

STATES OF JERSEY

OFFICIAL REPORT

THURSDAY, 8th OCTOBER 2015

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[9:30]

The Roll was called and the Deputy Greffier of the States led the Assembly in Prayer.

PUBLIC BUSINESS – resumption

1. Medium Term Financial Plan 2016–2019 (P.72/2015): eleventh amendment (P.72/2015 Amd.(11))

The Greffier of the States (in the Chair):

We therefore resume the debate.

Connétable S.W. Pallett of St. Brelade:

Before we start I just ask if I could be excused as I have a funeral to attend later on this morning.

The Greffier of the States (in the Chair):

Members will note, Constable, you will be absent for the funeral. We therefore resume the debate on the Medium Term Financial Plan. We come to amendment 11 lodged by the Education and Home Affairs Scrutiny Panel and I ask the Greffier to read that amendment.

The Deputy Greffier of the States:

Paragraph (b) – After the words “Summary Table C” in sub-paragraph (i) insert the words – “except that the net revenue expenditure of the Education, Sport and Culture Department shall be increased by £263,200 in 2016”; and after the words “Summary Table D” in sub-paragraph (ii) insert the words – “except that the allocation to Contingency for 2016 shall be reduced by £263,200 to offset the increase in the net revenue expenditure of the Education, Sport and Culture Department”.

The Greffier of the States (in the Chair):

Deputy Doublet.

1.1 Deputy L.M.C. Doublet of St. Saviour (Chairman, Education and Home Affairs Scrutiny Panel):

It is a pleasure to kick off the proceedings this morning and I can sympathise with Deputy Tadier when he said yesterday he has had a sleepless night. I have had the same and I think this goes some way in showing how important this amendment is to me and to my panel. Yesterday I mentioned the healthy level of respect that I have for the Council of Minister and I reiterate that before I begin. I recognise they have a very difficult job to do and I have been very pleased to see that education has been a clear priority throughout this term of office so far. We do keep hearing this phrase “Investing in education”: “Let us invest in education. We will make these difficult decisions elsewhere so we can put this extra money in.” It is almost as if we have had this carrot dangled in front of us of: “We are going to do this, we are going to improve in this important area of education” and that the stick is almost these cuts to the public sector. Being a moderate person I have thought on balance maybe we should make some sacrifices so that we can give our children a first class education system. My panel and I looked at the financial plan to see objectively if there was investment in education and what kind of things the department were going to be spending the money on next year and beyond. We were hoping to see some innovation, something new, something tangible, some details of how this very new and enthusiastic Director of Education that we are very lucky to have was going to be enabled by the Minister and by the Council of Ministers to start putting in place some of these exciting improvements we keep hearing about. There is a definite start in there, all credit to the Ministers. There are some things in there, there is some new growth. If you have the proposition, amendment 11, you can see on the back there is a table there and I would urge you to dig that out to aid your understanding. We are grateful to the department that they did break down the money for us and where it was going. If you have a look in that table you can see 2 areas where the panel have judged so far that the money is very likely to have this

tangible, positive impact on the children and we will be monitoring the effects as they go along. Where it says “raising achievement” and “early years” these are put in the category of new growth. This is money that will be going specifically to our youngest children through the early years and to the most vulnerable children with the raising achievement, and this is the equivalent of the U.K. (United Kingdom) pupil premium. This is what I understand to be investment and this is what will make a difference to the children in Jersey. This is possibly worth the difficult decisions elsewhere in terms of cuts. There are 2 other projects in there labelled as new growth, a data system and extending the professional partnering system which is our Jersey alternative to Ofsted, thank goodness, and the panel will be monitoring those as well. The department do feel these are new growth and they should help to improve the standards so this is brilliant. Then if we look at the rest of the money that is going in on this table there is a category there called “Committed” and there are 2 items there, and one of those items is for the I.C.T. (Information and Communications Technology) strategy. This is something that has been ongoing. This is not new investment, this is a really good project which has been started and they are quite rightly putting some more money in. It is not really new investment. We have new buildings. There is a new school going to be built at Les Quennevais. This is an essential. The panel had a tour round this school. There are some fantastic and inspiring teachers there, polite children, it was a joy to look around but the building is crumbling and full of asbestos. This is an absolute must do. This is not: “Where shall we invest? Let us have something nice and extra.” This is an absolute essential that children are not being taught in crumbling buildings. This is similar again when you look at the other category which is called “Demographics”. This means there are more pupils going into the system. There is a bulge in the numbers, more babies being born, more children so we need more teachers and more classes. The demographics in particular is something that does not count in the panel’s opinion as new investment because the Minister is obliged by law to provide these children that are going into the system and for these increased numbers and for the demographics. That is a have to do not a nice to have. That is something that has to be done just for the Education Department to stand still in terms of what it is offering. That is not investment. The panel did look at all of these and we dug down into what each of these were. If you total up those 4 new growth items that are at the bottom of the table you get a total investment in education of just over £1.5 million. We asked the question on the flip side of this how much money is the department being asked to cut? The answer was they are being required to cut just over £1.75 million. If you do the maths you subtract the £1.75 million from the £1.5 million it comes out as a negative. I am afraid the panel’s view is that this is a cut in real terms which is not consistent with the Strategic Plan that has been approved by this Assembly. This amendment simply returns just over a quarter of a million to the Education Department budget so that they are at least up to neutral. My panel and I feel that this is the very least that this Assembly can do to go some way towards fulfilling that promise that we have all made to the children of Jersey that we will invest in them.

[9:45]

We believe this is a relatively small amount and we have chosen to take it out of the contingencies being that it is a small amount for 2016, and we will be looking when we get the detail at the subsequent years to see if we need to do similar calculations. This money, a small amount, will have a massive impact. This will enable the Minister and the director and the department to choose perhaps one or 2 or 3 extra projects to invest in. If you look through their business plan there are so many more things that they would like to be doing and I know the Minister will be speaking against me, which I think probably without guessing he would probably find that quite hard to do but there are so many more things that education can be investing in. We want to give this relatively small amount of money in the grand scheme of things to the department so they can do one or 2 more things just to make that difference and to invest in education, to have a positive impact on the Islands’ children. I urge Members to speak in favour of this amendment and stand up again as you did during the Strategic Plan and share with other Members how important you feel education to be, and I move this proposition.

The Greffier of the States (in the Chair):

Is the proposition seconded? [**Seconded**] Does any Member wish to speak for the amendment?
Deputy Bryans.

1.1.1 Deputy R.G. Bryans of St. Helier:

The Deputy did speak about respect and trust that was mentioned yesterday, and I do respect the Deputy. I respect the Scrutiny Panel, and I respect everybody that has brought these amendments. I would like to say at the outset that I am very pleased that the 3 Deputies that have lodged amendments have focused their attention on education because it shows we share the same ambitions regarding the welfare and education of our children. It also allows me to articulate and share with the Assembly what we have done and what we hope to do. I am also pleased that 2 of the Deputies prompted by their work on the Scrutiny Panel, who have praised the department for our openness and transparency, have felt that more can be done. I agree and look forward to working with them in the future. Those Deputies and I have the same aim, the best outcome for our children. It is not my intention to quietly govern. It is my intention and that of my new director, the department, heads and teachers to transform what we currently have into an education system that presents our pupils with the best this Island can offer. Read our business plan and you can easily see how creative and ambitious we are. We at Education are a dedicated department wholly focused on the wellbeing of our children and passionate about affecting the education of all of those who fall under our care. Every child must have every opportunity to reach their full potential, and it has been said before children only get one chance. We have already illustrated to our community through a new and improved business plan our commitment to a focused set of principles that we feel and have been universally accepted are the key to unlocking the potential for teachers and students alike. It is children who are the heart of our plan, and the Government has made a commitment to ensure all that can be done will be done to realise our goals. A question asked of me just the other day is how did this amendment arise? I think at its heart there is a misunderstanding and a difference in perception, a difference of interpretation, as Deputy Doublet said to me the other day: "Perhaps semantics." Since we began communicating to the Scrutiny Panel we have maintained a line of openness and transparency where nothing is hidden. In fact this aspect the panel themselves have been effusive in their praise for us so it may seem strange that we have been accused of hiding something. Nothing can be further from the truth. In fact it was agreed at the last panel hearing to provide an extra meeting so that they can fully appreciate what we are doing. Our door is always open and that is true for all States Members. It is the case that sometimes when looking at sets of figures they can be read in different ways. Both Deputy Doublet and I are focused on the wellbeing of the children. That is implicit. We are not accountants and I, like her, find the high level of figures that are produced sometimes confusing but there is no doubt we seek the same outcome. One of my roles is, while down in the detail, to maintain focus on the wider picture and to keep track of the Government's vision. Along with my director and finance director we have carefully picked a path that preserves our intentions while playing our part in balancing the budget. There have been no cuts to schools' budgets and where we have reduced spending we have made that as painless as possible. At the last Scrutiny hearing I was asked by the Deputy: "Do you agree that overall once we have done the sums it is a cut not an investment?" to which I replied: "It is an emphatic yes, it is an investment." I believe there is an element of confusion. It happens. To articulate that answer as a department we had one of the biggest budgets in the States along with all the other departments to make savings. We carefully did that but managed to secure our frontline services and captured investment for our pupil premium. It was a balancing act. As I was once told: "When you pick up a stick you pick up both ends." When asked: "Are you making savings or receiving investment?" the answer is both. The end result is the same, meeting both our legal and strategic responsibilities. The Deputy suggests that the Council of Ministers are pretending education is a strategic priority. We are not pretending; it genuinely is. We have received investments in terms of capital commitments to the level of £55 million, and the Deputy is quite right when she talks about the situation we have at Les Quennevais. It is an old

school, it does need redoing but £40 million is being spent on Les Quennevais, the rest going to improvements at Grainville and St. Mary's schools. The bottom line is we are up by £2.8 million in a year when we have £145 million structural deficit. This proves the Government's commitment is solid, tangible and workable. To summarise, we have created a plan that we have embarked on. To change now would present us with all kinds of problems. The children have won both ways. We have protected them from the savings and they have benefited from the growth, especially the most vulnerable. That is why the pupil premium is so important. It is a small team with a big job. We have a small lean team. Distractions can have a real impact especially when we have only just started on a new school year. Finally it does not matter about the ins and outs of the accountancy so long as the result is the best possible for our pupils. I appreciate what the Deputy is trying to achieve but we have already done what was asked of us in providing savings and have secured the funding for the future demands. The amendment is unnecessary. As you might expect and as the Deputy has already suggested I will be rejecting this proposition. I hope Members can appreciate what we are trying to do in education and reject it also.

Deputy R. Labey of St. Helier:

On a point of order Deputy Doublet did not say in her speech that the Council of Ministers was pretending to prioritise education. She never did and Ministers must not put words into the mouths of those who oppose them.

The Greffier of the States (in the Chair):

What is the point of order? It is not a point of order, Deputy. You are perfectly at liberty to speak and make that point if you wish.

The Greffier of the States (in the Chair):

Does any other Member wish to speak on the amendment? Deputy Maçon.

1.1.2 Deputy J.M. Maçon of St. Saviour:

I will not reiterate the points that my chairman has already made. I have forwarded an email on behalf of the chairman to all States Members and it is taken from the latest innovation review. On one of the back pages of that review you trawl all the way through back to page 89 there is a table within which looks at Government expenditure on education as a percentage of G.D.P. (Gross Domestic Product). It looks at various jurisdictions, Malta, Iceland and Ireland, and then when it looks at Jersey we come to the bottom of that table at 2.5 per cent spending and these are taken from the year of 2014. When we are looking at our education services and the contribution that our society is making to education it is quite small. I am not entirely sure whether those figures also include how higher education is calculated in that fund because there is a slight difference between when you are looking at education spending in the U.K. compared to Jersey because they have a separate fund for higher education whereas in Jersey higher education is also lumped in with the old overall education spend, as I understand it. Regardless, what it does demonstrate is our contribution to education is quite limited and we have to ask ourselves is this the best that we can be doing. When we look at the aims of the Education Department with the arguable stagnation in the levels of our grades that we are receiving it shows that more does need to be done in education. We have signed up to various things such as the 101 Day guarantee and all of this comes to the importance of investing in young years and early years. Certainly within the review that we have just done on special educational need this fund which could be used would be perfect in the whole engaging and supporting parents in helping them with children with special educational needs because the department accepted that this is an area of work which needs to be worked on. Currently we do not know where the funding for that is going to come from. There you go, these are laudable projects which need to be done, the department accepts need to be done and this is the contribution towards that. It is key work. Let us not pretend it is not key work. Let us not pretend it is not essential work. This is why the Scrutiny Panel felt so strongly that when looking at the figures we did not feel that having a net reduction in the Education budget excluding capital was a

fair way of saying: “We are investing in education.” As the chairman has outlined, a lot of the spend for growth bids for education are simply running to stand still because of the demographics. Certainly I would hope all Members would agree that the future of the Island is very much wrapped into how we support our young people and a pound which is invested in education is not a pound wasted. It is a pound for the future more so. I do hope Members find themselves able to support this amendment today.

1.1.3 The Connétable of St. Brelade:

Just briefly, I have heard it a few times in the last couple of days; it is a well-intentioned proposition and this is definitely a well-intentioned proposition. The department and I respect what the Deputy is trying to do in putting this proposition to the Assembly today. The Minister himself is deeply immersed in improving standards within education. I can echo all the comments that the Minister has made this morning. I have seen it close up. He is deeply passionate about driving up standards throughout our education system. The department is investing in many things within the education system. One of the issues that the department has been short on, the Minister said it quite a few times, is the lack of data about the performance of schools and that is something that he is working very hard to try to improve so that we can plan much more closely to the future. One of the innovations being implemented before too long will be the introduction of a scheme similar to the U.K. pupil premium. That is something that will be very important in terms of investing many of our vulnerable children. We are investing in education. There is £1.5 million in new growth and I know the Deputy has already mentioned the I.T. (Information Technology) which is vitally important to driving up standards and certainly providing as we move forward the skills that we are going to need within the economy especially in the digital sector. It is something that the previous Scrutiny Panel did a review and I would certainly ask her if she at some stage follows that up to ensure that that policy is implemented in full. I know it is something that the department is heavily involved in trying to ensure that we deliver. There is a huge investment in education going on at the moment. The Deputy did say the Les Quennevais school is a must do, and it is a must do. It is deeply close to my heart and it is a huge £40 million investment in the capital programme and what we have to remember is that as much as there are pressures on other parts of government in terms of investment, the capital programme is also under pressure. To spend £40 million on a school is not an easy decision to make and it was not an easy decision to find where that money was coming from. To say that we are not investing in education, and I am not saying the Deputy said that but if the view is that we are not, that is just not what is happening at the moment. There is huge investment in education. As the Minister said, the department has had to recognise it has to play its part in savings and it has done that. They have not been easy decisions. I have been round the table when some of these decisions were made, but the actual savings that we have been asked to make in terms of this proposition of £263,000 when you look at the overall budget, and I do not know if I have the actual figure right here but it is about right, it is a quarter per cent of the whole of the Education budget.

[10:00]

It is a really small part and the department has to play its part, as with all other departments, in meeting some of those savings. Again this proposition is looking to take even more money out of the Contingency Fund. It is something I am a little bit concerned about just overall when we look at some of the other propositions as well about the amount that we potentially could be raiding the Contingency Fund for. If all the propositions that are looking to take funds out of the Contingency Fund go through it adds up to around about £3 million, which over the term of this M.T.F.P. (Medium Term Financial Plan) is £11 million. It really is going to put extreme pressure on the flexibility of the Contingency Fund to meet demands as we move forward. All I would ask Members to do is be very careful about what they are going to vote for in 2 of the 3 propositions that are coming up. There is going to be an awful lot of pressure on our funding as we move forward and to bite into contingency at this particular time is not something I can support. I do see

what the Deputy has tried to do with her proposition but, as has already been said by the Minister, this proposition is unnecessary. There is huge investment in education, something that the Minister and I know the 2 Assistant Ministers will fight desperately hard to ensure carries on over the period of this 3-year term. All I can say to the Deputy is I understand her proposition but I cannot support it.

1.1.4 Deputy M. Tadier of St. Brelade:

After being in the Assembly for a little while you get to know what the coded language is and one of those expressions that is used quite a lot is well-intentioned proposition, patronising rhetoric that is trotted out when the Council of Ministers know they have been caught with their trousers down. That is when it comes out. It is used when they know they should not be opposing a proposition and when they know that their tricks in this case of sophistry and creative accountancy has been found out, and it has been found out by the Scrutiny Panel who have tried to work very closely with the Education Department and do, and perhaps in one sense with the new chairman has not realised the games that get played in politics. She and her panel have quite rightly called out the Council of Ministers on their strategic priority which says: "We will put more money into education and health and that is how we are going to justify the painful cuts" but when you look at the fine detail which any Scrutiny Panel worth its salt does independently and based on evidence they have said: "Hang on a minute, when you take out the basics that you should be paying for anyway, that you have already committed to the new growth, does not outweigh the cuts you are making" which is what the chairman said. That means that you are not putting more money in, you are taking money away from education. Of course that does not sound very good if the Council of Ministers say: "We are putting loads of painful cuts through but do not worry because we are also cutting the Education budget but only slightly because we are giving with one hand and we are taking more than we gave away with the other." We know in our own lives if that happens if someone says: "Do not worry, I am going to give you a pay rise next year. I am going to give you £1,000 extra for the privilege of being a States Member but I am going to take £1,200 back to charge you for your parking." I should not joke about that because that might happen, of course, but without the £1,000 part, and I will not look at the Minister for Transport and Technical Services over there. Clearly for us we would know that we had been short changed and that is exactly what is happening here with the Education Department. There is new money going in, more of the old money being taken out. It does not take a rocket scientist to know that one is being short changed. It is key because words about improving education are fine, we can all say that, but the bottom line is the bottom line. If you want to improve standards in education of course it is not all about money, but we already know that we have an over-stretched system in many of our schools. I am glad the chairman proposed Les Quennevais School because that is a success in spite of its building and not because of it. It is because of all the goodwill but imagine the kind of results that could be achieved in a brand new build with the space for the students to flourish and the teachers to feel more at ease in their teaching. The reason that it is important in the Jersey context is because we have a very divided society which is reflected in the education system. We know that it is very unusual if we compare it to the U.K. where they have some 6 per cent or 7 per cent of students in fee paying schools at secondary level, in Jersey it is almost half and it is getting to the point in Jersey unfortunately where if you want a good education, if you want to be guaranteed a good education you send your children to a fee-paying school. If you do not have funds or do not ideologically agree with that you take your chances in the public sector schools. That is the reality of it and that is not withstanding the great work that those schools do, but that is why it is very important. I am very concerned about where those cuts are, because this is a cut if we do not allocate this money, and who are they going to hit the most. Is it going to hit the ones who are okay, who have lots of parental support because that is the other key thing? If you have lots of encouragement, parental support and support networks around you when you are being educated you are more likely to succeed if you come from a better socioeconomic background. You perhaps get after school extracurricular activities. When your parent or parents, you may only have one, are working full

time and do not have the time to look after you that is where the money is needed in real terms. It is a choice today of either cutting the Education budget or leaving it as it is. It is not about growth because we know that is not what we are having. The key thing is for me it makes sense to support this. I thought we had a very diffident speech by the Assistant Minister for Education, Sport and Culture. He was saying: “Essentially I would like to support this but if all of the amendments were successful then we would be taking too much money out of the contingency, almost saying to be selective is what I heard about which ones you vote for: “Maybe vote for this one but do not vote for others.” As to the Assistant Minister for Education, Sport and Culture, he should be the one leading the charge for extra budgets. He should be biting the hand off the Minister for Education, Sport and Culture. He should be biting the hand off Deputy Maçon when he brings his proposition and he should be biting my hand off when I come for a very small amount of money for preserving our French heritage in schools. I would say that the ball is in the court of the Ministers. They should be fully supporting this and we certainly as an Assembly should be backing the Scrutiny Panel.

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

When I am listening to the debate here there is something that pops up in my mind quite heavily which is what is the use and the function of Scrutiny if not to work with the departments to try and pick up on things that may have slipped through the gap. It should be respected otherwise why is it there at all? The Scrutiny Panel here they have not ambushed, they have not come in with a proposition from out of nowhere. They have worked with the Minister for Education, Sport and Culture. They have been open and honest and transparent about what their figures are, what they see within them and of course I agree with the Minister for Education, Sport and Culture that figures can be looked at in many different ways. I know that from my work recently of looking through figures. They can be confusing. I had a friend recently having a go at me on Facebook as a politician saying: “What a good use of taxpayers’ money for this, that and the other” and he is a teacher, and he was having a go at me about where there is not enough funding within education. I was assuring him that we are. It is part of the Strategic Plan, we are putting more money into education and that is one of the key priorities. I am little bit worried about whether I lied, I do not know. To say that the contingency has to be very careful, I have just looked at the figures and in 2014 £1.697 million from contingency went to Education. In 2013 £3.024 million went from contingency into Education. Does that mean that if we are not allowed to use it to try and make sure that we are meeting our strategic goals? I would like to hear from the Minister for Treasury and Resources about this. If we cannot use it to meet the strategic goals that we set out in our Strategic Plan here, then it will not be used for education for the year and we will not see it turn up as an extra bit of money in Education by the end of the 2016 financial accounts and reports. I am having a bit of trouble with this one and I would like to hear from the Minister for Treasury and Resources about such things.

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

I am reading the comments of the Council of Ministers and it was in response to the Constable of St. Brelade talking about contingency because when I read point one it says on page 2: “The Council of Ministers cannot support reducing central contingencies for this purpose of this amendment. Contingencies provide an essential buffer to volatile areas of expenditure such as social security benefits, and over the period of the M.T.F.P. provide an important part of the flexibility needed in the plan.” They go on to say: “Contingencies should not be used for funding recurring spending, only to provide temporary funding until a permanent reallocation of funding is agreed.” I look on contingency provisions on page 5 we have £5 million or 1 per cent of total States for general department expenditure and these are in the contingency prioritised, and £2 million or 2 per cent for social security benefits. The balance of the £37 million of contingencies, which in their own comment should not be used for one-offs or regular payments is ... I agree with point one, £10 million for redundancies will be a one-off; £5 million for economic and productivity growth initiatives surely that is not a one-off that is continuing over the plan; £7 million for

restructuring projects to support public sector reform, continuing over the plan; £4 million for the Committee of Inquiry ... well, that can be continuing for ever; and £4 million for the provision of pay and pension proposals, all in £37 million a year Contingency Fund. Deputy Doublet has pointed out, this is their comments and the Minister reiterated it: "Some of the remaining savings relate to staff." If you look at the demographics I am very worried that you will get larger classes which will make it more difficult for teachers, and we do know that everyone should be making savings, but to say that this £263,000 cannot be taken out of the contingency because it does not fit with one set of criteria and then go on to itemise millions worth of criteria. We have lost the vote on being able to separate the years so we are talking in total contingencies of £148 million over the lifetime of the M.T.F.P. This is a very sensible amendment. It is not semantics. It is a matter with maths. If you put in what they have, you take away what they have saved, you are short £263,200. It is quite simple. Where would I want that? I reiterate what Deputy Tadier said of the Constable of St. Brelade, who is the Assistant Minister for Education, Sport and Culture, there are things being cut in different areas. There are things that should be done, and it is a small amount in the scheme of things, but again I wanted more from the Minister for Education, Sport and Culture. I wanted to know where these cuts were coming. I can only see, as I say, with the demographics they are standing still, there will be larger classes; teachers will be under more pressure. We are already having a problem with recruitment and retention so do not put the pressure on. This amendment is straightforward, it is easy and it does fall in what the bottom line contingency is because we do not know. Just trust us to spend this but we are saying: "No", support this amendment, put just over an extra quarter of a million into the Education budget and make life easier for our future children, the children in the system today and the children that are coming through in the next 4 years. It is an easy amendment for me to support. The Council of Ministers are all over the place with their comments. It really is what do you decide that you would like to direct some of the contingency to. The money is there, I know where I would like to direct it.

[10:15]

1.1.7 Deputy A.D. Lewis of St. Helier:

Although I fully accept that part of this debate is all about financial discipline, I read an interesting paragraph on page 3 of the comments from the Council of Ministers because I was struggling to find out where the £270,000 had come from, and it is worth noting that this relates to the restraint of non-staff inflation, additional savings do not need to be found for this as the department has already been allocated the same amount higher in the table. Some of the remaining savings relate to staff and the department has been assisted in achieving these through a restructuring provision in the recent States voluntary severance scheme. Therefore the majority of the savings will not affect the education received by the children. I think that is quite an important thing that Members should note from the Council of Ministers, assuming that it is true, of course, and I would like to think it is. Playing devil's advocate here, if I was the Minister for Education, Sport and Culture, I would be snapping the Deputy's hand off here because there is a degree of maths that perhaps the Minister had not spotted and an opportunity has occurred for Scrutiny to delve into those numbers and see a gap. It can be funded from contingency. The contingency is £37 million - Deputy Le Fondré is not here at the moment - as flagged up several times already. It is a very small amount of money but, as Deputy Maçon mentioned, these small amounts of money can do a huge amount of good in this area of public support and education, and you mentioned one particular initiative. Having said that, maybe that initiative should be identified within the detail of the Budget for next year. It is not and I do not know why. So, although I would advocate financial discipline, which is what this is about - and the Council of Ministers has explained where that saving has happened because that is basically the saving the Minister has been asked to make by reorganising his department, by accepting some severance from staff that perhaps were not core to the business of education - overall with an £111 million budget it is a drop in the ocean, but for one particular scheme, which the Deputy mentioned earlier, and maybe others it is a bit of a lifeline. I am slightly surprised that the Minister is not biting the Deputy's hand off. So I am slightly torn on this one. I want to see

financial discipline - the Chief Minister is nodding there; he is quite right - but on the other hand there is a bit of a degree of maybe slight error here in terms of the maths, which is quite ironic seeing as it is the Education Department. The Deputy is only trying to put it right and I can see where she is coming from. So I would like to hear her summing up before I decide what I am going to do. As I say, we should be promoting financial discipline but there is an opportunity here for the Minister to grab a little extra funding and maybe just push one of those extra initiatives across the line which he was not expecting.

1.1.8 Senator I.J. Gorst:

I will go first if that is all right. When we look back at M.T.F.P. number one, I hope we have been quite clear that there were some lessons to be learned. I think the Scrutiny Panels, Corporate Services and P.A.C. (Public Accounts Committee), have majored on what they think those lessons were. The difficulty of those lessons are that they are mostly accounting lessons and, of course, on top of accounting factors we have to take into consideration economic factors and social factors. We look back on M.T.F.P. 1 and, okay, we know the history of the income forecasts but we also have to ask ourselves if there are things that we can learn. What did we do in M.T.F.P. 1? We, in effect - and I think it was the current chairman of the Corporate Services Scrutiny Panel and the then chairman of P.A.C. that stood and spoke against what we were doing - allocated contingencies to departments because of what we thought the income was going to be virtually right at the start on day one. We said we are going to do this in the first year, this in the second year, the department wants to do this in the third year, and they were allocated. If we look back you could say it was right to get that money into the economy from an economic perspective, but from the flexibility that we then found that we needed in 2015, that flexibility was not there. What we then ended up having to do, which the Scrutiny Panel in their report have criticised and the C.I.P.F.A. (Chartered Institute of Public Finance and Accountancy) adviser has criticised, we ended up in a position of having to change budgets at fairly short notice in 2015 to make them balance. A Scrutiny Panel and the adviser have said that that is not a good place to find yourself in. It is better to have flexibility in your plan all the way through, and we took some of that flexibility out by allocating contingencies. We need to think about that argument as we go through the other amendments as well. But I just want to come back to the idea that Scrutiny ... they have done good work and I think that they are working very well with the department and they are very supportive of what the department is endeavouring to do. Therefore, it is difficult for the Minister and Assistant Minister to stand up and say they do not accept this amendment because they have a really positive, critical friend working relationship. They want to see the same outcomes for children that come across the department's desk, as it were. I do not think for a minute that the department have tried to hide anything. In fact, the reverse: the department have been absolutely open with their numbers. I am looking at the table on page 4 of the amendment and the number that the Scrutiny Panel have calculated. Members will see clearly they have from the growth money, from the money that the Ministers have said they accept that the Education Department needs for 2016, that is £4.8 million - £4.8 million - Ministers have said the department is going to have in 2016. 2016, that is nearly £5 million. That by anybody's estimate is an investment in education and is a very good and positive thing. But what the Scrutiny Panel have then done is said: "Let us just drill down and rightly scrutinise those numbers. What do they include?" and we see that around - these are just rough calculations - £2.3 million is because the department needs to prepare for demographics and those demographic changes. The department makes projections about what those demographics are and I think it is fair to say that generally the department is and has historically been cautious and not all that money has been spent on demographics in the year that they have calculated it for. But the Scrutiny Panel seem to think that is not growth money because that is a demographic growth, but it is growth money and we deal with Health in exactly the same way. Health look at the operations that are coming online, the procedures that are coming online, the increased growth in drugs cost, the increased need for drugs, and they try to do a calculation and we give them growth money for that calculation. We do not say: "That is not growth money for Health because they have to do it

anyway.” We say: “No, that is this Assembly, that is Government giving them more money” and that is what we are doing today. So I do not think it is right to make the arbitrary calculation with regard to demographics in that way. Then if I can take the other 2 amounts that the Scrutiny Panel have deducted from the growth money to suggest it is not really growth, they total - a slightly easier number without a calculator - £850,000 in 2016. Next to that we have the word “committed.” What does that mean? That means that that is work that the department is doing but there is not funding for. Why is there not funding for it in the base budget? There is not funding because last time round we used contingencies to fund it. It was not the right ... the difficulty we find ourselves in is: is it right to use contingencies in this way or is it right to put things in base budgets? We all know that at the start of a plan it is better and more open and transparent to put it into base budgets because otherwise the money is not ongoing. Otherwise the money runs out and we do not want to do that again by saying we are going to give the Education Department a bit of extra money from contingencies, which will then run out. They are going to start a work which should have been put into base budgets. Because they started a fantastic I.C.T. skills strategy. The Minister could talk all day about it and I do not think any single one of us would bore from his comments about what is happening because we see it right across our schools. That is a fantastic piece of work but it was never properly funded. It was because we saw that there was a need for it. It came from contingencies. The department now is putting that right and saying if we want that work to continue and to improve we are going to properly fund it. Who would not say that we should not allocate for extra running costs of new builds? Yes, we should. Yes, we absolutely should. But we use that word “committed” because we have made the building. We do not need to say it is committed. We can describe it as something else. So it is difficult for me and, of course, I can dice and cut numbers any way you choose, being an accountant, because that is what the profession is all about, but as I see it this plan in 2016 gives nearly £5 million extra to Education. Rather than us making arbitrary decisions about where to cut it, I think we should congratulate the Minister for the robust argument that his officers have had with other officers and then ultimately with Ministers about money that he needs to improve standards. He has been no shrinking violet, let us put it like that. He believes passionately in improving standards and giving good outcomes to all the children under his care and he takes that very personally indeed. I believe that the £4.8 million is the right number. I do not believe that we should be arbitrarily suggesting that some of that money is not growth money when it is, because it is clearly in front of us, and, therefore, I ask that Members do not support the amendment but they support the Minister and his team in the fantastic work that they are doing.

1.1.9 Senator A.J.H. Maclean:

There is not much for me to add after the Chief Minister has taken my thunder a little bit.

The Greffier of the States (in the Chair):

You do not have to if you do not need to.

Senator A.J.H. Maclean:

No, I am going to just [**Laughter**] ... very kind of you to say so, Sir. I was just going to add a couple of points and a piece of clarification, if I may. I think the proposer of this amendment has done absolutely the right things in many ways and the panel themselves should be commended for the work they have undertaken, the passion that they clearly have for education, and I am sure that all Members in this Assembly share that the need to invest in our young people is critical. It is critical for the future of the Island in every respect, not just economically, socially and beyond. I think that the overall Medium Term Financial Plan makes it perfectly clear that there is £27 million of new growth funding for education, recognising exactly the position and importance of that particular area. The specifics of this amendment I have to admit at face value it looks very seductive. It is a small, in many respects, sum of money in comparison to the entire spend of the States, but just to pick up on the point that the Chief Minister made about the additional funding for 2016 - and this is contained within the helpful report from the Scrutiny Panel where it picks out the

figures - £4.8 million of growth in 2016, and that is growth, it comes down in many respects to a definition of what growth is. We have had a discussion. The Chief Minister has given a very good explanation, I thought, about demographic spend. That is something that has to be funded whichever way you look at it and, therefore, it is not unreasonable to call it growth. I think the interesting point if you wanted to play with the numbers is the fact that £4.8 million of growth, there are identified savings that the department is delivering of £1.7 million. You could deduct the 2 and arrive at the conclusion that the growth was only £3 million if you wanted to look at it like that. But the reality is the savings that are referred to are largely efficiencies. They are not impacting on frontline services. They are not impacting on the quality of the education, raising standards or any of the important areas the department I know is impacting on.

[10:30]

Education, like any department, has to drive greater efficiencies, do more for less, and they are doing that and I think that is to be commended. So whichever way I seek to look at this, and I hope Members agree, there is significantly more money going into Education not just in 2016 but over the course of the plan. I would just pick up on the I.C.T. skills that, again, the Chief Minister mentioned. That is a really, really important area and it does talk to this issue about contingencies and how they have been managed in the past and how we must manage them in the future. That is to ensure that they are not used for recurring expenditure as they have been perhaps previously. What we saw with the I.C.T. skills area, which has been developed and is fantastic, is that it was short-term funding for something that was obviously going to be a longer term cost. That is not a good position for us to find ourselves in, but this growth of £4.8 million has a solution in there for I.C.T. skills to ensure that they can develop as they should into the future. Contingencies are not sustainable in the long term; they are for one-off emergencies. I would like to pick up Deputy Martin's point about the level of £37 million in contingencies. I understand. Many Members have mentioned this. I heard it yesterday. I see Deputy Le Fondré smiling. He talked a lot about it yesterday. What I would like to just focus on is the fact that the contingencies, the core contingency, is for emergencies where we have storm damage, a seawall falling down, pandemic flu, whatever it is that is unexpected. The Social Security area with regard to benefits is another possibility as well for genuine need for contingencies. That is £7 million. Now, what Deputy Martin has referred to are various other items which are included under contingencies and the reason that that is done is because there is a good and strong governance structure around the contingency funding area. The use of an allocation of contingency funding has to go to the Council of Ministers and ultimately it has to be signed off by the Minister for Treasury and Resources. It is important that there is a governance structure around it when we are dealing with these types of elements of funding like the Committee of Inquiry, for example. Some of the other ones that were mentioned by the Deputy were economic growth. There is a plan in there, if you look across the lines, for the repayment of that particular sum of money. It is being borrowed and we will come on to this later, from the Strategic Reserve, but it has to be repaid and it is being repaid and that is what the plan shows. But I will deal with that in due course. I hope that Members realise that as far as this particular amendment is concerned we have to stick to the plan that we have. There is significant additional funding in for Education and I would hope that Members will reject this particular amendment and support the Council of Ministers. Otherwise, as the Assistant Minister for Education, Sport and Culture pointed out, on a cumulative basis over the amendments that we are going to be discussing this morning and debating, there is a total of around about £3 million potential draw on contingencies. This may only be at face value £263,000 but the cumulative amount is significant and it is not the right use for contingency. It is not the right way to approach it. It is all about fiscal discipline, as Deputy Andrew Lewis referred to, and just to pick up on his point, there are no errors in the maths here. I hope I have explained the growth and the savings and efficiencies. There is growth into Education, even in 2016. There are no errors in the maths. But fiscal discipline is critical and using contingencies as suggested in this way is not something I

believe that the Assembly should be supporting or condoning. I therefore ask for the amendment to be rejected.

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

I am glad to be following the last 2 speakers. For the avoidance of doubt, I will be supporting the amendment. Originally, I had a couple of points to make but I wanted to pick up on a couple of comments from the previous 2 speakers. I will start with the Chief Minister, who I note from the information I received will be giving a speech to the local association for both chartered and certified accountants at their annual C.P.D. (Continuous Professional Development) next week. I am sure they will be delighted to know that his view of accountancy is about how they can slice and dice numbers any which way you like because that is effectively what he implied in his speech. I must admit I kind of thought we have a thing called ethical standards, believe it or not, and it is accountants that took the view of the expression of what is a true and fair view. The point of my approach to accountancy is one is trying to bring clarity to a fog generated by a lot of other people around numbers. Now, the reason I make that point is that we heard a couple of remarks but we keep going on about investment, we are investing in education, investing in health and all that type of stuff. I think that is one thing that does wind people up a bit and it is interesting when you speak to some of the new Members who have come in. When we have been in here for a long time we get used to a lot of the terminology and some of the people who come in from the real world outside very recently say: "What is this? Because outside in the private sector or wherever it is, that phrase means this." You realise over time you just get used to these expressions coming through. Surely if all we are doing is maintaining day to day responsibilities, that cannot be investment. That is maintaining your responsibilities. So if our legal obligation is about dealing with demographics, that is not something you can control. Therefore, any new money that comes in to deal with those extra demographic issues are an expenditure pressure, no question, but is that investment or is that maintaining your legal responsibilities? I will accept it gets slighter greyer, the next comment. If you are putting in, let us say, £40 million into a new school at Les Quennevais, if you are replacing an asset that was maybe £20 million of that, is that not replacing an existing asset? Yes, there will be some new facilities in there - that will be investment - but it is not fully £40 million of investment. It will be less than that because part of it is just replacing a decaying and old asset that needs replacing because that is your responsibility of maintaining your estate. The fact that people in the past have not done their jobs for whatever reason does not mean that suddenly it is an investment.

The Greffier of the States (in the Chair):

Could we please let the Deputy continue without too much interruption from the left-hand side?

Deputy J.A.N. Le Fondré:

Thank you, Sir. It is this continuous colour and terminology where this is about maintaining our responsibilities. Yes, there is another terminology. Senator Maclean made reference to the contingency allocation for the productivity side is going to be repaid. That is great. It is not a spend, it is just a loan or something. My interpretation of the analysis on Summary Table I - I appreciate we are on C at the moment but I am picking up on a remark - is that the way it is going to be repaid is from the proceeds of sales of assets. So, in other words, at the moment you have something here which we are going to sell - hopefully at a profit - so we are not going to have that asset anymore and we are just going to replace the expenditure that we have just sold so that net potentially we are worse off. Or, sorry, it is not coming from nowhere is what I am trying to say. The money is being spent and the Strategic Reserve eventually will be put back to a position but the Strategic Reserve as a whole will be worse off because the money has come out and it has gone out for a period of time. I am not expressing myself very well there. The point is it is being paid for or, sorry, it is being replaced perhaps is a better expression from the sale or removal of another asset, and probably an income-generating asset I would suspect. The terminology just continually goes on that we are investing, we are investing, we are investing at such a high level. I think a lot

of it is maintaining and fulfilling our normal responsibilities. Fine, that is where we are, but let us get the terminology right. Contingency: I have to say I am unclear. From my position, I go back to Summary Table B. We are likely, given the various debates we have had, going to be approving that bottom line, which is our total expenditure. That includes the contingency figures in there apparently but we will not know that until ... I am looking at 2017, 2018 and 2019. We will not know that until next year. What we are dealing with is 2016 but this proposition and some of the others that are coming through do not add to that bottom line, they are a reallocation between it. There are some very nice round figures in those contingency sums. I rather suspect there is some room to manoeuvre in there and certainly £263,000 is going to make absolutely no difference to the outcomes that are contained within that contingency figure. So I see absolutely no reason for not giving a reallocation priority out of some very round figures to something more precise in Education. On that basis, I am happy to support the amendment.

1.1.11 Deputy S.Y. Mézec of St. Helier:

Just briefly, I enjoyed listening to the speech from Deputy Le Fondré. I think he made some important points, unfortunately points that I had on my piece of paper that I wanted to make, so I will not repeat them. I think, to be honest, the Government here has been clutching at straws when coming up with excuses not to accept this amendment. The one exception to that, I think, was the Assistant Minister, the Constable of St. Brelade, who I think made a legitimate point about the precedent it sets, about saying we will look at contingencies to raid when we come up with things we want. But that is only relevant really I think because of the vote we had last night, which I suspect will be provoking some Ministers and Assistant Ministers to be looking at those funds to see if they can keep their personal assistants. So I think the way the Chief Minister attempted to explain how these changes ... extra funding that is investment even though it is for additional students coming into these schools, I think Deputy Le Fondré has pretty much proven that wrong. It is to keep things as they are, to provide the same service that we are obliged to provide by law. I do not really accept the point that is being made there. It does not really count. If you are not taking into account demographic changes, then that completely muddies the waters over what impact extra funding is going to have on the service and what kids are getting when they go to school. I think this has been hidden. Some have said this has not been hidden. Well, I think technically it has, really. When the Government is going round saying: "We are providing extra investment in education" they have not been saying: "We are providing extra investment in education except 2016 where there is going to be a slight cut." So I think it has been hidden there. We managed to tease this out of the Minister and the director in a Scrutiny hearing and the Minister described it as a beautiful constraint, which I thought was just the most wonderful way of putting it. It is a beautiful constraint. It forces us to be innovative and creative. What a great way of spinning that. I hope that does not get used more often because that is spin at the end of the day. This is over a quarter of a million pounds that the department is not having to be able to deliver on the things it is meant to be delivering on, which is improving the education service provided to our young people. I do not see this as a case of you either support the Scrutiny Panel or you support the Minister. There is a way that you can support both and that is by accepting this amendment, because it does what the Scrutiny Panel is saying needs to be done and the Minister and the department get extra funding, which is what they should be getting anyway if we were going by what the Strategic Plan is meant to be, which is about investing in education. That is surely the default position. It is the best of both worlds. The department gets the money that it is supposed to be getting and children at the end of the day will not lose out, which is what they will do if investment is not going to take into account changes in demographics. It seems to me to be not a prudent or sensible way of deciding how much money Education gets.

