator F.H. Walker:

Based on the speeches of Deputy Southern and Deputy Power and others in particular, I hope I can give the House the assurances it needs and bring the debate to a close. Can I firstly, though, very briefly deal with the comment of Deputy Ferguson, who is the Chairman of the Public Accounts Committee? I do not believe she has read the proposition, because the proposition says: "... except that the net revenue expenditure of each of the Ministerial departments be reduced by £18,800." If that was agreed today, their budgets would have to be reduced by £18,800. So I am sorry, Sir, the Deputy's mathematics do not stack up. Sir, I am not going to repeat the warnings that have been given by many people in this debate. The fact - just to say one thing - that if this amendment were to be approved, then some things agreed by this House today in the objectives would not happen. Of course, there is an alternative, but if the alternative turns out not to be capable of funding the full amount, then there is a guarantee from the Council of Ministers that we will underwrite the full amount for 2007. So 2007 is effectively a done deal. No, Sir, it does not stop Deputy Le Hérisier's concerns about additional staff. The fifth panel will happen; the Chairmen's Committee can put it into effect. So there is no problem for 2007. Members quite naturally have said: "Yes, but hang on a minute. What about an ongoing commitment?" Well, as far as I am concerned and as far as the Council of Ministers is concerned, the fifth panel is a States decision. The States took a decision there was going to be a fifth panel, so it has got to happen, and the Council of Ministers - and I will

give this commitment on behalf of the Treasury Minister and the Council of Ministers generally - we have a commitment to bring forward the funding for the fifth Scrutiny Panel for 2008 and 2009, and we will. It is then, as Senator Vibert said, up to States Members - up to the States Assembly as a whole - to decide then when prioritising that against everything else whether or not it will approve it. But we will bring forward the funding, the proposal in the business plan, the proposal to fund the fifth panel for 2008 and 2009. So, Sir, the next 3 years from a Council of Ministers' point of view, are covered. I hope that meets the concerns expressed by a number of Members, and quite legitimate concerns expressed by a number of Members in the debate. Sir, there is literally nothing to lose here. If Scrutiny can afford to fund the fifth panel in 2007, that is the obvious source of funds. If they cannot, then the Council of Ministers will underwrite it, and there is an absolute commitment on behalf of the Council of Ministers to bring forward the necessary funding request for the fifth panel in 2008 and 2009. So, Sir, on the basis of that, I would appeal to the Chairman of P.P.C. to accept the Treasury Minister's position and withdraw this amendment.

The Deputy Bailiff:

In an effort to save time, Chairman, are you willing to accede to that suggestion? As I understand it, and I appreciate I was not here at the beginning of the debate, an assurance is being given by the Chief Minister that funding will be provided for 2007 and that the business plan for 2008 and thereafter will include a provision for the fifth Scrutiny Committee. That, as I understand it, is an assurance. In the face of it, it might be thought there is not a great deal of point in continuing with the amendment.

The Connétable of St. Clement:

I would accept that, Sir. What we really want is an assurance that we will have enough money to engage the 2 staff. Having said that, I get a nod from the Treasury Minister; then I will ask the permission of the House to withdraw this amendment.

The Deputy Bailiff:

I take it the Assembly agrees to that? **[Laughter]** Very well. So that completes the amendment. So then we have amendment 10 by Deputy Power, and I will ask the Greffier to read the amendment.

The Greffier of the States:

In paragraph (c), after the words "withdrawn from the Consolidated Fund in 2007" insert the words "except that the net revenue expenditure of the Minister for Planning and Environment for 2007 be increased by £250,000 to fund the introduction of third party planning appeals, and the net revenue expenditure of the Minister for Home Affairs be decreased by £250,000 by reducing the proposed allocation relating to discrimination legislation."

The Deputy Bailiff:

Chief Minister, my understanding is this is one that you are not accepting, is that correct?

Senator F.H. Walker:

That is correct, Sir.

The Deputy Bailiff:

Yes, very well. Deputy Power.

