

# STATES OF JERSEY

## OFFICIAL REPORT

**MONDAY, 22nd SEPTEMBER 2008**

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

**PUBLIC BUSINESS – RESUMPTION**

**1. Annual Business Plan 2009 (P.113/2008): fourth amendment (P.113/2008) Amd. (4) Amd. (4)(1)(6)**

**The Greffier of the States (in the Chair):**

Very well. The debate continues on the amendments to paragraph (b) of the Annual Business Plan. The next amendment is part (6) relating to the revenue expenditure of the Social Security Department. Are you acting as rapporteur, Minister?

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

I am, Sir. It is great to be back. [Laughter] I am sure we are going to try and get through these next couple of days, get through the business that needs to be achieved. Some people still have asked me what supplementation is. Supplementation is the contribution from taxpayers to ensure that the future pensions of low to middle earners will be paid at the same level as those of high earners. It is as straightforward as that. We have a social and moral contract with the community to ensure that their pensions are protected. As the economy grows, as earnings rise, as numbers of workers increase, as the tax take of the Treasury increases, likewise the contributions the employers and employees pay, those increase and so does the taxpayers' contribution. That is basically what supplementation does. If Members have with them the documents which we are looking at on page 42, they will note that the income tax figures rise continuously over the years. Supplementation does exactly the same thing. If we see an increase in income tax, we should expect to see an increase in supplementation. The liability for the employer, employee and the States are unlike income tax to a certain extent in that it is calculated on a current basis. In advance of the year and in advance of the quarter and of the month in which workers earn their wages, the contributions of the employee and the employer are not known and can only be estimated. Only once those contributions are paid can supplementation be calculated. The problem with that is that the Public Finances Law demands that we set a figure for supplementation and are only able to surpass it by transferring funds from other items of expenditure. We are asked to provide the estimates of the cost of supplementation for 2009 and thereby set the cap for spending before we even know the full bill for 2007, before we even know the bill for the first quarter of 2008 and before we know the average earnings for 2008. So that sets the earning ceiling to which we work out our figures. We also do not know what the manpower growth is in the year that we are trying to forecast for. So anyone with the ability to foresee each of those factors with the accuracy demanded by the Finance Law will I suggest perhaps not need to work. If they have the crystal ball they could know all those figures in advance they would be doing really well. Putting these unknown variables aside, the increase in the budget set in the Business Plan for 2009 for supplementation is simply the budget. I stress the budget for 2008 up-rated by the estimate of the increase to average earnings for 2008. No allowance is made for the other variables which I described earlier like the growth in the number of workers. At an early stage the department knew that the budget being set aside for 2009 was insufficient based upon the figures it did have for the quarters 2007 known at that time. The department estimated back then that up to £2.1 million would be needed for 2009 and this was submitted to the prioritisation process. Once the 2007 cost of supplementation had been finalised and the first quarter for 2008 was known, the department revised its forecast for 2009. The various forecasts put the cost up quite considerably. The main reason as I said earlier was the growth of the workforce. This put the cash limit short of the expected cost for 2009 based on the latest information available. Between submitting to the Council of Ministers the revised estimate of up to an additional £5 million being needed and finalising the amendments, the average earnings figure for June 2008 was published at over 0.5 per cent lower than that used throughout the Business Plan. So applying this alone to the forecast reduced the additional amount required to an order of £4.5 million down from the £5 million as expected. As I mentioned earlier, supplementation is the cost of the contribution of the States on behalf of the taxpayer to future pension payments as determined