1.1.12 Senator P.M. Bailhache:

Deputy Lewis expressed surprise that the Minister for Education, Sport and Culture was not biting off the hand of the Scrutiny Panel and accepting this amendment. The reason that the Minister is not doing that is that he is a member of the Government of Jersey. Members seem to have

forgotten that we are dealing with a situation where money is in very short supply and we are trying to save money. I took part, with a number of other Ministers, in a series of inordinately long workshops at which the problems that the Island faces in terms of finances were tossed backwards and forwards. There was argument for and against and at the end of the day the Council of Ministers reached a carefully balanced conclusion on the basis of give and take as to how the assets should be divided up and how the savings should be shared among the different ministries. Implicit in that is that a sum of money is set aside for contingencies to deal with the different matters that the Chief Minister and Minister for Treasury and Resources have dealt with.

[10:45]

It is wrong in principle to take money out of contingencies to deal with expenditure which will be recurring expenditure and I am surprised that the chairman of the Corporate Services Scrutiny Panel did not take that point on board. If Members pass this amendment, what is the Education Department going to do with the money? Deputy Martin suggested it might go to reduce class sizes but that kind of expenditure involves recurring expenditure. It involves further investment in staff. The Education Department cannot do it. I am sure that the department will find something to do with the money but it may not be very useful. It will be a kind of nice to have and it does not seem to me that that is a very sensible way of proceeding. It is not a responsible thing to do. The balance has been struck. The Minister has made it absolutely clear that the needs of children can be met on the budget which has been put forward and Members should not accept this amendment.

Deputy K.C. Lewis of St. Saviour:

Just a point of clarification, I know it is a bit of a nuisance but I would be grateful if Members would remember - I know the radio presenter does his best - that we have Deputy Andrew Lewis of St. Helier and Deputy Kevin Lewis of St. Saviour.

The Greffier of the States (in the Chair):

Never the 2 shall be confused. **[Laughter]** The Constable of St. John.

Connétable C.H. Taylor of St. John:

Talking of confusion, I just thought I would correct the Minister. It is not the Corporate Services Scrutiny Panel, it is the Education and Home Affairs Scrutiny Panel. His thinking clearly seemed to be a little bit muddled.

1.1.13 Connétable J.M. Refault of St. Peter:

We have spent many hours over the last couple of days talking about where we are going to allocate monies. Many of us have raised the view that we must target how we spend these monies to get the best value for the people of Jersey. Because if we do not target it, we will be giving money to people that do not need it. They may want it but they do not need it. All that does is to continue to contribute to the growing cost of running the States as a whole. This is the one frustration I have here that I see on the page of the proposition, page 4, it is very useful there but what it does not tell me is what this £263,200 is going to be targeted towards. It has no identified purpose. It is a back pocket bonus, effectively. Here is some money, go away, spend it on what you think is the most appropriate without any sort of analysis of needs. I think when we start allocating monies like this, we are continuing down the slippery slope of continuing to spend, spend and spend. Viv Nicholson economics there.

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

It comes as no surprise that we are reminded in the course of this debate that we live in times of economic constraint in case anybody did not notice in the last 2 days when we have been cutting benefits to the really worst off in society left, right and centre, one after the next after the next after the next. We were reminded by Senator Bailhache that we live in times of economic constraint and that is followed up by the Constable of St. Peter, who said we cannot be encouraging spend, spend,

spend. Where is this money going to be targeted to? Well, it is probably going to be targeted to one of the parts of what Education wanted to do which they now cannot do because they are quarter of a million pounds light on their budget. One of the things that has just been cut, one of the: “Can we get away with only putting that much there? Yes, just about”, all those decisions that have taken place over these hours of meetings about how to trim down, trim down and trim down until you have something that the accountants among us can be happy with. What a sad comment it was from the chief accountant in the Chamber when he said, yes, accountants, what do we do, we can cut and dice numbers how you like. I remind the Chief Minister that he is not being paid to be an accountant any more. He is being paid to be a politician and it is not about slicing and dicing how you like. That reflects also on the Minister for Education, Sport and Culture’s comments himself when he said the figures can be interpreted in different ways. When he said that I waited. I waited and waited. So tell us your interpretation and tell us about what it is that these numbers mean. But it never happened. It was just this platitude. Of course, you can interpret figures in different ways. Accountants can do it in a million ways, but where was the education in that speech? It was not there. It was: “We have decided what the figures are. We have dished them about a bit and this is what we have come up with so leave us alone.” Then we get, of course, you could not be taking it from contingencies, it is absolutely wrong to do so. I remind Senator Bailhache that we are supposed to be delivering a balanced budget and that if you want to balance the budget you either have to take money from a contingency, you have to raise some taxation in order to pay for it, or you take it from somebody else’s budget or another part of the budget and you move it. That is the reality. To suggest that the chairman of the Education and Home Affairs Scrutiny Panel should have come to this Assembly without that balance, without saying: “This is where we want to take it from” is ... I do not know, scurrilous. Let us come back to what it means to scrimp and save on an Education budget. We heard several times that where the saving is, is the staffing, sufficient use of staffing. It is a staffing saving. I am thinking now what does that involve. Is this - and I leave it as a question because I do not know - the start of the voluntary release programme? How many people have left the profession at Education with their experience under their belt in their 50s, said: “I have had enough, please give me release, I want to escape” and how many senior professionals, teachers, on, let us say, head of department scales, with their 10 years’, 12 years’ experience under their belt, masterful teachers, are being replaced by people fresh out of teacher training colleges? Get in there and get on with it. There is an argument that says teaching increasingly nowadays is a young person’s game because it is exhausting, absolutely exhausting. Maybe there is an argument that that is an improvement, but what happens along the way and why people are tempted to do this is because the experienced teacher costs you twice as much as the inexperienced novice that you put in that class. If at the same time you are restructuring things, so let us do away with a head of department for history, geography and economics and let us call them humanities and we will have one head of department, there is a nice little 2-point saving on the scales that we could redistribute somewhere else. Fine, but is that improving education? Often I think it is not. Let us just remind ourselves about Deputy Le Fondré’s points that he was making at the very beginning of this debate. We are also only given one year. There is only one year we can talk about in any concrete terms. So we do not have the faintest, foggiest clue what is going to develop in 2017, 2018 and 2019 because we do not have those figures, but still we are asked to take a leap of faith and deal with this budget, which I remind Members again, despite the additional money put into Education, overall what is this Medium Term Financial Plan doing? It is running a budget at the complete margin. Take into account inflation and we are talking about 1 per cent growth over 4 years. That is a target that the F.P.P. (Fiscal Policy Panel), the advisers to the Council of Ministers, say ... they do not quite use the word impossible, but it is a very, very difficult task. We are running an austerity budget. We only have some money to put into Education and into Health because of cuts elsewhere. That is the reality. This is absolutely running on the seat of our pants. There I will cease. I will, of course, be supporting this very eminently sensible amendment.

Deputy R.G. Bryans:

A point of clarification?

The Greffier of the States (in the Chair):

Yes.

Deputy R.G. Bryans:

The Deputy inferred that there were voluntary redundancies to do with teachers and heads of departments. As far as I am aware, there are no voluntary redundancies on frontline staff or teachers.

Deputy G.P. Southern:

There are none yet.

Deputy J.A.N. Le Fondré:

Sir, could I seek a point of clarification from yourself? It is on the proposition.

The Greffier of the States (in the Chair):

Yes.

Deputy J.A.N. Le Fondré:

It is partially because of a comment that was made after I had spoken I think by one speaker; I am not sure exactly who it was. My understanding of the amendment we are dealing with is that Summary Table C, therefore, cannot be recurring expenditure because it is only 2016 and that assuming the M.T.F.P. is approved, as where we are, Summary Table B will mean that no additions can be made to expenditure in future years. Therefore, on the basis of this amendment it is a one-off spend for this year and any future amendments would have to be within the context of the envelope that has been set. Is that correct, Sir?

The Greffier of the States (in the Chair):

Yes, I think that is very clear having been said over the last 3 days, Deputy. This amendment is for 2016. It reduces the amount shown for contingency and increases the budget of the Education, Sport and Culture Department. How that is reflected in future years is a matter for the part 2. It is not ...

Deputy J.A.N. Le Fondré:

The clarification was that there was an implication it was a recurring spend, but what we are debating here is a one-off.

The Greffier of the States (in the Chair):

There may be expenditure created for Education that will be recurring and that will have to be taken account of in the future allocation of part 2. The Deputy of St. Martin.

1.1.15 Deputy S.G. Luce of St. Martin:

I have not spoken so far in this session and I had not expected to speak in this debate but I would just like to say 3 things briefly, if I may. The first one concerns the Minister and Assistant Ministers for the Education, Sport and Culture Department. I would just like to tell Members of the Assembly that no one has fought harder for their budgets than these 3 gentlemen. I will not go on other than to say that. No one has fought harder than them for their budgets. The second thing I would like to talk about is savings and growth. I do not want to go on, the Assembly understands the difference between the 2 words, but I would just like to say that this Assembly and the Government in particular get criticised on a daily basis by the population of the Island for spending too much money and not looking hard enough at where we do spend it and where we can make savings. This Government has gone away and it has looked at every department and asked every department to come back with savings. Every department has done that. Some have done it by

using technology. Some are making efficiencies by doing more with the same. Some are doing the same with less. But each department has delivered the savings that have been requested by Government. Then and only then the Government have turned around and said: “Where are we going to prioritise the growth that we want for the future?” We have looked to Health and we have looked to Education in particular, those 2, and we have then apportioned additional money to those ministries. The Government has come up with a plan. It is the best plan that I think we could have come up with and Members should not be surprised that we do not want to deviate from it, even for £260,000 of additional money that is well spent in Education but it is not the plan that we wanted. So please do not be surprised if we do not go with this amendment. The third thing I would like to speak about is contingency. I listened to the Minister for Treasury and Resources, I listened to Deputy Le Fondré and I just listened to Deputy Mézec and Deputy Martin as well. I have to say to Members I cannot disagree with parts of every one of their speeches on the subject of contingency. Because I looked up the definition and it is this: a future unforeseen event or circumstance that is possible but cannot be predicted.

[11:00]

I just say to Members regardless of what it is for we must conserve our contingency funds because as sure as eggs is eggs sometime in the next 12 months something will occur that we have not thought of and we will need the money because that occurrence will be important. It will be more important than the things that we are debating today and we must keep some money in contingency.

1.1.16 Deputy S.M. Brée of St. Clement:

I have listened obviously to both sides of the debate on this amendment. I am slightly confused. A little while ago - in some Members’ memories it might be longer - the Strategic Plan was debated and approved by this Assembly. One of the major points was investment in education. Now, in the real world outside this room investment means spending more. The Scrutiny Panel have done exactly what they are tasked by this Assembly to do. They have identified an area which needs resolving. It does seem somewhat confusing that we are even debating this. What they are saying in this amendment is very, very simple, that because no other source of income can be used at this point in time, for 2016 and 2017 only the income will be taken out of the Contingency Fund. Now, we have been promised by the Council of Ministers that by June 2016 they will have come back to this Assembly with the additions to the M.T.F.P. So by supporting this amendment we are saying: “Fine, you have to include this additional amount of money in the additions to the M.T.F.P. for Education.” It is not a difficult concept to grasp. I think what I am saying is that I urge Members to support this amendment because you are not only supporting investment in education, you are supporting the work and process of scrutiny but, more importantly, you will be upholding the decision of this Assembly to invest in education in real terms.

The Greffier of the States (in the Chair):

Does any other Member wish to speak? I call on the chairman of the panel to reply.

1.1.17 Deputy L.M.C. Doublet:

I want to give my heartfelt thanks to all the Members that have spoken on this. It does show to me that education clearly is important to all of us. First of all, I will just address some of Deputy Bryans’ comments. I want to make it very clear I think some of the arguments coming back from some of the Ministers today are a little weak and this confirms to me that perhaps their hearts are not in it. Just to clarify, I am not confused. I have done the work. My panel has done the work. We have analysed the numbers and we are quite clear on this. This is not about numbers, it is about words. It is about what we understand investment to mean. I have quite a lot of Members to get through. I will try to be quick. The Constable of St. Brelade, thank you for your comments with regards to the digital sector. I will certainly bring that up with my panel for discussion. The Constable mentioned that it is a very small amount. Yes, it is but if you look at the table on the back of the proposition some of the other growth projects are around the same amount. So we have

4 new growth projects; we could have 5. That is a significant percentage of extra growth that this small amount could provide for, so that confirms my point. Several Members have questioned whether this is recurring spending. Now, we have only put it in for 2016 because we did not have the detail beyond that. Thank you, Deputy Brée. As Deputy Brée mentioned, there is perhaps an option for a similar amount to be put in for the subsequent 3 years but that is something that we will be looking at as a panel and we will decide. So that option is there. I think 2 or 3 Members have said: “I am not sure if I can vote for this because I am not sure exactly what particular project it is going on and if the panel had specified then maybe we would know.” It is not the job of Scrutiny to be alternative government. It is not my place to specify the projects that the Minister for Education, Sport and Culture initiates in his department. That is the Minister’s job. It is Scrutiny’s job to make these objective assessments on the numbers and the evidence that we have, and that is what we have done. So, I could give you a list of potential projects. Special Needs Education, that is one of the biggest ones. Jersey University, we have a group of volunteers who are crying out for some funding to initiate a Jersey University project in the Island. We could be bringing over all sorts of experts to invest in training of teachers. There is buying new resources for the classrooms. There are lots and lots of things that could be a one-off spend in 2016 that would make a huge difference in that year and beyond just with a one-off spend. Who else spoke to me? Deputy Lewis of St. Helier, thank you for your comments. The Deputy pointed out that the Council of Ministers have written in their comments that the majority of the savings they are being asked to make will not affect the education of the children. Let us just look at these words again. The majority, so that means some of them will. By implication, some of these cuts will. If we put this extra money back in, then perhaps the cuts will not affect the children. Perhaps we can protect our children from these cuts. The Minister for Treasury and Resources, again, yes, he spoke about the definition of what growth is and, as scrutiny, we are objective, we are evidence based and we have decided through this process that the growth is not enough. My panel and I are not disagreeing with the Ministers. There is some investment there but the point is it is not enough. So that is why we are putting this extra money in. We are about to vote on this but we have already voted on this, as I think Deputy Brée pointed out. This should be an easy vote. We have already voted on whether to invest in education. We have already voted on this during the Strategic Plan and I think it is the one thing that we all agree on. Let us invest in our children. So I ask Members to now put the money where their mouth is, so to speak. Put the money in to back up this resolve that we have to invest in education. I urge Members to support this amendment and make a real difference and invest in our children. I call for the appel.

The Bailiff:

The appel is called for. I invite Members to return to their seats. The vote is on the eleventh amendment. The vote is on the eleventh amendment prepared by the Education and Home Affairs Scrutiny Panel and I ask the Greffier to open the voting.

POUR: 21		CONTRE: 20		ABSTAIN: 2
Senator Z.A. Cameron		Senator P.F. Routier		Deputy A.D. Lewis (H)
Connétable of St. Mary		Senator A.J.H. Maclean		Deputy S.M. Wickenden (H)
Connétable of St. Saviour		Senator I.J. Gorst		
Connétable of St. John		Senator L.J. Farnham		
Deputy J.A. Martin (H)		Senator P.M. Bailhache		
Deputy G.P. Southern (H)		Senator A.K.F. Green		
Deputy of Grouville		Connétable of St. Clement		
Deputy J.A. Hilton (H)		Connétable of St. Peter		

Deputy J.A.N. Le Fondré (L)		Connétable of St. Ouen		
Deputy K.C. Lewis (S)		Connétable of St. Brelade		
Deputy M. Tadier (B)		Connétable of St. Martin		
Deputy M.R. Higgins (H)		Connétable of Trinity		
Deputy J.M. Maçon (S)		Deputy of Trinity		
Deputy S.Y. Mézec (H)		Deputy E.J. Noel (L)		
Deputy L.M.C. Doublet (S)		Deputy of St. John		
Deputy R. Labey (H)		Deputy S.J. Pinel (C)		
Deputy S.M. Brée (C)		Deputy of St. Martin		
Deputy M.J. Norton (B)		Deputy R.G. Bryans (H)		
Deputy T.A. McDonald (S)		Deputy of St. Peter		
Deputy of St. Mary		Deputy G.J. Truscott (B)		
Deputy P.D. McLinton (S)				

[Approbation]

1.2 Medium Term Financial Plan 2016-2019 (P.72/2015): thirteenth amendment (P.72/2015 Amd.(13))

The Bailiff:

We now come to the thirteenth amendment lodged by Deputy Maçon and I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

After the words “Summary Table C” in sub-paragraph (i) insert the words – “except that the net revenue expenditure of the Education, Sport and Culture Department shall be increased by £1,400,000 for 2016 to increase funding for the costs of higher education”; and after the words “Summary Table D” in sub-paragraph (ii) insert the words – “except that the allocation to Contingency for 2016 in relation to ‘Economic and Productivity Growth’ shall be reduced by £1,400,000 to offset the increase in the net revenue expenditure of the Education, Sport and Culture Department”.

1.2.1 Deputy J.M. Maçon:

A mind is a terrible thing to waste and, as has already been said within the previous debate in our Strategic Plan, education is one of these key priorities that we want to invest in, that we want to develop. The Council of Ministers have presented to us their priority, but these are the Council of Ministers’ priorities, they are not yet the Assembly’s priorities. Through the rights that we have in this Assembly we can disagree. We can say we think that there are alternatives and there are different ways in which we prefer to allocate funds. I would like to begin my amendment by thanking the Education, Sport and Culture Department. The officers were incredibly helpful when designing my amendment. I was considering putting 2 in, one which not only uprates these particular thresholds but also looks at the maintenance allowance, and in my amendment that information is retained, just to not only demonstrate the shortfall towards university funds by not uprating this particular element but also what is also being cut by not uprating the maintenance level as well. But I have not brought both of them forward, I have only brought one forward for Members to debate. Members will know that on Monday I was on the radio with a parent who has

been a long campaigner for greater university support in the Island and if I could quote a couple of points that she made, she commented that: "We are now in a position where both parents working full-time, 40 hours a week, on minimum wage, would not qualify for a full grant and even if they did, that grant would not be enough and would be short roughly £7,000 per annum of real cost." She goes on to say that: "A recent freedom of information request has revealed the number of Jersey students attending off-Island universities has fallen by 30 per cent in the last 5 years. Meanwhile, local businesses, particularly those that are bringing income to the Island, are stressing that they need graduates. The current solution is to import people with the necessary skills and put even more pressure on those public services which we are struggling to fund at the moment." This amendment goes to help grow our own. This is what I am looking to achieve. We have a duty to our own people in order to maximise the opportunities that they should have in life. There is a question raised by the Council of Ministers in their comment about whether this is the right fund in order to do this, the innovation fund, which is looking to raise productivity. Now, if you also look at the innovation review which we currently had, it stresses that we need to develop skills, that skill development is essential for the development of productivity within the Island. Two weeks ago the Chief Minister said quite clearly that investment in skills has to be a priority. Well, this is exactly what this amendment is trying to achieve in helping support our students do that. Now, I do not think I need to tell Members the hardship that many parents on doorsteps as we have gone around at election time stress about university funding, how difficult it is particularly if you have 2 or more children at university age to try and support them at the same time. I myself, as some Members will know, am familiar with these costs because when my father walked out on my family and would not contribute towards my own little sister's education, it was me who had to step forward for a time in order to do that, so I am well familiar with the actual costs of sending a child to university and how much of a struggle and a strain it is on families within the Island. This threshold that I am asking to be uprated has not been touched since 2001. If you read the Council of Ministers' comments, it is almost like I am trying to introduce a new policy or something. That is not what I am trying to do. All I am trying to do is honour the commitment made by this States Assembly in 2001 and uprate it to the current day. Two weeks ago, we had an Assistant Minister arguing how important it was to uprate certain clauses within the Alcohol Licensing Law and how the rating had been left for too long and it was not right to do. Interesting how it is a different approach when it is something that might cost us money as when it is something to bring in funds. Either way, the whole point about keeping things up to date is essential. The Council of Ministers have cautioned about how much this particular amendment is going to cost but again the whole point is because it has been left for so long that is why it is costing us so much.

[11:15]

The point I would like to make is the Education Department do want this. They have tried this in the M.T.F.P. this time. They tried it at Corporate Management Board level to try and get it through: batted away. Last time they tried during the last M.T.F.P. to get it through the Council of Ministers' level: batted away again. No one can say the Education Department does not want to support students in these ways. This is a Council of Ministers decision which I do not agree with and I hope other Members do not agree with because it is something which has been left for too long. Now, within the Council of Ministers' comments they also state that: "Yes, we have helped by adjusting the bar to £9,000 within the past couple of years." Of course we all know that that is because the U.K. Government lifted the cap on fees within the U.K. and as soon as they could do that the university funding jumped immediately. What they do not go on to say is that we know that the policy within the U.K. is to remove any cap within university funding within the next couple of years so, going by the same thing, of course university fees are going to rise over that period as well. So university funding is going to be even more. Now, since 2001 of course the Council of Ministers forget to mention that we have also had 20 means 20, the introduction of G.S.T. (Goods and Services Tax). We are going to have an additional waste charge, we are going to have an additional health charge, and families are not being supported in helping fund their

children to the same level since 2001 in university when their income from this Government has been going down and down and down and will continue to go down over the last time of this Assembly, which is why it is crucial that we should be investing now and that is why it is important that it is done now. Something else which seems to not be recognised is that job competition within the Island and wider afield is getting more difficult. I do not know if Members realise that for a graduate or for a school leaver even to be considered for some jobs you have to have a degree, you have got to be a graduate. If you do not, immediately your C.V. (curriculum vitae) goes straight into the bin. They do not even consider you and it is really important to have the choice, at least give people support if that is the career that they want to go down and give them that opportunity. But it is not only that, it is not only getting a job interview. It is also about career progression. So, when organisations are looking to advance people within the organisation what goes in their favour is having a degree. It does not necessarily always matter what that degree or other qualification is; it is simply the fact that you have got one. By not supporting our students, it is not just the opportunities we give them now. It is the opportunities we are denying them in the future, because that is simply the way the world has gone. I would also just like to briefly say that I would like to thank all the comments that I have had from the public in looking at this amendment. I know that the vote on this is being considered. I know it is not going to be easy for some Members to accept this amendment, but how easy is it to tell a young person that we have seen in these figures about a 30 per cent reduction? You cannot tell me that part of those people who are not going to university because of the drop it is not because of the cost of it, it is not because of the funding. No States Member can come up and expect me to believe that that is what they are going to say today. For the future of our young people, for the sustainability of our Island, this is why I brought this amendment today. I know it will not be popular with some Members but it is the right thing to do. I make the amendment and hope that another States Member will agree with me and second it.

The Bailiff:

Is it seconded? [**Seconded**] Does any Member wish to speak?

1.2.2 Deputy R.G. Bryans:

I will reiterate what I said for the previous amendment. It is a well-intentioned amendment. That is not code, it is not patronising, it is not sophistry; it is respect. But the problem we have is that it could have a profound effect on what we are already doing and take us off course. I am pleased that Deputy Maçon has recognised the same problems that we have encountered and are dealing with, namely that parents feel the burden of cost falls on them when it comes to providing for their children's college education. In some respects it is all about cash flow. So, what have we done and what are doing to alleviate that pressure? We already provide, through the current provision of grants and loans, up to £10 million of States funding. That is around 10 per cent of our budget, something that in the U.K. is separated out. In simple terms, of the 450 students that go to college, 70 per cent access our offering, 43 per cent of those receive a full grant. Many do not contact us as they do not wish to disclose their earnings or feel that their earnings are above the threshold. We have entered into negotiations with the banks currently offering loans, hopefully to increase the number of banks and to increase the level of the loan currently at £1,500. Those talks are continuing. We have held a well-attended public consultation, the results from which will be published shortly. A second follow-up meeting is being arranged for November to outline our findings and the course of action we aim to follow. To give Members an insight, it was widely recognised by parents at that meeting that the responsibility for university funding should be seen as a partnership between the student, parents and the States. While it is important for the economy to have highly educated graduates, and the Deputy has already outlined that, the individuals themselves benefit significantly by having a university education. They are adults and must bear some of the responsibility. There was a feeling that if possible consideration is given to the real cost being borne by those who would benefit most, namely the student, and not increasing the

liability to the taxpayer. As you may be aware, the evidence from both the U.K. and the U.S. (United States) is that student loans have proved to be a poor solution. Currently in the U.K. only 55 pence in every pound is recovered. Student debt held by the government reached a record £73.5 billion in March of this year. This is more than double the total in 2010 and represents an increase of £11 billion year on year. The average debt for each student totalled over £21,000. Why would we want to introduce a system that we know will fail? Taxpayers suffer, the government suffers and the student suffers. It would also be a disincentive to students wanting to return. If the debt is here, why return? As someone said recently, for years we educated our youth into debt when they go to university but never about debt. Our students are hungry to go to college and we support them in those aspirations but we believe they are not fully aware of the implications of carrying a sizeable debt around with them once they leave college. It is our role to educate and protect them. Things are changing in the U.K. The recently elected Jeremy Corbyn said: "I want to apologise on behalf of the Labour Party to the last generation of students for the imposition of fees, top-up fees and the replacement of grants with loans by previous Labour Governments. I opposed those changes at the time, as did many others, and now we have an opportunity to change the course." He wants to abolish tuition fees and bring back grants, the same sorts of grants we offer. This recognises that universities are now not just places of learning but have become expensive businesses. So, what else have we done? We have increased our degree offering here on the Island. The recently rebranded University College of Jersey, which today is having its graduation service, is now providing 13 degree courses with new additions being considered as we speak. All of this is correlated to the needs of our economy by working closely with local employers. There is a consideration of pairing up with other universities in the Russell Group. With a new head at Highlands there is a clear attitude of ambition beginning to appear. We have Jersey International Business School providing degrees in finance. We have the Law College providing law degrees. Nursing is now working with Chester University offering a nursing degree. Just in the last couple of weeks 13 nurses claimed their degrees, locally trained, locally employed. This means that students can reduce the potential cost by remaining on the Island. The idea of a digital college is now being discussed and I am also meeting with J.I.C.A.S. (Jersey International Centre of Advanced Studies) next week to discuss their plans of an independent college. We have in fact already created Campus Jersey and, as the Deputy said earlier, let us grow our own. That is what we intend to do. We have created a loose federation with Guernsey and the Isle of Man to work together and share our findings in this common problem. Guernsey's offering is very similar to ours. I accept it offers more but they have a different lower demographic and the numbers attending college are decreasing considerably. They stated at our last meeting that they would never contemplate unsecured loans for students. The Isle of Man have worked cleverly with Chester University, the same university as we use for our nurses, so that students remain on the island for the first 2 years of their course, the last being spent in the U.K., again reducing cost by remaining on island. I could offer the same opportunity to us. We are meeting both islands again next month. We are also still in talks with Treasury to increase the offering from the States and I am sure Deputy Vallois, who recently met with our higher education funding team, will articulate her thoughts on this as the debate continues. Every child has a cost. The more children you have the greater the pressure on your finances, but it is a choice. We have begun to realise that the group of individuals with the greatest problems are those where the number of children grows beyond 2. At the recent public consultation we became aware on one table of 8 individuals that each had a family of 4 children or more. That is not just painful; for those families it is a genuine crisis. We are not blind to their pain and we are not ignorant of their circumstances and are working hard to reach an equitable solution. They would like us to contemplate using public funds to guarantee a loan system that has proved unsustainable in the U.K. Why is Deputy Maçon's amendment not practical? Well, to attempt to solve one problem that creates another, it is not sustainable. It is focused on just one year. Once started, we would have to maintain it and that is not feasible. Each time you pick at the fabric of this plan the burden of cost must be maintained and spread over the other departments, some of which have already been picked clean. To summarise, we know how

difficult and emotional this is. We do not work in a vacuum. Nearly everybody involved in helping solve this has, like myself, either had their children go to university or are contemplating sending them. It has been one of our highest priorities since I took office and it will remain so until we reach a solution. We understand that it is about creating as few barriers as possible to allowing our children to access the college education they desire. It is important to our Island's economy and in line with the Government's strategic priorities. We are working hard to resolve a growing problem, a problem that should be shared by the state, parents and students, not purely the taxpayer. If this amendment is accepted, we will have to continue providing it, so it cannot be for one year but more like 6. So it is not just £1.4 million. Then once started, how do you stop it? The truth is you cannot. Another point, in education we work in academic not financial years. This means it would not be possible to implement this until September 2016, which means only one term. It makes it confusing for parents and students and is an unhelpful, time-consuming anomaly to the existing grant system. It would also have to be means tested, which makes it almost unworkable. The current system is complicated, and I accept that and I am working to resolve it, but this amendment just adds another level of confusion and stress. Finally, the Deputy claims that there is no cost to this but to switch from what we have now will undoubtedly incur extra costs and without doubt the work would be considerable. I understand what the Deputy is trying to achieve but it is not the way to do it. In short, I cannot support this amendment and I hope Members agree that it creates more problems than it solves. **[Approbation]**

1.2.3 Connétable J. Gallichan of St. Mary:

Just before I speak, I suppose I should make a declaration that I do have a child at university, so if this was passed I could conceivably get something out of it but I do not currently benefit from anything. It is partly why I am standing, just to say that really I am understanding exactly where Deputy Maçon is coming from and the burden that this does place on parents, especially those what we call middle Jersey who fall just outside of the figure and find themselves having no help at all at a time when they probably have other children still in education here that they may need to assist. I understand. I have listened to what the Minister has said. University is not the only way, studying off Island is not the only way. There are plenty of other options that youngsters have, but we cannot hope as an Island to provide the breadth and depth of educational provision that all of our youngsters may need here on Island, not for the foreseeable future at the very least. So we have to work out how this can be achieved.

[11:30]

One family that I know with only 2 children - only one of those has gone off Island, the other one has studied here - was able to provide, with difficulty, simply because with rigorous discipline they had put aside money for their pension every year going forward and when the child went to university pension contributions stopped because that went to a different pot. I understand that for many people what we are doing is deferring the difficulty of needing to have assistance from the state because what we pay today on education we cannot put aside to make ourselves self-sufficient in later years, so it really is a very big question for parents. The Minister said he hoped other people would speak about the provisions that are being considered and where we could be going. I really need to hear that because I understand that contingencies cannot be raised willy-nilly, having just voted for the last one and I will explain why in another speech perhaps. I do understand that, but I have been trying for years through several different Ministers now to understand why there are not tax breaks at least for the people who are paying for this, why there are not bonds that are supported and recognised by the tax authorities where parents can save in. I can hear mumbling to my right and I am sure that the Chief Minister will explain that probably where we are going but I need assurance that we are going to get there. I have been elected in this Assembly on several occasions now. I have stood here for 9 years I think, almost 10, and I have asked the same questions. I have asked it in briefings, I have asked it in Scrutiny, I have asked it over and over again: when are we going to do something? A generation of children have come and gone through

university and things are really difficult. I was promised, looking at the website and the information that was given, that ... well, I will tell you what it said on the website. I looked for it today; it seems to have gone. Maybe it is because I drew attention to it. If your household earns over £54,000 you will be likely to receive the maximum amount of help to tuition fees but you will not receive a maintenance grant. I looked at that and I thought, well, there is something coming to help. I was not told on the website that the maximum was zero, because that is what I got and I know that is what a lot of other families got. It is not easy to switch away from being the kind of prudent person who is putting away for future needs, old age - it is coming to us all - and to take that and to realise that for the next 4 years there will not be anything going into that pot. There is not a single parent that I know that begrudges their child, but I am fortunate in that even though it is really, really difficult for me, as it is for many people, I am able to do it. What I feel is that there are people who, despite everything that we do put now, simply cannot make that financial contribution and I really want to hear from whoever would like to speak - and I can hear the Chief Minister is champing at the bit to advise me - what we are going to do in the next year, 2 years, to change what is available to help parents. If I do not hear that to my satisfaction, something that I can in a future time hold the Council of Ministers to account over, then I will be supporting this.

[Approbation]

1.2.4 Deputy M.J. Norton of St. Brelade:

I was heartened and it is a pleasure to follow the very last speaker, simply because I feel exactly the same. I too can declare an interest in that my daughter has pursued her degree course, I have to say gleefully and more cost effectively, through Highlands College and through their work with Plymouth University and the connection they have had there. Imagine my delight then to know that she is now heading off to a university in the U.K. for her M.A. (Master of Arts) and that is going to cost a little bit more. I too am frustrated and I remember a year ago standing on platforms saying what I really wanted was to see a coherent, joined-up plan for university tuition fees and some form of assistance for those going, and I am still waiting for that and I still would like to see that. I know that there is work going on. What I would urge is, for goodness sake get on with it. Come back with something that we can hold to account, to use the last phrase, something that we can say: "Yes, here is some help." There is no doubt about it, one of the greatest investments we can make is to make sure that people get the opportunity, from whatever financial background, to be educated to the highest degree they possibly can be. What we do need, I believe, are some tax breaks. What I do believe is an enticement for those who are qualifying in the U.K. with their degrees and their M.A.s for them to come back. We need them to come back. We need our local, home grown grow-our-owns to come back, and for those who do not think there are jobs for them, there are jobs for them. There are jobs for them throughout the very many industries that this Island provides. What they are doing instead is they are looking elsewhere simply because there is not the talent. So what I would say is that is what we need. Where it comes to this amendment, it is difficult to support it because it is ongoing, as the Minister for Education rightly pointed out. It is difficult because it locks us in. Do I want help for students going to university? Yes, of course I do. Do I want to burden our taxpayers with the kind of loan systems that the U.K. have put them in £73 billion worth of debt? No, I do not. I have spoken to the proposer of this amendment and we have spoken at great length and I have great sympathy for the good intention of what he is putting forward but I am afraid I cannot support it.

1.2.5 Deputy A.D. Lewis:

This Minister for Education I think has done more than many others in terms of tackling this issue, and I welcome that and I look forward to the plans coming forward, but the fact is that it has taken too long so we are in the position which the Constable of St. Mary articulated very well. We have a whole generation of families that perhaps their children have not been able to go to university, at least outside the Island. I welcome what is happening at Highlands and the description that the Minister gave of the good work in creating courses locally, but there is no substitute for going away, whether that be to England or Europe or America, to educate yourself. I was fortunate

enough to do that. I learnt a lot from that. I was a fairly shy, insular young Islander, leaving the Island, believe it or not, and I felt that was very good for me because I did develop, like so many other young people do, by leaving this very secure, safe little bubble that we live in here, and that is all part of education. So I do not believe that what is provided locally is entirely a substitute for higher education at all. It is great that it is there but it is there, I think, as a bit of stopgap because we do not really know what we are going to do next. Contingency is there to help problems like this. We have not got a solution here. Sorry, Minister, we have not got a solution yet. We have had years to think about this. The education system in the U.K. and the funding of university has been changing. We have had years to work out a solution and we have not done it. We are now up against the wall. There is a generation that may miss out on higher education as a result and we have failed them by not coming forward with innovative solutions. We are a finance centre, for goodness sake. We should be able to come up with clever, innovative solutions to this problem, whether that be a bond we can pay into, those that can afford it, whether they be loans. I do not take on board the Minister's ... I accept the evidence that there has been defaults across the world on student loans but that is not to say we would have the same level of defaults in Jersey. There is an easier and better way of monitoring it. I do not like the idea of saddling students with debt but I left college with debt. It gave me a better job; I was able to pay it back in a relatively short period of time. So that does give you the power to your armour to earn more money to pay small levels of debt, and it could be small levels of debt. At the moment, if I am not mistaken, the current loan that we are able to access, because of the lack of ability to negotiate anything better, is £1,500 a year. I hasten to add that perhaps that might keep a few students in pot noodles but that is about it. It really is a very small amount of money and that is before course fees and so on. So it is a gesture, yes, but even if that was doubled and it defaulted and only 50 per cent paid it back, we are still in a better position than we are at £1,500. So I really do believe the Minister feels passionate about this and is doing everything he can currently but we are not there yet and that is what contingency is for. We are not there yet. We have not solved this big problem that has been there for 9, 10 years now. I have constituents talking to me now, fearful of the fact that they may have 3 children ... in fact one family spoke to me quite recently. One has gone to Highlands and is doing a degree course but there are 2 more children coming along that want to do degrees that cannot be accommodated at Highlands and they are having to say: "No, sorry, we cannot do this" even though they are above the threshold in terms of the income levels, but that just goes to bringing up 3 children in Jersey and maintaining a modest standard of living in Jersey, so they will miss out unless we do this soon. We can do it now if we plan, we move forward more quickly with whatever proposals are likely to come from this consultation. There was a public workshop held I believe in July. Well, sorry, guys, but we are now in October. Where are the results from that? What are the ideas? Where is the innovation? Come on, let us move on forward. I have not seen, I have not heard any more from it. It also is recognised in the comments from the Council of Ministers that there is a joint responsibility between parents, students and the States, and I do not see enough joint responsibility coming from the States. Parents are not happy but will contribute to this opportunity as much as they possibly can, but I do not see enough coming from the States, albeit some people might think £10 million is an awful lot of money, because it is. If we are going to send hundreds of students to university in other places for the long-term benefit of our economy, accept that some may not come back, at least not for some time, we have to invest more than £10 million. I will give you an example of another country that does, that is tiny and has all the same kind of fiscal challenges that we have. Gibraltar pays for each student that wishes to go away. Every single student has the opportunity to go away on a fully paid grant. I am not quite sure what they call it, but they pay for flights, they pay for course fees and they pay for subsistence. That is a tiny jurisdiction and the reason why they are doing it is because they really want those Gibraltarians to come back and fuel their economy, and they do. That is something which we should be aspiring to do as well and we are not doing it, but we have the opportunity to do it and we could do it right now. The Council of Ministers have got a year to go away and finish this piece of work once and for all and work out how we are going to do it. I know I was preaching fiscal tolerance and fiscal

prudence and financial restraint in the earlier debate but there is contingency. This is a bit of a mini crisis and we have got contingency to solve it and I think we should do that. I think we owe it to the people of Jersey to do that, the young people, this generation that is likely to miss out on higher education, and we can do it. It is in our powers today to do it. That is, I think, what some of this contingency could be used for. Bearing in mind it was also stated, of course, this is a longer-term thing. It is not one year, it is 3 years, 4 years of degree courses. So, let us spend the next year really nailing this one and finding a solution so that those do not miss out in the future, that more go. I do not believe necessarily we can get to everybody and make sure absolutely everybody goes and, to be honest, not everybody should. It is not suited to everybody. It is not the be all and end all. There are lots of other things you can do other than a degree and I do not entirely sign up to what Deputy Maçon said about a degree is the be all and end all. It is important in lots of professions but not all and we are doing more about vocational training and apprenticeships and so on for other young people, but he is right in saying that across the world a degree, particularly from an English university, is highly prized, highly sought after by foreign students all over the world who are coming to those universities and assisting with some of the funding because they are coming to that country and helping prop up some of the costs of running those universities and colleges. They are the best in the world and we have got access to them because we are British and we are not using it in quite the way we could. I just feel it is a huge opportunity missed for so many people and for the benefit of the Island in the future. Let us use some contingency, let us sort this out now and the Council of Ministers needs to come back with a plan in short order, in the next year, once and for all and resolve this one, because it can be resolved.

[11:45]

We will not have a perfect solution but it can be a lot better than it is at the moment so that those that really need or want to progress their lives through this level of education can do so without fear of massive debt, without fear of coming back to Jersey because they may have a small debt to pay off and do not come back because of it, and I do not believe that a loan system would necessarily default as much as it has in other parts of the world. The work has not been completed yet. Get on and do it and then come back to this House with a solution in a year's time and fund it in the meantime for contingency.

1.2.6 Senator L.J. Farnham:

I must first start by apologising if I cough my way through this next few minutes. I have been suffering heroically with a cold for the last couple of days and Members might not have noticed. I am pleased to follow Deputy Lewis and Deputy Norton and the Constable of St. Mary because they raised some valid points. I remember this being a topic of great interest during the last elections, and I think we all agree that no young person should be denied further education because of money, but I would urge Members to think back to the Minister for Education's speech. He provided a comprehensive response and explanation to the amendment. I have full confidence, and I think we all do, in this Minister for Education and his team. He is tackling the challenges in his own way with the dynamism that I have not seen in a previous Education Department during my time in the Assembly and I think we need to support him to get on with this plans. Despite the £10 million that goes in grants and loans at the moment, and I know this is high priority for our Minister for Education and I have confidence that he will deliver a solution in the fullness of time, but it is something that needs to be high on the agenda. My interest is that my 2 children have had 10 years at university between them and it was one heck of a struggle for my wife and I to see them through that.

The Bailiff:

I am not sure that "one heck of a struggle" is parliamentary language.