1.11 Deputy S. Power:

Before I begin, can I pay a tribute to Deputy Celia Scott Warren, who has personally, I suppose, dragged this sometimes unwilling and recalcitrant Assembly over the past 5 years to accept the principle of third party appeals. This will be a very short speech. A third party appeal is a proposal to allow an appeal process to those people and parties affected by the decision of a planning approval within 50 metres or 150 feet of a third party property. I know that Senator Cohen has his own views on those dimensions. This is not an amendment of robbing Peter to pay Paul, and this is certainly not a case of robbing Wendy to pay Freddy. **[Laughter]** The reason I have brought this amendment is because there is no specific reference to fund third party appeals or dangerous structures in 2007 and 2008. I have asked the Treasury Minister and his Assistant as to where there is a reference or a provision for funding for third party appeals, and the only reference is on page 29 of the business plan - not the annex - page 29, in the second paragraph in the business plan. Now, I have brought forward this amendment, and I want to make it clear I have brought forward this amendment not because a sense of malice directed towards Senator Kinnard and the Home Affairs Ministry. It is not because I want to cause Home Affairs any difficulties, and it is not because I am trying to have some sort of a pop at Home Affairs. It is none of those things. The reason I am bringing this amendment forward is because this Assembly has approved the Planning and Building Law 2002 without any funding provisions for third party appeals or dangerous structures. I now turn to the wording of my amendment. Members will note that I am not attempting to affect the revenue funds of the Home Affairs Department; I am, I suppose, in my own way prioritising or reallocating funds for the Planning Ministry for third party appeals, so that it can be kick started a.s.a.p. (as soon as possible). Deputy Scott Warren started on this long road I think nearly 6 years ago, and it must be frustrating to her to see that the new Planning and Building Law 2002 has been enacted without any funding. I draw Members' attention to the annex on page 5 of my amendment, and if one looks at not so much the box of figures, which is Home Affairs' own figures, but the reference at the top. While in 2007 Home Affairs are proposing to spend £236,287 of their discrimination fund out of an allocation of £500,000, they are saying that they are not going to spend over £250,000, and they are saying that that could be used to fund the shortfall in the prison budget until savings could be realised. So it is because of this that I am proposing that that £250,000-odd which is not going to be spent in 2007 could be allocated in the short term to the Planning Ministry to fund third party appeals. It is in the context of the fact that Home Affairs have a revenue budget of £39.6 million, and they have a capital budget of £15 million, compared to planning's £5.6 million - I stand to be corrected. The availability of this £250,000 to Planning would kick-start the process of implementation of third party appeals, and I think that is extremely important. I think that what will happen afterwards will be that it will be funded on an annual basis by Treasury, so I am not going to speak much longer, except to ask this Assembly to support this amendment. Thank you.

The Deputy Bailiff:

Is the amendment seconded? **[Seconded]** Senator Cohen.

Deputy P.N. Troy:

Sir, before Senator Cohen responds, can I just say that I am involved in the building industry. You invited Deputy Power to speak, and I did not have the chance before then to declare an interest, so I think I would prefer to not take part in this section.

The Deputy Bailiff:

Thank you, Deputy. Yes, Senator.

1.11.1 Senator F.E. Cohen:

The Council of Ministers is committed to third party appeals. We have agreed that the Council of Ministers will find the money to fund this. Thus, the House has an assurance that the funds will be found and that work can commence immediately on implementing third party appeals. So third party appeals will happen, and the Council of Ministers will find the money to implement third party appeals. Based on that assurance, I would request that Deputy Power considers withdrawing his amendment.

1.11.2 Senator T.A. Le Sueur:

I was simply going to reiterate those comments, Sir. Although the wording of the business plan says the Council of Ministers has the authority to transfer funds and that would enable initiatives to happen, that process is not strongly enough worded in there. There is a commitment. We will enable it to happen, and it will happen. So the Council of Ministers will fund that, and I can give the undertaking as Treasury Minister on behalf of the Council of Ministers and in support of Senator Cohen to say that that funding will be in place, and on that basis, Sir, I hope Deputy Power now has the assurance that he was seeking.

The Deputy Bailiff:

I suppose just one query springs to mind. In place for when?

Senator T.A. Le Sueur:

Next year.

The Deputy Bailiff:

For next year.

Deputy J.A. Hilton of St. Helier:

Just a point of clarification, Sir. I thought I understood Senator Cohen to say that third party appeals would start immediately, and now is Senator Le Sueur saying that third party appeals will be funded from next year, and if that is the case, when exactly next year?

Senator T.A. Le Sueur:

We are just debating the 2007 business plan; we are talking about the estimates for 2007, and it is 2007 figures. If the Planning Minister is satisfied that within his budget for 2006 he has funding to start now, that is fair enough. All I am saying is the Council of Ministers will undertake from 1st January 2007, if that is the required date, from 1st January 2007 to fund third party appeals thereafter.

Deputy C.J. Scott Warren:

Sir, could I ask for clarification? It was going to be a part of my speech, but can I just ask for clarification? Because there are no funds at present allocated in the business plan, similarly ... the Minister for Home Affairs will know that I am a great supporter of the prison and the prison improvement plan. There is similarly this £1 million that is half or more promised to Home Affairs. There is no actual allocation of resources in this business plan. What I have just heard is like music to the ears, but where is this money coming from, please?

The Deputy Bailiff:

Senator, do you wish to clarify that from your speech?

Senator T.A. Le Sueur:

I do not really want to have an ongoing discussion, Sir. I have given the undertaking. This is one of the problems that the Council of Ministers is going to have to face. We have made a commitment. We will honour that commitment, and it is up to us as Ministers to decide between us how that £250,000 is met and from which source. But some Ministers or maybe a combination of Ministers are going to have to suffer some reduction in order to fund that £250,000. The budget total remains sacrosanct, so it is up to the Ministers to decide who is the best victim, if you like, to meet that funding.

The Deputy Bailiff:

Well, Deputy, in the light of that assurance, do you wish to proceed with your amendment?

1.11.3 Deputy S. Power:

Sir, my reaction is that if the Treasury Minister, the Planning Minister and the Home Affairs Minister are assuring the House now that they can fund third party appeals from the beginning of 2007, I will withdraw my amendment.