by the Social Security Law. It is the obligation based upon existing legislation. When established the scheme was supposed to share contributions equally between employers, employees and the general taxpayer. Employees and employers make good their contribution and meet their obligation and it is only right that the States should do likewise. Even those legal obligations do not currently require the general taxpayer through the States budget to fund a third of the contributions. Had it done so, the bill for 2007 would have been £67 million and not the £59 million which was paid. Even though the share of the States contribution is running at less than a third of all contributions, we have been asked to look at ways of reducing the States obligation. I must stress at this point that while the cost of supplementation is a complex matter to forecast with absolute certainty, the facts behind the funding of future pensions is at one level quite simple. If we are to cut the cost of supplementation then either the level of pensions and benefits must be cut or someone else other than the general taxpayer must foot the bill. The department has separated the piece of work it is doing into 3 parts to identify options and provide more certainty to the cost of the States contribution to the cost of future pensions and to hold or reduce that expenditure. The first part is aimed at providing certainty to the cost of the States contribution so that we know well in advance what the bill will be and can build that cost into the Business Plan without the risk of having to lodge amendments late in the day such as this. To this end the department has been in discussion with the Comptroller and Auditor General and with regard to a method to fix the cost of the States contribution to the Social Security fund. Those discussions have led to agreement in principle of a method which would be acceptable and comply with G.A.A.P. (Generally Accepted Accounting Principles). The second part of the review has been concerned with options to cut the cost of supplementation which, while perhaps requiring changes to legislation, are options which can be considered without requiring a fundamental reconsideration of the principles and mechanisms of the scheme. The department has identified such options which will be brought forward in the coming weeks for consideration for debate in the form of amendments to the Social Security Law where required. It will be for this Assembly to decide whether they want to adopt those, obviously. Given that the changes will require States decisions and given that they include amendments to primary legislation not to mention system changes within the department and in the business community, these measures will not produce the full savings for 2009, even if adopted by the States. It is, therefore, vital that the States, based upon the current legislation, provide for the full cost of its legal obligations for 2009 and to allow for changes to be implemented. Even if adopted, the proposed savings are most unlikely to deliver the full £4.5 million shortfall against the budget for 2009 which now becomes the target for savings, given that additional money is only being proposed for 2009 and not for future years. It is most improbable that the £4.5 million per annum can be saved without fundamental change to the contribution system being introduced. The Business Plan that we are debating for 2009 includes an objective of undertaking consultation and developing proposals for possible changes to the Social Insurance Scheme which will include the funding. It will require wide public debate about the future contribution rules to ensure that those rules meet the needs and demands of a modern society faced with the challenge obviously of an aging population. I know that there are those that believe that the system is not equitable in certain circumstances and the department is looking at ways of ensuring that there is a level playing field for all and has identified issues upon which it would like to have the views of the public. I know that there are also those that see that contributions above the cap should be increased turning it into a payroll tax. If that was to happen that would obviously apply to the higher earners and replace the contribution from general taxation which those higher earners already contribute to in paying their taxes. Such a significant step would be considered among the options for future funding of the scheme and the department is working with the Government Actuary to provide illustrative costings. Such measures form the third part of the review and require more extensive consultation and consideration and co-ordination obviously with general taxation policy. Our proposals for consideration in the coming weeks will concentrate on amendments which do not require wholesale rewriting of the law but can be accommodated within the current general principles and structure of the scheme. While we work towards options to reduce the supplementation, it is vitally important

that the funds to make good the States current legal obligations to set aside funds for pensions of the low to middle earners are met. I urge Members to support this amendment.