Senator L.J. Farnham:

Thank you, Sir. I still see it as our biggest achievement that our children have come through that without any debt and they both want to come back to Jersey. My son is working in the U.K. at the moment, having obtained a Master's degree. I am very proud of him, and he is there because his personal circumstances with his girlfriend dictate that but he wants to come back and live and work in Jersey. My daughter is currently doing a P.G.C.E. (Postgraduate Certificate in Education) and wants to teach languages and her ambition is to come back and teach in Jersey at the school where she was taught, and I think that is admirable and I am very proud of them. But I want to talk just briefly about the importance of a fiscal stimulus because the amendment seeks to take money from the proposed fiscal stimulus that is put aside for economic and productivity growth. Economic and productivity growth leading to job creation and income generation is one of the 5 objectives in the States Strategic Plan. Although progress has been made in a number of areas in economic and productivity growth policy, there should be no misunderstanding that the scale of the productivity challenge facing us is considerable. Members will know that improving productivity is about doing more for less. It is about harnessing our existing economic resource and driving it forward. It is about optimising the capacity in our economy to grow our income and this is especially relevant for our traditional industries of tourism and agriculture and in other sectors such as digital and e-Commerce, retail, construction, in fact in all areas of business and across all areas of the economy. The Fiscal Policy Panel have already highlighted concerns about Jersey's productivity performance in recent years and said that looking ahead any increase in productivity would be a benefit and a key factor in achieving the important economic targets we have set. Members will know that the Council of Ministers is proposing that a £20 million provision, and to be clear that is £5 million a year for the next 4 years, is to be set aside in this M.T.F.P. to be drawn so that new initiatives that can demonstrate they cannot be funded from existing resources and provide a strong rationale that they can have a positive impact on productivity can be allocated additional time-limited funding from this provision. This funding will be hard won because successful bids will be required to demonstrate outcomes and benefits that will result in productivity improvements. Not only must the economic case be clear on why the intervention will increase productivity, it must also be clear why the proposed approach is better than alternatives and that impacts are not only cost effective but are also a good investment for our economic future. I say investment because that is what it is. This fiscal stimulus will be repaid when the economy and the States finances are returned to balance. Ongoing improvements in the areas I have outlined will help to address the fiscal challenges that lie ahead and will help to ensure that Jersey's economy will grow in the future, which is why I am asking Members not to support the amendment, which if adopted would significantly deplete the resources available for economic growth, improved productivity, increased income, new job creation, and this in turn would severely compromise the ability of the Government and those charged within the Government of delivering the economic aspects of the Strategic Plan which this Assembly approved earlier this year. It goes without saying, much as I understand the sentiment behind the amendment and the importance of it, I cannot support it.

1.2.7 Deputy S.Y. Mézec:

Can I congratulate Deputy Maçon on bringing this amendment forward? I support it 100 per cent. I think he is definitely doing the right thing here. I thought the speeches from Deputy Andrew Lewis and the Constable of St. Mary in particular were very good and made some points that I hope Members will pay attention to. I suspect, although I could be wrong, that I am the Member of the States Assembly who most recently went through the full university experience. I studied law at the University of Westminster between 2009 and 2013, so just a few years ago now. I have been through this not too long ago in terms of working out myself what finances I would need to see myself through that, what help I would need from the States, what help I would need from my parents and what I would be able to do myself to raise funds through that, and I know that it was not easy at all to go through that. Throughout the course of me studying I had 3 different jobs, one in retail, one in finance and one in law. I was paid, I think, particularly well in these jobs. In fact, I was paid above the living wage. One of them gave them a bursary as well to contribute to my fees

and to contribute to the things I needed to sustain myself throughout university. I was helped a lot by my parents and grandparents who really went above and beyond to be able to provide for me and we were lucky in that we are not a particularly badly off family. I also got a grant. It was not a full grant but I got something at least towards my tuition fees and towards my maintenance costs, and I got a student loan from NatWest, which was £1,500 a year. All of that together was still inadequate, frankly, because I was getting towards the end of terms sometimes where I was having to decide whether I ate that day or whether I could afford to get the bus to go into university, because I was in London but I had to live far out of the centre because that is where the rent is cheaper and you could not possibly have walked it to get all the way in there. So I say that the system as it stands is broken when it is not able to deal with students to let them get through a university experience. Of course we should be working hard and if you are able to do a job outside of that at the same as studying of course you should do but it is wrong to have students worrying about paying their rent while they are going through their learning experience because it will affect how they take in information, the stress they are feeling when they are trying to get their qualifications and ends up being counterproductive in that situation. I come from an ideological position here where I think it is immoral that people who are in pursuit of a higher education should end up with debt at the end of it and I am ideologically opposed to tuition fees in the first place. In fact, I think it is a paradox that for Jersey students the support you get from the States to get your education is not based on your parents' income until you become an adult. So throughout your childhood, before you are an adult, you have a full right to a fully-funded education, full place at school where you will not pay fees, until you become an adult when all of a sudden your parents' income is featured into the equation and if you are from an well-off family then you will not get as much support. I think that is a paradox and I cannot support that. I come from an ideological position of believing that it is the role of the state to be able to have infrastructure in place that allows every single person to achieve their potential, whether that is a university education or whether it is an apprenticeship or whether it is something else. I believe it is the role of the state to be providing the infrastructure to help people do that, but we have to live in the real world of course and a system that I would ideologically like to have where everyone is fully funded all the way through their higher education is obviously not doable in the short term and if it is doable in the long term it is certainly a very long term. So you have to live in the real world and that is why I think what Deputy Maçon is proposing here is certainly a step in the right direction, provides a significant amount of extra funding to help those people getting through their higher education, which is something we need because we need Jersey young people to be better educated, hopefully wanting to come back to the Island and contribute here, not just economically but socially and culturally as well. I am very glad that he has lodged this amendment to enable us the opportunity to vote for that. This is a subject that is not going to go away. Anybody who was following the recent series of "Any Questions?" events, which was being hosted by change.je, knows that at every single one it was a question about what is being done for the student loan system, what is being done for the student grant system. I applaud the work that is being done by the campaign group that has been formed by concerned parents, and also concerned students for that matter, who are wanting to see the situation improve. I agree with the bulk of what they are trying to say at the moment. I do not agree with all of it on the basis that, as I have said, I believe that grants are the way forward not loans. I think it is wrong to come out of university with ... some of my friends in the U.K. who I studied with came out with tens of thousands of pounds of debt. I was lucky in that it was less than £10,000 of debt for me but it was still a struggle. One of the things that has been proposed at some point was raising the amounts that NatWest could lend students. It was £1,500 when I was a student. Raising it to £5,000 was something that was spoken of and if I had had the opportunity to borrow £5,000 a year I would have absolutely done it because there were many occasions where, after nights of losing sleep, having to ring my landlord to say: "I am really sorry but it is going to be a few days, maybe an extra week before I can get it to you." I was lucky that I had landlords who were understanding and I was lucky that I had parents who when something unforeseen happened would be able to step in. But I really feel and think about the people who are

not able to do that, so expanding the grant system to help more students, to help the ones we are already helping even better, give more people full grants, extend it to families who are in that sort of middle earning bit where you pay a lot of tax but you also are not entitled to as many of the benefits from it as you would if you were on a lower end of the income scale, which is certainly something that I believe causes resentment among that group of taxpayers particularly in the middle who are finding themselves feeling more and more squeezed as time goes on because of the cost of living, because of the fact they do not get the support they should be getting to help see their children through university. So, as I said, I do not believe that the situation is perfect at all but I think that what Deputy Maçon is trying to do is absolutely right and I am very, very glad to be supporting it and I hope other States Members will do the same.

1.2.8 Deputy J.A. Martin:

It is always good follow Deputy Mézec and again I would also echo the excellent speech of the Connétable of St. Mary. Just looking at this is quite scary. Frozen since 2001. We are not talking about a generation of children; we are already into the second generation who started 14 years ago at age 11 secondary education that we have failed. We can hear the mutterings of the Council: jam tomorrow, tax breaks. Nothing is going to happen and I will tell you why. This was always held because it is not statutory. Higher education does not come under the statutory and when you find you need 14 more primary classes, more children to educate under your statutory obligations, you will always lose out.

[12:00]

2001 this has been frozen at. Children should be having the ... young people they will be then. We are offering them this great education. We get more comparatively A star students than across many counties and comparing with the U.K. but we cannot send them to university. Going off Island is an education itself but if people do not want to go that is fair enough and there are some excellent courses, nursing being one of them, on Jersey and that is great but that does not make up ... do not believe that there is going to be something that has not been done for 14 years going to be pulled out of the hat just because Deputy Maçon has now brought an amendment, because you will hear “jam tomorrow”, you will hear again “this will be sorted” and every time they go into the room where they find out they need another primary class or they need more people in statutory it will not win. I want to deal with the comments of the Minister for Economic Development. What are we growing our productivity for? What are we growing jobs for? Optimise growth. Well, surely it is for our young people who have great education, who can further that with university education or on Island and they will be home grown. He talks about his own children, which is great, and the more people who should have the opportunity to go away and come back, and you will be able to come back. What do you want to grow these jobs for, one of your 5 objectives of the Strategic Plan? Do you want more inward migration for people who have been able to go to university in the U.K.? I do not think so. One does not follow the other. The Minister for Economic Development is wrong to believe that this will not help his 5 strategic aims. It has been too long in coming. I cannot believe, and I am waiting for the Chief Minister as he was shaking his head when the Constable of St. Mary was speaking, that there are things coming down the pipeline. How much when? Now, if ever you want to hold their feet to the fire this is when you do. Take it one year out of contingency and you say really come back and show how this can work. You have not managed to be able to do it in the last 14 years but trust us, we now know how we are going to achieve it. I do not believe, sorry, that this will be achieved unless we support this very well thought through amendment. 2001 income is absolutely unbelievable and we are, as I say, spending millions. One of our priorities is education. Does it stop at 16? Does it stop at 18? It should not. Why would you bother? Sorry, to me this is a no-brainer. Hold the Minister to account, support this, support all the aims. You are taking it exactly, Deputy Maçon, from the right budget because it will achieve the 5 aims and it will then employ people who are local. I hope I can change Deputy Norton’s mind because he is on the right path. He just has not been here long

enough to know that we have been all waiting since 2001. He might have the good grace to give the Ministers another year or 2. I am sorry, after waiting for 15 years this States Member is not awaiting it anymore. I support wholeheartedly the amendment of Deputy Maçon.

1.2.9 The Connétable of St. John:

I need to first declare an interest in that my youngest son is at Bristol University doing a Master's degree in maths and statistics. I would like to say he follows his father but he is vastly more intellectual than I am and I could not possibly claim that. I would like to speak on behalf of, as it were, middle Jersey. I have just done a sum and when my son has finished Bristol I will have paid for 70 years of education. One of my children cost just over £100,000 at university and I very generously received, and I cannot quote the exact figure but my memory, which is not as good as it used to be, is a £1,263 grant from the Education Department for contributions towards the over £100,000 I paid. When calculating grants, if you have a second child at university they do give you additional assistance but if you have 3 children in private education and the first one goes to university there is no account of the fact that those 3 you are paying for. I always felt very short changed by the fact that I had paid for my children's education up to 18 and I still had to continue paying and no account was taken of that payment that I had made for the education of my children, the savings I had created for the Education Department by doing so, so that when they went to university I got very little, indeed if any, support. We hear the Minister for Economic Development speak that the £5 million is for income and productivity growth. Well, the best way to get income and productivity growth is by educating the people who are in work. **[Approbation]** I congratulate Deputy Maçon on this proposition and I will be supporting it.

1.2.10 Senator I.J. Gorst:

Everyone is seeming a little shy this morning. I think the first thing to say about this, and it falls into many parts, is that I suspect for the first time that the current Minister understands the difficulty of those families who are struggling to make the decision about whether their child can go off Island to study because of the financial constraints that they find upon the family budget. That is the difference, if I might suggest. Deputy Martin suggests that we have been waiting since 2001, and it is right when we look at the numbers that there has been no change since 2001, but this is the first time that a Minister has started to sit down to meet with those families, to understand the difficulties that they are facing and committing, together with the Treasury Department, to find solutions. I think that is the right approach. The Constable of St. Mary listed a number of things that she wanted to know whether they were being explored and where the answer might lie. Well, the Minister and his officers have been meeting with - I will be careful how I say this - banks to understand and try to see if it is possible to, first of all, ensure the sustainability of the current loan that is available and also an extension of that loan system. I think that that is and would be an important change. They are also discussing with Treasury whether it is possible to develop a long-term ... we know that the Americans have a savings approach to this. I think that is what the Constable was talking about when she talked about a bond-type system. They save into a pot. It is tax efficient. You could think that if you took a U.K. equivalent it would be something like a glorified I.S.A. (individual savings account) or P.E.P. (personal equity plan) for one's education, and those are models that they are looking at and considering how they would work here. The Treasury is also, although we are having a robust discussion, considering whether there is not more that can be done around the allowances again for children and for those in further education paying the marginal rate of tax. I just remind Members that in 2014 there was a higher rate of tax allowance and it was increased to £9,000 for marginal rate taxpayers and therefore they are able to ... £9,000 for each child in further education and I think there is value in increasing that again because they are sustainable measures. They are measures that do not need to just be available for one year. Perhaps I will come and discuss the measure that the Deputy is proposing here. We know he can only, in effect, give the detail for 2016 and he is proposing that for one year the amount that is used to calculate the ability to access a grant is uprated for that one year by the percentage, and I will come on to the pot that he is proposing to use. I think we have to know that

if we, this afternoon, accept this amendment it cannot be just for one year and I hope that the Deputy will make that clear in his summing-up. You cannot put families in a situation where a threshold is increased and there is only one year's certainty because people are making decisions now about sending their children to university and it would not be right for them to make the decision based on an increased threshold for only one year when courses at university can range anywhere from 3 years. So we have to, I think, accept that and therefore we have to accept that we would be suggesting that that money would come from those contingencies for a longer period than that. Of course, the other issue is it does not, I think, consider the whole issue. It simply uprates that rate but it does not consider everyone's circumstances. We have got to be understanding that for families who earn well in excess of this, that may have 2 children at university, it is still an incredibly difficult struggle for them to make ends meet and it is an incredibly difficult decision for them to decide to send that second child and decide whether they can afford it. So there needs to be a number of measures and those are the measures that the Education Department and Treasury are working on, which I think are the measures that the Connétable wanted us to be working on and delivering on. Again, the thing that gives me confidence, which I have not had in the past, is that the Minister accepts the difficulty. The Minister understands the situation. The Minister has been meeting with those families who are right now in that difficulty and is committed to finding sustainable long-term solutions, not just setting a one-year increase which would not be fair. The other thing I just want to say is about the flexibility of the plan. Some Members have said that this is exactly the right pot because a skilled workforce should be more productive and deliver a more productive economy.

[12:15]

Of course they are right and education will be able to make applications to the economic growth, productivity and innovation pot, but the whole point of creating the pot in the way that we have is that there will be a robust process around accessing that money, based on the process that was used for the fiscal stimulus process, which means that people cannot just access for their favourite subject. They have to show that there will be good outcomes at the end of the day, and I think that is the right way to deal with that pot and not any other way. The plan needs to have the flexibility that I said in the other amendment and currently we have not calculated for any potential upside that funds drawn out of that pot which deliver economic growth or productivity increases ... we have not currently calculated for that upside in our central assumption on the income forecast and that is again because we are being prudent. We are giving flexibility in this plan and if we take money out of this particular pot that means (a) we are reducing the flexibility and (b) we are saying just by simply taking money out of it that there will be less money available to deliver on strengthening or improving the income line, which in the short term has got to be a priority because it is only by improving the income line that the long-term sustainable measures of putting money into education and into health and into infrastructure will be achievable. We have to be careful that we do not make short-term decisions which might seem right, and I understand the Deputy's motivation for bringing this proposition and I understand the difficulties that Members have spoken about that families are feeling right now, but we can get ourselves into a position where we make short-term decisions which will ultimately have longer-term detriment to those policy aims that we want to deliver on and that is allowing every child to reach their full potential, be that here in Jersey ... and I do not accept the speaker that said that studying for a degree on Island is a short-term stopgap. Some people want to choose to do that and that is right and they should have that ability and the provision of on Island degree courses should be strengthened and extended, not be considered to be a second class approach. That is not fair, it is not right and it is not something that I want to associate myself with. We have got to be careful that the short-term decisions do not ultimately have a detrimental effect on the long-term investment or spend perhaps, if the chairman of the Corporate Services Scrutiny Panel prefers me to use that word, on education which will ultimately benefit more. It is for those reasons that the Education Department found themselves not

able to support this amendment and it is for those reasons that Ministers struggle to support the amendment because there is work in process. I have confidence that ...

The Connétable of St. Mary:

Would the Chief Minister give way for a point of clarification? I have listened to what the Chief Minister has said. Could he please put some timeframe to what he has said? I first started talking about bonds, et cetera, in 2007, to my recollection. Will there be a definite timescale given which will allow me to vote as I know my head says rather than heart or will we be facing the same situation as we did with licensing categories?

Senator I.J. Gorst:

The truth is that I do not have a timeline in front of me today, so I am going to have to make a commitment which perhaps ... I see the Education officer in the gallery, I see the Minister for Treasury and Resources looking worried in front of me, I see the Minister for Education sitting over the other side of the room from me. I know they are working hard on it. We are now at the beginning of October but I think that we need to have a solution. Some, I suspect, will need States approval and I am going to give a commitment which is not the commitment that the Minister for Treasury and Resources wants me to give. We need to do it quicker than that and we need to have solutions on the table by the end of the first quarter in 2016, and that is what we commit to. If that is not delivered then I expect Members to beat us up and put amendments to the amendment in exactly the terms that the Deputy is already suggesting. We think that it is right that those 2 Ministers and their departments get on and deliver solutions.

1.2.11 Deputy M. Tadier:

I obviously have sympathy for the Minister for Education and Jersey parents who are sending their children to university or the students themselves - I should call them young adults really rather than children I guess - because the funding is ultimately out of our control. That has probably been said before and the issue is that we have a neoliberal model, not in Jersey specifically because it is out of our control although we do have a neoliberal model but it does not have an impact on university costs because, as I said that is out of our control. We have an Americanisation of the education system where you pay a lot of money to go to university and increasingly you come out with a lot of debt and with not necessarily any advantage when it comes to employment, certainly not initially. That is the reality for students in the U.K. A degree does not guarantee you a job anymore. So it is a bleak setting. I am not saying that there are not opportunities in Jersey. It has already been said that there are opportunities for students coming back to the Island. To that extent it is not within our control and we can do well to maintain our contributions to fees for those who qualify and for full grants for those who qualify. We talked about middle Jersey, quite rightly. I put a call out earlier on in the week saying I wanted to hear from people who thought they would be particularly affected by things going on in the M.T.F.P. who were having specific difficulties. I clearly got good responses back from that. One individual who wants to remain anonymous said to me: "We do not get any support for sending our daughter to university, not one penny. Income tax has very nearly doubled and income remains unchanged." He said: "I can understand that there are problems but please try to understand that we simply do not have money coming out of our ears and the Minister for Treasury and Resources wants more!" Those are his words not mine, although I sympathise with the sentiment in that and I think this is the reality for many people in Jersey who have considered themselves hardworking. They may or may not be home owners but many of them will be and up until perhaps 5, 10 years ago they thought of themselves as relatively secure, relatively affluent but of course, faced with the pressures both here and with the education budgets for universities going up, obviously finding themselves in a much more difficult position. We have had talk about Mr. Corbyn in the U.K. saying that he regrets that university fees have gone from a free service, because after all it is education, when does education stop, and he regrets that. So the first thing we can, I would say to the Minister, is make sure we give our full support to Mr. Corbyn in that respect to see if he can renationalise the universities, make sure they are free at the point of

access, and the Council of Ministers should be giving him their full support certainly in that domain because it would benefit us if we could negotiate a deal with the U.K. We know also that we need to start looking away from the U.K. There is no reason that we should be sending students specifically to the U.K., apart from the obvious fact that they speak English and their education system is closely aligned to us, but there is no reason that students should not be going to Europe for their education, especially if we can make sure that we have bilingual students when they leave secondary school, ideally when they leave primary school, but perhaps that is a matter for slightly later. The other point is just how marginal things are in life, and what I mean by that is the difference between somebody taking one route perhaps to success or one route to misery can often be very insignificant. It can be such a small thing. I think of my parents, for example, who were lucky enough to be able to secure a States loan for their property. The difference it meant for them is that they had a house and by the time they got to 65 for my father that house had been paid off and they were slightly more comfortable than they might have been, but it could have easily been that one job less, if the loan system had not been introduced or if it had been withdrawn perhaps earlier than it was, we could have found ourselves in a completely different situation through no fault of our own and that is really to do with the decisions that we make in this Assembly. They do have tangible impacts on people's lives in the real world. So when it comes to this I am thinking that ... share the same reservations globally about the problems, some of which are in our control, some of which are not, but what is in our control is whether or not we keep up with the funding for universities. Deputy Maçon, I think, has been fairly broad in the amendment which is good insofar as he said: "Give an extra £1,400." He does not specify specifically how that could or should be spent. It could be in the way of grants. It could be for on-Island students, I think, and even if that is not the case it is certainly something we do need to be looking at but we cannot have this argument, because this is not the perfect solution because it does not address all of the issues and does not hit all the nails on the head. We should not be doing it because it is something which is real and will help people in the real world. The last thought, and I just put this out there, I wonder whether or not we know, those of us who have knocked on doors and attended hustings, that this is something that comes up every husting. It is comes up time and time again, whether people have one, 2 or 3 children and even grandparents talking about their own grandchildren, are worried about whether they will be able to go to the university or not. Again, it is not all about university but it can have a massive impact if somebody does not go to university purely for financial reasons. We know that is exactly the truth. I know that I would not have been able were it not for the fact that I received a grant because there was no way that there was the money available for that to be funded from anywhere else and it is not viable nowadays, I do not think, to be saddled with debt either. That is the fact. It does put people off from realising their potential. I wonder whether we put it to the public that there could be a progressive method of taxation specifically for university funding. I think I am right in saying that the overall budget for higher education at the moment is somewhere in the region of £14 million. I think that is a ballpark figure but irrespective of that it is not massive amounts of money and that can be raised quite easily if we get very creative about how we project and save that money. We know that we have a long-term care scheme because we have put that in place. We know that long-term care is costly and it is inevitable. It is obviously slightly different from education but I am wondering whether we said to people: "Right, we are going to have 2 per cent tax increase for those who can afford it and that will be specifically ring-fenced for education to meet the university costs" and at the same time our Ministers will be trying to negotiate with the U.K. for better deals and trying to also put our own home-grown university in so that we could put some of our students into that university and also get students to the Island to get revenues in the Island. That needs to be done anyway but those are not reasons to vote against this so I am quite happy to be supporting Deputy Mézec because I think it is something real, it certainly is something that my constituents have been asking for. **[Interruption]** Deputy Maçon. What did I say? **[Interruption]** Sorry.

Deputy S.Y. Mézec:

I will take the credit though.

Deputy M. Tadier:

They are both excellent so easily confused. So I will be happy to support this.

1.2.12 Senator P.M. Bailhache:

I have some sympathy for the point made by Deputy Martin because it has taken the Government a long time not to arrive at a conclusion on what is really a fundamentally important question. This Minister, and the department working under him, have, I think, moved forward enormously in the last 12 months and the Chief Minister has given an undertaking which I hope will satisfy most Members that the amendment of Deputy Maçon has served a very useful purpose in bringing this to this floor of the Assembly.

[12:30]

I wanted to emphasise to Members that there are a number of very difficult interrelated issues for our Island to consider in the context of higher education. So much change is happening in other places. The fees went up to £9,000 under the coalition. The Labour Party wishes to abolish tuition fees. The Scots have already done that. The cost of education in the United Kingdom for our students leaving the Island has frankly gone through the roof in the last few years. There is a very real question, it seems to me, if a student can get a degree in his or her chosen subject in the Island, whether taxpayers should in fact fund the instruction of that student in a university outside the Island. Deputy Mézec shared his personal experience with the Assembly and today a student wanting to obtain a law degree can study at the Institute of Law in Jersey and end up with a degree from one of the most prestigious universities in the United Kingdom, the University of London. The fees charged for such a student are lower than the fees charged to a student wanting to study at the University of London in London and of course there are no accommodation expenses. So is it our duty to pay more than twice the cost of studying in Jersey to enable a student to go across the water in order to obtain exactly the same degree? One could make the same point in relation to some degrees in business studies and other degrees which can be obtained at Highlands College. So the question arises as to whether we should in fact be investing a great deal more in enabling students to study in the Island. I make the point only to underline the fact that the question of tertiary education funding is an extremely difficult one.

1.2.13 Deputy G.P. Southern:

To use the well-worn cliché, I was not going to speak on this one but having heard some of the contributions I feel I must because certainly some of the things that have been said are quite remarkable, starting with Senator Bailhache who has just suggested that losing perspective of where we are; yes, we are living through difficult times at the time but let us have the perspective that we are probably the third or fourth richest economy in the world and hang on, we should be restricting permission for our students to leave the Island if they can get a degree at home that misses out a whole perspective on what education is for. You can get it here but you cannot get an education in the university of life. I am sure the experience of living in London opened the eyes of this young, naïve Jersey lad when he went over there which will give him support and experience through his whole life. So it is not just about getting the qualifications. It is about getting some experience of life and in many cases employers over here will say: "Yes, go away and get some experience and then bring that experience back and that is when you are really useful." So some sort of timescale that promotes that. I thought I would address again the question of the problem of going away to university when you know you are causing tremendous hardship back at home on your parents, that they have either scrimped and saved to make sure that they can do that or are just laying out because they are slightly more wealthy, laying out enormous sums to keep your body and soul together while you study. Certainly it is something that happened to me when I was at university and it was that my father was a skilled worker, a printer - photogravure colour retoucher technically - and used to earn good money when the overtime came in. I remember in university,

perhaps 180 miles away from home, waiting for the cheque, waiting for the £20 note. I had never seen a £20 note before university. They used to arrive in my mother's handwriting and there it was, £20, I can survive again for another few weeks. This will get me through to the end of term. But that came to a crunch because attempting to be a bit of a Jack the Lad I managed to fail my second year. Whoops, they did not tell me they were going to do that nasty trick of exams on me at the end of the year. I managed to fail my second year and that really faced things down. So what was I going to do? It was a serious conversation with the parents and me saying: "Right, what are you going to do? Are you going to give this up because can we really afford to send you back there?" As it happened, the decision was made that I would stick it through. I ended up coming to Jersey to find work for 6 months, going back for 4 months to retake the exams. So it worked out for me and it brought me to Jersey which some Members in the Assembly might be regretting but nonetheless here I am but it was a real issue. Do I continue, having failed the second year, do I restart, stick with it or not because I know that this was going to be going to be difficult, very difficult, for my parents unless I can find a solution there? So that decision, I am aware, because it is my experience, of the finances and putting your parents through the mill in order that they can support you while you go to university is a critical one. I am absolutely convinced that given the numbers that we hear that there are many people, many young people in Jersey, saying: "I would love to go. I have got the ability to go, I would benefit from it, but I really cannot put my parents through this." This is happening, I am sure, in families all over the Island. We were asked by the Chief Minister not to put at risk long-term investments for short-term decisions and he was referring there to, this only applies in 2016, although it could be made to apply to the package that we do not know, again a package we do not know about, for 2017, 2018 and 2019. I remind Members what better long-term investment can there be than that which gives our young people skills, technical skills, and it is not just about getting jobs in the finance sector. It is about who are going to be our engineers, who are going to be our doctors and we know that traditionally in Jersey throughout the years we have always had a problem; we want skilled people working in Jersey, often that means it is inward migration. As the economy, as we hope, takes off what we will see is jobs taking off. Do we have to fill those with inward migrants to get the skillsets that we need in order to deliver the right things for our economy? Are we, for example, going to see a great influx of graduates from Scotland who happen to have free education to a higher education level and coming in to fill our senior posts and our responsible posts earning money here, paying our tax rather than elsewhere? I thought it was rather unfortunate that the Chief Minister should say, this is the first Minister we have had who has addressed this question. I think that was rather a pity because I think it might be taken by some to reflect not very well on Senator Vibert who spent years grappling with this question and certainly was open and did listen to parents about this growing problem. The fact is we have let our situation drift so that I think now it is a crisis. This, for many families, for the middle earners around the Island, this is a crisis. They are sitting there saying: "We can no longer afford to educate our children properly." That is the case and I call that a crisis. If there are 2 issues around the Island which time and time again do not go away and keep coming up and are reflected in the expectation that we should do something about; there are 2 things, one is poverty among the old folk and the second is educating our young people properly to fill the roles that we need. It is not good enough, I do not think, at this stage, to say that: "Oh, well, we have got the process rolling, we have got a paper, we have had a discussion, we are producing some ideas some time, somewhere." The crisis is now and it is a crisis of our own making because time and time after time again this House says: "Here is an issue. We have got a problem. We can solve it. Here is a scheme." Then we walk away from the scheme and we let it atrophy. We let it rot so that we do not uprate it and over the years it becomes a solution that is not a solution because it is meaningless. If you do not uprate a scheme, sooner or later, and this is later, it becomes useless. We did the same with Family Allowance. By the time the Family Allowance was scrapped it was getting to hardly anybody. Families were not benefiting. The same thing happened and we will meet it again later with the Dental Fitness Scheme, which again we have left to atrophy over twice as long, since 2001. So the time for decisions is now I think and I would encourage all Members to support this proposition.

LUNCHEON ADJOURNMENT PROPOSED

The Greffier of the States (in the Chair):

The adjournment is proposed but just 2 matters to address before the adjournment, one is to notify Members that the Minister for Treasury and Resources has presented a report this morning, R.114, the Independent Jersey Care Inquiry: Memorandum of Understanding and Directions. I understand copies of it are in Members' pigeon holes. I wonder, chairman of P.P.C. (Privileges and Procedure Committee), if I could invite you, perhaps, over the lunch adjournment to take, I am sure you already have, soundings from Members about the continuation of this meeting and perhaps at 2.15 p.m. we could address the issue of when the Assembly will continue because it is clear we are not going to finish this afternoon?

Connétable L. Norman of St. Clement:

I would be very pleased to do that. I think it is clear that we are not going to finish all of the items down for debate this session today and perhaps I could just suggest to Members the options they too could think about over the lunch hour and reflect back to me. The options, as I see them, would be to continue tomorrow. The only difficulty that I am aware of is that we have some guests from the Ille-et-Vilaine being hosted by several Ministers tomorrow or the other alternative would be Tuesday. It could be Monday and Tuesday because the way things are going I suspect we are going to be more than one day at the present moment. The problem with Tuesday is that Jersey is hosting the A.P.F. (Assemblée Parlementaire de la Francophonie) Regional Conference and they are intending to have the opening ceremony in this Assembly, in this Chamber, at 10.00 a.m. therefore I would not want to disrupt that.

[12:45]

So I would suggest if we are going to meet on Tuesday we delay our sitting until 11.15 a.m. Those are the options at the moment and I am quite happy to make a proposal at 2.15 p.m.

The Greffier of the States (in the Chair):

Members can consider over the lunch adjournment and speak to you, chairman, then we can address this matter ...

Deputy A.D. Lewis:

Could we not also consider working late tonight like most parliaments would? I am sure other Members may have commitments this evening but we could just carry on until late this evening and I imagine we would get a lot done and it might focus the minds as well.

The Greffier of the States (in the Chair):

Let us not have the debate now. We will have the debate at 2.15 p.m. and Members can consider and speak to the chairman over lunch.

The Connétable of St. Peter:

I just need to advise I am going to be approximately an hour late returning this afternoon. I have to deal with an urgent adult safeguarding issue.

The Greffier of the States (in the Chair):

Very well. The Assembly will reconvene ...

Deputy M. Tadier:

It may help Members but we may have come to a deal on amendment 9 which means that we do not need to go through the full debate and we can perhaps explain that this afternoon so that might save a chunk of time.

The Greffier of the States (in the Chair):

Very well, it could be helpful. Thank you. The Assembly will reconvene at 2.15 p.m.

[12:46]

LUNCHEON ADJOURNMENT

[14:15]

The Bailiff:

I understand, chairman, before we resume the debate we are expecting to hear from you about your proposals for continuation of States business.

The Connétable of St. Clement:

I have spoken to as many Members as possible and of course you will not be surprised, and Members will not be surprised, that we have not got a great consensus but it does seem to me that it would be sensible to continue sitting after 5.30 p.m. this evening, possibly 2, 3 or even 4 hours, if Members were of a mind, and then if necessary continue tomorrow morning. That would seem to be the most practical solution. Monday is very difficult with the schools using the Chamber and the A.P.F. starting on Tuesday. So I think we should really make every effort to try and finish either tonight or at the worst tomorrow morning.

The Bailiff:

How long are you proposing to continue tonight?

The Connétable of St. Clement:

I would suggest until 9.00 p.m. Well, it is up to Members but that would give us, effectively, a complete day starting now. I think if Members are determined to finish this debate then we have really got to think about putting the hours in to do it. So I would propose that we stay this evening until 9.00 p.m. and if necessary continue tomorrow morning and there is one caveat which I will come to if we have to continue tomorrow morning.

The Bailiff:

Seconded? [**Seconded**] No, let us not have too long a debate about it. Does anyone wish to say anything?

Deputy G.P. Southern:

I do not want to have too long a debate about it but I think that recipe is the worst one for making decisions. If you have a long extended session you tend to make lousy decisions come the end of it. Secondly, most people in organising their business around States meetings take the second Tuesday, Wednesday, Thursday as the space where material will be worked and Friday is usually chock-a-block. Certainly mine is and I believe that we should not doing what has been suggested.

The Bailiff:

That probably represents both sides of the argument. Does anyone else wish to speak?

Deputy A.D. Lewis:

I disagree. I think the flow would go much better if we continue with this debate now and I would urge Members to consider that. It is what most parliaments do and what a lot of businesses do.

The Bailiff:

That is both sides of the debate and we do not need Members to tell us, so Chief Minister.

Senator I.J. Gorst:

I just want to say I think all Members probably have got busy days for tomorrow but we are having to rearrange them. I am not sure if I am able to amend from the floor the chairman's proposal and that simple amendment would be that we review the length of time that we stay this evening at 7.00 p.m.

The Bailiff:

I am sure the chairman would agree that and it must always be open to the Assembly to do that if it chooses to do so. Very well, those in favour of adopting the proposition of the chairman of Privileges and Procedures to sit late tonight, maybe as long as 9.00 p.m., but at any rate to review at 7.00 p.m. and then continue tomorrow, all those kindly show. Those against. The proposition is adopted so that is what we will do. I apologise to Members that I have an engagement this evening, a public engagement, at 6.00 p.m. **[Laughter]** So I shall be leaving the Chamber at about 5.15 p.m. and tomorrow I also have an engagement on States or public business outside the Island in the afternoon.

The Connétable of St. Clement:

I did mention one caveat. There is an amendment to the Medium Term Financial Plan in the name of Deputy Maçon which is the last amendment scheduled for debate and Deputy Maçon will be out of the Island tomorrow. I have had a quick check with the Greffe and there would appear to be no difficulty of that amendment, the very last one, on the Order Paper, be brought forward so that it can be debated today so that Deputy Maçon can have his day in court, as it were.

The Bailiff:

I am sure Members would agree to that. It is just a question of where and maybe we ought to deal with all the education ones first and so we will take that one, Deputy Maçon, while you are still in good voice, as it were, after Deputy Tadier's amendment in relation to French language funding.

Deputy J.A.N. Le Fondré:

Just one question not applicable to myself. I know applicable for some other Members I believe, if it is a non-scheduled States day tomorrow are Members who are not able to attend, are they going to be considered *défait excusé*?

The Bailiff:

Right, we now return to the debate on the thirteenth amendment and I ask Deputy Brée, who I understand wishes to speak.

1.2.14 Deputy S.M. Brée:

If I may, I just want to quote one line from the Council of Ministers' comments to this amendment. Under the heading "Investment in economic and productivity growth": "Economic and productivity growth leading to job creation and income generation is one of the 5 objectives in the States Strategic Plan 2015" and yet it would appear that that is cited as a reason to oppose this amendment. Surely investment in economic productivity and growth; I mean what better way to do this than to invest in the future of our children? Let us not take too short a term view on this. Investment in education is quite rightly a keystone of the Strategic Plan and my reading of this amendment is that it provides a short-term income solution to a longer-term issue and it is a major issue. It also, at the same time, gives the Council of Ministers time to come back to this Assembly with a realistic, sustainable and workable solution by June 2016 to maintain this level of funding. This is not a recurring funding from contingency. It is merely saying that for 2016 it will come out of contingency funding and thereafter we are looking to the Council of Ministers for a solution. By concentrating the Council of Ministers' attention on this area by supporting this amendment we will compel them to find a solution. To use a phrase already heard in this debate, let us hold their feet to the fire. I urge Members to support this amendment as it represents an investment in the future of our children and the future of our Island and our future economic growth.

1.2.15 Deputy D. Johnson of St. Mary:

I will be quite brief. Firstly, I congratulate Deputy Maçon for bringing this amendment. If nothing else it has brought about 2 consequences, the first is a general insight into the various Members interests in matters of State University. For my part I have had 4 children who have gone through the mangle, as it were, and know only too well the problems that can cause. Secondly, perhaps

more importantly, and with the assistance, or maybe bullying, of my own Constable, the Chief Minister has kindly, or graciously, offered what I take to be an unqualified commitment to bringing back to the Assembly firm proposals which we can debate within the first quarter of next year and I, for one, am happy to rely on that and take him up on his offer to beat him should he not do so. One reason I wish to speak is to respond to certain comments made by Senator Bailhache. Certainly I am very much in favour of expanding the degree courses we offer at Highlands and certainly I am aware of the law degree course offered by the Institute of Law. However, to a certain extent that does miss the point. All students must attain the highest achievement which their A levels will give them in going to the university of their choice and indeed the university system recognises that. It would be unfair for a very bright student to be deprived of the right to, say, go to Cambridge University if a similar course was offered at Highlands because I do not believe that the same qualification will have the same sway on submitting his application for a job. The other aspect relates to the whole university experience. Scotland has been mentioned in this connection and I have some slight knowledge in that one of my children went there and Scottish universities tend to be populated mainly by Scottish students. That has an effect on the overall atmosphere. It deprives those Scottish students from a more international outlook and it deprives those entering in from outside Scotland a similar composite international flavour through their time there and therefore I think that penalising students who wish to go to England or elsewhere would be a grave mistake. Reverting to the amendment, as I say, I am heartened, I used that word yesterday again, by the unqualified commitment of the Chief Minister to bring this matter to the Assembly and I am content to rely on that.

1.2.16 Senator A.J.H. Maclean:

This is clearly another emotive, but in this case particularly complex, issue. I would like to begin by addressing the principles around contingencies and how they relate, in particular, to this amendment. Contingencies are, of course, an important part of the flexibility within the Medium Term Financial Plan to help deal with the scale of change and reform that is needed. That is why the headline contingency figure is a figure of £37 million, which a number of Members have referred to, and this does, I agree, appear relatively high although it is still only about 5 per cent of annual expenditure. I will come back to why it is £37 million as a total in a moment. It is imperative that we ensure that core contingencies are only used as short-term resources for unexpected events. Contingencies should not be used to fund any recurring spending and that is exactly what this amendment would lead to. Contingencies are the emergency funding source for unplanned events such as storm damage for example or a pandemic flu epidemic or something similar. Contingencies are also necessary for more volatile areas of spending such as social security benefits. These areas termed Annually Managed Expenditure or A.M.E. are extremely difficult for departments to forecast and manage and so central contingencies are provided in addition to those held in departments. The allocation of contingency funding is closely managed through the Council of Ministers and the Minister for Treasury and Resources from an approval perspective. The allocation process is part of *Financial Directions*. This amendment seeks to remove £1.4 million from the contingency for 2016 to fund higher education but it will not end there, as the previous speaker indicated. Parents and students need certainty so once it starts it will be - it will have to be - a recurring cost. It is poor financial management to commit to fund this without an identified and sustainable source of funding. The scale of the funding pressures facing public finances mean that there are no easy answers. There are no cases of free money. It certainly does not grow on trees. For those who say: "Fund this amendment from contingency and then you have 8 months to come back with a sustainable solution: or, perhaps as Deputy Brée suggested, hold feet to the fire. That is easier said than done in terms of what the likely outcome is and I will come back to that in a moment. Members have already, today, approved funding of £263,000 from contingency for a further educational spend and later amendments, that we are yet to debate, if supported, would total almost £3 million in 2016 and could be a total up to £11 million out of contingency over the term of the Medium Term Financial Plan. This is neither affordable nor

sustainable. For this level of additional expenditure Members would most likely be voting for some form of tax-raising measure to fund it. On the level of contingencies the 2016 provision, as I have mentioned, of £37 million is very clearly stated in the Medium Term Financial Plan under section 9 and it includes a number of specific allocations. These allocations taken out of the true provision of actual contingency are only - I say only - it is still a large sum of money, is £7 million but it comes down to £5 million or so from total States general departmental expenditure, that is about one per cent only, and £2 million of the £7 million, which is roughly 2 per cent of social security benefits.