The Deputy Bailiff:

Well, I think it is not the Home Affairs Minister, it is simply the Planning Minister and the Treasury Minister.

Deputy S. Power:

But the Planning Minister and the Home Affairs Minister are agreeing with the Treasury Minister. Then I will withdraw my amendment.

Deputy J.A.N. Le Fondré:

Sir, may I ask for a further point of clarification? Does this mean that before Christmas, then, we have to have another Appointed Day Act to enact the outstanding legislation?

The Deputy Bailiff:

If it is not in force yet, then an Appointed Day Act will be necessary.

Senator F.E. Cohen:

Yes, there is work to be done. There will be an Appointed Day Act, and there will be details required of how third party appeals are going to work. There is work to be done; there is work going on at the moment.

Deputy S. Power:

Sir, can I have one final clarification from the Treasury Minister? Does that also include that there will be funding for the Royal Court?

Senator T.A. Le Sueur:

Yes, Sir. The £250,000 included a sum for court costs, and that is part of the whole undertaking.

The Deputy Bailiff:

Very well. So that amendment is withdrawn on the basis of the assurances given.

NOTIFICATION OF LODGED PROPOSITIONS

2. The Deputy Bailiff

Perhaps this would be a convenient moment simply to inform Members that certain projets have been lodged during the course of the day. Projet 109, Draft Housing General Provisions Amendment 23 (Jersey) Regulation; Draft Rates Apportionment (Jersey) Regulations, projet 110, lodged by the Comité des Connétables; Goods and Services Tax Exempt for Zero Rated Items, Second Amendment, lodged by Senator Syvret; and Code of Practice for Scrutiny Panels on the Public Account, Second Amendment, lodged by the Council of Ministers. Those are lodged.

CONSIDERATION OF ADJOURNMENT

Senator S. Syvret:

Is this an appropriate time to talk about the possibly adjourning and when we might come back?

The Deputy Bailiff:

Yes. It is a matter obviously for Members. We are due at the moment now to return to the debate on (c). In other words, the Minister has proposed the net revenue expenditure details for each States-funded body; there is the question of whether to continue the debate on that, to complete that, or whether to adjourn now. Do any Members wish to speak?

Senator S. Syvret:

My view is that there are still a number of items after the business plan on the Order Paper that will need to be dealt with, so it would seem appropriate that we adjourn, and the decision is whether we come back tomorrow or next Tuesday.

Deputy R.H. Le Hérisier:

Is there any chance we could take a sense and just finish (c), perhaps?

The Deputy Bailiff:

That, I think, is what I was suggesting, that we should finish (c).

Senator T.A. Le Sueur:

But following on from Senator Syvret's questions, I think there was an implication when we agreed a timetable, firstly, that the States would sit on Wednesday and Thursday if necessary. Clearly, it is necessary to sit tomorrow, and I think if that were not sufficient reason, the fact that we started a business plan debate, it would be unreasonable to have to break now till next week to continue it. So if it requires a formal proposition, I would propose that having completed the debate on part (c), we come back again tomorrow. But I have really taken that as already implied.

The Deputy Bailiff:

My understanding was that that was already agreed. Do Members agree we should return tomorrow?

The Deputy of St. John:

Sir, could I make a suggestion, that we finish the business plan today and the 3 items that are on the rest of the agenda are carried over to the next meeting?

The Deputy Bailiff:

That does not seem to carry great support.

Deputy A.E. Pryke of Trinity:

Excuse me, Sir. I would just like to inform the House that as the Scrutiny sub-panel have a public hearing with the Minister of Health and Social Services tomorrow afternoon in connection with the Overdale review, I am just hoping that we could possibly look at finishing at lunch time tomorrow. Hopefully.

The Deputy Bailiff:

What I suggest is let us finish (c); Members can then decide whether to carry on and do (d), (e) and (f) and (g) if there are no amendments there, tonight, and then start tomorrow morning.

Deputy J.J. Huet:

Do we have to, Sir? Can we not go home now, please and come back in the morning?

PUBLIC BUSINESS (continued ...)

3. Annual Business Plan 2007 (P.92/2006) (continued ...)

The Deputy Bailiff:

The debate for (c) remains open. Does any Member wish to speak on paragraph (c) as amended? Very well. I call upon the Minister to reply.

Senator T.A. Le Sueur:

That is clearly reassuring, that Members, having discussed those 2 amendments, accept the revenue allocation for 2007, and that gives Ministers a clear framework within which to work. There has been no further comment, so I think I can just ask formally for a vote on part (c), which I now do.

The Deputy Bailiff:

All those in favour of adopting paragraph (c), kindly show? Those against? Paragraph (c) is adopted.

ADJOURNMENT

The Deputy Bailiff:

Now, can I test the House? Does the House wish to do any more, where there are no amendments, on the basis that they will not take long, or do Members wish to adjourn now?

Senator F.H. Walker:

I think the mood is that we adjourn now and return tomorrow morning, Sir.

The Deputy Bailiff:

Very well. In which case, we adjourn and return at 9.30 a.m. tomorrow morning to continue with paragraph (d).