**The Greffier of the States (in the Chair):**

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

**1.1.1 Deputy P.V.F. Le Claire of St. Helier:**

I think it is obviously an important thing to support, especially given the informative speech that we have had this morning from the Minister. I must confess that supplementation has always been something that I found very difficult to grasp. This morning a lot of the areas which I did not really understand before have become a bit clearer. The primary function is to provide for the needs of society. In an aging society we have obviously to make sure that those people that have worked long and hard all their lives are provided for. It was interesting to hear in his speech about the fundamental principle behind setting this up; that the employee would pay a third, the employer would pay a third and the States would pay a third. I am sure that that was something that was the convincing factor when the States agreed to introduce this at a time when many of the Islanders were objecting and carrying coffins of the person who wished to introduce it into the Royal Square for opponents to stand on top of. So it strikes me a little strange that due to financial pressures we are being asked to see if we can reduce the burden of the States from that commitment. It is a bit of an indication as to the financial squeeze that is coming upon the States when we have to go back to the fundamentals and start to review that. I do support the amendment and I do support the Minister. I just think that I would like to take this opportunity to just speak to him, if I may, about the future of the fund and the wide public debate that the Minister will be faced with and the challenge that he is going to be faced with in getting that across to people. The arguments against a payroll tax have been made concurrently that why should the businessman pay more when they are paying their taxes anyway? I think that is a relevant argument in some respects but proportionately the businessman is paying the same as an employer, as the employee: a third, a third, a third. I wonder, because I am not as up to speed on this as perhaps I should be. Many of us have not provided for ourselves in pensions in the way that we should have done. Many of the younger population and middle population of Jersey today are not doing so either. If they are anything like the other people in the world, they have not really made the provisions for themselves that one would have hoped they would have done. The business community has in many respects taken on board in the past salary packages that have included an element that would cover for pensions. The States do it themselves through a very generous final salary pension scheme. I wonder then how their argument would wear out in the future if a businessman has been setting aside monies for a generous company or personal pension scheme that has been tax planned out of his tax year so that if the tax plans allow him or her - I am not certain; that is why I am asking - to set aside money from their wages for an additional pension scheme then that would obviously reduce their final tax bill. I am afraid to say if there is going to be a fundamental rethink of this scheme then we are going to have to look long and hard at the exemptions to the tax that people can allocate their income to because that will reduce their tax burden and that will set aside for them a more generous private pension scheme which is not available to those who are on the lower to middle incomes. I know it is a tax question and I appreciate that the Minister for Social Security may not have the answers or wish to speak on this during his reply, but I would just like to say perhaps if he can lean over and speak to the Minister for Treasury and Resources to get an indication as to what are the allowances for this. If there is any thinking on those lines then I think that that would give more credence to looking again at whether or not those that earn much more money should have their Social Security contributions raised. If we are going to get away from the principle that the States pay a third then we are going to have to either cut pensions or somebody else is going to have to pick up the shortfall elsewhere. We have always said that the benefits should be targeted towards the less well off. I think we need to apply that same philosophy and make sure that the contributions are applied to the better off because those of us in this community who can pay more

should be paying more. We have accepted - it is States mantra now - targeted support. The Minister has stood up on many occasions saying that we need to target the need. That is right. We need to target the need to pay contributions and benefits; benefits to those that are not wealthy, and if we are going to have greater contributions from any sector then I am afraid to say we are going to have to look seriously at whether or not that old argument of we cannot really introduce a payroll tax because it will drive business away because they pay enough tax as it is, I am afraid that is not going to wash. Not if there is going to be a fundamental change. We cannot have it both ways. We can support the Minister today because it is something the States are obliged to do by law and it would look ridiculous if we said to the ordinary man and woman on the street: "You have to pay a third and so have your employers but the States is copping out on their agreement that we forced into law on you." That would just make us look stupid. I implore the Minister and other Members of the States and the business community to accept the logical conclusion of this. We either take some money from somewhere else - and God knows where it would come from - to keep the benefits and pensions as they are and expect to be or we cut the pensions and we cut the future expectations of the public and the taxpayer and the Social Security contributions. We cut those expectations or we do what would be a sensible thing to do and we look at how people are paying their tax and whether or not we can accept as we did with second mortgages, as we have done with stamp duty, I am afraid to say as we are going to have to do with payroll contributions, whether or not we raise those ceilings of the business people that structure their payments in such a way making sure that they receive for three-quarters of the year a very paltry income with a large bonus at the end of it, thereby negating any real contributions on the Social Security perspective in terms of their income and planning their tax structure in such a way that they manage to avoid paying what they can adequately pay just to fit in - as Senator Shenton said last week - an extra skiing holiday or 2.