[14:30]

To explain why the contingency allocation for 2016 is showing a balance of £37 million, it is made up of some specific one-off items that we have touched on earlier but just to put some numbers to those; £10 million for redundancies, £5 million for economic growth initiatives, £7 million for restructuring projects to drive the Public Sector Reform Programme, which is so critical, ultimately to redesigning services and reducing costs, £4 million for the Committee of Inquiry and £4 million for provision for pay and pensions. These additional provisions for the Committee of Inquiry, redundancy and economic growth initiatives are proposed as part of contingency allocations only so that we can provide appropriate governance and control over the allocation of this funding. That is why they appear in contingencies. Those sums, and that is why we have a headline of £ 37 million, are because they are there for the added control that comes through being held in the Contingency Fund. I must also emphasise that these additional provisions in contingency are primarily funded in 2016 from proposed transfers from the Strategic Reserve. As such, it would not be appropriate to use this funding for the purposes proposed by this and indeed other amendments affecting central contingencies. All of this, having said that, does not mean we should not be working towards solutions for higher education funding and I am delighted the Chief Minister has made the undertaking that he has before lunch to come back with some proposals by the end of the first quarter of next year. I think that is a positive statement. A great deal of work has already been undertaken by the Education Department, the Minister for Education, looking at this complex issue but that will simply accelerate over the coming months to come back with something concrete in terms of options and indeed what the funding may indeed look like. We have to remind ourselves how difficult this is by just glancing across at the United Kingdom and their loan system. It has been described as a failure, both the leading parties are distancing themselves from it. It has a current liability in excess of £100 billion which gives a scale of the challenges faced with a system of that type. Before lunch we had one or 2 Members asking questions around tax breaks to support this area. What I wanted to do was just take this opportunity to remind Members that in fact we already have a higher education allowance in the tax system for taxpayers and in fact it was introduced originally in 1994, I believe, at around about £3,000 per child. It has been increased a number of times over the years. The most recent was in the Budget of 2014 and it is currently £9,000. So that is quite a considerable increase since 2008. It was sitting at £6,000 in 2008 and it is £9,000 now. So that higher education allowance for taxpayers is available. I think it is a very positive move but clearly there is a lot more still to be done. With the uncertainties around this I do feel that Members need to consider giving just a small amount of additional time to get this right and I accept the point, Senator Bailhache raised it and others too, I think it was Deputy Martin, that this has taken a long time to get no solution. The Constable of St. Mary spoke. I missed part of her speech sadly but I am sure the content was excellent. I have no doubt that there is a great deal of feeling about the need to address this matter and address it in a constructive way. Throwing more money into it, as is suggested by this proposition now, where we would be throwing that money or putting that money into an existing system, which is not working, is not the solution. I think it is a really important point. We need to get a system that works. It is not just about money. It is about having the system that works as well and that is why the Chief Minister's suggestion, I think, is right. We have seen incidentally a reduction in the number of students going to university, partly that may be attributed to the cost but nevertheless we do need to get the entire package absolutely

right. I would, therefore, ask Members to reject this proposition, to allow the Chief Minister and the Council of Ministers to come back by the end of the first quarter with some proposals for Members' consideration. Just in summary, to fund this in the way proposed out of contingency is a matter that will become recurring, because you cannot start it and then stop it, it is not good sound financial management and it is not affordable to do it this way. We need a proper plan.

Deputy J.A. Martin:

Can I ask the Minister for a point of clarification? The Minister said that there was an undertaking given by the Chief Minister prior to the lunch adjournment to bring this back in the first quarter. The Chief Minister did say: "On saying that I will not read out the date in the Minister for Treasury and Resources' file because it is too far into the future." Would the Minister please give us the date this was looking at coming back? I know the commitment is there but I would like to know how far apart the actual was and the proposed was.

Senator A.J.H. Maclean:

Well, the Chief Minister and I are not far apart at all, I should think the Deputy and Members would be pleased to know. In fact the Chief Minister, if I may say so, was being a little bit naughty and dramatic because in fact there was about 3 months' difference. My suggestion, and this proposal was being put forward on the floor at the Assembly, my thought was that it could come back as part of the proposals with the Medium Term Financial Plan. The Chief Minister has put my feet to the fire, if I can use Deputy Brée's and others' term, and brought it forward by 3 months. There was only 3 months between what we were juggling about so there is no great difference there at all and I have no doubt that the timetable the Chief Minister has set will be one that will be met.

Deputy J.A.N. Le Fondré:

I have a point of clarification as well. The Minister made reference to the higher child allowance which I believe is available to all taxpayers if I remember correctly. Could he ... is it not? **[Interruption]** I am getting gesticulations and I do not quite understand the gesticulations.

The Bailiff:

Is it available to all taxpayers?

Senator A.J.H. Maclean:

The £9,000 I was referring to is for marginal rate taxpayers and there is another for standard rate taxpayers as well.

Deputy J.A.N. Le Fondré:

Right. So the child allowance is available for all taxpayers and the higher child allowance is available for marginal rates. Right. Can the Minister confirm that the child allowance is going to be maintained for the foreseeable future including next year and the year after for all taxpayers?

Senator A.J.H. Maclean:

Did the Deputy say, confirm that it would be maintained? There are no plans to change it.

1.2.17 Deputy L.M.C. Doublet:

I will just very briefly ... I will be honest, I was not sure on this one at first because it does seem to me it is that slightly larger sum of money and I am aware that the Minister is working on this. My first thought was, maybe we should wait and see but I have just been reading again what Deputy Maçon is asking of us. He is not asking for any recurring expenditure. He is very clear in his proposition. All he is doing is ring-fencing in a way a portion of the economic and productivity growth and giving the control of it to the Minister for Education for higher education. He has given some suggestions, which are very well researched, and they could be recurring if that is what the Ministers decide but he is not asking for any recurring expenditure. He is saying, let us spend a portion of this, £5 million, on higher education and ring-fencing it for the Minister for Education. I

think that sounds very sensible and the Minister for Education does not have to make it about fees for children going away. Thank you to the Deputy of Grouville over lunch, she pointed out to me a report that was done in 2005 which was a review of higher education by the Education Committee. If you look down at the recommendations one of them is: “Robust funding arrangements are required for the provision of opportunities for Jersey residents to undertake Open University courses”, and the recommendation is: “The establishment of a strategic relationship with the Open University to develop supportive provision for Jersey students.” Now, this money does not have to go on the exact suggestions that were in there. It could go on one of these starter projects for some area of higher education. So I think Members just need to be aware that even if they do not want this recurring funding they could, and hopefully the Minister, if he does get this money, will consider all options, not just the suggestions in there, that there is this option for maybe a slightly alternative project for higher education within the Island. So I will be supporting this on that basis.

1.2.18 Deputy J.A.N. Le Fondré:

The problem with the way this debate is now going is that one rather feels that there is almost no scope for the Assembly to put its own priorities into the Medium Term Financial Plan and I know the Council of Ministers will disagree with that. I raise that point just looking ahead is that there will always be tweaks that Members wish to do and it would be far easier if somewhere in the process we could try and anticipate some of that stuff because then it is about taking everybody together as well, but the point I want to make here again, this is about ... we have been told so many times that in the addition it is going to come and therefore 2017, 2018 and 2019 and for here, it is up to us and we can set our priorities. So if the priority here is to give some further assistance to higher education then surely that is our right and our direction to the Council of Ministers. They are going to have to then go away and work to those plans. I make no apology for making the point again, and holding up the same table, Summary Table B, and also on our crib sheet, that we basically, when we get to that vote, are very likely, if there are no changes to it now, to be approving this bottom line. Once that line has been approved and the Ministers have been very clear, they said: “That sends the spending envelope” or whatever it is, it cannot, as far as I ... well, put it this way, it is exceptionally difficult to increase that envelope. I think it was national emergency or something. It was, once it is set it basically cannot go up in practical terms. So, in other words, whatever one adds on or whatever changes here we are not adding to the bottom line and that is why I might appear to be slightly softer in what might be perceived to be spending allocations; no. I am just saying, no, I can accept there should be a greater priority to this particular choice and spend less in some other area because it comes out, broadly speaking, neutral. In this particular instance we have, under Summary Table D, and, as we know, we have got this contingency pot of £37 million for 2016, which, in theory, has been divided up among certain criteria but do not forget that sum of money appears in 2017, 2018 and 2019 as well and it has not been allocated and divided up at that point and now we have this economic and productivity growth provision. Well, if it is a known sum and it has been well planned for, what is it doing in the contingencies and not sitting in the main expenditure plans, if that makes sense? So what we are doing we are targeting it against a specific area and saying rather than spending the full £5 million on economic and growth productivity, which we do not know what it is or what the spending plans are, we are saying take something out of that and give it specifically to something which in the longer term, in theory, will do some form of boost to economic growth because you are assisting, in theory, the training of graduates who, in theory, at some point in the future, should have some economic benefit for the Island. So I do not think one is being particularly reckless in saying, rather than spend the full £5 million on some unknown pot which is going to be controlled somewhere and it is down to the individual department to come along and make the bids and all that sort of stuff, say we are going to take an element out of that and give it specifically towards something to do with graduates, particularly given the pressures that I have referred to in the past and are coming much further out of this plan, of the impact on middle Jersey. If we want to encourage people to send their kids away to university I think we have got to put our money where

our mouths are to an extent but this does not add to the bottom line. To me that is quite a fundamental thing. A further point, I suppose, it has been, if I remember correctly from the Constable of St. Mary and the response given, it has been 8 years getting to this point. I know we have had the commitment from the Chief Minister and that is fine but just for the purpose of the Deputy of St. Mary, it does not help anybody in 2016 because you may have a proposal, but that is going to have to go through the process and eventually you might get the money in 2017. It is not going to help anybody in 2016 and my understanding from this proposal from Deputy Maçon is that he is targeting it to commence in 2016, hopefully he can confirm that in this speech or not. So, yes, it may well be recurring expenditure but it is the recurring priority, it is a different priority that we are establishing to one that the Council of Ministers have set. The bottom line, according to what we are being told, and we have been told all the way through on this Medium Term Financial Plan, the bottom line will not change.

[14:45]

That is what the Ministers have said. So, therefore, it cannot be an increase in expenditure using their logic; okay, that is what I am saying. A minor point, which I think has been picked up already, Jersey is a very nurturing environment for children to grow up in. It is slightly cosseted compared to living in the U.K. or wherever. What I am trying to say is that, yes, it is great people can stay here if they wish to and get a degree here and all that type of thing but going away, living away from home, living away from your comfort zone and all that type of stuff is a huge part of the experience of getting a degree. So it is not denigrating the degree you can get here but to me it is certainly something you want to keep happening because again it is about getting that experience away and bringing it back to the Island. So my fundamental thing, as far as I am concerned, is about priorities. This does not add to the bottom line in the terminology of the Council of Ministers and on that basis I again am quite happy supporting it because it is saying that I agree, this should be a priority that we set and that the Council of Ministers then adopt within their plans because, as they have told us, this cannot change and this will not add to the bottom line.

The Bailiff:

Does any other Member wish to speak? If not I call on Deputy Maçon to reply.

1.2.19 Deputy J.M. Maçon:

Can I begin by thanking all Members that have spoken today? I think each Member has spoken sincerely and genuinely to date and I would like to think that with that all Members recognise the problems that are faced by our families and students at this current time and how we do need to do more to support them. I would just like to respond to a few comments, if I may; of course you are because you are doing the summing up. What I would like to say is first of all in my presentation I made no criticism whatsoever of the Education Department. I think absolutely I agree that a lot of hard work is in that department now and in the past. As I began, the department were very helpful with me putting forward this amendment together and I am grateful for that. My criticism was with the previous Assembly, the previous Council of Ministers when formulating their plan since 2001, this has not been a priority. That was my criticism, not of the Education Department. Just to make that absolutely clear. Now I would like to tackle and address this issue and I am grateful that perhaps I have prodded the Council of Ministers and the Chief Minister in a certain direction but that is a good thing but I just want to say to the Constable of St. Mary, the Deputy of St. Mary, we do not know what those plans are going to be just yet. We do not know what they are going to be. So, for example, if the Council of Ministers come back with, say, a bond scheme, an I.S.A. scheme, that is brilliant and I would support that but the problem is in order to build up enough funds in those type of schemes that takes 5 to 10 years to be useful to students, so what are we going to do, over to the students, over the lifetime of this M.T.F.P.? So we do not know what is going to come forward yet. We do not know whether the Assembly is going to support those moves. We just do not know. Therefore, that is why I cannot share the same perspective as other Members who say: "Oh, well, the Council of Ministers is going to come back with something in the first quarter of

next year and that will be that.” That is why. Something else to consider as the Minister for Education did helpfully outline, he did say: “Well, because of the way the school timetable works we cannot start releasing funds until September.” So in one sense that does give time before any funds are released, if the Council of Ministers can come back with a scheme, which this Assembly will adopt, they can get back their money from the Contingency Fund because it has not been spent yet. So I absolutely agree with what Deputy Martin said, Deputy Brée said; adopting this amendment holds the feet of the Council of Ministers to the fire and I am quite sure that given that certain Ministers who are interested in this fund, I am quite sure that it will help deliver something very quickly but if we do not, like every other promise that we have had before in this Assembly, and, okay, I might appear to be quite a young person but I have been in this Assembly 7 years now. I do know how this place works and therefore that is why I really do feel that Members should not be distracted, should not be diverted, should not accept the carrot standing in front of them. There is still time. If the Council of Ministers can deliver in that time they can have the funds back because it does not start until September. So there is leeway. Secondly, the Chief Minister, for example, criticised my amendment for saying; “Well, you have only brought the spending for 2016.” The Council of Ministers have only brought the spending for 2016. I could not amend the ongoing years because Standing Orders would not allow me to do that and therefore I could not bring the figures. I did ask the Education Department whether I should bring in all those sums and they pointed out to me and they said: “Well, you are only approving spending for 2016.” So, therefore, I do not feel it is fair to criticise me for doing that when I did not have any scope to do anything else. However, I can deal with this criticism a little bit further because we know that this particular fund is £5 million over the next 4 years. That is £20 million going in this fund and what I am asking Members to do, if the Council of Ministers cannot come up with an alternative, is to take every year of that £5 million a contribution towards our Islanders. So instead of receiving £20 million for unknown projects I am providing an alternative of roughly ... if it is £1.4 million let us round it up because that makes the maths easier, that is £3 million for 4 years, £6 million over the life of the M.T.F.P. So that means that the Council of Ministers have £14 million to spend on their innovation projects as opposed to £20 million but it means we will be supporting the generation of students who want to attend university now over the next 4 years. Therefore, despite the fact that I could only find funding in 2016, because that is all I am allowed to do, we know that that pot of money is going to be there for longer than that period. I mean there are many other things which I could address but I do not think any Member of this Assembly has denied the need that is there in the Island to help students going forward. This particular amendment does help those more of a middle to lower bracket, which is why I framed it as I did. The issue again with bonds and I.S.A.s, it is all good and well putting money away against a tax rebate or something if you have got the funds to do it but if you are paying for food, paying for shoes, paying for rent and that is all you have got then that type of scheme is not going to help you which is why you need a mixture of schemes to help different categories of people in order for it to work in my opinion. The Minister for Treasury and Resources spoke, and again it is an issue which I tackled in my opening speech. He said: “Oh, yes, but we have helped by raising the threshold to £9,000.” That is just covering costs. That is just covering tuition fees. It does not cover their living expenses which is estimated as what, around £5,000-plus. So in order to adjust the tax system again there is quite a lot that it needs to go up by in order just to keep things to stand still and we do not know whether those proposals can come forward or not. Again, it is the point that I made; yes, okay, fine, the increase was made by the Treasury in 2014, that was a reaction to what was going on in the U.K. but again it is my other point which so much more has been clawed off of the families and parents in that intervening period that it does not compensate for what has been taken away from families during that period. This problem, this issue, it is not a silver bullet. It is not the perfect solution but it will help our people, it will help our students, it will help our families who are struggling, who have not had an upbeat since 2001 who desperately need our help and our support in this area. I shall finish, as I began, a mind is a terrible thing to waste. I hope Members can support my amendment.

The Bailiff:

Call for the appel? The appel is called for. I invite Members to return to their seats to vote on the thirteenth amendment and I ask the Greffier to open the voting.

POUR: 18		CONTRE: 21		ABSTAIN: 2
Senator Z.A. Cameron		Senator P.F. Routier		
Connétable of St. John		Senator A.J.H. Maclean		Connétable of St. Mary
Deputy J.A. Martin (H)		Senator I.J. Gorst		Deputy S.M. Wickenden (H)
Deputy G.P. Southern (H)		Senator L.J. Farnham		
Deputy of Grouville		Senator P.M. Bailhache		
Deputy J.A. Hilton (H)		Senator A.K.F. Green		
Deputy J.A.N. Le Fondré (L)		Connétable of St. Clement		
Deputy K.C. Lewis (S)		Connétable of St. Ouen		
Deputy M. Tadier (B)		Connétable of St. Brelade		
Deputy M.R. Higgins (H)		Connétable of St. Martin		
Deputy J.M. Maçon (S)		Connétable of Trinity		
Deputy S.Y. Mézec (H)		Deputy of Trinity		
Deputy A.D. Lewis (H)		Deputy E.J. Noel (L)		
Deputy L.M.C. Doublet (S)		Deputy of St. John		
Deputy R. Labey (H)		Deputy S.J. Pinel (C)		
Deputy S.M. Brée (C)		Deputy of St. Martin		
Deputy T.A. McDonald (S)		Deputy R.G. Bryans (H)		
Deputy P.D. McLinton (S)		Deputy of St. Peter		
		Deputy M.J. Norton (B)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		

1.3 Medium Term Financial Plan 2016–2019 (P.72/2015): tenth amendment (P.72/2015 Amd.(10))

The Bailiff:

We now come to amendment number 10 lodged by Deputy Tadier and I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

After the words “Summary Table C” insert the words – “except that the net revenue expenditure of the Education, Sport and Culture Department shall be increased by £40,000 in 2016, in order to provide funding for the reinstatement of 24 hours a week French language assistant teaching in primary schools and the net revenue expenditure of the Chief Minister’s Department shall be reduced in 2016 by the same amount by reducing the funding for the Communications Unit”.

1.3.1 Deputy M. Tadier:

I think it is necessary, first of all, to establish a consensus about language learning. In this case we are talking about French but I think the general principles can apply to any of the modern languages, be that German, Spanish, Portuguese, Polish or Chinese, and we know that only in the last Assembly we had different debates, which I will refer to, one of which sought to establish a review of modern languages teaching which was, I think, unanimously supported and which is being carried out. Then back in 2012 it was necessary for me to come to the Assembly again to protect language assistants, and I was not the first person in the Assembly to have to do that. I know somebody in the States sitting not too far from me now has had to do that in the past. The first thing to say is that it is sad that in an Island which is supposedly bilingual, at least officially, and where French continues to play a major role influencing our culture, we only need to look at most of the street names in the country Parishes and even in some of the urban areas to know that our French history is inextricably linked with our culture and the present. We also know that Jersey, both as a parliament or as a wider society, continues to have strong links with French and France. Next week we are going to be hosting the French Parliamentary Association with delegates not just from even the French-speaking world but some of those parliaments which you would not necessarily think of as being Francophone but they do exist, or rather the individuals therein are Francophone. So I want to establish a consensus among Members that language learning is not simply a nice to have, it is much more important than that. As I have said in the appendix that I have attached to my report, I have given the various arguments of why it is good to learn a language. It is good from the personal perspective because it develops the individual in many ways. It teaches them to be creative, not simply to be constrained by a way of thinking that is in one language or in one culture but it opens up their mind obviously to a whole world of possibilities without necessarily even needing to travel.

[15:00]

It is good culturally because it enriches our heritage and it ties in, I believe, with the Strategic Plan priorities of reinforcing Jersey's cultural identity but also, last but not least, it is an economic driver because if we can be producing students, and I do not like to talk of them in these terms because I am not one who advocates the model of education for the market but we also have to be realistic that knowing when students do graduate either at the age of 16, 18 or later, if they can be bilingual, trilingual or at least have some basic knowledge of other languages they become much more employable and it saves the need for having to bring in labour unnecessarily. It also puts those individuals on a more even footing with those bilingual children who do not even need to give a second or third thought about bilingualism. We know that in our schools we have Portuguese children, Polish children who will be growing up perhaps to mixed race parents or certainly mixed nationals who will be fluent in both languages by the time they graduate from primary school. We often hear about, what about the impact on English, but for those individuals it is not a problem. They will become very good at English, very good in their own languages as well and if it is the case that we need to do more for our own students to learn English then that is a challenge for the Minister, but the arguments must not be conflated. So I hope that there is a consensus, (a) for the importance of learning French in our schools and, (b) for languages in general for the wide areas of advantage that they give to our students. The other key thing is it is important to teach languages from a very young age. I have said it in the past that the way a child under 7 picks up a language is completely different to the way an older child or an adult would pick up a language and that is exactly where the foreign language teaching assistants come in. There are quotes, and I will give some quotes; this is from the British Council who run their own language assistant programme, obviously for English speakers in other countries: "Language assistants are the single most important language resource we can employ in language learning." That is from a teacher and comments like that are echoed right through when you do your research. So I think that we cannot underestimate the value of foreign language teaching assistants and that is why I was concerned to read the comments of the Minister and the department, that they do not consider that my proposals are the most effective way to raise French standards in schools: "Instead we would prefer that

schools retain the ability to buy in additional support directly to support their needs.” Now, let us put this in the recent historical context of what we have decided in this Assembly. When I came back in 2012 with a similar proposal it was to safeguard a smaller sum back then of £25,000 a year so that the then Minister, it was Deputy Ryan, could continue to maintain these teaching staff. It is a very modest allocation, it has to be said. It equates to one hour of teaching per primary school per week. It equates to 25 hours a week throughout the whole Island but it is something which is valued and for many of these pupils it is the only exposure they get to a genuine native speaker. It is the only time they will hear French spoken as it should be, and I am not saying that primary school teachers are not good at their jobs but it has to be said that even if I were, for example, teaching French it would not be the same experience that they would get from the exposure to somebody who is up to date, et cetera, with French and for those Members who may find hard to believe ... I think I am being mocked by the Chief Minister - that is obviously the case - is that is why we have French assistants who have the up-to-date information. Let us not be hypocritical about this. We cannot say, let us take the Alliance Française for example, we cannot say that French assistants are not valuable and do not do a good job when we, ourselves, as States Members, use their services for free and we do not pay anything for those services yet we go along to classes, and those Members who employ that opportunity will know that it is a very valuable class even at our ages to be able to go once a week, sit for an hour and speak in a certain context. It also takes the children out of the formal class context where not everybody necessarily will thrive, not every pupil at a young age will feel comfortable in the class context with the teacher there and they might feel they have got much more freedom to express themselves in a small group that is common place with foreign language teaching assistants. Certainly, for my part, I do not think that we can over-estimate the value that is provided by language assistants. That is why the British Council has been providing them since 1905 and they still do it today, and that is why up until now, before the economic pressures were there, Jersey has been doing the same. So in 2012, interestingly enough, there was some kind of political deal struck whereby the Assembly quite strongly, and including the Ministers, told the Minister for Education: “Look, we want you to maintain teaching assistants because we know that they are important. Deputy Tadier and perhaps predecessors have won the argument on that. The point is we want you to do it from within your current allocated budget. That budget has obviously run out. That is the real reason there is pressure on primary schools because if you say that to them, that we want you to do it from within your own budgets now that there has not been any central allocation of course they are going to say: “Well, we think we can spend that money better elsewhere.” If you do not give them the money to do the job in the first place, if it has been withdrawn - and it was withdrawn in 2012 - then of course they will find it difficult and there will be competing pressures. So that is why I said initially: “Let us put the £40,000 back in the pot to maintain that.” We hear the same argument again that: “Oh, we are doing our own deal. We think we need to look at this holistically. It does not do all the issues” but we hear of no new money. The comments, I think, are slightly all over the place because they say: “Well, we have had to reprioritise towards health care, et cetera, and to core services.” It does not help the corner of language acquisition. What I hope the Minister will be able to confirm is that now we have had some new money being available for the Education Department, and I was pleased to support the Education and Home Affairs in that, which I think won by one vote, did it not? If I remember rightly. A cynical politician, might have thought: “Well, I better vote against that because I want to maximise the chances for my smaller bid to come forward even though it is from a different pot.” But of course I think it was a good thing to support anyway. Now that the Minister has got an unexpected amount of money, which is some 6 times in excess of what I am asking for, then it seems to me that he has said that he would be prepared to make that £40,000 available from that pot, give it to the Alliance Française to make sure that they can provide the provision. The undertaking I would be seeking from the Minister is that in real terms I want to make sure that in the next year, and hopefully going on, but I can only control or ask for what can be done in the next year, is that every primary school in Jersey will have a native French speaker, preferably a teaching assistant, but I understand that there may be primary schools who have their

own in-house experience, so it might not necessarily be the best use of resources to force them to take on a T.A. as well, if they have already got that. But I would not like to feel, for example, that La Moye, I know, is very keen to keep a T.A. there and I would certainly hope that they would. I would not like to think that another school perhaps in the country, St. Mary, wherever, would be forced to go without a T.A. simply because they were trying to focus on key schools. I think it needs to be done across the board. If more needs to be done, absolutely. Use more money than then £40,000, and I have also given a commitment to the Minister and the director that I would be happy to be involved in any round table discussions to see how we can improve language learning in Jersey in the round. So I will make that proposition at this point and it may well be necessary that hearing from the Minister I do not need to proceed with the debate. So it might be good for me to give way to the Minister just to seek his intentions, if that is in order.

1.3.2 Deputy R.G. Bryans:

I think the Deputy is a particularly savvy individual. We have had our discussions during lunchtime and in context of what he said I agree. I think it is important. I think it is worth saying in front of the Assembly that quite rightly, as he says, we do not particularly want to interfere with the direction that the heads have already taken. He made reference to La Moye. I believe La Moye is still operating, wishing for a language assistant. I do not want to get in the way of that. I think we are committed to raising the number of children ... in fact we have doubled the number of children taking French at the moment simply by reducing the age that they can begin the process. So in terms of commitment, yes, we will take that amount of money, we will discuss it with Alliance Française, who is present here in the Assembly, and with the Deputy and we would welcome his work on helping the children advance with their modern languages. I think that is okay.

1.3.3 Deputy M. Tadier:

Yes, I think that is fine. So, as I have understood it, that money, £40,000, which would have been allocated had this proposition been successful will be allocated to provide the continuation of teaching assistants at least for the budget for that purpose. Then if I conclude my comments I think ...

The Bailiff:

Are you withdrawing the amendment then?

Deputy M. Tadier:

I will come to that in a moment. I need to say that because this was sprung on us just this year, it obviously came as a shock including some of the teaching assistants themselves who had been in post for a while and it has to be remembered, and it not something I think we can resolve but there will be teaching assistants who have been serving in Jersey for many decades. I think when I was at school I was being taught by some of them and they are still here and I think they are the ones who have been let go so it is not a perfect situation and I think it is important to not acknowledge the work that T.A.s (teaching assistants) had put in whether they be new T.A.s now or T.A.s who have served our primary schools in the long term. I think on that I am happy to withdraw the proposition and thank the Minister for his co-operation.

The Bailiff:

The amendment is to be withdrawn.

1.4 Medium Term Financial Plan 2016–2019 (P.72/2015): fourteenth amendment (P.72/2015 Amd.(14))

The Bailiff:

We are now going to take out of order the amendment number 14 of Deputy Maçon and I would ask the Greffier to read the amendment.

The Deputy Greffier of the States:

After the words “Summary Table D” in sub-paragraph (ii) insert the words – “except that the allocation to Contingency for 2016 shall be reduced by £300,000 to offset the increase in the amount that may be appropriated in the Budget for capital heads of expenditure for 2016 to fund road improvements in St. Saviour.”; and after the words “future hospital provision” in sub-paragraph (iii) insert the words – “except that the total amount that may be appropriated in the Budget for capital heads of expenditure for 2016 shall be increased by £300,000 to fund road improvements in St. Saviour”.

1.4.1 Deputy J.M. Maçon:

I thank Members for allowing me to take this amendment early as I will not be on Island tomorrow. Where to begin? As Members will see in my attached report this issue has been going on since 2002 when former Deputy Scott Warren did a lot of work to try and increase the safety throughout Longueville Road and she was given various promises and undertakings at the time. She served her term and ... I always find this particularly difficult when we talk about more women in politics because I unseated one so that is always a very difficult one for me to talk about. Deputy Scott Warren did work very hard. She was made promises and yet still today nothing has been delivered. During my term, as Members will see in my attached report, again I am trying to increase the safety for my residents at Clos Gosset, Les Serres, Bagot Manor Avenue, Miladi Farm Parade. Again, I have been trying to push this issue. It is wonderful to have Ministers, the Minister for Transport and Technical Services, who is always supportive, so supportive that whenever it comes to allocating any money or any spends to these projects it never happens. I said this during the Strategic Plan debate when we were talking about making St. Helier a greater priority and I said: “Well, that should be stretched out towards the urban area”, and the Minister for Planning accepted that, and about making living within the urban area a better experience, a place where people wanted to live. Well, part of that involves providing the relevant and adequate infrastructure to those particular areas in order for that to happen. As I say in my report, St. Saviour is a gateway Parish. Everyone bombs through us in order to get to where they have got to go, or St. Clements, and back again.

[15:15]

That, of course, causes big issues for the residents on those particular roads. Longueville Road and Bagot Road themselves are accepted by the department as not being safe roads, as being roads that do need attention but they have been needing attention since 2002 and unfortunately nothing has been delivered. I take that back, we have a crossing by the betting shop in the pub but when it comes to providing a crossing in order for people to get to the schools then it is never a high enough priority. There is always someone else who is more important. So what I am asking States Members to do here is simply to finish these projects that have been going on for so long in order to help my residents. I circulated to all Members an email that I received unprompted. I could have gone around the various estates to get residents to sign petitions or to mail States Members about their feelings on this matter but I did not because they are fed up and exasperated. I can think of 3 who say: “No, I am not voting because these crossings that we are always promised we never get delivered so why should we engage when we have politicians who have failed to deliver time and time again despite being dangled all these carrots along the way?” The Minister for Transport and Technical Services is trying to do that again. If you have seen in the Council of Ministers’ comments he says: “Oh, we will get around to it in 2018.” Well, that is convenient, in election year. Well, that is not helpful because it should have been done this year because that was the undertaking by the previous Minister, not delivered, despite the hard work of the previous Minister. I am not criticising him **[Laughter]** but I do not know where in the system a Minister can tell us: “Right, we will have it done in one year” and yet when that year comes it is not delivered. So what am I to do, as a lowly States Member, to try and help? Now, as I referred to, the email that I sent around to States Members made reference to ... we have several elderly people, one in particular who is partially blind, who tries to cross the Miladi Farm Parade, wants to do her thing, she can no

longer drive so gets the bus and wants to cross there but, as Members will have read in the email I have circulated, her neighbours point out that she was almost knocked over the other day because these facilities are not there for her. It is not just that, it is also in the morning with the school children trying to get up either across Bagot Road from Le Clos Gosset or vice versa from Les Serres to go to Plat Douet or for them to try and go up Bagot Manor Avenue to get to the other schools there of Hautlieu, Beaulieu, J.C.G. (Jersey College for Girls). All these types of things which are supposed to be encouraging through our health policies, through the sustainable transport policies, all these types of things that we want people to do and yet when it comes to providing funds in order to make it happen there is always an excuse why it cannot be done. I thought we were supposed to have a Council of Ministers with a “can be done” attitude but apparently it is not so because there is always a reason why it cannot be done. I just want to talk through the 4 elements of my proposal just so Members are clear. So the first one, which I have talked about, is Miladi Farm Parade, which is estimated by the department to cost around £35,000. A plethora of the excuses why it cannot be done despite the residents calling out for it since 2002. The next proposal is for a traffic light junction at the top of La Rue des Prés by Longueville Manor. Again, that is an incredibly dangerous junction to drive out of and try and manoeuvre as it currently is and T.T.S. (Transport and Technical Services) accept that and still ...

The Bailiff:

I am sorry, Deputy, unless my counting is astray we have not remained quorate. We are one short of being quorate. For those Members who are in the anteroom and listening to the debate perhaps they could return to the Chamber as soon as possible please.

Deputy J.M. Maçon:

It is unfortunate that the safety of my residents does not seem to be important enough for States Members to stay in the Chamber. Again, it also falls in line with the Safer Routes to School Policy, whether that is to Plat Douet School or the one which I am asking for up at Bagatelle Road in order to allow residents, for example, at Palace Close to cross that particular busy road in order to get to Hautlieu, Beaulieu, for example. We have so many schools in our Parish that the Safer Routes to School Policy is one which I would hope that would have more clout when trying to assist me in what I am trying to achieve. The final one which I would like to talk about is the proposal for the top of Plat Douet Road north of Clos Gosset. Now, that was supposed to be delivered through a planning gain of the development of the Sandpiper site which is currently Waitrose, but that was supposed to be delivered and now the planning plans have expired and therefore that plan is no longer on the table but again, it is all carrot dangling. As Deputy Martin would say, jam tomorrow, jam tomorrow **[Interruption]** ... or what else. Usually my residents will say: “Well, what are they waiting for? Do we need a death on this road before they will finally do something?” Ironically, of course, we have had a death in the recent past on this road and still nothing was done. What we need to do, and I am asking Members to support me in this, is to help introduce these things in order to provide traffic calming, safer crossings for school children, for mothers with prams, for elderly people in the area, encourage more sustainable travel plans of walking and cycling, et cetera, because being able to get safely cross a road is a huge issue which is yet again being knocked down the road and therefore that is why I brought this forward. I did invite the Council of Ministers, if they did not agree with everything that I was trying to achieve in this one year, they could have brought a counter-amendment, through my amendment, if they thought it was too much. It is there in my amendment but all I got was: “No, cannot be done, not going to happen.” Once again this has been going on since 2002. I just want to explain again, for example, that there is an issue now with the department arguing about the manpower and whether these plans can be achieved or not. The one for Plat Douet Road, the plan is already there. That is shovel ready and that can be done. The ones for Miladi Farm Parade, again, the plan is already in their system within the department and it can be done. The one at the top of the junction of La Rue des Prés, the traffic lights, fair enough, that is halfway done. They have got the schematic, they are doing the

modelling. The new one which I am asking for, which might take a little bit of work although it is only a little bit of work, will be the crossing on Bagatelle Road. The Minister wants me to believe that me asking for all these projects is now going to cause such a calamity in the programme of works that that is going to knock all the other programmes of plans for St. Saviour totally out. Can I just make the point that 2 and a half of these plans are already complete? I am willing to negotiate. If the Minister thinks that providing a crossing on Bagatelle Road is going to cause so much of a calamity to the programme of works, fine. I am willing to negotiate on that one and not have it done in 2016. I am trying to be a reasonable person but on behalf on my residents it is not fair on them to have these issues kicking around from 2002, to be promised by various presidents and committees and Ministers that things are going to be done and now we find ourselves, yet again, kicked down the road, you are not important enough, the safety of the people in your area are not important enough. I am asking Members for support. The money that I am asking for would be a capital one-off spend. It would not be a recurring spend which tackles one of the funding issues. I very much hope that Members will help the residents of my area because they have been waiting for quite some time now. I make the amendment.

The Bailiff:

Is the amendment seconded? **[Seconded]** Does any Member wish to speak?

1.4.2 Deputy E.J. Noel of St. Lawrence:

Deputy Maçon has made it very clear and aware to myself and my department of his concerns for his constituents in the Longueville and Bagot Road areas. I fully appreciate that he is impatient to deliver improvements for them and it is a good thing that he is impatient. However, as the Minister for Transport and Technical Services I have a broader remit. I have to look at the needs of the whole Parish, indeed the whole of the Island, and I am now asking the Assembly to do the same when considering this amendment because it has to be put into perspective. Unfortunately, and perhaps not unexpectedly, there are more projects than there are resources available. These have to be prioritised which is not easy. There are lots of variables to come into play. I try to give Safer Routes to School the highest priority, which is why I am trying to fast track the Chasse Brunet virtual footpath, doing it in partnership with the Parish to deliver this. This was originally supposed to be a planning gain from the development next door but unfortunately the Minister for Planning at the time reduced the amount of money that was going to be made available for this and the funds were used on the rest of the planning gain and road safety aspects in St. Saviour. The Chasse Brunet is a Parish road just like Petite Route des Mielles in St. Brelade; that is a Parish road; that has a Safer Route to School that has been put in, paid for by the Parish, just like the Safer Route to School at Haute Vallée up West Hill. That is on a Parish road, paid for by the Parish, just like the one we are putting in in St. Lawrence; that is on Parish land adjacent to the road, paid for by the Parish. So by rights the safe pathway to school in this instance, in Chasse Brunet, should be paid for by the Parish but I have agreed with their Constable and the Roads Committee and had a meeting with some of the Deputies last week, that T.T.S. will part fund that pound for pound because it is a priority of mine. I want safer routes to school. We do have a work plan for the coming years subject to this Assembly approving this M.T.F.P. 2 part 1 and the second part to be brought back next June and road improvements in the Longueville area are scheduled for 2018. It is not pencilled in. It is written into our programme and I have shared that with the Parish Deputies and with the Constable and with the Roads Committee. We are spending in 2015, 2016 and hopefully in 2017 and 2018, subject to this Assembly's approval, some £890,000 in St. Saviour on road safety improvements. £200,000 worth, not £300,000, but £200,000 for Longueville because we are taking the Plat Douet junction out of that. The Plat Douet junction; I had a meeting the week before last with Waitrose and they are willing to honour the obligation that was there from the Sandpiper Group. They are willing to put back into the Island infrastructure the money necessary, just like they are planning to do at Red Houses. This amendment would mean that the Deputy's project would jump that list for St. Saviour. I am willing to work with the Parish and let the

Deputies and the Roads Committee and the Constable prioritise that list but the main priority on that list, and we all agree I believe, and I believe that Deputy Maçon does as well, that it is the safe routes to school that should have priority. It is the plan that the department has got, it is working with the Parish to deliver on the whole of the St. Saviour schools area. Accepting this amendment would have a knock-on effect on those other projects. It would push down other projects within the Parish and it is not because it is a money thing, it is because the transport element of T.T.S. is a small part of the department. There are only one or 2 individuals that have the expertise. We could buy that expertise from the U.K. but we would have a U.K. solution to Jersey problems; not Jersey solutions to Jersey problems. As I said, it is not just about the funding and it is not just about the money, it is about the officer time. It would be wrong of me and perhaps emotive to identify which projects would be affected. It would certainly distract from the focus of this debate. However, I will say that there are other Members together with their constituents, both inside and outside of St. Saviour, that are looking forward to delivery of projects on the list.

[15:30]

Projects that would improve road safety across the Island and in St. Saviour. Deputy Maçon may argue that project is long-awaited and of a high priority but what is the evidence to support this? He has said that there has been a death and many serious injuries occurred in the recent past on the Bagot and Longueville Roads. Again this needs to be put into context. In fact statistics show that this area is no worse than any other busy road on our Island. Members might be right in thinking that perhaps the focus of the proposition is on pedestrian safety but the deaths and serious injuries have all occurred to pedestrians. I should therefore like to clarify this. In fact, between 2010 and 2014 there have been 8 serious road injuries on this road. Five involved motorcyclists, 2 were car users and one was a pedestrian, which was a particularly sad case because it was child that was injured using a pelican crossing of all things, because it failed to wait until the light turned green on a pedestrian crossing. Unfortunately the sad fatality was that of a motorcyclist. Deputy Maçon refers to promises being made but nothing delivered and asked for a can do approach. What does that mean? I certainly advocate the can do approach in T.T.S. and in fact in everything I do. But we have to adopt a balanced and considered approach. We cannot do everything at once. We have to ensure that what we do is the appropriate thing. It would be quite selfish of me and, in some respect, I would love to take the funding that the Deputy is offering today subject to the States approval but I have to balance the priorities. We must spend our limited funds where they are most needed and choose the most prudent and effective solutions. All too often people come to us and tell us what their problem is and tell us the solution and we need to put it in place. It all seems quite simple to them. However, they nor I are qualified nor experienced in road engineering; most of the time officers tell me that their solutions are not feasible for very good sound reasons. For example, the crossing at Miladi Farm, we could do that if we could persuade the landowner to give us or sell us part of the land that is required. Even the Constable has approached that landowner and even the Constable has not been able to persuade him to do that. However, members of the public nor Members of this Assembly are privy to the specialist research that helps to determine what crossings work best where. That is why we use experts and that is why we have people at South Hill that are road engineers. They look at all sorts of aspects, be it footfall, the actual traffic movements, the type of traffic, the times of day and they come up with a best-fit solution. They arrive sometimes at different solutions to what we think is the obvious choice. Sometimes they advise that no solution is the best solution. Sometimes putting in a Jersey crossing, which is a pelican crossing without the flashing lights, is worse than having no crossing there at all because it gives the pedestrian a false sense of security. So sometimes doing what obviously seems the right thing to do, turns out to be the worst thing you could do for the pedestrians using that area because it takes away their own self-awareness. Deputy Maçon has helpfully provided us with the past States questions and answers on the subject and you can clearly see that T.T.S. has taken this issue very seriously over a number of Ministers, including myself. It is now in our programme of works. It is there in black and white and I showed that to the Deputies and the Constable earlier on this

week and last week. But whatever the preferred solution is, and so far we do not know for the Longueville scheme because we did suggest a solution that did not get the backing of the Deputies of that District. That solution did not include a pedestrian crossing which is why we ended up looking at the traffic light system, which we are now evaluating, at the Longueville Manor Road junction. But whatever the preferred solution is and decided upon, it will need to be agreed by the Constable, by the Roads Committee, by the Deputies. We originally hoped that we might be able to start this project in 2016, Deputy Maçon was correct, but it quickly became apparent that there was an immediate preferred solution for the Longueville area. I would like to concentrate on the safe pathways to schools, which is why we are putting our efforts on the school area of St. Saviour. We are pumping in, as I said, over the next 4 years, £890,000 in St. Saviour in the road safety improvements. On top of that we are looking to work with the Parish to solve the issues around Chasse Brunet. Unfortunately the Constable is unwell this afternoon but I would like to take the time to thank her for making herself and her team, and the Roads Committee, available last week to work with us. This is on the back of other meetings that the Minister for Housing has been helping me with and previously my Assistant Minister has been helping with to deliver the solutions for St. Saviour. In summary, I believe Members should reject this proposition because, one, the project is already scheduled for 2018. It is scheduled for 2018 on the basis of priorities built around safety. The project should not be prioritised over those other issues within the Parish and elsewhere in the Island because they are prioritised on safety. If I may just touch on the funding route, contingencies are not there to be a self-service buffet, to quote the former Minister for Treasury and Resources. One of his favourite phrases was setting up funds that were turned into “self-serve buffets”. Contingencies are there for the unexpected. They are there, for example, in terms of my department when we have a flooding and a road gets washed away, or where we have a storm and a sea wall gets washed away. That is what contingency is there for, not for expenditure that we know that we are going to have to spend and we know when we intend to spend it. So, humbly, I would like Members to reject this particular amendment.

1.4.3 Deputy P.D. McLinton of St. Saviour:

I asked the Minister, yesterday: “Do you guarantee this work will be done in 2018?” He said: “I cannot guarantee anything.” So in 2018, 16 years after Deputy Scott Warren did a lot of work on this road, we still have no guarantee which is why Deputy Maçon has brought this in the first place. When I was 4 we moved into Les Quennevais Park, a brand new estate. A little oblong of sand dune for a back garden and a slope up to Rue des Quennevais, Quennevais Road, at the front. Back in those days, it was 43 opposite the old French supermarket there, remember that? Back in the days - yes, back in the days - Rue des Quennevais was a lovely long straight piece of road in the days before any traffic calming was ever put in, was an ideal place for petrol heads and boys with too much testosterone to see if they could get 75 miles an hour out of their old Ford Anglia. The sound track to my childhood, sitting in our orange and beige lounge, was a shriek of brakes and then a bang, and then my dad saying: “Here we go again.” We would all go to the window, see if we could see where the accident was and we would walk up the path, up the slope towards the road, check around and sure enough there would be a couple of hippies in flares, big hair and moustaches arguing with each other about who had done what wrong. You see, as they drove down that road far too fast, they got to the car park by the shopping precinct there and there were cars pulling out, there were accidents left, right and centre, and so regularly on a weekly basis, probably 2 or 3 times a week, there would be an accident outside our house. I remember distinctly one day there was that squeal of brakes we had become used to and you would do the flinch but you got to learn the longer that squeal of brakes was, the worse it was going to be. This squeal of brakes was very long. Then there was an almighty crash and I looked up - had to look up to the road from our house - and I saw, I swear, it was a Mini spinning like a Hollywood movie in the air going that way across the front of our house. I thought it was a brilliant, but then I was a boy. My sister, we could not stop her screaming for a long time. Shortly after that the conversation happened in our house, in our orange and beige lounge, and it went something like this. Something really bad is going to happen

one of these days. Somebody is going to drive a car into the front of somebody's house. So my mum - and if you know my mum you know she is a vociferous woman - started a campaign: "We want a wall" she said: "to protect the houses along the front." So she went to the authorities and she said: "Please can we have a wall, it is very dangerous along here. There are so many accidents." The authorities said: "No." "But why not, there are lots of accidents along this stretch of road?" "No." Back then Planning was: "The answer is no, what is the question?" Yes, we hope there is going to be change made. So anyway, one day we were sitting in our orange beige lounge watching *Ask the Family* or something on our black and white T.V. (television) and there was no skid but just a crash. So we had my dad saying: "Oh, here we go again." We went to the window and we could not see anything, and so we opened the door, climbed up the top of the path, did not open the gate, we could not, there was no gate, there was no wall and we looked right along road, nothing. Left along road, nothing. You know those moments where you see something quite unexpected and your brain cannot really get a handle on it? What appeared to have happened was somebody had parked a car very badly in our neighbour's front room, it had come off the road ... you can picture Quennevais Park to the far left, and driven into the lounge of our neighbour's house. So we all gathered around: "Ooh, it has really happened" we said. "I knew it" said my mother. "I knew it." Are the family okay? Oh, thank goodness they are all out. So eventually they dragged the guy in the flares and testosterone out of his car and they pulled the car out of the lounge. As they pulled the car out of the lounge, the sofa fell away from the fire and there was the man of the house unconscious, had been pushed against the fire place in his own lounge. He was not too good for quite a while, he pulled through but I think it is fairly safe to say it was never the same again for him. You see the worst had happened and guess what? Mum got her wall. She got her wall after that. What this amendment is asking for is the equivalent of my Mum's wall along Longueville Road and Bagot Road before the worst thing happens. Now, these buttons in front of you, sometimes it is easy, sometimes we do not put enough thought into them, you just push them and if you were to vote for this amendment, strangest thing about it, into the future, maybe nothing will happen and you will not know the effect of pushing that pour button. However, if you vote against this amendment and then one day you turn on your radio, in a year or 2's time maybe, or maybe you turn on the T.V. or pick up your *J.E.P. (Jersey Evening Post)* and it says on the front: "Bagot Road, Longueville Road, the worst thing happened" how will you feel? That is the question. We have waited so long for changes on that road. It is a dangerous road, I do not doubt the Minister has any number of other projects he wants to attend to but one day this could be life or death. It is a shame that in this Assembly we have to use injury and death as some sort of currency to get something done. I will absolutely be supporting this amendment because we cannot have a guarantee in 2018 but if we support this amendment, we have got a guarantee. Thank you.

1.4.4 Deputy K.C. Lewis:

I have 2 hats on at the moment, I am a St. Saviour Deputy and the former Minister for Transport. There are a few things I just need to point out. As the previous Minister I know all of these issues extremely well. They were in the pipeline to be done, but indeed during my tenure we had a few minor problems, massive seawall failure being on, most of T.T.S. staff down at Beaumont trying to hold back the ice cold freezing water and rebuilding the walls, and Mount Bingham collapsing was a bit of an embarrassment. But that belonged to the Parish of St. Helier, it was not ours, but I still get blamed for that one.

[15:45]

Speeding traffic is a major issue on Longueville Road. I was at T.T.S. for 6 years. When I was the Assistant Minister originally I had a community safety plan and I purchased quite a few of the smiling S.I.D.s (Speed Indicator Devices). A lot of Parishes supplemented them with their own and they are still widely used around the Island. They are a very good aide-memoire for people driving and not quite sure of their speed. But speed is a major factor in the area. The present Minister is quite correct when he says that there is more to it than meets the eye. There are a lot of

negotiations going on with the landowners regarding the Miladi Farm Parade, not a particularly willing seller, but there is another too. You cannot put a zebra crossing on the brow of a hill. It is extremely dangerous. So we were trying various plans to get around that but that was something that was ongoing. Also there was a planning obligation regarding the traffic lights at Plat Douet Road, which the Deputy has previously mentioned. There has been quite a bit of work done down at the other end, at the Georgetown end, new traffic lights were put in, the very modern lights with tactiles. I am not sure if Members are aware: tactiles - if you were approaching traffic lights, a pedestrian crossing is there, you will hear a beep, beep, beep and it is safe to cross the road. But if you have 2 pedestrian lights adjacent to each other, a person who is visually impaired could become confused hearing the beep and maybe cross the wrong side of the road. So underneath the wait sign there is a little triangular piece of metal that comes down, called a tactile, and a person who is visually impaired can hold their hand under there, it will spin in their hand and no beeps are going, and they know it is safe to cross the road. We do have several visually impaired persons in the Georgetown area that do use that crossing. What else do I have to mention? Major problems, I have done Mount Bingham. As I say, Miladi Farm I sort of had a talk to several people up there. I have been up there many, many times. Most of the paperwork has been done and I take it it is still ongoing. I will support this proposition because it has been so long in the mix it is time things were brought forward.

1.4.5 The Connétable of St. Peter:

Apologies once again for getting back into the Chamber late this afternoon. The very good thing about that was I had to go and deal with a people issue, a vulnerable adult issue, and the great part of that for me is that it grounds me back in what our role is back here in this Chamber today and that is about doing the best thing we can for the public. The M.T.F.P. for me is about getting our spending priorities right for the public of Jersey and to ensure that people that need the services we provide can get them. Coming back to this particular issue, this particular proposition, certainly it is my experience of working with T.T.S. and other departments that everything comes to him who waits. You might have to wait a while but you do get there in the end. But there is a priority and through my Parish of St. Peter we have the busiest single carriageway of road there is in Jersey and there are issues on that. We have been working for the last year with T.T.S. to resolve some of those issues and I received a report by email just today on how they are proposing to deal with that. I would say to Deputy Maçon and other Members of the Chamber there is ... I am not saying there is a pecking order but there is a priority order. Although my issues in my Parish is fairly high priority, it is not as high as others. I accept there are higher priorities within the spending profile of T.T.S. To try and leapfrog that priority list by bringing forward this proposition to the States is, in my view, not the right way to do it. It disadvantages other people in the Island that need to have the same sort of spending profiles. So I certainly will not, for that reason, be supporting Deputy Maçon, although I do support him in bringing these forward to T.T.S. to make them work positively towards a resolution at some time in the future.

1.4.6 Deputy M. Tadier:

I thought the speech of Deputy McLinton was excellent and so I hope we can still have that ringing in our ears when Deputy Maçon sums up, but perhaps some new points. I do sympathise with the Deputies, it is difficult and that is really the bread and butter for District Deputies, we hear time and time again that traffic issues are persistent and that they have not been addressed, especially when his District, like ours in No. 2, is just getting busier and busier with traffic, new schools, although St. Saviour has the greater concentration of schools. The first point that - and I think this is the thing to remember - of all the Minister's many words he says that we have more projects than we have money and that is the argument of Deputy Maçon. We are not saying that the Minister for Transport and Technical Services does not have so many things on his plate, he is essentially saying that he needs more money to be able to keep up with the high demand and this is what is being offered. Another thought is that we can use contingencies for emergencies - and I am speculating - and one of those emergencies could be that there is an unusually big pile up and worst case

scenario, as we heard before, does happen, does not bear thinking about but ultimately you need to think about these things if we are to be responsible legislators. It could well be that there is a big accident and that the budget for the ambulance, the fire service, the police is stretched. You could dip into the contingencies to pay for the consequences of an accident but you could not dip into the contingencies to take preventative measures to resolve accidents that might require emergency spends that could come from the contingencies. It does not seem logical and we know that we have already had a precedent today where we have taken money out of the contingencies, which is £37.2 million incidentally, as Deputy Maçon refers to. It can cope with that. So it is about using the correct money. I certainly would not say: "I have not got enough money in my current account" when I have thousands in a savings account which I can easily draw from to do something which is worthwhile and perhaps would be an invest-to-save. This should be seen as an invest-to-save. It is an invest-to-save money potentially but it is an invest-to-save-lives. I think that is the important point to put across. I think those are the main points. Deputy Maçon must be getting quite frustrated, and the other Deputies of the District, when we hear ideas that ... they are not telling the Minister for Transport and Technical Services how to do their job, nobody has suggested putting a pelican crossing in a location where it is going to be dangerous because of course nobody at T.T.S. when they are working with the Roads Committees in St. Saviour would do that. Deputy Maçon is simply flagging up the issue saying that these are the pinch points in my District which need to be dealt with. I have not made it up because I spent the last 6, 7 years hearing this from my constituents, I am sure, and the previous incumbents before that have had the same things. So, Minister, I would like the support of the Assembly to get this done and the way we do that is by allocating this sum of money for you to be able to get on and do it and you do it with the support of the Parish obviously. It is not rocket science and I think it is something we could all support.

1.4.7 Senator L.J. Farnham:

I represented the Parish of St. Saviour for 2 terms as a Deputy in the constituency that Deputy Kevin Lewis and Deputy Doublet serve and understand the problems and I remember taking it as a duty to fight for the Parish as Deputy Maçon and Deputy McLinton are doing. But what I also understand is that T.T.S. have looked at all of these problems around the Island and we do not want to wake up and hear the news that there has been another fatality on our roads at Longueville or anywhere. I say "anywhere" because it could be anywhere in any constituency and that is why T.T.S. have prioritised the order that they are going to do it in. Now, there could be a fatality or an accident anywhere but I think we have to follow that order. But what I am also pleased at is now the Minister is at last getting to grips with the road traffic safety strategy. There is some good work going on there. The previous Minister will know that I questioned him regularly in the last Assembly about this and it just did not happen, but it is happening now. So while I understand where the Parish is coming from, I can relate to it because I served that Parish, I think we really do need to follow the expert advice and go with the rota, if you like, the priority that T.T.S. have placed on it. Thank you.

1.4.8 Deputy A.E. Pryke of Trinity:

I shall be brief. The Minister for Transport and Technical Services has outlined the reasons for not accepting this amendment, however it is well-intentioned by Deputy Maçon. The Minister's remit is safety in order of priority, not only in the Parish but in this Island and much good work has been done by his expert small band of officers. I can tell you that they are a small band because, as some Members will know, I have been supporting him while his Assistant Minister is off sick. I can tell you, I have had my eyes opened in how this small band does work and works very well. A lot of good work has been done. Look at St. Brelade, St. Mary and St. Lawrence in the future. Quite rightly children walking to school have been given the highest priority. The Constable, working with the Minister and the Roads Committee have highlighted Chasse Brunet as putting the next priority for this year. That is quite right. Look at all the schools that are in that area. That is something that needs to be addressed. Deputy McLinton mentioned about Les Quennevais, the precinct, the French supermarket, I can remember those days. I do not remember that accident

unfortunately ... well, fortunately or unfortunately. But you have to also stop and think thankfully that nobody was hurt but also road safety has moved on. Seatbelts, drink driving to name a couple. It is a constant look at that and it is done by the experts and working with Parishes. Though the Minister could not give an undertaking that it is done in 2018, nobody can give that undertaking, but the Minister is a man of word and if it is down there then we can stick to his word that is there. But the main priority of the Minister and of his team is at Chasse Brunet. As the Minister said, nearly £900,000 of road improvement will be done in St. Saviour in the coming years. So I urge Members to reject this proposition.

The Bailiff:

Does any other Member wish to speak? If not, I call on Deputy Maçon to reply.

1.4.9 Deputy J.M. Maçon:

Empty gestures, empty gestures, and I think the best line that has come out from the debate is what Deputy McLinton has said, which is: “The Minister cannot guarantee this for 2018” but if my amendment is supported today we know it will happen in 2016. That is the only thing we can be sure of. This is the only thing which I can go back and tell my residents. What am I supposed to go back to tell my partly-sighted constituents? “Oh, I am dreadfully sorry but you have to wait until 2018 for something to happen despite the fact that you have been waiting since 2002.” It is just not good enough. I do not see why more help cannot be given. The excuse is used to defer other projects, I am not trying to take the money from other projects. I have found funding from another source, I have explained why the work that has already been done on these projects can be delivered within the timeframe and how it should not cause a backlog on other projects. My residents have been led down this path since 2002. I would rather that we just get on with it, have it done and therefore we are done in one year. The Minister said: “I want to prioritise safe routes to schools.” That is exactly what I am trying to do here with Plat Douet Road, with Bagatelle Road, they are all to do with students, they are all to do with being able to access primary schools so we are not that far apart, it is just there are other things which the Minister deems to be more important. What I am saying is let us do them all together. I have found this funding source, it can be delivered in the timeframe. I ask Members to support this, to support the residents of St. Saviour because they have been strung along since 2002, it is not fair and it needs to be tackled, please let it be tackled next year.

Deputy J.A. Martin:

Could we have the appel?

The Bailiff:

The appel is called for. I invite Members to return to their seats. The vote is on the fourteenth amendment lodged by Deputy Maçon and ask the Greffier to open the voting.

[16:00]

POUR: 14		CONTRE: 24		ABSTAIN: 1
Connétable of St. John		Senator P.F. Routier		Deputy S.M. Wickenden (H)
Deputy J.A. Martin (H)		Senator A.J.H. Maclean		
Deputy G.P. Southern (H)		Senator I.J. Gorst		
Deputy J.A. Hilton (H)		Senator L.J. Farnham		
Deputy J.A.N. Le Fondré (L)		Senator A.K.F. Green		
Deputy K.C. Lewis (S)		Senator Z.A. Cameron		
Deputy M. Tadier (B)		Connétable of St. Clement		

Deputy M.R. Higgins (H)		Connétable of St. Peter		
Deputy J.M. Maçon (S)		Connétable of St. Mary		
Deputy S.Y. Mézec (H)		Connétable of St. Ouen		
Deputy L.M.C. Doublet (S)		Connétable of St. Martin		
Deputy R. Labey (H)		Connétable of Trinity		
Deputy T.A. McDonald (S)		Deputy of Trinity		
Deputy P.D. McLinton (S)		Deputy E.J. Noel (L)		
		Deputy of St. John		
		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy R.G. Bryans (H)		
		Deputy of St. Peter		
		Deputy A.D. Lewis (H)		
		Deputy S.M. Brée (C)		
		Deputy M.J. Norton (B)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		

1.5 Medium Term Financial Plan 2016–2019 (P.72/2015): fifteenth amendment (P.72/2015 Amd.(15))

The Bailiff:

We now come to the amendment of Deputy Southern, the fifteenth amendment, number 13 on our list, and I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

After the words “Summary Table C”, insert the words – “except that the revenue expenditure of the Health and Social Services Department shall be increased by £500,000 in 2016 in order to provide additional funds for improvements in dental services with this additional expenditure being dependent, in accordance with the provisions of Article 16(4) of the Public Finances (Jersey) Law 2005, on the approval by the States of the transfer of the sum from the Health Insurance Fund to the income of the Health and Social Services Department in 2016 and to request the Minister for Social Security to bring forward for approval before 1st January 2016 the necessary legislation to give effect to this transfer”.

1.5.1 Deputy G.P. Southern:

Last, I hope, but not least, in terms of amendments to the Medium Term Financial Plan. Let me point out from the beginning that first of all this money is not coming from the Contingency Fund, this money is not coming from extra taxation, this money is not coming from a transfer from another department or another budget. This is coming from a fund, the Health Insurance Fund, specifically set up to assist with the cost of primary health care. What am I asking this money for? Why, dental fitness scheme, primary care, preventative which fits exactly with our new direction for health on the Island. A community scheme. Fits in perfectly. Members will note that the Council of Ministers is already prepared to spend £30 million over the period of the Medium Term

Financial Plan from this particular fund. So it has plenty of money in it, because the Council of Ministers themselves are saying: "We can afford to spend from it." This cause has been going on in my books for the past 5 years. It comes from a recommendation for an investigation by the scrutiny panel led by then Deputy De Sousa into the Dental Health Service. Its findings, back then, were quite frankly shocking. If I just briefly quote from the report in November 2010, this report evidences that Ministers have neglected their remit in relation to dental health. The panel identified that the Health Insurance (Jersey) Law 1967 made provision for the introduction of a dental health scheme. It has obviously been the intention of the States to introduce a dental provision as part of the Health Insurance Scheme which, to date, has been ignored. But notice that very strong wording. Ministers have neglected their remit in terms of dental health. The 2 major recommendations involved in this particular report were that the Minister for Health and Social Services, together with the Minister for Social Security, must deliver an updated dental fitness scheme before 8th July 2011. That never happened. Note the key word there "updating". We have already had one example today of things not getting updated, uprated, by R.P.I. (Retail Price Index), when we talked about the higher education grants. This, too, has not been uprated. This dental fitness scheme, which is what I am concentrating on in this amendment, has not been updated since it started in 1992. The dental fitness scheme, I remind Members, is a scheme designed for children aged 11 to 18 and it asks that dentists, who join the scheme, get these young people's teeth up to dental fitness and then maintain that dental fitness while they develop. In order that this service is maintained, the scheme provides £6 per month towards regular dental inspection and maintenance of dental fitness. That £6 has not changed since 1992. It is still £6 today. Unsurprisingly, fewer and fewer young people have taken up this scheme. If we go back to 2001, just by way of example, there were some 1,600 young people on the scheme. By 2010 when the Scrutiny report was done, that was down to 1,200. The costs of administering this scheme started at £100,000 in 2001 and were down to £88,000 by 2010. Briefly, I think I have the up-to-date figures, they have fallen still further between 2010 and now. 2010 was 1,200 we are now 1,134, as of June this year, so the uptake is fading, the costs are fading and what is significant, and this came out in the report, was that dentists were becoming increasingly disillusioned with the scheme. The average cost for maintaining this dental fitness is £13 plus, if one was to uprate it. That is what the average price is that dentists are charging. They have not pushed up their fees enormously in order to administer this, because they see the value of keeping young people's health, dental health, at the right level, because it is preventative, it means that we do not get problems further down the line. It is worthwhile doing. But they are becoming disillusioned. The consultant in restorative dentistry stated then, and he repeated it this year to me: "I think what is more noticed by the providing dentist is the £6 per capita which was introduced in 1992. The States pay the dentist £6 per month per child enrolled by that dentist and that has not gone up." That is the bit, I have to say, where there is a level of concern and disquiet by providing dentists. The number of dentists prepared to participate in the scheme has fallen and is about to fall further. While we are waiting for somebody to do something about the dental service and co-ordinate it with the overall strategy for health, this trend to go into the community, this trend for prevention rather than cure, and this fits exactly, while we are waiting for the overarching development of policy, fewer and fewer people are taking part in this scheme, dental health is going down, primary school kids are okay. The last survey said they have good levels, by and large, of dental health. It is those critical ages, when your diet becomes whatever it is, between 11 and 18, when things really start to go wrong. That is the problem. If we wait any further I fear that we will not have a scheme to carry through, to amend, to develop, to make sure it fits properly, because I think it will have died altogether within the next 2 years. That is the reality. Why has nothing occurred? I will just go to a response to that 2010 Scrutiny report from the Minister for Health and Social Services and Social Security, they responded: "The Minister for Health and Social Services is currently undertaking a major review of health strategy." We are still waiting for it, it is P.82 of 2012. We are still waiting for it. That was 2010. "It is recognised that all practitioners should be encouraged to provide appropriate preventative care." Keeping the fee at £6 is no encouragement whatsoever. It hardly covers costs.

“Until this review is complete, it would be poor use of public resources to initiate separate reviews of parts of the health system.” How sad. “However, it is accepted that the review of the Jersey Dental Fitness Scheme should be undertaken at an appropriate time. This will be before the end of 2012.” That is positive, but what happened? 2012 came and went, no report was produced. No additional funding is available for the scheme at present and any enhancements to the scheme will need to be achieved within the current funding envelope. Here comes the rod. “The current funding envelope.” No funding available. This happens time and time again when a back-bencher brings a proposition, perfectly valid proposition, to do something that needs doing: “Sorry, no funding.” It does not fit the envelope. Today, we are talking about an envelope. 2016, we know what that envelope is like and we know how it is divvied up. We do not quite know, apart from the overall size of it, what flows from that beyond 2017, but never mind. If you want to get something done, make sure you are asking for the funding at the appropriate time. I think the appropriate time is today. “The review will include the eligibility conditions for the benefit and investigate the reasons given for parents leaving the scheme. So parents leaving, students not enrolling, community dentists looking at the scheme and saying: “Is it worth my while?” The answer, by and large, is that fewer of them say it is worth their while, either as participants or as dentists. Finally, though, there was a report produced and Members may have seen it across their desks recently. It is called the dental health services and benefits review, June 2015, R.91/2015. I do recommend a read of it. I attempted to read it from front to back and I am afraid I singly failed to finish it because I fell asleep.

[16:15]

It is the most dull read you have ever seen and it talks about actions, but they are so vague that you wonder somehow if they are looking at the same dental fitness scheme and dental service that you are. It is appendix 3 in my report, but I will not inflict it on everybody, except just to look at the first 3 recommendations. I do not know who did this report, but it is very dynamic. “These issues should be addressed as a priority to facilitate the development of oral health care across Jersey.” The first one says: “Management information. The review suggested that existing management information was insufficient to be able to fully determine the extent to which the States achieve value for money. We need to improve our intelligence around demand capacity, service delivery, quality and care outcomes.” I am sure we do, but we need to deliver some dental fitness as well. Then it goes on to the second, vital, thing that you need in any issue, you need governance. The review identified gaps in the inadequacies in governance across all services. The roles played by bodies, departments and stakeholders needed to be clarified and strengthened if it was not possible to easily demonstrate adherence to requirements. Again, where is the action in there? We need to tighten up on our governance, which means people accountable to measure everything, say how many staples we have used and how many teeth have been done. Then we need strategy. “The review identified a lack of strategic direction for oral health services and recommended that a cohesive strategy involving all stakeholders is developed. This must agree with the overarching strategy agreed by the States in P.82/2012. We still have not seen the development from P.82 in 2012. All this administration, which is what it starts with, is not going to deliver health, dental health. My concern is that, despite the fact that we did this review with recommendations and a clear way forward in 2012, we got nowhere. I brought a proposition in 2013 to get on with it, I was told there is no money. I have brought it back now, because here we are, 5 years on, no real sign of our overarching strategy coming forward. It might be here next year, it might be here the year after that. After which we can make sure that we can deliver some improvements to dental health on the Island for after that. I urge Members to support this particular amendment in order that when we do, finally, have a totally integrated and lovely looking overall health and fitness strategy, including dentistry, which will need some work, because the costs are phenomenal, then we have something to amend and we have a service that still exists and we do not have to start from scratch, because the danger is, unless we do something soon, and I am suggesting this is a bridging effect until we get a policy in place, we are going to have worsening dental fitness on the Island and worsening

participation for fewer young people and indeed from fewer dentists. So please support this proposition.

The Bailiff:

Is the amendment seconded? [**Seconded**] I call on the Minister for Health and Social Services.

1.5.2 Senator A.K.F. Green:

I recognise that dental services are an important issue for Deputy Southern and, as he has referred to, he has frequently commented on them and been involved in Scrutiny reports. In opposing this amendment I would not want Members to think that dentistry is an issue that does not concern me, my Assistant Ministers, or the Council of Ministers. Members may recall that I had recently brought forward a draft Dentistry (Jersey) Law to the Assembly, last sitting actually, and I am grateful that Members supported the new modernised law. This was to ensure that those permitted to practice dentistry are properly qualified - governance, which was mocked just now - are competent and are fit to practice. Most importantly, it will give the people of Jersey greater choice as to who they can go to for a range of dental treatments. Deputy Southern does deserve some praise for his work in the past in this area. Indeed, it was no small part down to him that the activities of Scrutiny, and elsewhere, resulted in that report that was commissioned in 2011. But we have moved on. He did review to the Dental Health Services Benefit Review of June 2015, which was presented to the States, R.91, and I am sorry if he found it boring, possibly because it said the dental health of our children was good, was in a better condition than their peers in the U.K., that is no reason to be complacent but it was very positive about the dental health of our young people. While the States is spending on community dental services about £1 million a year, what the report also told us that it was not possible to ensure, to tell, to see that we were reaching those people most in need. Data again not by the Deputy. Given these comments, it would clearly not be helpful, at this stage, to put an extra £500,000 into the service when it is not clear that the people most in need would be helped which, I am sure, is the Deputy's intention. If nothing was being done to review the situation, the Deputy might have a point, but moves are being made. A departmental dental action group has resulted from that report that I referred to that was lodged this year. It has been established and will be developing our workforce, developing a needs assessment, developing management information, integrating dental care into the whole public health agenda, improving existing delivery systems and strengthening governance. Ultimately, in line with P.82, the intention is to develop a sustainable and coherent oral health strategy with a considered future delivery system where state funding and support is based on need. Of course, any funding requests that emerge from the group will probably need to be accessed and prioritised alongside the other health related workstreams. But transferring funds into existing arrangements before the system becomes more focused may just serve to exacerbate the very situation that Deputy Southern is seeking to change. Furthermore, with a review on the health service funding under way, it would, again, be premature to consider any additional annual expenditure to be taken from the Health Insurance Fund. While it may seem odd for a Minister for Health to turn down an offer of £500,000, I do so firmly in the belief that the timing of such a move is not appropriate, is not well targeted and is premature. For that reason, I ask Members to allow us to get on with the work, this is not down for tomorrow, this is work that is going on to continue to maintain and improve the oral health of our young people, which that report says is better. There is still room for improvement but better than their peers in the U.K.

1.5.3 Senator Z.A. Cameron:

Dental health on Jersey is a significant problem, as highlighted by the Jersey Consumer Council report from 2 years ago. I will be supporting this amendment, as many find it difficult to visit the dentist and the prohibitive costs are a significant barrier that prevents many patients overcoming this phobia. Poor dental health can result in significant pain and gum disease, which is associated with heart disease, strokes, pneumonia and some types of cancer, not to mention malnutrition.

Setting aside funds for this will not only ensure better dental health but will improve overall health, as well as removing unnecessary suffering.

Deputy M. Tadier:

I did have my light on, Sir, but I think it was obscured.

The Bailiff:

It was obscured, thank you. Deputy Tadier.

1.5.4 Deputy M. Tadier:

Not like my comments, I hope they will not be obscure. I am glad that Senator Cameron decided to speak on what, I think, is an overlooked issue, notwithstanding the legislation that the Minister was presiding over bringing in to do with dental health. It is an area where we have not invested enough, but the strange thing is I do not know why we have this demarcation between what we call ordinary medical care, G.P. (general practitioner) visits, et cetera, and dentistry. As the Senator quite rightly said, it has a whole raft of issues, not simply ... oral hygiene does not simply end in the mouth, it has implications for the rest of the body and from the bit of research that I have done, you can add to that list, because it can trigger pre-term births in infants. So, women who do not have proper oral hygiene are not just putting themselves at risk, they are putting their babies at risk and that is something which is not often thought of. Of course, again, it is going to be those who are perhaps in the socioeconomic quartiles, who have issues to do with poverty related, who are more susceptible exactly because they are in that vicious cycle of not being able to afford to go to the doctor, perhaps, not having the right nutrition, et cetera, who are putting their health at risk and those of their family. So, I think this is a tangible way in which we can commit the Minister and give him some money to be helping to do what is in the right direction. As I said, we need to get to a point where it is no longer considered a luxury to go to the dentist or a luxury to go to the doctor but it is just something you do when you need to and it is something which is done on a regular basis. I am told we are supposed to go every 2 years, is it, to the dentist? Every 6 months, there you go. We say 2 years but the reality is, you know, people do not go for decades and it is dependent, often, on their job. So, if they work in a job where they get free health insurance, et cetera, they will go to the doctor, they will go to the dentist. If you do not, and I know many manual workers who work for the States, for example, just have not been ever since they were at school. There will be consequences of that, which are more expensive to repair, obviously, the longer you leave it. So, I think it is about early intervention targeting and we have heard a lot about targeting and this is about targeting families who need that care.

1.5.5 Deputy P.D. McLinton:

Of course Deputy Southern, Deputy Tadier and Senator Cameron are completely right: dental health is vital, it does pay off in so many areas of our life, our health and we, as a department, speaking with my Assistant Minister's hat on now, take it very, very seriously indeed. So, it is important that it is invested in, but it is also important that this money is put towards a system that works. Using probably a fairly poor motoring analogy, you know, do you buy the new car or do you throw some more money at the old car and hope to keep it going a bit longer? Now, this would be our best investment down the line on a system that works and right now, quite clearly, as the Minister said, is it not clear that the current system is working, so why would we throw more money at something that is not working all that well? Inasmuch as it is welcome, more money would be nice, but there is not much of it floating around at the moment. I think it is important that we thank Deputy Southern for the offer, but I would ask you to vote against this amendment for all the above reasons and let the Health Department get on with the work in question to form a proper dental health care policy moving forward, and that work is in action, even as I speak.

[16:30]

1.5.6 Deputy S.J. Pinel of St. Clement:

This amendment asks for a transfer of £500,000 from the Health Insurance Fund to the Dental Department to fund improvements in dental services. I ask the Assembly to reject this amendment. Considering the recommendations from the recent dental review, the Health and Social Services Department and Social Security Department commissioned an independent review of dental services and benefits in 2014. This review discovered weaknesses in our system, it estimated a government spend of around £1 million each year, but our data could not show how many people are being treated, or how much unmet need remains in our communities. The dental health of the children examined in this review was found to be very good, as Deputy Southern mentioned earlier, but we have no information on adults, older people and people with special needs. The review emphasised the need for management information, governance and a coherent strategy across government departments. At the same time, it sets out a number of short term actions which can be delivered to improve services. It is tempting to think that boosting the Dental Department budget will fix a problem, but we have no assessment of needs to tell us what that problem might be, or where the money is best spent. So what would £500,000 achieve? Perhaps Deputy Southern envisages expanding the free service in the Dental Department to teenagers, or the purchase of new equipment, or more clinical staff. He has not said what the money is needed for. There is reference to the Jersey Dental Fitness Scheme, this is a scheme to maintain the dental fitness of teenage children, co-funded by Social Security and Health. The Dental Department undertakes remedial treatment to bring children up to dental fitness with a spend of around £20,000 a year. Social Security offers a subsidy of £6 per member, per month, towards the child's ongoing dental care, spending around £85,000 a year. But amendment 15 does not say if this money will help the scheme. It asks us to accept that offering up more money is a good thing, but tinkering around in this old system is more likely to waste money from our diminishing Health Insurance Fund than improve oral health. The Health Insurance Fund has passed breakeven point where the amount of money coming into the fund in the form of contributions is exceeded by its expenditure. An additional £500,000 a year will make this situation even worse. As the primary care review progresses we will have some significant decisions to make about the future shape and purpose of the fund. Adding a brand new area of spend and creating reliance in the Dental Department on Health Insurance Fund funding will complicate these decisions. In summary, this proposition is premature and lacks any real direction. Health and Social Security are convening a dental action group and this group will include Dental Department managers, clinicians and community dentists. They are charged with developing a strategy, proposing sustainable system changes and introducing new initiatives, targeting the right areas to make a difference to Islanders. I urge Members to await the outcome of the dental action group and reject this proposition.

The Bailiff:

Does any other Member wish to speak? If not, I call on Deputy Southern to reply.

1.5.7 Deputy G.P. Southern:

As the Minister for Health and Social Services said, and I said as well, at primary level below this scheme our dental health is very good compared to the U.K. and that the report which was finally commissioned and went through says clearly that the dental health of the children on the scheme is exceptionally high, suggesting that services are provided to a high standard by the community dentists. So it is not that the dental scheme is not working, it is working and it produces excellent results, but the fact that we have let the subsidy atrophy by maintaining it at £6 means that both the dentists and the young people are not signing up for it. Now, we are down to - what was that number - 1,034. This is a scheme designed to cater for 11 to 18 year-olds. There are 8,000 young people in that cohort and we are catching 1,000 of them. Now, is that what we need to be doing? No, we need to be doing better. It is not just about finding out what the need is. Nothing is stopping anybody investigating what the need is and what the demand is from adults and the elderly and all ages of society. Nothing is stopping us doing that. Transfer of this money to produce better

take up of an excellent scheme does not stop anybody saying: “What about the elderly? Let us find out about the elderly? What about adults? What is the state? What is the need?” That is a different sum altogether, completely. It is not stopped by my proposition at all. Get on with that by all means. I think we will find out that dental health among adults and the elderly is far, far worse than we expect and it is going to cost a lot more. Let us get on with doing what we can, as I say, because by the time we get around to a big overarching scheme all linked and investigated and management structures all in place, we will have lost sight of those 1,000 that we are doing a good job for and we will not have encouraged more of them to join. Then, finally, the report did talk about accounting for the £1 million spend. We are not talking £1 million spend on the dental fitness scheme. That is only of the order of £200,000 at the moment because do not have a great deal of it. The £1 million spend is acute and urgent work that gets done on serious work in the hospital. So it is not just about the £1 million. I think we can safely kick start, revive, the Dental Fitness Scheme, it will not harm any developments to expand services which are going to have to expand as we go on and that we can safely add this money to the Dental Fitness Scheme in order that it should survive until we can have an all bells and whistles scheme later on. Appel, please.

The Bailiff:

The appel is called for. I invite Members to return to their seats. The vote is on the fifteenth amendment lodged by Deputy Southern. I ask the Greffier to open the voting.

POUR: 13		CONTRE: 20		ABSTAIN: 0
Senator Z.A. Cameron		Senator P.F. Routier		
Deputy J.A. Martin (H)		Senator A.J.H. Maclean		
Deputy G.P. Southern (H)		Senator I.J. Gorst		
Deputy of Grouville		Senator A.K.F. Green		
Deputy J.A. Hilton (H)		Connétable of St. Clement		
Deputy J.A.N. Le Fondré (L)		Connétable of St. Peter		
Deputy K.C. Lewis (S)		Connétable of St. Mary		
Deputy M. Tadier (B)		Connétable of St. Ouen		
Deputy M.R. Higgins (H)		Connétable of St. Martin		
Deputy J.M. Maçon (S)		Deputy of Trinity		
Deputy S.Y. Mézec (H)		Deputy E.J. Noel (L)		
Deputy S.M. Brée (C)		Deputy of St. John		
Deputy T.A. McDonald (S)		Deputy S.J. Pinel (C)		
		Deputy of St. Martin		
		Deputy L.M.C. Doublet (S)		
		Deputy S.M. Wickenden (H)		
		Deputy M.J. Norton (B)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy P.D. McLinton (S)		

Deputy G.P. Southern:

I just thank those Members for their support and remind Members to stay lively as we go through to 9 o'clock because there may be some short votes.

The Bailiff:

Now, the amendments 14, 15 and 16 all fall, because they are consequential on amendments, which have not been successful so far. So we come to amendment 17, the amendment of the Corporate Services Scrutiny Panel. I understand, Chairman, that you do not wish to proceed with that?

Deputy J.A.N. Le Fondré:

No, Sir, we will not proceed. We obviously lost on the first part, we have taken the mood of the Assembly and I think, to proceed, would just be a bad use of Member's time on a long day. I just make the point, we do still maintain the matter that raising taxes for the States to pay a tax is not a good move.

The Bailiff:

Very well then, that amendment 12 has been withdrawn. Deputy Tadier, the next on the agenda is an amendment on which we have not, technically, taken a vote, but I think when you were presenting your amendment to amendment 7, you were not minded to proceed with that, is that correct or not?

Deputy M. Tadier:

That is correct.

1.6 Medium Term Financial Plan 2016–2019 (P.72/2015): seventh amendment (P.72/2015 Amd.(7))

The Bailiff:

It is correct? Thank you. So we now come the Council of Minister's amendment 7, which, I hope, can be taken in short order, because it is consequential, and I ask the Greffier to read the amendment.

The Greffier of the States:

Number 18 on the running order, amendment 7, page 2, paragraph (b)(i) - After the words "Summary Table C" insert the words – "except that the net revenue expenditure of the States Assembly shall be reduced by £100,000 in 2016 by deferring the additional funding proposed for States Members' pensions"

1.6.1 Senator I.J. Gorst (The Chief Minister):

As you said, it is consequential on the decision taken yesterday and I ask that Members maintain their support for deferring, or taking out, the amount of £100,000 so that pensions will not be payable in 2016 to States Members. I ask Members to vote in favour on this consequential amendment.

The Bailiff:

Seconded? [Seconded] Does any Member wish to speak? All Members in favour of adopting the amendment, kindly show? Those against? The amendment is adopted.

1.7 Medium Term Financial Plan 2016–2019 (P.72/2015): Amendment (P.72/2015 Amd.)

The Bailiff:

The last amendment is the Council of Ministers amendment which is consequential on the one just adopted and I will ask the Greffier to read the amendment.

The Greffier of the States:

Number 20 on the running order to amendments. After the words “for States Members’ pensions” insert the words “and the net revenue expenditure of the Transport and Technical Services Department shall be increased by £100,000, in order to provide funding for concessionary bus passes for the disabled”.

1.7.1 Senator I.J. Gorst (The Chief Minister):

Again, as you said, a consequential amendment and I ask Members to maintain their support for it.

The Bailiff:

Seconded? [**Seconded**] Does any Member wish to speak?

1.7.2 Deputy M. Tadier:

We will be maintaining our opposition to this, because we see the redundancies as a false economy. I know this is consequential, I am just highlighting the fact that we will obviously maintain the position. I do not think we necessarily flagged that up the first time around.

The Bailiff:

Does any other Member wish to speak? Those in favour of adopting the amendment, kindly show?

Deputy M. Tadier:

Can we have the appel, please?

The Bailiff:

The appel is called for. I invite Members to return to their seats. The vote is on number 20 on the running table, the amendment of the Council of Ministers and I ask the Greffier to open the voting.

POUR: 34		CONTRE: 4		ABSTAIN: 0
Senator P.F. Routier		Deputy K.C. Lewis (S)		
Senator A.J.H. Maclean		Deputy M. Tadier (B)		
Senator I.J. Gorst		Deputy M.R. Higgins (H)		
Senator L.J. Farnham		Deputy S.Y. Mézec (H)		
Senator A.K.F. Green				
Senator Z.A. Cameron				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				

Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy A.D. Lewis (H)				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy S.M. Brée (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

1.8 Medium Term Financial Plan 2016–2019 (P.72/2015): as amended

The Bailiff:

We have now concluded the various amendments, which had been lodged, and we return to the original proposition of the Council of Ministers, proposing the Medium Term Financial Plan, as amended, in the course of the debate so far. I invite any Members who wish to speak.

1.8.1 Deputy J.A.N. Le Fondré:

I was trying to scribble some notes. I think I want to make a few observations. One being it is with regret that I will not be supporting most of this M.T.F.P., principally, on the basis I do not know what I am signing up to. As I have said, and this is obviously a personal view, based on work that we have done, if we are now going to be approving at some point in this process £3.1 billion of expenditure, with no detail for 3 of the 4 years, I do not really consider that financially prudent. I shall consider my position on approving 2016, which would, obviously, be consistent with the recommendations we made in the past on the panel. What I would make the comment to you is that I make the point again, which I made yesterday, I still am extremely concerned that in the last 5 years, and including the proposals coming into here, we are shifting the burden or increasing the tax burden by £100 million, to individuals. Just for the record on that front, the reason I went back 5 years, that is the increase of G.S.T. from 3 per cent to 5 per cent was £30 million, the increase in user pays and health care charges is £45 million and the long-term care charge that has come in presently at 0.5 per cent which, I think, is £6 million this year, will go up to 3 per cent and that is another £30 million plus, give or take. It will eventually go up to 3 per cent.

[16:45]

So that is my calculation on those numbers, the impact on that, provided I have got my noughts in the right place, is £1,000 per person on Island and that is a lot of money at the end of the day. The point I make on that is that I look and that is per person so that, from my family with 2 children, is £4,000. So it is not per household, it is not per adult; that is per person, whether it is a one year-old baby or it is a 90 year-old person. That is 100,000 people at £1,000. If I have got a nought in the wrong place, the Chief Minister can correct me, but those are the kind of numbers we are talking about. Not just out of this M.T.F.P. but in total, the burden of the Council of Ministers as a body has put on to individuals in the last few years and that is why, from my take, it is absolutely imperative that we have very clear transparency that the savings and the structural changes, that are being put into the system, for me, are achieved before these user-pays charges are implemented. In other words, I want to know, and I go back to past experience when I first stood in 2005, which was the first black hole. It was a black hole of £100 million in those days and the promises were: "We are going to bring in G.S.T. of £45 million, we are going to have economic growth and we are going to achieve savings." At that point, I signed up to that because I thought: "Great, people are taking the pain." What then transpired, about 2 years after the event, and after everything had been put through, number one was that some of the savings, I remember the Housing Department and the Comptroller and Auditor General of the day, identifying the Housing Department as an example, put rent up by £1 million and that was counted as a saving. That was in his presentation to States Members in 2006 or 2007. So I want some clarity that what we are going to get this time around is the programme ... sorry, I will backtrack slightly. In about ... I cannot remember the year, about 2008, 2009, the then Chief Executive did a presentation to the then Council of Ministers, which Assistant Ministers - of which I was one of the day - attended. It was at the zoo, it was a 2 or 3-day process and he stood up and did a decision tree, a little chart, lots of things about structural change and said: "Yes, we can do and will do and we will look at what services we provide, what services should be provided and whether we should be the ones providing them." It was a full structural reform presentation and then at the very end, he said: "On the other hand, we have just knocked off 10 per cent of everyone's budget." That is where we went. So we have never grasped the nettle, as far as I am concerned, of seeing the structural changes growing, which is: "Do we need to do it?" It is about cutting down the administration side, I emphasise that. It is not about the front line of making savings and sacking our hospital quarter. It is about saying: "What have we got, for example, from the middle management staff and do we need to have them there and are they doing what they should be doing or do we need to do things differently?" Now, that is the promise that the Council of Ministers has made to us in this M.T.F.P. and they are saying that we can justify putting taxes up by £45 million at least or "chaxes", as I think the expression is. So that is charges and taxes, or whatever you like, on that promise that we will make major structural changes in the services, in how our services are provided. It is not necessarily ... it depends, but it may not, necessarily, be cutting services, but it is changing how they are provided and then the administration systems are behind them. The big concern I have, which is based on the last 2 experiences I have cited, is that we put the taxes up, we get perhaps a little bit of economic growth, a one-off blip perhaps from 2014. Do not forget, the F.P.P. have said they think there will be some one-off blips. We may have a couple of one-off blips. You know, 2015 might be okay, might be better. We never know quite how the taxes from financial services now feed into the tax revenue, because of the structures of Zero/Ten and things like that in there. It is not necessarily a criticism, it is just uncertainty. Everything is great. Oh, well, are we going to make the savings? So, in which case, you may find that a number of people have been made redundant who have, for whatever reason, it may not have been properly done the right way, if that makes sense. You may not have had the service redesign and we can balance it off by contingency. All we have done is put the problem further down the road. I hope that is a fairly bleak assessment and I hope the Council of Ministers is not going to do that, because they say they are serious about this and I do, for one, believe that the Minister for Treasury and Resources is serious about it. So, really, what I would like to say is that we have got a couple of milestones ahead of us, in terms of the M.T.F.P., or the financial process we have. One is the budget, which is going to be lodged shortly, but which

we debate in December, and one is the addition to the M.T.F.P., which is going to be lodged no later than June. I know there are other individuals, who I think have similar views. They may not be identical, but certainly I would like to see some definite commitments from the Chief Minister and the Minister for Treasury and Resources as to transparency that we are achieving the milestones they are talking about. So, for example, one of the criticisms we have had from the Fiscal Policy Panel and from the Corporate Services Scrutiny Panel and its advisers, is the lack of impact analysis as to what this does to whether it is the workforce, whether it is the economy or whether it is Islanders. I hope the people, who are diligently tapping away on their iPads, are listening to this. What I would like to ask is that, before the budget is debated, Minister for Treasury and Resources, would it be possible to have the framework of what those impacts are going to be? That is not populating it. It is not telling us what the impact is, because I appreciate the work is going on and there is a commitment it is going to be done before the M.T.F.P. is lodged but can we have, and perhaps the Minister for Treasury and Resources can address this afterwards, the framework, the outline of what impact analysis is in hand and do that by the time we debate the Budget, okay? It should not be too difficult. It is just saying what the analyses are that we are going to get later on, if that makes sense. The Chief Minister is looking puzzled there, but he can respond later. So, all I am asking for is, what impacts are being analysed and what that is going to look like. In other words, if they are a grid, you know, we do not need to see the grid populated but what is it going to look like, as opposed to 3 graphs on a page that was given to us in September and saying: "This is all it." Because one needs time to consider it because of the numbers I have quoted, is it £1,000 per individual or is it £1,000 per household? All that sort of stuff. We need to know what those are. I think, personally, one should also know what the interaction is these days, where those cut-offs are in terms of impact on individuals, what the impact is from the changes that have come through from Social Security at the benefit level as well as on to taxpayers. The other comment I would say is again in terms of a transparency is we need some clarification ... the Ministers have undertaken that growth expenditure will not be released unless the savings are on target and I believe ... they have certainly indicated that new charges and taxes would only come in when all the savings are in place. I believe that is the undertaking of the Minister for Treasury and Resources. I know that that is his view and so, I think, we need to know what the mechanisms are as to how that is being assessed. I assume, for example, healthcare charge is going to come through as some form of principle. I imagine there is going to be a regulation. I do not know whether that is going to be the regulations, or the trigger point for having it in place, or whether there is an Appointed Day Act. But, basically, well in advance of these things being implemented, we need to know that the savings are taking place and what they look like. I do not mean just a one-page assessment. We had those one-page assessments in the Assemblies in the past when the Comptroller and Auditor General went in on the day, there were question marks over some of the rhetoric that surrounded those savings. For me, I would want something that gives feedback from the Statistics Unit, perhaps the Comptroller and Auditor General, perhaps some form of working through a Public Accounts Committee in Corporate Services - I do not know. We would have to discuss that - but so that we have got independent verification that the savings are being achieved and therefore that the Council of Ministers is being held to account for its promises, because we have already done the pain on the elderly. We are going to be doing the pain on the taxpayer and I think we need to know what we are going to be signing up to later on. Not having got very far on the scribbled notes, I think those were my 2 main points ... is looking forward and knowing what we are going into. Unfortunately, as I said, certainly Summary Table A and Summary Table B, I will definitely not be supporting. I shall consider what happens when we get to the other parts of the propositions. I am concerned that, essentially, we do not know what we are signing up to as far as I am concerned. We had that debate, obviously the Corporate Services Scrutiny Panel tried to make the suggestion, which we thought was constructive, to only approve 16 and give the Council of Ministers time, but from a rational perspective, if I do not know what I am signing up to, given the quantum of money that we are talking about, I cannot support that aspect of the proposition. I will consider the other parts of that as we go along. On that basis, thank you.

1.8.2 Deputy S.M. Wickenden:

Well, I do not know about anyone else, or any of the newer Members in the Assembly, but when you get these reports, the Medium Term Financial Plan, it is quite dry; it is quite complicated. Trying to understand the financial accounts of the States of Jersey is no easy task and I think every Member here knows I have tried. In the coffee room, I brought all of the folders that you need to have, to go through the accounts, from the Medium Term Financial Plan 1 to all of the financial accounts 2012 and onwards. Luckily, there are some friendly and very helpful people in the Department of Treasury and Resources, who have given me a lot of their time to go through a lot of my questions. The work that I have done, that I shared with all States Members, is by no means finished and I will be sharing more as I get on with it. Now, I am going to vote in favour of the plan. I am going to trust in the Council of Ministers' plan, but they have said all along: "Hold our feet to the fire", and I think the Council of Ministers knows I definitely will be, not just as a back-bencher, but as the vice-chair of P.A.C. (Public Accounts Committee). To be able to do that, we need to make sure that the savings that are being promised are being achieved and they are being achieved in a timely manner. It could be turbo-roosting some of the stuff that you are doing if it is going too slow. So, one of the areas is, obviously, people savings. You have got a lot of initiatives in the public sector reform, in the attrition, but what I would like to see and what I would like the Minister for Treasury and Resources to agree is that we can get the figures for the staff expenses, the full-time employment figures and the head count figures by March 2016, so that we are all ready to see that the savings are being made and we can talk to you before the debate in September, if we feel that they are not happening. With that, I say that I will be supporting it. Thank you very much.

1.8.3 Deputy G.P. Southern:

Somebody has got to speak. We are staying extra late to make sure we finish the work. Here we go. I have got the wrong set of notes there. I think that was the last speech I did. Okay, why shall I not be supporting this Medium Term Financial Plan? I shall not be doing it because of the lightly labelled "People Savings". £70 million - that is a majority of the saving in terms of people, released, not earning, released from the States employment, not earning anymore in many cases and therefore, rather than being a support for our economy, more likely to be a drag on our economy. The principle that you grow an economy by making cuts, no economist in the world would support and yet, the Chief Minister says we can grow the economy and reduce our workforce at the same time in times of recession. We are still in times of recession. The F.P.P. themselves highlighted concerns ... you will get your turn later, Mr. Chief Minister, please stop doing hand signals at me. I can do semaphore, or I used to be able to. I will send you a message otherwise ... **[Laughter]**

The Bailiff:

You would have to do that through the Chair ...

Deputy G.P. Southern:

Through the Chair, Sir.

The Bailiff:

Yes, and that would be difficult. **[Laughter]**

[17:00]

Deputy G.P. Southern:

Carry on. I will take that as a carry on. The F.P.P. says that they are very concerned that our economy has not been growing for the past 2 decades and that productivity figures have gone down consistently over the years. We are talking about a figure, G.V.A. (Gross Value Added) per person in the finance sector, in 2001, at over 200. By the time we get to 2013, we are down to around 140. So, a gradual decline in G.V.A. per capita and yet, we are somehow, wonderfully going to grow the

economy by increasing productivity. I doubt that it is going to happen. The F.P.P. says high risk strategy. F.P.P. also says: "Hang on, let us look at the overall picture and what you are doing is saying that we will have overall 1 per cent growth by the end." That is an austerity budget. That does not grow the economy. That is a high-risk strategy indeed. Why will I not be supporting this Medium Term Financial Plan? Because it hammers the poor, the elderly, the vulnerable, the disabled. £10 million worth of cuts to the support system that we have got in place on the back of absolutely no evidence, whatsoever, that it is safe to do so for any of those groups and, yet, the evidence is coming. It is just around the corner. Come November/December, we will see a new income distribution report, which will update us from 2009/2010 and give us an indication as to how things have gone since then. What we do know is that moving from 2002 income distribution to 2009/2010, we improved the condition of children and pensioners and single parents in that period by moving to income support in a targeted way. If we were to wait 2 months for the latest report, we would see what evidence we have for further harm or benefit to those particular vulnerable groups. Do we know if the recession, if the increase of low wage poverty employment, has damaged the financial position of many people? We do not know. Two months down the line and we will know. Is their situation worse now than it was in 2009/2010? Or better? If it is better then perhaps it is safe to cut their benefits. But if it is made worse by the recession and low paid, low skill work predominance, zero hours contracts, that is what we have seen, then we should not be cutting their support lines because what we will be doing is putting more children, in particular, into poverty, more pensioners into poverty, more disabled, who struggle as it is to bring in enough income into the house, into poverty. That is the risk that we are taking and we are doing it on the back of no evidence. If we were to do this safely, this would be in a year's time having got the evidence up to date, what can we safely do? We might need to put more money in there when we see, come December, what the situation is. We are going to have more support into those particular groups or some of them. So it is doing them no favours. It is making them pay for the recession. It is making them pay for the financial crisis brought on by the bankers worldwide. There is also, in this austerity budget, this cut of staff. This cull of staff, I will refer to it, this voluntary release from work. There is also the danger, while we have received general assurances that frontline services will not be cut, some of us have heard from several institutions that there will be a cut to standards and some services. The Customs Service will move from being a proactive service, a highly successful one, likely to a reactive service. Standards will go down. The evidence is there. We have heard concerns from our firemen that some protective services, especially, may be lost. Not certain, but there is that risk and that risk or statements of that risk come from the experts, the people on the frontline. This is one I keep coming back to time and time again. Members will recollect that we are operating on an interim population policy. We accepted it for 2 years but, hang on, we just have to plan here to do the next 4 years and we have not got a definite population policy on which to base that. So what estimates on any of those departments from Education through to Public Services, through to Transport, through to Housing ... oh no, we do not own the Housing anymore, that has been let go and, in fact, we do not have any social housing anymore, because we have stuck the rents up to 90 per cent of commercial values. That means people cannot afford to live, apart from those who are really poor, when we will operate their accommodation component from income support, because we must make sure that Andium Homes and the trust survive and thrive, despite the fact that we have got a housing crisis and people cannot afford to live here. So, no migration or population figures, despite a Medium Term Financial Plan. So what the impact of that is, we have no idea. As Deputy Le Fondré has just said: "Where is the analysis of the impact?" We are going to get a distributional impact analysis. What parts of society will be hit by these cuts that we are making and these changes and these re-orderings? What will be spared? We are going to see that analysis, but it is some way down the line, not before we vote. So, another piece of research that should have been there in front of us during this entire debate and, in fact, should have been accompanying the first sight of the Medium Term Financial Plan, a fortnight or whenever it was, 2 months ago, when we first caught sight of it. That distributional analysis should have been there, so we could know what we were talking about and the reality is,

most of us, including myself, have not got the faintest idea what the impact is. We are voting for this M.T.F.P. with fingers crossed. Are we doing the right line? Oh, look, a wet finger. I do not know. Which way is it blowing? So, no impact analysis, no information on that. What else is not in here? Well, there is a certain thing ... the biggest spend we have ever done. The hospital is not in here. Cost, site, plans, specifications ... not in here. But we are committing ourselves to it because this is the Medium Term Financial Plan. Here we go. I am reminded of an old joke ... no, never use jokes in front of people. You always upset somebody. One person laughs, 3 people walk away saying: "I will never vote for him again." What else is not in here? A health tax or a health charge. Sorry, I do not know if it is going to be a tax and reasonably structured and means tested, or whatever, or whether it is a charge as you get on the trolley and you get wheeled into the hospital and you have to get your piece of plastic out in order to pay for it. I do not know. Again, I cross my fingers and hope it is something reasonable and that does not hammer the poor again. But, judging by the hammering that the poor have already got, I have not a great deal of faith that it will be properly structured and properly done. No water tax, no water charge, and I know that is likely to be user pays because they have told me it is going to be user pays and it is environmentally sound. Charging me to use my toilet. I am definitely holding on. I am not using the toilet more than once a day from now on and I will do my bit for the environment. This tax will work. The Fiscal Policy Panel also suggested ... and we have heard from the Chief Minister that we are into growth and everything is hunky dory again. The reality is that the Fiscal Policy Panel has pointed out clearly that the figures from the finance sector in 2014 are highly likely to be a one-off and not repeated. So, hoping to get growth in the economy through productivity, et cetera, whatever it is, because of the pick up as we come out of recession is not guaranteed by any means. That is reflected, not only in the recent news from China and the world market, et cetera, but even locally. The latest business optimism ... business survey, whatever it is called, is down again. Down, down, down. Worst figures for quite a while, I understand. So there is no confidence out there. As far as I am concerned, this is a high risk Medium Term Financial Plan, which offers ... oh, hang on. I missed another thing. Just in case we have not done enough crazy things in this Medium Term Financial Plan, despite the fact that we have got to research and review the way we structure our Social Security Fund, looking at who is going to contribute, how much they can contribute, it needs revision because it is about to peak, it is about to start going down. Guess what? While we are doing that, over the next 4 years, we are going to save £20 million from our superannuation bill, which goes in to top up that particular fund. So that is a fund that is coming to the end of its useful life without restructuring, and we need to restructure it, and yet we are just taking £20 million off the top of it to fund ourselves in various ways for the next 4 years. But we will then pay it back. That is like Wimpy in Popeye: "Can I borrow a dime? I will bloody pay you Tuesday." Hardly. We are told that the money that we are taking out, additional monies we are taking out of the Strategic Fund we are also going to pay that back eventually, if we can grow the economy and if productivity goes up and if we do not create miles more zero hours poverty wage jobs, which we have been doing for the last few years, then we will be okay. I will tell that joke. I am reminded of the man falling down the side of a building and I feel very much like that man. There he goes: "Oh, I have not hit the ground yet and the view is superb", but we might very well hit the ground sometime in the next 4 years.

[17:15]

The final reason why I cannot vote for this is because years 2, 3 and 4 are completely opaque to me. I do not know what is going to be spent where, or what influence I can have in spending that money where, saving that money where, completely blind. I am buying a pig in a poke and everybody is because we do not know what the plan is. We have no idea. That is no way to run an economy.

1.8.4 Deputy K.C. Lewis:

As usual, I will not be speaking for long. I always wondered what I was going to do with all the empty spaces on the next expenditure sheet, so I have used it to make all my notes in as there is

plenty of empty space there. I am concerned about frontline staff and public service staff. I do not have a real problem with voluntary redundancy, but it is the compulsory redundancy that is probably in the offing. As people are unemployed, their lives are devastated and they do not pay tax and it is the senior citizens and the young that are going to suffer. This money-grabbing exercise, I cannot quite stomach. When I was the Minister for Transport and Technical Services, I was putting together a new sewerage plant and I had the accountants to look at it and we could put it together in such a way there would be no sewerage charge whatsoever. Guess what is coming down the road? Many changes are going to happen in the next few months. Even the Minister for Health and Social Services mentioned the other week that his staff are being pulled in all directions - the ambulance staff, the fire brigade. The ambulance staff, I have a great deal of respect for paramedics and the volunteers but at certain times of the month, it is quicker to get a pizza. These cuts in frontline services really, really concerns me so I will not be supporting it. **[Approbation]**

1.8.5 Deputy A.D. Lewis:

I will be supporting this M.T.F.P. I think it is, in many ways, an excellent piece of work and the Treasury should be complimented for it. I know officers are here today. There are elements of it that could improve and there are elements that have been improved in this M.T.F.P. from the last one. Some of it, I would like to think, as a result of some of the comments that were made by the Comptroller and Auditor General. I would like to make a few observations and I think there are opportunities for further improvement in the future. Firstly, others and I, in particular, will be keeping a very close eye on the delivery of public sector reforms and it needs to happen quicker, otherwise we simply will not meet the targets in the M.T.F.P. So, I hope that that message has come across quite clearly from myself and other Members of the Assembly. I would also like to see, and it has been debated today, that bring forward of a plan for higher education, and I am delighted that the Chief Minister gave an obligation and a timescale today for that. So thank you to the Chief Minister. The M.T.F.P. though, I do not feel adequately challenges the existing expenditure and in the context of the strategic objectives that the Council has set. So, I think we could do better on that in the future. It also does not fully reflect the key corporate planning objectives for the structure of the public sector, its workforce, or the estate strategy either. I had hoped to see a lot more in there about the estate strategy, but I believe that is coming and that is going to be vital if we are to meet our budgets in the future. I do hope we will see a lot more of that in the future. I would also like to see future M.T.F.P.s challenging more growth bids and also base budgets to a much greater extent and I do not think we have done that quite as much as we could have done this time, even though some would say we have gone too far. I think, in future, we are going to have to go even further. The size of it is interesting. It is a bit smaller than last time. That was 200 pages and this is 175, I think, and there is an awful lot of repetition. I would hope that, in the future, the public will access this more and look at it more, but I think they are put off and Members get lost with some of the repetition in it, and I think there is a real opportunity here to do this a little bit better. It looks like it has been written in a silo, so I think it has and then been brought together at a later date. I think there is a lesson to be learned from that. So we all read it even more thoroughly and other members of the public do the same. So, that is an observation I hope will be taken on board by the Treasury. I am not degrading their work, because I know they have worked very hard on this. I also applaud the inclusion of depreciation in the report. That is an excellent concept. It was recommended by the Comptroller and Auditor General and it absolutely should be in there, even though we are not a business making a profit, it makes us keep a closer eye on our assets and I think that is excellent that it is there. I would also like to see a review of the carry forward process. I think there is a danger here, still, with the carry forward still being able to be in the way that we do things in the public sector, it can be abused. It is sometimes abused and I would like to see more done on that so that it is not and, of course, having set limits will help that process. I also think that we should be seriously considering what other approaches there are for funding capital and there was not really any information in the M.T.F.P. about that. I know there is talk and I know there is research and discussion going on about how we fund capital in the future.

We have got some big capital projects coming up. Currently, we use our revenue to fund most of it with the exception, at the moment, of Andium Homes and I really believe we should be looking at that more closely. We have an AAA rating and we can borrow money at a low cost and governments do it around the world for very good reasons, and we should be looking more closely at that possibility in the future. I would also like to see a much more sophisticated mechanism for identifying efficiency savings. What I have been presented with in recent times with the process review P.A.C. has been going through is grossly inadequate, in my view. There must be a much more sophisticated way of identifying an organisation the size of the States of Jersey, what efficiencies you can achieve. It does not seem to me that sophisticated and I think we can do an awful lot more on that. If we are to meet our objectives within the M.T.F.P., we are going to have to do that. You will also note that P.A.C. put out some comments about a number of things and I just want to remind Members of what they might be in case, with all the paper we had to read for this debate, you did not get a chance to read it. Some observations and recommendations, really, that came out of a review that P.A.C. did last year and that was to do with the Car Park Trading Fund, and I do hope that those comments were taken on board by the Council and, in particular, T.T.S. My predecessor did a lot of work on this and I would hope that that is looked at and fully aligned with the objectives of the M.T.F.P. The Treasurer of the States must also ensure that all project descriptions included within future M.T.F.P.s and budget statements provide a clear and accurate summary of the purpose of funding allocations and measurable outcomes to allow departments to be held to account. Just remember that one, because I do not think we had that in quite the way we should have done in the reports that we had so, I think, we need to keep a close eye on what is happening over the next 2 to 3 years. There is a lot of work to do. We can meet balanced budgets, I believe. That is what the plan is about. Having that forecast, whether we believe it is true, or not, it is a forecast. I believe it is being well-researched, we do not have a crystal ball, but we take in advice. What I would like in the future is to see a lot more external advice taking in preparing a plan of this significance. It looks to me as if only the Fiscal Policy Panel has looked at this. I may be wrong, but an independent view of this report in the future, when it is being compiled, I think, will be very, very useful and I am not too sure that that opportunity has been taken quite the way it has. There is a cost to that, of course, but I think it should be considered, so that we have another pair of professional eyes looking at this, other than just the overworked officers in the Treasury, who, like I say, have done a good job on this. I would urge all Members to support this plan. It is a plan for the future of Jersey. A plan for all of our people. It is not perfect for everybody. There are some winners, some losers. That is the way the world goes. I think there is sufficient in here to protect as many of our people as we possibly can in a benevolent, reasonably sophisticated, way, as we have done for many decades already. Money is tighter now than it ever was before, so we have to be more careful with it. I think that is what the plan is trying to do. I know there will be some objection to elements of it and we have articulated those over the last few days and very well. There has been some very, very good debate. I think Ministers need to take away some of those comments and look closely at their own departments as to how they can max out what they are going to be given over the next few years to even greater effect so that we do deliver what we say we are going to deliver to the people of Jersey. They are the ones that are important and this is what this plan is about, the future of Jersey over the next 4 years. Of course, there are many years after that and this is the bedrock for the future and I commend it and I hope all Members will vote for it.

1.8.6 Deputy M. Tadier:

Obviously, we have been going through the amendments and focusing on specifics, individual parts that we are either trying to safeguard or amend and, to a greater extent, and up until this part of the debate, we have not really spoken about the big elephant in the room, although I know perhaps my colleague on the right would have, which is the public sector cuts to workforce and I know others have mentioned that. I think really, whether it is voluntary redundancy or compulsory redundancies, there is obviously a difference for the individuals, if one feels it is preferable for

people to take voluntary redundancy. But the point is that posts go and so those are jobs that we are getting rid of. The same with compulsory redundancies, we are cutting back on a public sector that is already relatively small. We know the figures that in Jersey, roughly 14 per cent of our population are employed in the public sector. If you compare that to Guernsey at 16 per cent, Isle of Man at 18 per cent and some other place ...

The Bailiff:

Scotland.

Deputy M. Tadier:

Scotland at 22 per cent, that Jersey is already running pretty efficiently. But, we are told that we need unilateral cuts across departments. We know that of percentage cuts, irrespective of how good or bad those departments are, although there have been some growth bids for certain departments, as we know, to do with Health and Education. The issue there, as I have said before, is unilateral cuts do not work, because we need to establish that some departments may need greater funding and, certainly, what we have heard in the Scrutiny function, whether it is on the previous panel that I was on last time, or the current one, is that we know that the Planning and Environment Department already is working under budget. They do not have enough staff. We know that the environment, in particular, is one of those areas that is a poor relation because, often, it does not bring in any revenue. But, of course, environmental considerations of utmost importance often get neglected, because they are not often a political priority. That is just one area and I am sure that anybody who works on Scrutiny Panels, when they question the Ministers in relation to the C.S.R. (Comprehensive Spending Review) savings, none of them will tell you in those meetings that their departments are inefficient. None of the officers from the departments will say: "Yes, our department is really inefficient." I have been presiding over a department, which has been inefficient for 10 years or, as a Minister, yes, I have been in office for quite a while and we have been running the show really inefficiently." There are massive areas of that, because that is not the truth. In a similar way to the way we have internalised media fear about immigrants in this Island and we see the consequence of that this week, where people have just internalised that, they have believed it and it ends up being vocalised. The public have internalised what I believe is the lie that we have a bloated public service, because we do not. That is not the experience that I have seen from inside the States and I am just a humble back-bencher. I know that most departments are very efficient. They run on skeleton staff. We look at the old Housing Department, for example, now Andium, managed with a very small number of staff compared to other countries comparably and look at where Housing ended up. I think they were doing as good a job as they could and so it does not pay to always do things on a shoestring. Inefficiencies can work both ways. You can be inefficient as a department, because you do not have the right quota of staff, the right quota of resources, just as much as you can by being bloated. I think we would do well to remember that. It is also important to remember that there was a public sector rally, which saw public servants from across the Island, and across the different departments, come together and march through town. I was particularly moved by one of the speeches and I have just got a small paragraph from that. It was somebody who worked for the Health and Social Services Department. We know that money is going into health but we also know that nurses' wages are not keeping up with inflation. We know there is a recruitment problem for nurses in Jersey and, quite frankly, why would they come here if the conditions when they arrive here and the money that they get is not conducive to them living a decent life.

[17:30]

I am sure we all have the utmost respect for the nursing community. They work under very difficult conditions and we should all thank them for that. He said: "I work in the health service and we have seen a huge drop in morale among frontline staff." So, let us ask ourselves this, do we want a health service run by overstretched, underpaid, demoralised and fearful nursing staff, or do

we want a service which is staffed by well-trained, motivated, well-paid, dedicated professionals delivering top notch health care to all? We would do well to remember that when we talk about a new hospital, which I am sure is needed, but the key thing at any hospital is the staff because that is what we rely on. I think that once we withdraw the goodwill, which is something we cannot put a figure on, especially with our workforce. We know that they often go beyond the call of duty. They often do longer hours, which they are never going to get paid for, when they have to stay on because there is an emergency, something has happened on the ward where they cannot go home. They do it because that is their vocation. I do not think anyone goes into teaching or nursing primarily for the money. They go in because it is a vocation, whether that is in the fire service as well, et cetera. When we as a Government say: "Well, you know, we are not going to give you what you are worth anymore, even though costs are going up. We are going to reduce your money, give you a pay freeze", which is, essentially, a pay reduction, year after year and every time they have to come out and threaten industrial action that goodwill is eroded further and further, especially when they see other people being given incentives. We are told that money is tight. Absolute nonsense. Money is not tight. The amount of money in the world circulating has not gone down, it has only gone up and that money is not in the pockets of the majority. That money is somewhere, some of it may be virtual and it is tied up in stocks and shares and markets, and that is the issue we have got is that the wealthier get wealthy and capital is not put to good use. In the meantime, Governments like ours only make things worse. We were told that this M.T.F.P. is, at best, a sticking plaster by those who are critical of it. I do not think that is the correct analogy. If we are to use a health analogy, and I hope we can use analogies in this Chamber, without any of us getting confused, is that the sticking plaster, it is not. What this is, is a completely wrong diagnosis and a completely wrong set of treatments and I would make it akin to a type of Victorian medicine. Let us look at Victorian apothecaries and medicine in that particular period. Let us just read a quote, and I think the analogy will quickly become obvious: "Drugs used during this period did little to cure diseases. A large part of practising medicine involved keeping patients comfortable while nature took its course and that is not so different today, as many of the drugs prescribed are intended to control symptoms rather than provide the cure." I will not read the bit about preventing loose bowels but I will read the fact that simple remedies, including cleanliness, proper nutrition and the rest were often quite effective. So your general housekeeping, common sense ... commonsense efficiencies, if you like. "But medicinal practices intended to cure, such as purging or blood-letting, often did more harm than good." I probably do not need to point out, but we could change some of those words quite easily and, I think, we would have a history book, perhaps looking back 100 years from now, on what we are doing today, economists and school children being taught with incredulity how we try to put out a fire by putting petrol on it: "... but economic measures used during this period did little to solve the problem. A large part of politics involved keeping society just ticking over." Then it goes on to say that: "Economic and political practices intended to cure, such as cutting and outsourcing, often did more harm than good." That is the way that I see it, because you do not solve an economic crisis by taking money out of the economy. You do not tell the poorest and most vulnerable, who are already finding it difficult to find work, that: "We are going to cut your benefits as an incentive to help you find work, while at the same time cutting the amount of jobs that we are creating." I mean, what can a government really do? We talk about incentivising the private sector to create jobs, very abstract, very few leave us to do that and we do not do that anyway. The shops are closing all around and we know that there are difficulties with the social security system, which needs to be simplified. It does not help small business owners. We, ourselves, the one thing we can do is make sure that we provide jobs and maintain the jobs and the areas for which government can be, and should be, responsible. But we do not do that, we say: "We are going to cut back jobs and we are going to cut your benefits, because you are unemployed and we want you to go out and find a job. Good luck. That is financial independence." No, it is called austerity and we know who the victims of austerity are. They are the old-age pensioners, who have had their Christmas bonus cut, because money is getting tight. They are luckily not the over-75s, who have a means tested benefit for their T.V. licences.

They are under-25s, who have had their money cut. They are single parents, who have had their money cut. This is whom we are targeting, but in the meantime, the 1(1)(k)s are okay. They can come over here and pay little or no tax. The foreign-owned companies can come over here and pay zero per cent tax and take the money out of the Island. These are the real symptoms, these are the underlying causes of the economy that need to be treated but yet we are only treating symptoms when we take these little bits. There you go, there is a placebo, let us try some leeches, let us try a bit of trepanning, whatever you think might work. Simply, it does not work and I think people will look back, as I said, with incredulity, hopefully, being led by people with the best will in the world, but it simply does not work and we know it has the consequence of only widening the divide between the haves and the have-nots. That is why I simply cannot have any part of this Medium Term Financial Plan. We tried to bring amendments to mitigate some of the worst aspects and they have not been successful and I, certainly, will not be putting my name to this. My Reform Jersey colleagues will not either and we look forward to hearing from the many people, who have been affected to build a different type of society, a different type of politics, a different kind of socio-economic model that benefits the majority in the Island and not the minority.

1.8.7 The Deputy of St. Peter:

I shall be brief but I simply want to pick up on a point made by a previous speaker when Deputy Southern referred to this M.T.F.P. turning the Customs and Immigration Service from a proactive to a reactive service. That is one of the risks that has been highlighted by potential savings but, in fact, due to the excellent working practices and people we have working on our behalf, who are dedicated to offering our public services, we have found a solution. To mitigate these risks, officers from both Customs and Immigration and the States of Jersey Police are currently examining ways for future collaborative working. Not only on borders, but also in their intelligence and investigative functions. This increased collaboration will result in further efficiencies and will mitigate the risk that Customs and Immigration could become a purely reactive organisation. So, this is an example of the work that is being done behind the scenes and with the very best of intentions, because our frontline people are used to challenges. They face them every single day. They are practical people, as well, who are prepared to work smarter for the benefit of the whole public that they serve and they do so on a dedicated basis. In doing this work, the intention is that this M.T.F.P. will provide a sustainable future, not only for the next 4 years but for the years beyond that also.

1.8.8 The Connétable of St. John:

I am amazed at how much is in this document which is referred to, but then not given any detail. **[Approbation]** For example, the health charge. How is it going to be implemented? We are being asked, today, to agree to £35 million a year by 2019 for a health charge, but we do not know how it is going to be levied and I just wonder, is this a stealth way of introducing a property tax? Three years from now we will be told: “Oh, but you agreed it. We are just giving you the detail.” I think this Island is pretty vehemently against a property tax, but we could be agreeing that today, because we have not got the detail. Always read the small print on any document. Well, Chief Minister, I congratulate you because there is no small print on this document. **[Approbation]**

The Bailiff:

Through the Chair, please.

The Connétable of St. John:

Through the Chair, Sir. I cannot find any print at all. **[Laughter]** So how is this health charge going to be raised if it is not a property tax? It could be the same as the healthcare charge. We have to protect our 20 per cent income tax. We have 20 per cent income tax plus 1 per cent surcharge for health care, rising to 3 per cent. So is this healthcare charge going to be another 2 or 3 per cent? The other charges that will come in in future years means that Jersey will protect its 20

per cent base rate, but it will be 20 per cent plus 3, plus 3, plus 6, plus 7, plus 2, plus 3. **[Approbation]** But the 20 per cent has been protected. Well done. I am rather intrigued, as someone who has worked on the outside of the nitrate reduction group. This is a very, very important environmental issue on this Island. We keep hearing about the high nitrates in our water. The Health Officer has to sign off Jersey Waterworks every time the water goes above 50 mg of nitrates per litre. She has to sign a certificate saying: "Yes, you can use that water." What are we proposing today? We are proposing a sewerage tax. I will tell you what I will do, if it is a user-pays charge, which it says it is. Well, it says it is a saving, but savings usually mean not spending money. £10 million is an extra tax. Now, if it is going to be a tax, is it user-pays tax? In which case, I will lift the manhole cover outside my house, I will pick the bung from one pipe and I'll stick it in the other so that all my sewerage goes into the soak away. This is something the nitrate group is vehemently opposed to and they have been encouraging more mains drains, encouraging people on to mains drains to cut the nitrates. Here we are, bingo. We are going to do it the other way around. "Spin", I have got written here. I think I will leave that because we all know about that. **[Laughter]** Now, the success of the M.T.F.P. has a number of ifs. I just listed 5 of them, because I do not want to detain everybody beyond 9.00 p.m. tonight. If the public sector reform succeeds, then this M.T.F.P. will succeed. We have seen the P.A.C. report, roughly translated says: "What sector reform?" because it is not taking place. This M.T.F.P. also relies on its success on £145 million worth of savings. I have here, hot off the press, which I am told I am allowed to quote from, from a ministerial meeting recently, they are currently under target on the £145 million worth of savings by £21,302,000 and it has not even started. So that is the second "if" they are not going to meet. Any one of these "ifs" means the M.T.F.P. will not succeed, so I have 2 "ifs" that already say it will not succeed. The third is if the income forecasts are correct. Well, they were not in the last M.T.F.P. and, in fact, that was the main reason behind the last M.T.F.P. being less successful, in fact, significantly less successful, than proposed. Yet, here we are, predicting an increase in personal taxation, which is unrealistic and described by the experts employed by Corporate Scrutiny as being optimistic. "If" number 4: any form of reform - and we are looking for people's savings of £70 million, 20 per cent of the wage bill - this can only be achieved with the co-operation of the staff. You have to take your staff with you. You cannot sit in a glass tower and dictate, it will not work, it never has; well, it may have 2 centuries ago. The fifth "if" is dependent upon raising taxes, which I covered earlier. We are going to have to introduce a charge - better known as a tax - for health. We are going to have to introduce a saving - better known as a tax - for using the toilet. I, with 5 "ifs" that I seriously believe will happen, but need to be achieved for this M.T.F.P. to succeed, they are not going to happen and this M.T.F.P. is not going to succeed. Now, I heard someone say: "We have got to support this M.T.F.P., because if we do not, there will not be any wages for people next year, because we will not be able to bring another one in time to pay for everyone." That is why the Corporate Scrutiny Panel said: "Let us vote one year at a time until we get the figures." But, no, no, that was not permissible. The bottom line is very simple. My parishioners have approached me and I am pleased to say that I have agreed absolutely 100 per cent with them: you cannot agree to a proposition which does not give the necessary detail. The final word I have is this Assembly rules the Island, not the Council of Ministers, and that needs to be very carefully remembered. It is the Council of Ministers who have to come here to us to say: "Can you please approve this?" If we do not like it, then we must vote the way we feel and the way the people who elected us here today feel, and that is please, take it back, this is not acceptable. I will be voting against the proposition. **[Approbation]**

1.8.9 Deputy S.Y. Mézec:

It is a privilege to follow that speech. I enjoyed listening to that and I believe that the points the Constable of St. John made at the end was, I believe, the most important point that shows that he understands what the duty of a parliamentarian is. The States Assembly is not the Government of the Island, the Council of Ministers governs, because of our permission on behalf of the people who elected us; we appoint the Government, the Government then comes back here and if what they

propose to us is not good enough, we have no duty just to rubberstamp it because: “Well, they have been through the process, they have done the work, it would be harsh not to.” That is not what this Assembly exists for and if Members in here believe that is what their job is, then they may as well go home, because it is not the role of a parliamentarian simply to do whatever the Government tells them to. So, I was very glad to hear that section of his speech and I hope other Members will share that view. The primary reason why I will be voting against the M.T.F.P. is very simple: because it goes against my election manifesto. I was elected on a platform of saying, primarily, I would vote for anything which would improve the lives of ordinary Islanders and this M.T.F.P. is going to do the precise opposite. If I voted for it, I would be betraying the people who put me in this job. Being a States Member is, I believe, the greatest privilege a Jerseyman can have, and when you are in such a privileged position I believe it would simply be immoral to treat the people, who put you here, with contempt by backing this M.T.F.P. The reason why I believe that can be split into 2 reasons. The first, which was adumbrated very effectively by the Constable of St. John and by Deputy Le Fondré, is that we are being asked to approve £3.1 billion of spending and we do not have anything even close to adequate details for that. That is simply an irresponsible thing to ask this Assembly to do and I believe that the Government should be ashamed of themselves for even entertaining the idea that they could ask elected representatives to do something so irresponsible. That was unbelievable for them to think they had the cheek, frankly, to do that and they should have accepted the Corporate Services Scrutiny Panel’s proposition to split the vote, so that Members, who shared that point of view, could at least allow something to work on while sending the Council of Ministers back to look at the other work that needs to be done. So, one of the reasons I will be voting against this, is because this is irresponsible and I believe the role of parliamentarians is to act responsibly. I would hope that would go without saying. The second part though - and this is the important one for me - even if they did have the detail, even if they had come forward with all the years plotted out properly, the fact is the plan is still the wrong plan, even if they did have all the numbers. Now, something is going around on social media at the moment that is getting quite good press. I happen to know the person who wrote it very well and know that he is a very, very intelligent person and I think he has phrased it very well. It says this: “The Government’s plan for economic recovery in 5 easy steps. Step 1, sack 1,000 public sector workers who spend their wages in the local economy. Step 2, raise £45 million in new taxes from people, who would otherwise spend that money in the local economy. Step 3, keep minimum wage below the U.K.’s, so the poorest people in society have less money to spend in the local economy. Step 4, cut benefits by £10 million so the people have less money to spend in the local economy. Step 5, leave high earners completely untouched, so that they can increase their savings instead of spending that money in the local economy. What could possibly go wrong?” This plan is completely economically bankrupt because it is going to see over the course of the next few years millions and millions of pounds taken out of people’s pockets, simply to help the Government balance the books, when it has not been prepared to do what it should have been doing from the very start, which is looking at our tax and spend model and realising that it is simply not fit for purpose any longer. Deputy Southern mentioned this and it is a point which was the subject of my speech at the hustings at the general election: we currently do not have a population policy, we have an interim population policy, an interim policy which dictates the number of people we will be letting into the Island, which previous to that policy being passed, we were not hitting, and after that interim policy being passed we are still not hitting. So, if these forecasts are being done on the presumption of this interim policy being worth the paper it is written on, then you know even more that what detail we do have is ineffective and wrong because it is based on a false premise. What is even more concerning about this is that we are about to undertake massive capital projects, a new school at Les Quennevais, new hospital, and we do not know what the population of this Island is going to be in 30 years. We know that we have an ageing population, which poses enough challenges as it is, which the Government is not putting forward measures to address properly, it is simply believing that we can make £145 million of tax rises and cuts to jobs in public sector services and somehow things will add up. Well, as I said in my speech a few days ago, we will find in 10 years that we are

back in this situation exactly the same now if we have not addressed this issue with a comprehensive plan that deals with everything that we know is coming to face this Island. You have an ageing population, the public services we are currently already delivering become more expensive when you are doing those services for a larger number of people, and also a larger number of people who are not working because they are retired. So, it simply does not make sense, it is completely short-sighted. The Government has a particularly bad track record at delivering on the things that most of us, whatever side of politics we are on, believe would be a good thing. We, in Reform Jersey, of course believe that the public sector should be efficient and effective. No politician is going to stand up here and say: "Yes, let us have more people doing jobs in the public sector than is necessary, rather than have them somewhere else doing something productive in another place." But the problem we have is that the Government have been saying for so long now that that is what they were going to be looking at, they were going to drive forward efficiencies, they were going to have eGovernment, that was the great thing as well and we know how many millions of pounds have been spent on something for which we have absolutely nothing to show for at the moment. This shocked me. A few days ago I discovered that I was the last person in Jersey to realise that - I do not know if we are allowed to name him because of Standing Orders, I will call him Superman for the purposes of this section here - the man who had been brought in at £650 a day to find out where the savings could be made, we found out he had resigned. Apparently, I was the last person in the Island to find this out, I spoke to other people: they had known for a month that this had happened. What did he say as he left? Did he say he had confidence that the Government would be able to deliver on what it said it was setting out to do? No. This is somebody who most would say has a track record in other areas of having delivered on increasing efficiency and reducing the number of people doing a necessary job, someone who most would say has a track record, that is now saying that the States of Jersey is incapable of doing it. So this then leads to what I think is the most worrying aspect of this. What happens if we get 2 years into this M.T.F.P. and we realise it is not working? We will be voting later today or perhaps tomorrow morning, I suspect later today, on adopting this, on setting the parameters which the Government is allowed to work within. What happens if we get 2 years into this and we realise that throwing people out of work, into an economy where those new jobs either are not being created, or the people who are being kicked out of their jobs in the public sector, do not necessarily have skills which are directly transferrable to the jobs which are being created in the private sector? We find out that the numbers simply are not adding up and many of these people where they were in jobs, paying tax, earning money and spending it in the local economy are on the dole instead. We are in a situation where we know the Social Security Department wants to reduce the amount of income support being spent, but if the pool of people that you are having to pay income support to increases what do you do then? Do you cut more from disabled Islanders? Do you cut more from pensioners? Do you cut more from single parents? What happens then? What happens if the economy takes a downturn, as is entirely feasible, what do you do then? Do you say: "It looks like the amount of tax intake we are taking is not quite what we expected it to be so the black hole is even greater than what we have told it was." It does that quite regularly, initially during the election, I believe, we were talking about a £90 million black hole, I feel a fool for having told that to the electorate when asking them to vote for me when we find out that it is significantly greater than that and in a few years it could be even greater still.

[18:00]

The fact is that the Government has no plan B and, to think about it, it cannot really have a plan B, because plan A is so flawed there is simply no way of varying it to make it something that could work. It is something that some of us have been talking about for years and years now, some of us for more years than others, I believe 10 years ago I probably did not understand these issues very well, I was more focused on things that a teenager would be doing. The fact is that because our tax and spend model has been broken for quite some time now, we are heading towards a situation where simply so much damage is going to be done because the Government has chosen to bury its

head in the sand and forget, or not even entertain the idea of looking at our income tax model and deciding that a progressive taxation way forward is the only way which we are going to be able to continue to fund public services that we must be providing, because if we do not we would lose the right to call ourselves a civilised society. **[Approbation]** A civilised society must do several things. I do not believe you are a civilised society if you believe when you reach retirement age you should be cast aside, left on your own to fend for yourself. That is not a civilised society. You are not a civilised society if you are not able to provide support for people who suffer from disabilities or illnesses. I also do not believe you are a civilised society if you are not able to provide support for people who have faced tough circumstances through no fault of their own. So far, we have been debating through a Medium Term Financial Plan where those people are the ones who have been targeted the worst. We have had votes on whether we protect the pensioners' Christmas bonus; we have had votes on whether we protect L.T.I.A. (Long Term Incapacity Allowance) and we have had votes on whether we protect the lone parent component in income support, and none of those votes, I believe, have gone a particularly positive way. So, we are now looking at voting at a package which, as well as catching those people, will also be talking about new taxes. I am making this conscious decision now that I will never refer to these as charges. They are taxes and, I think, to phrase it any other way is to do the public a disservice, I believe. The Corporate Services Scrutiny Panel has said that this is going to see 1,000 people £1,000 a year worse off. That is something which none of the candidates, who went on to become Ministers, ever told the electorate. Had they been told that, I wonder what the result would have been. We have seen hundreds of people marching through the streets of St. Helier this weekend, most of them public sector workers, many of them talking about not letting this drop. When I walk through the streets of St. Helier, I am regularly getting people coming up to me, not just from the public sector, as it happens, but also from the taxi industry. I had a conversation with someone recently, who were talking about industrial action over this because the way they see it is they, like us, believe that the public sector could be working more efficiently and they have some ideas about how to contribute to it, but they believe they have been completely ignored, they have not been treated seriously, and the purpose of consultations with them was not to get these bright ideas and bring them on board, it was simply to tick a box on a form that said: "Yes, we had a consultation." That was the purpose of it, not to get any real progress or information from these people. That is another thing that, I think, feeds into this concept of a plan B. What happens if there are strikes? I do not like strikes, I do not want strikes to happen, they put people at inconvenience, they put ordinary Islanders in particular at inconvenience, and the people who go on strike do not get paid while they are on strike. But the fact is strikes will cost us and we are meant to be saving money, we are meant to be sorting things out to be more efficient, so if you are encouraging - because that is what this essentially is - you are encouraging your workers to go on strike, we all pay the price from it, which means even deeper cuts in the long run, which, I think, is absolutely absurd. I will come to an end now, but I think that this Medium Term Financial Plan is insulting to the people of Jersey, because it does not appear as if it has been thought out properly, it does not have the detail that we need to be making a sensible decision and, worst of all, it was never put to the public of Jersey in an election to say: this was the way we are going forward. This M.T.F.P., I believe, will put this Island on the road to ruin. I hope most Members will agree with that and consider voting against it and forcing the Council of Ministers to go back and think of something much, much better than this and, hopefully, look at, or initiate some sort of review to examining our entire tax and spend model, so that we do not end up in this situation in 10 years, another 10 years, another 10 years. To go back to the analogy that was used by Deputy Tadier about treating the symptoms rather than the cause, this is 19th century medicine style economics here. That is what this is. We need something fit for purpose and something which will work in a 21st century economy and this Government, frankly, does not seem to have a clue what it is doing and I think the people of Jersey probably realise that.

1.8.10 Senator P.F. Routier:

This has been a tough debate for many of us, certainly; we have had the swings and roundabouts of the various decisions we have been asked to consider. I think there have been those Members who want to have tighter controls on our spending and there are other Members who have wanted to be a bit freer with our finances. So, it has certainly been a swings and roundabout debate. What I have difficulty with, obviously, is some of the comments, which have been made by the Reform Party and their members with regard to this M.T.F.P. plan hammering the poor, the vulnerable and the elderly. This M.T.F.P. plan does the opposite to that. The vulnerable, the poor and the elderly are being supported by additional money being put into the health and social services budgets. We are going to be spending a vast amount of money on health and social services and, in particular, social services, where those people who are vulnerable, who are elderly, will be supported. I find it quite astonishing the scaremongering that is going on by the Reform Party, and worrying those people in our community I think is disgraceful. My election pledge was to support the poor, the vulnerable and elderly, and I believe this plan does that. I started the day at a conference, which was looking at how the whole of our Island community could support people with mental health services to get into work. It was a fantastic event, although I, unfortunately, could not spend enough time there, but knowing the number of people that were there, the businesses, the people who were there to support people with mental health issues, I think it was a tremendous event and to know that our community really wants to do that is superb. There is money from within this M.T.F.P. plan which supports that. We talked about election promises, Members like to quote various things which various candidates said they were going to do. One of the main things that I talked about was mental health services and children's services. I can hold my head up high in supporting this M.T.F.P. plan, because that is exactly what it is going to do. We are going to have a far better children's service than we have had in the past and we are going to have better services for people with mental health issues. I hope Members will be able to recognise that within this plan; we are going to be supporting people with more money going into education and more going into our health and social services, and I hope everybody will get fully behind it. **[Approbation]**

1.8.11 Deputy S.M. Brée:

I do not, indeed cannot, support this M.T.F.P. There is no detail for 2017, 2018 and 2019 expenditure so how can I make an informed decision? It contains highly optimistic income forecasts. Now, great store has been set on the recent G.V.A. figures which showed an upturn in financial services sector income. Well, the F.P.P. themselves have stated that that should be considered as a special one off; it is not going to continue, despite what the Council of Ministers will have us believe. We are seeing the introduction of new health charges and user-pays charges, these are taxes on the public of the Island of Jersey and yet no detail on how these will work, no impact studies have been and there is no distributional analysis to show who is going to be hit the hardest. But, I think we all know who is going to be hit the hardest and that is low to middle income Jersey. This M.T.F.P. blatantly targets vulnerable sectors of our community. I do not support the cancellation of the Christmas bonuses for O.A.P.s (old-age pensioners). I do not support the closure of the free T.V. licences scheme for the over-75s and, more importantly, I do not support the reduction in the benefits that is being envisaged by Social Security, without any real distributional impact studies being available to us to make an informed decision. There is a huge risk to the delivery of this M.T.F.P. and it is the inability to deliver the people savings of £70 million. The reason the risk is there, is that the Council of Ministers have failed. They have failed to consult with the unions, they have failed to discuss their plans with the unions, and they have failed to take into account that the people, who are at the ground level, probably know where the inefficiencies lie. But, no, the Council of Ministers know best. I probably would have approved 2016 on its own; we had the detail, we had the income forecasts, it kind of made sense, but I was not allowed that choice because, once again, the Council of Ministers knows best. I have to vote on this in the best interests of my electorate and with my conscience. This M.T.F.P. is not in the best interests of a very large proportion of the electorate of St. Clement. My conscience does not allow me to approve this M.T.F.P., as there is no detail for 2017, 2018 and 2019, so how can I make a

reasonable, informed decision? I would also urge Members to recognise, truly recognise, the fact that this M.T.F.P. is not a plan, it is just a one-year budget with a promise to fill in the gaps by June 2016. This is not prudent financial management and so I will not support it. Unlike some other Members, I do not have faith in this Council of Ministers to deliver on its promises. I need to rely on detail and evidence, not just blind faith, in order to give my support to anything. Thank you.

1.8.12 The Connétable of St. Peter:

I stand in quite incredulity at the last speaker's comments. He was saying he cannot support anything without any thorough research and understanding and yet he voted for many of the amendments today, many of which had no research of where the money was coming from and what the outcome was likely to be on departments who had to give up part of their budgets.

[18:15]

I really find it difficult to balance that argument, and an argument he was making quite passionately in saying the Council of Ministers, basically, cannot deliver, yet he has made decisions effectively that he is accusing the Council of Ministers of. So I find it very difficult. I am sorry, Deputy Brée, through the Chair, to be quite so aggressive about it, but I do find it very difficult. In this Chamber we are all in this together, whether we like it or not, whether we are Government or not. We are States Members, we are here to make the right decisions for the people of Jersey and we cannot keep pointing the finger at others in this Chamber as an excuse why things are not going well. It is our job, we are put here by the people of Jersey to make the right decisions. By criticising it means you are not joining in, you are part of the problem, you are not part of the solution. How many of you have been to the Council of Ministers to talk about the Medium Term Financial Plan? How many of you have gone in with some ideas to help them to go forwards with this? Having said that, I do share in some of the criticism of the Council of Ministers. I share in the criticism, because I have not seen what I had hoped: that more would come out from M.T.F.P. I have not seen some creative ideas. I have not seen some entrepreneurial options. When we talk about voluntary redundancy, why do we not talk about self-buyouts instead of voluntary redundancies? Why do we not offer staff some opportunities to become service deliverers to the States, rather than giving them a voluntary redundancy? Give them the opportunity of having control of their own destiny. These are the sort of things, the new options, the new ways of reducing our costs and reducing our staff and getting better levels of services. These are the things I was hoping to see coming out from the Council of Ministers and I hope they will start to think more about how we can deliver services better, not necessarily by looking inwards. Certainly, there is quite a lot of strength, even within the offices within the States of Jersey and yet staff taken out by redundancy are merely replaced by people brought in on consultancy to do the work they would have done, so there is no net benefit at the end of the day. Whether that is true or not, that is a matter of opinion among a lot of people. I have to say, I apologise, I do have a bad attitude today, I have had a bad attitude for quite some time, as the Chief Minister knows. I have visited him on several occasions to express my bad attitude with him about the Medium Term Financial Plan that has caused me some sleepless nights. But I have to resolve myself that they are going to be doing some work. I will challenge them, I will work with them and, on that basis, I will support this M.T.F.P. But they need to engage and we all need to work together, because whether we like it or not we are all in this together. Thank you. [Approbation]

1.8.13 Senator A.J.H. Maclean:

Sir, you have anticipated that I was going to push my button, which is absolutely right. We have heard, barring the last speaker, and one or 2 others, some very depressing speeches recently in the conclusion to this debate, and it disappoints me to hear such negativity. We have faced some incredibly difficult times over the last few years. It is, without doubt, the Council of Ministers' view that this is the best plan for Jersey at this time. We believe that it will deliver for the Island in the medium term and, ultimately, set the foundations for the future. It recognises the strategic

challenges that we face, income rising at a slower rate than in the past, an ageing population, the after-effects of the worst global recession in a generation. It proposes sustainable, long-term solutions, it aims to deliver a balanced and fair package of measures, encouraging independence, ensuring people are always better off in work than on benefits. It enables us to invest in priority areas like health and education, to deliver a modern, efficient public sector, to support economic growth and achieve balanced budgets by 2019. It proposes investment: an extra £168 million for capital projects over the next 4 years, £96 million more for health, £27 million more for education, £20 million for projects that boost economic growth and productivity. Those are areas that create jobs and generate more tax revenues. That type of investment is not what I call austerity; that is what I call investment and, I think, it is essential that we get behind this plan and give the confidence to the Island that we are now on a trajectory to recovery. Vital investment is absolutely critical at this time, also it is critically important that that investment is targeted, that it is built on reform. We have talked a lot about the reform agenda and the reform of the public sector needs to accelerate at a pace that has not been seen to date. It is also a need for restructuring; restructuring and redesigning services and delivering important efficiencies and achievable savings on the back of it. We know that this will not be easy, but it is the right thing to do, it is the right plan, and I am confident that for the future Jersey following this plan will have a very strong and fruitful long term future. I commend the plan.

1.8.14 Deputy M.R. Higgins:

I will just explain to Members and the public why I shall be opposing the Medium Term Financial Plan. The question is really where to start and I think the main reason why I am not supporting the plan is I have absolutely no confidence in the Council of Ministers and their ability to deliver what they are saying to us. I also happen to believe that members of the senior civil service, as well, some of the chief executives, have their own vested interests and will not be achieving the plan.

The Greffier of the States (in the Chair):

Deputy, I do not think you should refer to officers, who cannot reply in this Chamber, it is not conventional to do so.

Deputy M.R. Higgins:

Okay, it is not conventional, so I will withdraw it, but in terms of belief, do I believe that everyone is behind the cuts or efficiencies that we would be seeking? I am not convinced that there are people who are 100 per cent committed. I am also firmly against austerity as a measure of trying to sort of deal with the problems we have. Members of the House here have come forward with amendments and been looking at contingency plans and saying: "Let us go for the contingency plans, let us use those." But, other proposals that came forward raised the question of taxing those over £100,000. One of my criticisms of our system is that we have a tax system which no one is prepared even to look at. How many of you have had papers from the Council of Ministers explaining all the options that we can see in the way that we finance public services? None. You think about it, where are the options? None, because they have a fixed view, 20 per cent income tax, tax neutrality when it comes to the finance industry, Zero/Ten and so on. They have had a fixed view and for as long as I have been in the States they have had that fixed view and nothing will change them from that particular stance. Zero/Ten is having the effect of bankrupting this Island. Now, I can remember the arguments in the States over the last 7 years when we talked about Zero/Ten and they said: "No, it is not, we will be able to carry on as we have before because we have Zero/Ten, we are being competitive." When Zero/Ten came in, by the way, it is zero for companies and that is zero for any company, both local and international. That is the first thing. So do all companies in Jersey pay tax? How are the taxes raised? The taxes are raised if the main owners of those businesses are getting dividends and getting income that way and they are taxed at 20 per cent. How many firms over the years have changed ownership? Look at Normans, for example, Normans is owned by a French company. I wonder how much savings they made over

the years, or other companies that have now been sold to foreign enterprise; we have Rubis which is a French oil company. You have other firms like that, foreign ownership, not paying any tax. The owners of them beforehand, how much of what would have been their tax was rolled over into reinvesting in the business and they got a bigger return for the company afterwards and, of course, we do not have capital gains tax or corporation taxes, so those people would be able to have all that money and not pay any tax on it. So Zero/Ten means that a whole chunk of our income has been lost and more burden is being placed on the individuals, and we all know that middle Jersey is suffering from the burden that they are under. If we go by what the Corporate Services Scrutiny Panel say and take their figures and, I happen to believe them, an extra £1,000 per head is going to be placed on every person in this Island. They are going to be buckling. Just one other point I want to make on the Zero/Ten was we were told it was all going to be dealt with by deemed distribution. This measure was that companies would have to pay tax on what it was normally assumed that they would earn and they would have to pay tax on that basis. We told the Council of Ministers at the time that Zero/Ten, with deemed distribution, would be unacceptable to the people. Why? Because it was discriminatory. It would mean that Jersey firms were paying taxes which, essentially, were corporate taxes, but foreign ones would not. They told us: "No, no problem. We will be able to get this through, we have the right plan." What happened? They go to Europe, they have to drop deemed distribution, because it was discriminatory. They would not accept that. In the past we have also had things like - I am going to get a few points in here about failures of this Government - low value consignment relief. We took on the British Government and it cost us about £1 million to do. We did not have a hope in hell of changing their mind on that particular one. Fortunately the Speaker is not listening. **[Laughter]**

Senator I.J. Gorst:

Sir, I am sure you are able to do 2 things at once and I think, potentially, that the Deputy was using unparliamentarily language.

Deputy M.R. Higgins:

I am sorry, Sir, I hated school cheats and others who snitched. **[Laughter]** I do not think you heard me, Sir, so I think I will carry on.

The Greffier of the States (in the Chair):

Yes, I have a confession to make that I did not hear you, Deputy, but I am sure if it was inappropriate you will withdraw it. **[Laughter]**

Deputy M.R. Higgins:

I cannot even remember what I said now. **[Laughter]** Oh, hope in hell, okay. **[Laughter]** **[Aside]** No, I am an honest politician, which is an exception, this is why I am putting the truth on the Chief Minister.

The Greffier of the States (in the Chair):

In that case, you should withdraw it, Deputy. It is not language to be used in the Chamber, thank you. Please continue.

Deputy M.R. Higgins:

Sir, I do apologise for that. I mentioned low value consignment relief and, as I say, there was no chance whatever of winning that particular matter and we wasted £1 million by pursuing it. It was a P.R. (Public Relations) exercise, I think, on the part of certain Ministers to show they were doing something. It was not within our gift to be able to change their mind, it was totally within the powers of the British Government, whether they accepted it or not. In fact, we are already seeing other measures coming through Europe now where they are going to bring in a scheme which may even reduce that. Over the years we have had a Government that has been pursuing policies on tax, which are damaging the Island, in my view. We have probably the biggest shift in the tax burden

away from companies onto individuals, and the people of this Island are really suffering because of it. The policies they are going to be pursuing, I think, are going to end up with the burden being made even higher. Now, others have mentioned it and it is quite true, the measures that they are pursuing, in terms of austerity, will have a major impact on the economy, not necessarily the way they think. For example, how many public sector workers, who are being told by this Government that compulsory redundancies are coming? Now, if you thought you were going to lose your job and you were going to be made redundant, what are you going to do? How is it going to affect your spending pattern? Are you going to carry on spending as before? No, you are going to start saving as much as you can to try and cushion yourself for the time that you may well be unemployed. We know, for example, that our income support system does not really protect families with mortgages. If they are living in States accommodation, or private accommodation they can get something to go towards their rent, but if you own property, no way. So what we will see is, depending on how quickly these cuts come through - and they are relying on them coming through very, very quickly - what impact is it going to have on, for example, the housing market? What impact is it going to have on people shopping in the shops? I would not be spending, I would be saving every single penny that I have and I would be trying to drive down any debtor to the lowest level.

[18:30]

That is the impact of these measures. Now we are being told, for example, that: "Oh yes, but we are investing in the economy. We are going to be building this new hospital. We are going to build a new school." We can already see signs in the economy, looking at the business survey, that the construction industry are the most positive of the lot. Why? There is an awful lot of business there already and if the Island is coming out of recession then it is quite likely that there may be some more private investment. The point I am trying to make is that type of building is not going to generate an awful lot of money that is going to filter through the economy, because many of the firms that are going to come in and deal with the waste plant, deal with the hospital and deal with some of the other things we need are going to be from outside the Island. Most of the money from those objectives, as the States are paying the money to these firms, if you expect it to circulate within the economy, some of it will, but most of it is going to go outside the Island. That is not going to help. If we look at the policy of making people redundant, I am opposed to that. Yes, we can always make efficiencies and what I would say is, we can make efficiencies. In fact, the Fiscal Policy Panel - I was just reading their report earlier - talking about efficiencies, rather than reprioritisation; efficiencies can improve in the goodness for all. In other words, they will benefit us all. If we start reprioritising what happens, as they say in their report, someone is going to lose. Perhaps others will win. We will get some people, for example, who will be coming in and replacing what the States are doing. Now, there are some Ministers who are so wedded to the idea of privatisation, this is where they see the future. Privatisation does not always work. Very often it leads to higher costs and lower wages for the employee. One of the things that we have seen, and it is not just here in the Island but elsewhere, a lot of the jobs that are created are low-value jobs in terms of low-income jobs. People who are in the public sector, for example, if they are made redundant and they have to go back into the workforce and private workforce, especially with the reductions that have been made in income support and social security, will find themselves trying to get a job and they will have to get the first job they can get or the second or third job they can apply for and they will find that they will get much lower wages than before, so there will be less money going into the economy that way. As I see it, their policy of austerity is going to cause immense damage not only to the public sector workers they are letting go, it is going to have other damage on the retail sector and it is going to have ... which also affects, by the way, the jobs in the retail sector. Because, if we suddenly find there is this deflation in terms of the people who are out there have got less money and are not spending it, and if the projects that we are investing in, the money is going overseas and not being reinjected in our economy, then you will see some strains on the retail sector. How many firms will carry on if they start seeing this? A lot of firms are a bit

dodgy out there. They have been having competition from the internet and the sales are not that brilliant, and if we find that people are spending less, then the retail sector will come under stress. Some of those workers will be laid off. Some of those businesses will go out of work and we get into another sort of cycle. We keep on being told by this Government how brilliantly they are doing. We just got on 30th September the figures for G.V.A. Oh yes, we are about 5 per cent better off. Great. As did F.P.P. (Fiscal Policy Panel) say, a lot of that was down to one-off factors in the finance industry. It depends on where the taxes are put and all the rest of it. How they have manipulated all their figures, where the profits are. They have indicated they may not last. They are forecasting, for example, from 2018, we can expect economic growth but it is flat, zero. Which is quite an improvement over the last 10 or 15 years when it has been negative, because it has been sliding down. They pursue policies, for example, and this is not anti-finance because I would like to see the finance industry move into other areas and develop. But the finance industry has been the path that has been protected. I can understand why, because a number of people work in the economy and it is a contribution but we have not invested - and I am sorry that Senator Farnham is not here - for example, in tourism and some of those areas. Or in some of the other sectors of the economy. A lot of that growth could come or the growth in the future could come in small incremental steps in some of the other areas. But we have not, we have constantly done one area, and that has been a mistake. I know that Senator Ozouf, if he was here, would be telling us: "Oh yes, but we have diversified the finance sector." Yes, there has been some diversification but if you look at the threats that are out there, for example, when are interest rates going to rise? How long have interest rates been at the level they have at the Bank of England? We keep on hearing: "Oh, it may be next year interest rates will start rising. They are probably going to rise by quarter of a per cent or half a per cent, which is next to nothing. You need larger growth than that. If we look at what is happening at the present time in Europe. There are problems which are going to affect our economy and our ability to get out. If we look at, for example, over the last 2 weeks we have seen a number of changes in the structure of the finance industry. ABN Amro has left. They have gone to Guernsey. Barclays have just created 63 jobs in the Island. We were forecasting this 2 or 3 years ago. There are tremendous changes taking place in the whole financial services sector. There is a question of ... and I will explain briefly why. When we had the crash in 2008 RBS went to Chancellor Darling and said: "We are in major problem, we need bailing out." Basically he turned to them and said: "Well, can you not sell a few assets? Can you not restructure or whatever?" They did not even know where all their branches were and what they were doing and they did not know how to decouple them. One of the consequences that has happened from that crisis is the fact that all banks have to create Living Wills. By that, they need to understand their structure and they need to understand, if we have another crash, what they can dispose of and where. So many of the banks have been looking at their operations and saying: "Why do we need to have a bank in Guernsey, in Jersey, in the Isle of Man or the Cayman? Why not consolidate some of that work in different centres?" Jersey can be a winner and a loser. We have seen that over the last week. We lost the ABN business and we have gained the Barclays business. But overall we are going to see a change in the structure of that industry which we are so dependent on, so it is not only interests rates, will they rise. That is a major factor in the success of the finance industry. We are seeing problems with some of the markets overseas and there are all sorts of problems in that way. Will we be on course or will we be knocked off course by some external shot. We are committing ourselves to a particular course of action here and we may not have the recovery that we were expecting. I must admit I have ... no, not overshoot at all. It is a question ... **[Laughter]** I was making some notes and the notes are all over the place so it is not a structured speech. But I can say that I really do have no confidence in this Council of Ministers to deliver. If you look at the past, before the elections, they were telling the electorate: "We are fine, we are in great shape. We have got one of the best economies in the world. Best in Europe." We heard this spin, as I say, just when the figures came out the other day with the G.V.A. how wonderful we are. Well, they told the electorate one thing and then immediately after the election we find that we have an £80 million, £90 million deficit and now we are heading for £145 million. I have so much trouble

having trust in anything they say. Unfortunately it is like ... I say this now, we are politicians and politicians do not have a very good track record or a very good reputation among the public. I was thinking of Harold Wilson. This is how I feel about the Council of Ministers ... I cannot say it actually, I will be ... I will tell people the joke outside of the House. I am sure I would be put in for disrepute. I will tell you the first part anyway. You can probably guess the last bit. I will leave it to you. How can you tell if the Council of Ministers are telling the truth? If they are touching their ear they are telling the truth. If they are touching their head they are telling the truth. If they open their mouth, well figure out for yourself. Anyway, the point is I have no faith whatsoever in this Council of Ministers. I would like to know, for example, we are told economic growth. Just so you understand it, if we want to get the economy going and to keep it stable, we have got to reduce some of our costs, yes. I do not say there are no cuts necessary, no efficiencies. We had an alternative and that alternative was to tax those who could afford it. The other main area of growth is obviously achieving ... if you get economic growth we can build up the economy. We have relied or put all our eggs in one basket. Senator Ozouf is our one basket. He is responsible for the finance ... **[Laughter]** I am just saying that Senator Ozouf, who was our Minister for Treasury and Resources, who personally I hold responsible for a lot of the problems we have, and I have given the current Minister for Treasury and Resources the opportunity many times to say that it is him, however he has not taken me up on it. However, we have placed our faith in getting economic growth in the same man who got us into the mess we are in at the present time. We have given him the digital economy, we have given him the finance industry, and can anyone else tell me what he is doing? **[Aside]** Innovation, right. Where is he? Well he is in London.

The Greffier of the States (in the Chair):

He is in Peru, Deputy.

Deputy M.R. Higgins:

Okay. Well I would like to know, and in fact I would like to ask the Chief Minister to publish, as Senator Ozouf goes round and where he is and what is doing, so we can get some idea of what he is doing. They have map, okay. He is travelling. What is he actually achieving? The point I am trying to make is they have come up with a plan that is full of holes, no detail. I cannot possibly vote for it on that basis. I have no confidence in some of the people they have placed in charge of some of the activities. Certainly Senator Ozouf I have absolutely no confidence at all that he can deliver on the 3 areas he has been given. Okay, I maybe being criticised but equally ... do I have confidence in the rest of the Council of Ministers? One or 2. **[Laughter]** I think there are 10 of them, so the point is **[Aside]** ... 11. Okay. I have confidence maybe in 2 of them. That does not bode well for the future. Anyway, I am going to sit down. I have had my little say. **[Approbation]** However I could not **[Members: Oh!]** possibly vote for this because of the damage we are doing to the lower and middle earners of this Island.

1.8.15 Senator Z.A. Cameron:

I am sorry, it is so late. I hope you will indulge me the few words. Growing up on Jersey I heard many stories of Nazi atrocities and was brought up understanding clearly in what unkind ways we could behave towards one another should we ever lose the ability to keep others in mind and start believing that we were more deserving, superior in wealth, education, class, race, gender or creed to others in some way. I understood when I warmed my back against the seawall in the summer it had been built by starving Russians and East European slaves, kept in conditions of unspeakable cruelty, many of whom had lost their lives in the process. My family was proud to have offered what little resistance they could and share what little they were able to to relieve the hunger and suffering of others. On an Island we help others in times of need and treat them how we would wish to be treated in similar circumstances. We understood the value of social capital as well as the more familiar type. We are connected and interdependent and we never know when we will be the one in need but we understand that it is inevitable that that time will come. Growing up on Jersey I

understood the value of the land we were so fortunate to have handed down by our predecessors, that would guarantee our independence and the survival of future generations and the precious beauty of that Island home. We understood the importance of our independence and how, in times of need, we would be left to fall back on our own devices. It would be unthinkable to risk being dependent on just one boat to get to the mainland. In those days Jersey was an Island of small shopkeepers, professionals, farmers, hoteliers, all paying a fair contribution to our infrastructure and commonwealth and willing to do so. During my first year as a politician I am concerned as to whether those who currently govern this Island appreciate the brevity of our tenure as guardians or share the same feelings regarding our sovereign independence in quite the same way as was done in past decades, as more and more green space is covered in blocks of concrete. I was fortunate to grow up in a post-Occupation era when the spectre of the Holocaust and Nazi concentration camps meant allied leaders came together and bequeathed us a unique time of peace and prosperity, of community collaboration. There was a horror of the indiscriminate bombing and warfare that laid waste to cities.

[18:45]

All citizens were enshrined in European law, rights to life, freedom from torture, to privacy and to be treated equally and not discriminated against under the principle that we should treat our neighbours as we would wish to be treated ourselves. This environment has provided the culture of learning, innovation and unprecedented growth of knowledge that we benefit from today. It is ironic that at the same time as we in Jersey have finally agreed anti-discrimination legislation inequality is in fact greater than ever before in my lifetime, with the richest 1 per cent holding 50 per cent of global wealth. A time when Carlos Slim, the richest man in the world, who made his fortune by gaining the rights to Mexico's telecom industry, has so much wealth he could afford to spend £1 million a day and still not run out of money before he dies, when the farmers who provide the food that all of us depend on for our survival can barely make a living. Listening to debates in this Assembly one could be forgiven for thinking that in modern Jersey society a person's value rests solely on the riches they are able to accumulate, as if that was a measure of how hard someone worked. I was fortunate to grow up with one of the most gifted teachers as my father, whose tuition and care ensured that many St. Mary's children could access the career of their choice regardless of their parental background. A time when teachers were trusted to do their best for the children in their care and society ensured that those teachers had the skills and time necessary to do a good job. A time when it was safe for children to run and play outside in the fresh air. A time when without a one size fits all curriculum that has left us turning to Eastern Europe for our plumbers, farmers and electricians. A time when the importance of the quality of the relationship between a teacher and pupil, essential for the development of vital social and emotional skills or manners, as it was called in those days, was recognised and appreciated. In this environment I was able to pursue a career of my choice. For some reason my family lived in fear of doctors and the power they wielded over the relief or otherwise of the suffering of others. While I sat and waited in fear during childhood accidents and infections and visited sick relatives in hospital I reflected how much friendlier and kinder that experience could be. During my training I learnt the importance of doing no harm and the power of a trusted doctor/patient relationship. I became a convert to the slow medicine movement, one that is respectful, proportional and equitable. While accepting the obvious benefits that some medical advances have brought, this movement appreciates the harms that drugs and unnecessary surgery can cause. Only last month we learnt from hidden trial data that an antidepressant commonly prescribed and recommended for adolescence actually increases the risk of suicide and self-harm and has no beneficial effect on mood. More money spent on drugs and technologies by companies wanting to make a profit by any means does not necessarily improve the health of the population. As a doctor I cannot support the current proposals for increasing health spending, decided by economists, when I see how current resources are being spent. We are copying the same mistakes that have led to the financial crisis we see in Britain and American health care. It is time to respect and support frontline workers throughout our organisations.

Empower them to innovate. Free them from unhelpful bureaucratic surveillance and non-evidence based processes and the requirement to produce a business case rather than providing a can do, let us try and see, energise, empowering environment. Savings and efficiency follow naturally in an environment where staff and Islanders using the service are listened to, respected and valued. If we respect democratic processes and develop a more honest, open, transparent, culture, would it be necessary to spend millions enquiring about our past? Would it be necessary to ask outside experts with their own vested interest to tell us about our future? As elected representatives we are responsible for current services. Are we really happy those services for which we are responsible for are functioning well enough now? Doctors, teachers and all frontline employees should be free and encouraged to speak out if they see anything that concerns them. Taking issues to Government or, failing that, the police if those concerns have not been taken seriously within the workplace, without fearing that they will be complained about, having to relocate, risk their future careers, reputation or face bankruptcy or imprisonment, not to mention the inevitable mental stress that taking this path currently entails. Last weekend I heard from the director of Liberty. She reminded general practitioners of 1934 when Liberty was founded. A time of austerity, when Western Europe was worrying about Eastern European refugees taking their jobs; a time when certain sectors of society felt they were more worthy than others. She reminded general practitioners of their ethical duty to speak up and reflect when we see inequality in our midst. It is a time for this Island to fully embrace human rights, equality and the common good into our culture and reject meanness and greed. As I look around the world and see how other countries have responded to the threat of climate change and economic crisis there are better examples to follow than are contained in this mid-term financial plan. Countries that have policy that improve social cohesion, that encourage civil leaders to listen and respect other points of view rather than finding ways of imposing their own. One that appreciates that imposing austerity by cutting the quality of food served to sick people in hospital, which may save a few pennies on the catering budget but is likely to delay recovery and significantly increase overall costs. One that takes its lead from the airline industry in the understanding of the bigger picture. One that understands systems thinking and the cost of failure demand, that encourages a learning, nurturing, intelligent, kind culture that cares for its environment and all of its people.

The Greffier of the States (in the Chair):

Does any other Member wish to speak? If not, I will call on the Chief Minister to reply.

1.8.16 Senator I.J. Gorst:

Perhaps I could address my first comments to Deputy Higgins and if he would rather than listening to me perhaps he would like to read the proposition and read the words in there so he cannot accuse me of what he thinks that by opening my mouth I might be doing. There are a number of technical points that I would just like to make before I round up, and I just wanted to very quickly run through the proposition itself so that Members know what is included and therefore what is happening after we have agreed the proposition with the legislative changes and no doubt we will decide whether that is this evening or not. Hopefully part (a) of the proposition is quite clear to Members. We have got the total income and we have got the total expenditure. Part (b) allocates the cash limits for each department in 2016. Of course that has been amended during the course of this debate. It agrees the contingency amounts and the total net capital allocation for each of the years 2016 to 2019. Part (c) is depreciation. Parts (d) and (e) are around the trading funds but of course they have been changed with the amendment for Ports arising from the Ports' decision and part (f) is the principle of using the real return over 2012 value to be available to transfer from the Strategic Reserve to the Consolidated Fund. Of course Members will also be aware that arising from these agreements you have got the change following to the Strategic Plan, the change following to allocate money for the Committee of Inquiry and the change following to transfer money from the Health Insurance Fund to provide for the growth in the healthcare cost prior to any introduction of any other income stream throughout that period, and of course the Minister for

Social Security has also got changes to the Social Security Law to deal with capping the amount of supplementation. It is quite technical, as is inevitable with these debates, we focus on the amendments and Members might not have had necessarily time to go through all of those details. I want to then hopefully move towards summing up, and I want to thank Members for what I think has been a very good debate. As I say, largely around the amendments. I am not sure I can say I think some of the comments on the overall debate that we have come to this evening are quite so positive but I think that Members comments throughout the debate have been extremely helpful and, as ever, we might come from a different viewpoint or a different perspective, but I hope that we acknowledge that every Member of this Assembly has got the best interests of Jersey, their constituents and our future at the heart of what we do in this Assembly. We believe that it is a good plan for all the reasons that we have said throughout this debate. I can stand now at the end of the debate on the amendments and say, as far as I am concerned as Chief Minister, I think that the amendments that have been accepted will improve the plan throughout the course of the plan. Of course there is an amendment that said, in effect, we should be making more efficiencies in the Chief Minister's and the Treasury Department and that should be used to maintain one of the benefit changes that we were proposing. I will just come back to that in a moment about those efficiencies, but equally fundamentally important was an amendment that said: "Okay, Council of Ministers, we are absolutely with you on the strategic priority of education but when we look at your numbers we think we would like to give you a bit more to put into that priority. I do not think that that detracts from the plan at all. I think it enhances it and it improves it. So I think that the Assembly has, in that regard, improved the plan. A number of Members have spoken about economics and the economic view. Some have criticised the efficiencies, the savings, the reallocation, particularly around the changes which we are proposing to the staffing costs. A number of those Members that have been critical were the Members that voted to deliver greater efficiencies, in my own department and in the Treasury Department, which will result in more people needing to curtail and reduce the staffing costs in our department. I was just a little bit confused that those Members would be critical of making those staff savings and yet at the same time voting positively - and I see heads being shaken, but it was quite clear from the reports where those monies need to come from - that will result, maybe not in the particular individuals but we are needing to curtail and reduce head count in those departments as a result of those changes. But that is as it is. We sometimes live with dilemmas and conundrums in this Assembly where we say something and then sometimes the way we vote produces a different result. We think that this is absolutely the right approach and I appreciate that our friends on the back row take a different political view.

[19:00]

I think they have absolutely admitted throughout this debate, they do want to see higher taxes. They believe that those higher taxes can be apportioned to a particular section of society and they want us to keep the size of government as it is, but they also want us to grow that government. We do not take that view. We believe that investing in health, investing in education, investing in infrastructure, investing in delivering economic growth is the right approach for our future, and we believe that we can do some or quite a lot of that investment by curtailing the growth in the cost of government into the future. A number of speakers have suggested that we are cutting back drastically, and we have had the emotive words of austerity and how terrible this Medium Term Financial Plan is. Yet, when one looks at the actual numbers, there is growth in this plan. The expenditure by 2019 will be greater than the expenditure in 2016. We believe that this is a plan that balances the budget over that period and yet at the same time very clearly invests in those areas of social provision which are needed, and I am very grateful to Senator Routier for saying the things that he did because this plan does. Yes, there might be some arguments still to have with Senator Cameron about the methodologies and the processes that we use. But fundamentally if we are going to improve provision for those who suffer with mental health in our community, we are going to need to spend more money. If we are going to improve children's services in our community we

are going to need to spend more money. If we are going to provide the appropriate health provision for our ageing population wherever that is, whether it is in hospital, and I think we all accept that that is not the best place for it. It is best to be done in the community. We are going to have to spend more money and at the same time deliver efficiencies from the services that we are currently spending. Another frequent comment of Members was that they could not possibly agree this balanced budget over this 4-year period because they did not have the detail for 2017, 2018 and 2019, and they told us that they felt it was going to be irresponsible and the Council of Ministers should have said in advance that that was what they were going to do. So with the greatest of respect to those speakers, of course, the Council of Ministers came and asked the Assembly by amendment to the Finance Law - it was very ably presented on the day by the Assistant Minister for Treasury and Resources - came and asked the Assembly to agree that this was the process that we would use, that we would give the detail of 2016 and then set the envelope for 2017, 2018 and 2019. So the Council of Ministers has not just gone off and thought that this was a good idea and we would try and - I am not sure if this is parliamentary language - pull a fast one. It is probably bordering.

The Greffier of the States (in the Chair):

Borderline, I think.

Senator I.J. Gorst:

Because the Council of Ministers came to the Assembly and said: “Colleagues, we have got a big job of work to do. We want to get it right. It is going to take us longer than we currently have to prepare the Strategic Plan so we are going to ask you if you agree to allow us to come with the detail for 2016 and a high level envelope for 2017, 2018 and 2019.” I am very grateful that the Scrutiny Panel did review that and ultimately, after a bit of toing and froing and a changing of the amendment, supported that amendment and the Assembly said: “Yes, that was ...” bearing in mind the money that we wanted to spend, the fact that income was not growing as much as it had in the past, yes, that was the right approach. I hope therefore those Members will just reconsider their position with regard to needing the detail for 2017, 2018 and 2019 because it is about setting the overall spending envelope that we will have an opportunity to decide on the detail, because it was the detail that I think most Members that were concerned about the envelope were concerned about. They will have an opportunity to amend that detail in due course in the M.T.F.P. addition. I ask that they might just reconsider the position that they outlined in their speech. I am not sure that I want to give an economics lecture. I always enjoy Deputy Higgins’ economic lectures. I am not sure that I always agree with them however, but I certainly enjoy them. The one thing I did just want to say, I think Senator Ozouf is not here to defend himself and I think that is rather unfair. I think Deputy Higgins said some things which just need touching upon along the lines of, I think, we would not trust Senator Ozouf to deliver on the portfolio that I have asked him to do, despite the evidence in front of us that in 2014 that was the year that financial services’ responsibility was moved to my department and I undertook responsibility for it, together with Senator Ozouf. That was the one area of the economy that grew and led to the economic growth. So I think it is a little bit - just a little bit - unfair to criticise a Member that is not here when some of the prima facie evidence shows something other than that. I want to pick out the Connétable of St. Peter because I think he gave us an excellent speech. He showed us his frustration, not only with those who are opposing the M.T.F.P. but also his frustration at times with the Council of Ministers and Ministers not getting on with the job that the Assembly has asked them to do and delivering and thinking creatively. I think he really got the pitch right. This is the right plan. There are challenges ahead but we need to deliver creatively so that that challenge that the F.P.P. talked about, the F.P.P. did say it was a challenging plan, and we absolutely admit that. We have known that from the time that we presented it, it is a challenging plan but we believe it is absolutely the right plan because delivering a balanced budget, delivering money into the social provision of the areas that we all believe are fundamentally important for our future, at the same time controlling, hopefully, the cost

of government from rising and ensuring that after this Council of Ministers we leave a government which is fit and lean and appropriate for the future, driving out inefficiency, using technology in an appropriate way, we will have delivered something that we can all be proud of. I just want to say one other thing, and finish on this, and I found myself surprised that I am reading from the Corporate Services Scrutiny Panel review and we have had it mentioned it to us on a number of occasions. So if we look at their adviser, their adviser's report is quite interesting, the C.I.P.F.A. accountant. He tells us lots of areas where it could be improved. Lots of detailed areas where he would like us to see it done better. Lots of detailed areas where he thinks looking elsewhere in the world we can learn lessons from. That is good. That is good, we should be learning lessons from our independent advisers. But when it comes down to it, when it comes down to saying yes to this plan or no to this plan he says: "Despite the current lack of detail on departmental expenditure covering 2017 to 2019 and our comments relating to key assumptions, it would be our considered view that M.T.F.P. 2 can still provide the strongest modelling platform for critical decision making. Indeed there may be no other time within which the M.T.F.P. will be more relevant to the decision making processes that will deliver financial sustainability for the States of Jersey." I cannot add to the comments of the C.I.P.F.A. independent adviser because it sits alongside those comments of the independent economists and it sits alongside the desire of this Assembly in the Strategic Plan. Let us not vote to have no money for any government services at the beginning of January next year. Let us vote for a plan that I think will serve us well for the future, that will be challenging, that will require Members to hold Ministers to account in a way that they never have before, but all the independent advice says to it, approve this plan. I join with those independent advisers and ask Members to approve this plan. Thank you. **[Approbation]**

Deputy J.A.N. Le Fondré:

May I just ask the Chief Minister, I know Deputy Wickenden and myself asked some queries about some information that be provided at certain dates and I wondered what the Chief Minister's reaction was to that. It was somewhat earlier in the debate.

The Chief Minister:

Yes, I was nodding at the time. I know that Deputy Wickenden has already been speaking to the department and my understanding is, I think I have seen correspondence confirming that that will be the case and, as I understand it, the chairman wished to see the matrix of the information that was going to be considered by the Budget, not the actual completed work itself. We are on a pretty tight timetable for lodging of the Budget. I hope he means by the debate of the Budget and if he does then I am sure that can be undertaken, and provided.

The Greffier of the States (in the Chair):

The appel has been called for?

Deputy C.F. Labey of Grouville:

Sir, are we going to take the clauses separately?

The Greffier of the States (in the Chair):

It is a matter for the Chief Minister.

Senator I.J. Gorst:

Thank you for reminding me. I was intending to take a vote on (a), a vote on (b), a vote on (c), a vote on (d) and (e) together because they are trading accounts and then finally a vote on (f).

Deputy J.A.N. Le Fondré:

May I request that (b) be split?

The Greffier of the States (in the Chair):

It is a matter for the Chief Minister. He does not wish to split it, it is his prerogative to leave it. I do not believe it can really be split because it refers to the table.

Senator I.J. Gorst:

I have tried to split down, I think, as far as is reasonable. I think that they hang together.

The Greffier of the States (in the Chair):

It is your prerogative, Chief Minister. So the first vote is on paragraph (a) ...

The Connétable of St. John:

Sorry, could I have clarification on Summary Table B? Because of one of the amendments I am assuming the bottom line, instead of being £761,108 it will be reduced by £100,000 and the total at the bottom of 2017 will be reduced by £100,000 and the total in 2018 will be reduced by £41,000 in accordance with the amendment approved earlier?

The Greffier of the States (in the Chair):

I think that is correct, Constable. The Members without electronic devices will not have had the opportunity to note that the Treasury has circulated revised tables by email and the totals have been amended. I have not done the maths but they have taken account and you are absolutely correct, the tables will be amended in that way following the amendment. So the first vote is on paragraph (a) as amended by the amendment to the Council of Ministers on redundancy and the amendment the Constable just referred to on States Members pensions. I ask the Greffier to open the voting.

POUR: 27		CONTRE: 15		ABSTAIN: 0
Senator P.F. Routier		Senator Z.A. Cameron		
Senator A.J.H. Maclean		Connétable of St. John		
Senator I.J. Gorst		Deputy G.P. Southern (H)		
Senator L.J. Farnham		Deputy of Grouville		
Senator P.M. Bailhache		Deputy J.A. Hilton (H)		
Senator A.K.F. Green		Deputy J.A.N. Le Fondré (L)		
Connétable of St. Clement		Deputy K.C. Lewis (S)		
Connétable of St. Peter		Deputy M. Tadier (B)		
Connétable of St. Mary		Deputy M.R. Higgins (H)		
Connétable of St. Ouen		Deputy J.M. Maçon (S)		
Connétable of St. Brelade		Deputy S.Y. Mézec (H)		
Connétable of St. Martin		Deputy L.M.C. Doublet (S)		
Connétable of Trinity		Deputy R. Labey (H)		
Deputy J.A. Martin (H)		Deputy S.M. Brée (C)		
Deputy of Trinity		Deputy T.A. McDonald (S)		
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				

Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy A.D. Lewis (H)				
Deputy S.M. Wickenden (H)				
Deputy M.J. Norton (B)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Greffier of the States (in the Chair):

I ask the Greffier to reset the voting system. We will come to the vote on paragraph (b) as amended by the amendment of Deputy Martin to withdraw money from Chief Minister's and Treasury and Resources and allocate it for the continuation of T.V. licences for the over-70s.

[19:15]

The amendment of the Education and Home Affairs Scrutiny Panel to give less funding for contingency and more for Education, Sport and Culture and the 2 consequential amendments relating to States Members pensions and the redundancy reallocation. I ask the Greffier to open the voting on paragraph (b).

POUR: 32		CONTRE: 9		ABSTAIN: 0
Senator P.F. Routier		Deputy J.A. Martin (H)		
Senator A.J.H. Maclean		Deputy G.P. Southern (H)		
Senator I.J. Gorst		Deputy J.A. Hilton (H)		
Senator L.J. Farnham		Deputy K.C. Lewis (S)		
Senator P.M. Bailhache		Deputy M. Tadier (B)		
Senator A.K.F. Green		Deputy M.R. Higgins (H)		
Connétable of St. Clement		Deputy J.M. Maçon (S)		
Connétable of St. Peter		Deputy S.Y. Mézec (H)		
Connétable of St. Mary		Deputy S.M. Brée (C)		
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy E.J. Noel (L)				

Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy A.D. Lewis (H)				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Greffier of the States (in the Chair):

I ask the Greffier to reset the system. We come to paragraph (c) relating to the depreciation. I ask the Greffier to open the voting.

POUR: 33		CONTRE: 8		ABSTAIN: 0
Senator P.F. Routier		Deputy J.A. Martin (H)		
Senator A.J.H. Maclean		Deputy G.P. Southern (H)		
Senator I.J. Gorst		Deputy K.C. Lewis (S)		
Senator L.J. Farnham		Deputy M. Tadier (B)		
Senator P.M. Bailhache		Deputy M.R. Higgins (H)		
Senator A.K.F. Green		Deputy J.M. Maçon (S)		
Connétable of St. Clement		Deputy S.Y. Mézec (H)		
Connétable of St. Peter		Deputy S.M. Brée (C)		
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				

Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy A.D. Lewis (H)				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Greffier of the States in the Chair):

We now take together paragraphs (d) and (e) relating to the trading operations as amended by the amendment of the Council of Ministers to withdraw any reference to the incorporated Ports of Jersey. I ask the Greffier to open the voting on paragraphs (d) and (e).

POUR: 37		CONTRE: 5		ABSTAIN: 0
Senator P.F. Routier		Deputy J.A. Martin (H)		
Senator A.J.H. Maclean		Deputy G.P. Southern (H)		
Senator I.J. Gorst		Deputy M. Tadier (B)		
Senator L.J. Farnham		Deputy S.Y. Mézec (H)		
Senator P.M. Bailhache		Deputy S.M. Brée (C)		
Senator A.K.F. Green				
Senator Z.A. Cameron				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				

Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy A.D. Lewis (H)				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Greffier of the States (in the Chair):

We come finally to paragraph (f) in relation to the use of the Strategic Reserve, which has not been amended. I ask the Greffier to open the voting.

POUR: 33		CONTRE: 8	ABSTAIN: 1
Senator P.F. Routier		Senator Z.A. Cameron	Deputy J.A.N. Le Fondré (L)
Senator A.J.H. Maclean		Deputy J.A. Martin (H)	
Senator I.J. Gorst		Deputy G.P. Southern (H)	
Senator L.J. Farnham		Deputy M. Tadier (B)	
Senator P.M. Bailhache		Deputy M.R. Higgins (H)	
Senator A.K.F. Green		Deputy J.M. Maçon (S)	

Connétable of St. Clement		Deputy S.Y. Mézec (H)		
Connétable of St. Peter		Deputy S.M. Brée (C)		
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy A.D. Lewis (H)				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Greffier of the States (in the Chair):

I apologise, it has been amended by consequential amendment in relation to the redundancy. There are a number of consequential propositions and legislation to give effect to States decisions. Are Members content that we proceed this evening?

Deputy G.P. Southern:

Can we go please? **[Laughter]**

The Greffier of the States (in the Chair):

Are you proposing the adjournment, Deputy?

Deputy G.P. Southern:

I am proposing the adjournment, Sir. Surely we can finish this tomorrow.

The Greffier of the States (in the Chair):

Is that seconded? **[Seconded]** It is a matter for Members. All those in favour of adjourning kindly show. Those against. Clearly a majority to continue.

2. Strategic Reserve Fund: funding for Independent Jersey Care Inquiry and transfers from and to the Consolidated Fund (P.76/2015) - as amended

The Greffier of the States (in the Chair):

Very well, the first proposition is P.76, which gives effect to the decision of the States in March in relation to the Committee of Inquiry and the decisions in the M.T.F.P. for the Strategic Reserve Fund. There is an amendment in the name of the Minister. I assume, Minister, you wish to propose it as amended?

Senator A.J.H. Maclean.

Yes, please, Sir.

The Greffier of the States (in the Chair):

It is a very lengthy proposition. I will not ask the Greffier to read it in full. Perhaps in the interest of good order I should ask the Greffier to read the amendment.

The Deputy Greffier of the States.

Paragraph (b)(i) – For the words “Table 2 of the attached Report” substitute the words “the Table in the Appendix to the amendment of the Minister for Treasury and Resources dated 7th September 2015”. Paragraph (b)(ii) – For the table at the end of the subparagraph substitute the following table – “2015 £4,000,000; 2016 £56,691,000; 2017 £70,273,000”.

2.1 Senator A.J.H. Maclean (The Minister for Treasury and Resources):

This proposition is largely consequential upon 2 previous States decisions, namely the Medium Term Financial Plan 2016-2019 just agreed by the Assembly and the decision to continue to fund the Independent Jersey Care Inquiry. This proposition deals with withdrawals from the Strategic Reserve for the Independent Care Inquiry in the sum of £14 million for a redundancy provision in the sum of £20 million, provision in 2016 and 2017 for economic growth and productivity for the sum of £10 million. Incidentally, Members will have heard mentioned a total sum of £20 million for economic growth and productivity provision. The remaining £10 million will be funded through a separate source via the Consolidated Fund, so we are only talking about £10 million here for that. Funding for capital expenditure in 2016 and 2017 in the total sum of £52 million, funding for Les Quennevais School £40 million, and working capital for the Consolidated Fund for a total of £5 million. So this proposition also proposes repayments into the Strategic Reserve in each of 2017 and 2019, totalling £70 million, including £40 million of asset sales and £30 million from accumulated surplus balances on the Consolidated Fund. I hope that my speech will also serve as an introduction to P.75/2015, the next item on the Order Paper, which seeks to allocate the withdrawn funding 2015 for the Care Inquiry. The Assembly has already approved the Council of Ministers’ amendment to the 2016-2019 Medium Term Financial Plan concerning the redundancy provision. I hope that approval indicates in principle support for the consequential elements of P.76 and P.75, so I will concentrate my further remarks on the Independent Jersey Care Inquiry. At the Assembly sitting of 24th March 2015 the States approved P.20/2015 by 35 votes to 6. In doing so, Members agreed that up to a further £14 million be made available to ensure the Independent Jersey Care Inquiry could complete its work to its conclusion. The Assembly also requested me to

consider whether there were sufficient funds available to meet these additional costs and if not, to bring forward a proposition asking the States to make available up to £14 million from the Strategic Reserve Fund. The Assembly also requested the Council of Ministers to bring forward a proposition to amend the Medium Term Financial Plan 2013-2015, that is the existing Medium Term Financial Plan, to allocate that additional funding to the Independent Jersey Care Inquiry, P.75 that follows deals with that. Proposition P.75 and P.76 implement these requests by the Assembly. P.76 withdraws the £14 million from the Strategic Reserve for the Inquiry, £10 million of this is allocated in 2015 by P.75. The remaining £4 million has been made available for 2016 in the recently approved Medium Term Financial Plan. The amounts allocated for the Inquiry will be held in contingency and drawn down as required by the Inquiry and States departments for the purposes of the Independent Care Inquiry only. Any balance from these amounts not required for the purposes of the Inquiry will be returned to the Strategic Reserve Fund. I was also asked by the Assembly to consider whether the funding for the Inquiry was available elsewhere. Members will already be well aware of the savings the departments have been asked to make in 2015 and will be asked to make over the period of the next Medium Term Financial Plan 2016-2019. It is unrealistic to expect them to make a further savings for the purposes of the Care Inquiry. The only other potential option open to me is the amount set aside by the Assembly for contingency. At the end of September £3.2 million remained uncommitted. Funding pressures in excess of that, however, have been identified. I therefore believe that I have no alternative but to seek a withdrawal from the Strategic Reserve for the purposes of funding the Care Inquiry. At the time of the approval of P.20 in March the total forecast expenditure on the Inquiry was £20.2 million: £13.7 million on the Inquiry process itself and £6.5 million by States departments relating to the provision of information largely spent on legal support. I am very pleased to report that those forecasts remain unchanged for the Inquiry. If the Assembly approves P.75 and P.76 the total available funding will be £23 million for the Inquiry. Members will appreciate that there is therefore a contingency available of £2.8 million in the event of genuinely unforeseen changes to the scope of that Inquiry. I am very pleased with the improvements in financial management of the Inquiry since the Assembly last considered this matter in March. The panel has appointed a secretary who has succeeded in improving the quality of financial information provided to me and stemming the increases in costs. Costs are now published on gov.je on a monthly basis and I have recently presented to the States a Memorandum of Understanding between myself, as Minister for Treasury and Resources, and the panel together with directions under Standing Order 150. Financial governance is now significantly tighter. Finally, on the Inquiry I would like to thank the panel for their excellent work and their co-operation on controlling costs. They have been very understanding in recognising the need to demonstrate that taxpayers' money is being properly spent. I would also like to thank the Greffier of the States who has acted as accounting officer for the Inquiry's costs during a trying period financially speaking. At all times he has remained equally focused on his duty under the Finance Law and the panel's need for independence and to perform a painful and difficult task for the Island. I will now turn briefly to the proposals to bring forward the redundancy provision from 2017 to 2015 and 2016.

The Greffier of the States (in the Chair):

I hope briefly, Senator, because this has been gone through in the M.T.F.P.

Senator A.J.H. Maclean:

In that case, Sir, I will be very brief indeed and simply say that we have sought in order to effect the redundancy proposals to bring forward the sums in 2017 to 2016 and 2015 so that we can progress the reform programme and ensure that those that have applied for and have been successful in receiving redundancy can have their payments and we can progress with the reform programme, starting now, this year, as soon as this is approved by the Assembly and as the Chair has pointed out, Members have already approved the principle. I maintain the proposition.

The Greffier of the States (in the Chair):

Is the proposition seconded? **[Seconded]** Does anyone wish to speak on the proposition? All those in favour of adopting the proposition kindly show. Those against. The proposition is adopted.

3. Independent Jersey Care Inquiry: amendment to Medium Term Financial Plan 2013–2015 (P.75/2015)

The Greffier of the States (in the Chair):

We come now to P.75, which you have alluded to, Minister, which simply gives further effect to the transfers. Once again, perhaps I will, in the interest of good order, ask the Greffier simply to read the amendment rather than the full proposition, in the interest of saving time.

The Deputy Greffier of the States:

Before the words “to agree, in accordance with the provisions of Articles 9(1)(c) and 9(2)(ca) of the Public Finances (Jersey) Law 2005 –” insert the words “in order to provide additional funding for the Independent Jersey Care Inquiry and additional funds for the Redundancy Provision”. Paragraph (a) – For the amount “£730,629,500” substitute the amount “£734,629,500”, and after the words “Appendix 1” insert the words “to the amendment of the Council of Ministers dated 7th September 2015.” Paragraph (b) – For the amount “£43,482,900” substitute the amount “£47,482,900”, and after the words “Appendix 2” insert the words “to the amendment of the Council of Ministers dated 7th September 2015.”

The Greffier of the States (in the Chair):

Are you acting as rapporteur, Minister, for the Council?

3.1 Senator A.J.H. Maclean (The Minister for Treasury and Resources - rapporteur):

Yes, Sir. I have sought to cover briefly in my opening remarks on P.76. I would maintain the proposition as amended.

The Greffier of the States (in the Chair):

Is the proposition as amended seconded? **[Seconded]** Does any Member wish to speak on the proposition? All those in favour of adopting the proposition kindly show. Those against. The proposition is adopted.

The Greffier of the States (in the Chair):

Now to legislation to give effect to the Social Security changes. Minister, I understand you will need to withdraw P.104?

Deputy S.J. Pinel:

Yes, Sir.

4. Draft Christmas Bonus (Repeal) (Jersey) Law 201- (P.102/2015)

The Greffier of the States (in the Chair):

Very well. We come firstly P.102, the Draft Christmas Bonus (Repeal) (Jersey) Law, and I ask the Greffier to read the citation.

The Deputy Greffier of the States:

Draft Christmas Bonus (Repeal) (Jersey) Law 201-. A law to repeal the Christmas Bonus (Jersey) Law 2011. The States, subject to the sanction of Her Most Excellent Majesty in Council have adopted the following law.

4.1 Deputy S.J. Pinel (The Minister for Social Security):

We are reaching the final stages of the sitting in which a great many speeches have been delivered and some important principles have been debated by this Assembly. We have endorsed the substance of the Medium Term Financial Plan and it now falls to Members to begin enacting the details that will allow my department to make the savings that have been agreed. This law is the first stage of those details. It closes the Christmas Bonus scheme after it has been paid at the end of 2015.

[19:30]

To be clear, this is the Christmas Bonus (Repeal) (Jersey) Law. This speech will be brief because the overarching principles under which this law is being proposed have already been endorsed. I am grateful to all the Senators, Constables and Deputies who opposed the amendment to the M.T.F.P. in respect of Christmas bonus on Tuesday and supported my proposal to remove these payments as part of an overall package to hold the benefit budget at its current level throughout the M.T.F.P. All departments must make savings in order to contribute to the overall plan that provides for the key investments we need in health and education. Each one of my benefit proposals was subject to a challenge as part of the Medium Term Financial Plan debate and I am grateful to all Members who understood the rationale behind my proposals and endorsed the majority of the difficult choices that I brought to the Assembly. I will just briefly mention Deputy Martin's heartfelt and successful amendment to keep the T.V. licence benefit scheme open to new claimants by transferring additional budget to the Social Security Department from the Treasury and Chief Minister's departments. The saving, in respect of the change to the T.V. licence benefit would have contributed £100,000 to the department's overall target of £10 million. Just 1 per cent of the total. Those savings will now be found by other departments during 2016. Yesterday's debate drew attention to some uncertainty as to the future of the T.V. licence and also mentioned ongoing discussions with the U.K. Government as to whether the BBC itself should be supporting this cost. There is no such uncertainty as to the overall need for Jersey to invest in its strategic priorities of health and education over the next 4 years. No other stream of funding or alternative savings has been agreed to prevent, reallocate or delay the closing of the Christmas bonus, and the Social Security cash limit for 2016 has now been set on the assumption that this benefit will not be paid in 2016. If this law is not approved today Members will place me in a very difficult position of needing to find an additional £1.3 million worth of savings from other benefit budgets at short notice. This level of savings could only be met by making a significant reduction in the income support budget. Many of our planned savings will be achieved without making actual cuts into the cash received by claimants. This would not be the case if we had to find an extra £1.3 million of savings. To give an idea of the impact we would need to cut over £200 from each and every income support household in 2016 to achieve this level of savings. Having approved the cash limit for 2016 I urge Members to now support this legislation. Article 1 of the law repeals the ...

The Greffier of the States (in the Chair):

We are on the principles at the moment, Minister.

Deputy S.J. Pinel:

Sorry, yes. Can I propose the principles?

The Greffier of the States (in the Chair):

Are the principles seconded? [**Seconded**] Does any Member wish to speak on the principles of the law?

4.1.1 Deputy M. Tadier:

No, not at all but it was a rather long speech and simply to say that presumably one will keep consistency so if one voted against the cutting of the Christmas bonus then there is no reason to change one's vote here despite the fine pleadings of the Minister for Social Security.

The Greffier of the States (in the Chair):

Do you wish to reply, Minister, or straight to the vote?

4.1.2 Deputy S.J. Pinel:

I just thank the Deputy for his comment and I will try to maintain consistency.

The Greffier of the States (in the Chair):

All those in favour of adopting the ... **[Interruption]** The appel is called for on the principles to the law. Members are in their seats. The vote is for or against the principles of the Christmas Bonus (Repeal) (Jersey) Law and I ask the Greffier to open the voting.

POUR: 22		CONTRE: 11		ABSTAIN: 1
Senator P.F. Routier		Connétable of St. John		Connétable of Trinity
Senator A.J.H. Maclean		Deputy J.A. Martin (H)		
Senator I.J. Gorst		Deputy J.A. Hilton (H)		
Senator L.J. Farnham		Deputy K.C. Lewis (S)		
Senator P.M. Bailhache		Deputy M. Tadier (B)		
Senator A.K.F. Green		Deputy J.M. Maçon (S)		
Senator Z.A. Cameron		Deputy S.Y. Mézec (H)		
Connétable of St. Clement		Deputy A.D. Lewis (H)		
Connétable of St. Mary		Deputy L.M.C. Doublet (S)		
Connétable of St. Ouen		Deputy R. Labey (H)		
Connétable of St. Martin		Deputy T.A. McDonald (S)		
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy M.J. Norton (B)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Greffier of the States (in the Chair):

The matter falls to the Health and Social Services Scrutiny Panel. The chairman and vice-chairman are not here. Deputy McDonald, it is your panel. Does your panel wish to scrutinise the legislation? No, very well. **[Laughter]** Minister, do you now wish to propose the Articles, will you propose them together *en bloc*?

4.2 Deputy S.J. Pinel:

Article 1 of the law repeals the Christmas Bonus (Jersey) Law. This has the effect of removing the law. Article 2 however allows for that law to continue to have effect for the purpose of enabling any claim to or payment of a Christmas bonus to be made in respect of any year up to and including 2015. Article 3 allows for the citation and commencement of this law. I propose the Articles.

The Greffier of the States (in the Chair):

Are the Articles seconded? **[Seconded]** Does any Member wish to speak on any of the Articles? All those in favour of adopting the Articles kindly show. Those against. The Articles are adopted. Do you propose the law in Third Reading, Minister?

Deputy S.J. Pinel:

Yes, please, Sir.

The Greffier of the States (in the Chair):

Is that seconded? **[Seconded]** Does any Member wish to speak in Third Reading?

Deputy S.J. Pinel:

Can I ask for the appeal again please?

The Greffier of the States (in the Chair):

Very well, the appel is called for ... I have asked if anybody wishes to speak. No Member wishes to speak. The appel is called for. The vote is for or against adopting the law in Third Reading and I will ask the Greffier to open the voting.

POUR: 23		CONTRE: 11		ABSTAIN: 3
Senator P.F. Routier		Senator Z.A. Cameron		Connétable of St. Peter
Senator A.J.H. Maclean		Connétable of St. John		Connétable of Trinity
Senator I.J. Gorst		Deputy J.A. Martin (H)		Deputy S.M. Brée (C)
Senator L.J. Farnham		Deputy J.A. Hilton (H)		
Senator P.M. Bailhache		Deputy K.C. Lewis (S)		
Senator A.K.F. Green		Deputy M. Tadier (B)		
Connétable of St. Clement		Deputy M.R. Higgins (H)		
Connétable of St. Mary		Deputy J.M. Maçon (S)		
Connétable of St. Ouen		Deputy S.Y. Mézec (H)		
Connétable of St. Martin		Deputy A.D. Lewis (H)		
Deputy of Trinity		Deputy L.M.C. Doublet (S)		
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				

Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R. Labey (H)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

5. Draft Income Support (Miscellaneous Provisions No. 2) (Jersey) Regulations 201-(P.103/2015)

The Greffier of the States (in the Chair):

We come now to P.103, the Draft Income Support (Miscellaneous Provisions No. 2) (Jersey) Regulations and I ask the Greffier to read the citation.

The Deputy Greffier of the States:

Draft Income Support (Miscellaneous Provisions No. 2) (Jersey) Regulations 201-. The States, in pursuance of Articles 5 and 18 of the Income Support (Jersey) Law 2007, have made the following Regulations.

5.1 Deputy S.J. Pinel (The Minister for Social Security):

I would now like to propose the Draft Income Support (Miscellaneous Provisions No. 2) (Jersey) Regulations. As with the previous proposition, these Regulations enable my department to deliver the savings required of us under the Medium Term Financial Plan. In addition, we have taken the opportunity to make some smaller changes to the Regulations to improve the functioning of income support. Again I would like to remind Members that the principle behind these changes has already been agreed. A proposal to amend the Medium Term Financial Plan to specifically prevent the changes to a single parent component has been rejected by this Assembly. The main reason for these Regulations is to amend the specific rate for the single parent component reducing it in gradual increments until October 2018 when it will equal the adult component rate. This ensures that existing single parent households will only see a gradual reduction in benefit. This will be balanced in part by the opportunities available to increase their overall household income through securing employment and the increased disregard that will be provided for maintenance income. Households making a new claim after 1st November 2015 will be entitled to receive a single parent component rate that is equal in value to the adult component rate removing the unfairness that currently exists, at the same time by taking the opportunity to make 2 other changes to the Regulations. First I would like to allow for 2 separate child components within income support. This builds flexibility into the scheme for the future. There will be a component for the first child of a household as a different component for each other child of the household. I have no intention to create differential rates for children at present but given the other law drafting changes that were taking place it was sensible to provide for this possibility in the future. Similar benefit systems in other jurisdictions often provide a higher rate for the first child in a household. My current plans allow for component increases in the second half of the Medium Term Financial Plan. Having this structure in place now will allow for a range of options to be considered as to how best to support children in income support households in future years. Initially both components will be set at exactly the same rate and this change in the structure of the law has no financial impact on any income support claimant. Any future proposal to set up different rates will need to be brought to

this Assembly for a decision. Secondly, the Regulations also adjust the rules for the housing component. This particular change deals with the situation where an income support claimant has just moved into a care home. At present the income support claim can continue to support the rent for their previous accommodation for up to 4 weeks. This is typically to allow rent to be paid during the notice period. My proposal extends the overlap period up to a maximum of 12 weeks to allow for the situation where the person may be able to return home, such as following a period of reablement in a care home or to allow for a trial period. This is a sensible change that will help smooth the transition during the personal and often difficult decision to move into a care home.

The Greffier of the States (in the Chair):

You must have a mobile phone anywhere near you, Minister. We will have to get your microphone checked out because there appears to be a mobile phone somewhere but you are not guilty. Please carry on.

Deputy S.J. Pinel:

I propose the principles.

The Greffier of the States (in the Chair):

Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles of the draft Regulations? All those in favour of adopting the ... **[Interruption]** The appel is called for on the principles of the draft Regulations. Members are in their seats. I ask the Greffier to open the voting.

POUR: 29		CONTRE: 9		ABSTAIN: 0
Senator P.F. Routier		Senator Z.A. Cameron		
Senator A.J.H. Maclean		Deputy J.A. Martin (H)		
Senator I.J. Gorst		Deputy J.A. Hilton (H)		
Senator L.J. Farnham		Deputy K.C. Lewis (S)		
Senator P.M. Bailhache		Deputy M. Tadier (B)		
Senator A.K.F. Green		Deputy M.R. Higgins (H)		
Connétable of St. Clement		Deputy S.Y. Mézec (H)		
Connétable of St. Peter		Deputy L.M.C. Doublet (S)		
Connétable of St. Mary		Deputy S.M. Brée (C)		
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				

Deputy S.J. Pinel (C)				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy A.D. Lewis (H)				
Deputy R. Labey (H)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Greffier of the States (in the Chair):

Deputy McDonald, this again falls to your panel. Do you wish to scrutinise this draft? Very well. Minister, do you propose the Regulations 1 to 4 together?

5.2 Deputy S.J. Pinel:

Yes, please. Shall I just detail them very briefly? Regulation 1 covers the interpretation of the law. Regulation 2 amends Article 5 of the Income Support Law to allow for 2 separate child components. Regulation 3 amends schedule 1 to the principle regulations to include references to the separate child components and includes rules to reduce the value of the single parent component over time until it is equivalent value to the component rate for all other adults. It provides the households making a new claim after 1st November 2015 to be entitled to receive a single parent component rate that is equivalent to the adult component rate. Regulation 3 also clarifies the continued payment of the accommodation component for people receiving long-term care. Regulation 4 deals with citation and commencement. I propose the Regulations.

The Greffier of the States (in the Chair):

The Regulations are proposed. Are they seconded? **[Seconded]** Does any Member wish to speak on any of the Regulations? All those in favour of adopting the Regulations kindly show. Any against? They are adopted. Do you propose the Regulations in Third Reading, Minister?

Deputy S.J. Pinel:

Yes, please, Sir.

The Greffier of the States (in the Chair):

Is that seconded? **[Seconded]** Does any Member wish to speak in Third Reading? All those in favour of adopting the Regulations ... **[Interruption]** The appel is called for in Third Reading. The vote is for or against the Regulations in Third Reading. I ask the Greffier to open the voting.

POUR: 30		CONTRE: 8		ABSTAIN: 0
Senator P.F. Routier		Deputy J.A. Martin (H)		
Senator A.J.H. Maclean		Deputy J.A. Hilton (H)		
Senator I.J. Gorst		Deputy K.C. Lewis (S)		
Senator L.J. Farnham		Deputy M. Tadier (B)		

Senator P.M. Bailhache		Deputy M.R. Higgins (H)		
Senator A.K.F. Green		Deputy S.Y. Mézec (H)		
Senator Z.A. Cameron		Deputy L.M.C. Doublet (S)		
Connétable of St. Clement		Deputy S.M. Brée (C)		
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy A.D. Lewis (H)				
Deputy R. Labey (H)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

6. Draft Social Security (Amendment of Law No. 9) (Jersey) Regulations 201- (P.105/2015)

The Greffier of the States (in the Chair):

Minister, you have withdrawn P.104, which was the next item, so we come to P.105, which is the Draft Social Security (Amendment of Law No. 9) (Jersey) Regulations, and I ask the Greffier to read the citation.

The Deputy Greffier of the States:

Draft Social Security (Amendment of Law No. 9) (Jersey) Regulations 201-. The States in pursuance of Article 50 of the Social Security (Jersey) Law 1974 have made the following Regulations.

6.1 Deputy S.J. Pinel (The Minister for Social Security):

I am sure that Members will be relieved to hear that this is the final piece of Social Security legislation that is associated with the approval of the Medium Term Financial Plan. This particular measure has not been discussed separately this week and was not subject to any amendments during the main debate. It relates to the contribution provided each year from the Consolidated Fund into the Social Security Fund. This is often known as supplementation and the rationale behind the transfer is to supplement the contributions paid by lower paid workers up to a standard amount. For the last few years the value of this contribution has been set by a formula to make it easier to budget in advance. The formula would normally allow for an increase in the contribution during each year of the Medium Term Financial Plan. As we have discussed over the last few days, the States faces considerable challenges in finding the resources needed to make the essential investments that will grow our health and education services.

[19:45]

One consequence of this challenge is a gap between income and expenditure during this M.T.F.P. period and a number of short-term measures have been proposed as part of the M.T.F.P. to overcome these temporary issues. One of these measures is to freeze the contribution into the Social Security Fund at its present level for each of the next 4 years. Compared to the formula that is normally used, this will be a reduction of just under £21 million in the money paid into the fund. To put this in context, that is less than 2 per cent of the value of the Reserve Fund that we hold and a total of over £260 million will still be transferred from the States into the fund over the 4 years. As I have already explained this week, a major review of the Social Security Fund is planned for next year. The fund is now very close to its break even rate, the point at which the cost of pensions and benefits paid out will start to exceed the value of contributions received. Approval of these Regulations will result in a small reduction in the level of the States grant which will have a minor impact on the overall health of the fund. However, the forthcoming review deals with the much larger issue of the pressure on the fund created through the ageing population and the increasing cost of pension payments. The review will involve a major public consultation and will look at the rate of contributions, the earnings ceilings and the balance between employer and employee contributions. It will also involve a review of the working age benefits paid from the fund and the way in which we pay pensions. It is vital that we complete this review and put in place measures that will keep the fund healthy for generations to come. As part of the review we will also look at the level of States grants and how it should be set in the future. The Regulations that I am proposing today freeze the value of the grant at its current level but the formula will be reinstated at the end of this Medium Term Financial Plan limiting the reduction in the payments to the fund to just this 4-year period. I propose the principles.

The Greffier of the States (in the Chair):

Are the principles seconded? [**Seconded**] Does any Member wish to speak on the principles?

6.1.1 Deputy J.A.N. Le Fondré:

A very quick question. Page 4 of the report makes reference to the balance of £88.6 million at the end of 2014. What will be, assuming those measures are passed this evening, the projected balance at the end of 2019 on the Social Security Fund? So presently it is £88.6 million at the end of 2014, what is the projected balance as at the end of 2019 assuming those measures are put in place? The Minister also made reference to the impact on the breakeven rate. Does this measure have an impact on that rate?

6.1.2 The Connétable of St. John:

Two quick questions: the first is what effect will this have on the low earners who earn around the threshold level? Are their payments going to be increased in order to make up the shortfall from States funding and, secondly, those who fall below the minimum threshold, they either have to pay the maximum, which is very often more than their total annual wage, or nothing at all, in which

case their benefits are affected. I would like to hear from the Minister how those people will be catered for.

6.1.3 Deputy A.D. Lewis:

Just briefly, I hope that the Minister will take on board some of what has been said recently about minimum wage and living wage as of course the supplementation is a result of people not being able to afford to pay nothing to the fund themselves. So I would like her to give some assurance that the process of getting to minimum wage to living wage will be speeded up. At the moment she is still saying up to 11 years and the U.K. is doing it in the next 4. So I would like to hear her comments on that as this has a direct impact on the cost of supplementation to the taxpayer and some of that burden should be moved on to the employer.

6.1.4 Senator I.J. Gorst:

I probably should not, but I am always tempted to fall back into being a Minister for Social Security.

The Greffier of the States (in the Chair):

We do have a Minister for Social Security.

Senator I.J. Gorst:

This is for me so enthralling so I will just sit down and leave it to the Minister.

The Greffier of the States (in the Chair):

Very well, in that case I will call on the real Minister for Social Security to reply. [Laughter]

6.1.5 Deputy S.J. Pinel:

In answer to Deputy Le Fondré, having been here for 12 hours, I cannot do the maths but he asked about the projected balance at the end of the 4-year period in the Social Security Fund. The fund at the moment stands at 1.2 ... the Reserve Fund. Sorry, which fund were you ...?

Deputy J.A.N. Le Fondré:

I am talking about the ... page 4 of the report says: "The Social Security Fund has a balance of £88.6 million." The Reserve Fund is different. So what will the projected balance in the Social Security Fund be at the end of this period assuming the measures are put in place?

Deputy S.J. Pinel:

Thank you for that clarification. It should be about £80 million. The answer to the Connétable of St. John: the minimum wage is being reviewed every year. The next review will start next April and so we will have an answer by this time next year as the last one for this year has just been announced. To Deputy Lewis, I missed the beginning of the question but I think it was about the living wage? The living wage, as you know, has had a report done it. We are very supportive of businesses taking on ... advocating the living wage but not for it being a government statutory decision.

The Greffier of the States (in the Chair):

All those in favour of adopting the principles kindly show. Those against. The principles are adopted. Once again, Deputy McDonald, does your panel wish to scrutinise this draft? Very well, Minister, do you propose Regulations 1 and 2 of the Regulations? I think you have explained them.

6.2 Deputy S.J. Pinel:

Yes, Sir. Just Regulation 1 sets the value of the States grant for each of the 4 years at £65.3 million. Then in 2020 the formula set out in Article 9A of the main law will set the value for that

year in the normal way and Regulation 2 deals with citation and the commencement. I propose the Regulations.

The Greffier of the States (in the Chair):

The Regulations are proposed. Are they seconded? **[Seconded]** Does any Member wish to speak on either of the Regulations? All those in favour of adopting the Regulations kindly show. Any against? They are adopted. Do you propose them in Third Reading, Minister?

6.3 Deputy S.J. Pinel:

Yes, please.

The Greffier of the States (in the Chair):

Is that seconded? **[Seconded]** Does anyone wish to speak in Third Reading?

6.3.1 Senator I.J. Gorst:

If I may, I just want to thank the Social Security Department staff. I am sure the Minister is going to do, and the Treasury Department staff for all their hard work that they put in, not only for this legislation but for the M.T.F.P. as well. **[Approbation]**

The Greffier of the States (in the Chair):

Does any other Member wish to speak? I call on the Minister to reply.

6.3.2 Deputy S.J. Pinel:

Thank you very much to the Chief Minister for his comments, and may I propose the Regulations in Third Reading and ask for the appel please.

The Greffier of the States (in the Chair):

The appel is called for on the Draft Social Security (Amendment of Law No. 9) (Jersey) Regulations in Third Reading. If Members are in their seats I will ask the Greffier to open the voting.

POUR: 34		CONTRE: 3		ABSTAIN: 0
Senator P.F. Routier		Deputy K.C. Lewis (S)		
Senator A.J.H. Maclean		Deputy M.R. Higgins (H)		
Senator I.J. Gorst		Deputy L.M.C. Doublet (S)		
Senator L.J. Farnham				
Senator P.M. Bailhache				
Senator A.K.F. Green				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. John				
Connétable of Trinity				
Deputy J.A. Martin (H)				

Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy of Trinity				
Deputy M. Tadier (B)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy S.Y. Mézec (H)				
Deputy A.D. Lewis (H)				
Deputy R. Labey (H)				
Deputy S.M. Brée (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

The Greffier of the States (in the Chair):

Deputy Tadier, are you going to keep us to 9.00 p.m. for Red Houses or is it a matter you are prepared to defer to another sitting?

Deputy M. Tadier:

I have got a feeling my chances will be better if I do not. **[Laughter]** Although it was not my intention to do that, I am happy to leave it over.

The Greffier of the States (in the Chair):

Very well, it is deferred to the next sitting, which leaves us to turn to the chairman of P.P.C. to propose the arrangement of business for the next sitting, presumably including P.73.

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

7. The Connétable of St. Clement (Chairman, Privileges and Procedures Committee)

The arrangement for public business is as per the Consolidated Order Paper with the addition of on 20th October the item that has just been deferred by Deputy Tadier. I would suggest that the sitting on 20th October will take about a third as long as this one has, in fact even less, one day.

The Greffier of the States (in the Chair):

Are there any further comments on the arrangement of future business? That is agreed and the Assembly does stand adjourned and will reconvene on 20th October at 9.30 a.m.

ADJOURNMENT

[19:54]