#### **1.1.2 Deputy G.C.L. Baudains of St. Clement:**

The Minister told us during his speech that this demand is due to the growth in the workforce which means presumably either the number of people paying below the contribution level is rising or the same number are earning less or, a third scenario, there are simply more people and the average are earning below the threshold. This does seem to me to be in contrast to the economic growth scenario that was given to us and that we would only encourage high earners to the Island. I wonder if that is perhaps not now the case. Sir, I would be grateful to the Minister if he could clarify that for me in his summing up because it is now obvious that economic growth has hidden costs and one is led to wonder what other costs are lurking in the background. The Minister spoke about the way Social Security is funded; of course which we are all aware. I believe it is a good system. I have no problem with that. Another question I have for the Minister is why has this come to us in the list of lower priorities in this amendment? Is it in fact a lower priority and, if not, why was it not in the main proposition? I am getting very concerned about these amendments, Sir. It does seem to me that the Council has no grip on expenditure whatsoever.

#### **1.1.3 Senator L. Norman:**

Very much in the same vein, because I do have sympathy with the Minister and I do understand the position that he finds himself in, but as we go through these amendments I am becoming more and more concerned. When the Business Plan was agreed by the Council of Ministers earlier this year, they were aware of the shortfall of funds for supplementation. They admit that in the report to the amendment. So knowing this spending was really a legal obligation, why was this sum, or a sum at least, not included as a must do in the original plan which was lodged in July? I am becoming more and more concerned that we have almost been conned in a way. I suspect that when the Business Plan was lodged in July the Council of Ministers knew that they were going to bring a last minute amendment just 2 weeks before the debate. To be honest with you, I just do not like that. As I say, I feel that we have been conned. They were going to bring this amendment because we put upon them quite rightly a cash limit and this amendment is nothing but a device to crash through that



cash limit barrier. Unless the Minister can tell me that they did not know, despite what is said in this report, or that they did not plan to bring an amendment - they were going to manage with what they had in the original cash limits - then I am going to be very, very tempted to vote against this part of the amendment.

#### **1.1.4 Deputy A. Breckon of St. Saviour:**

We should say at the outset of this that this is something that the Health, Housing and Social Security Scrutiny Panel tried to look at a couple of years ago. The estimates then for 2008, 2009, and 2010 were certainly less than £60 million. Not many years ago the level of supplementation was around £50 million to £52 million. In one year I believe it dropped year on year and I think perhaps there is maybe some complacency there. I think both Senator Norman and Deputy Baudains have picked on a point about the economic growth. This is perhaps the elephant in the room. Economic growth does all sorts of wonderful things but in the report there is some detail there which perhaps gives us some background to that but it is also linked of course to employment growth. It says in there, Sir: "Economic growth in recent years has led to increases in the workforce and as approximately 56 per cent of all workers are paid below the earnings limit [and the earnings limit presently is just over £40,000 I understand, so that is the level we are talking about] this leads to an increased cost of supplementation. Initial figures for 2008 show that the workforce is continuing to grow." The questions when the Scrutiny Panel asked, there was a shrug of shoulders and it was: "We do not really know. We do not know because it depends." People come and register for employment. If they go into a level where they need supplementation it is a regulatory requirement we must supplement people. Whether they are still here next year is by the by. It does not matter if they are in at an earnings level now. In some of the economic growth debates we were told that the idea was to attract young professionals that would be nowhere near supplementation. But of course when we look at the figures, that is not necessarily the case. The department did have an indication because it says so in the report accompanying this fourth amendment because it says, Sir: "At the beginning of 2008 the Department of Social Security indicated to the Council of Ministers based on the figures available at that time that the cash limit allocated to the department would require an additional £2.1 million for 2009 over and above the estimates previously provided for." Even at that early stage that was more than 100 per cent out if we are now saying it is £4.5 million. So perhaps the level of information, the statistics, the guesses, if you like, are well out. It is not necessarily the Minister's fault. He is faced with a situation that is presented to him perhaps from elsewhere, from Economic Development, but the question is, where is the quality information? People must register on a monthly basis and somebody must know where they are going and indeed where they have come from; if they are registering locally or from somewhere else or for the first time, the second time. This information used to be available but I think sadly it is lacking at the moment. It also goes on to say, Sir: "This increase was in respect of the additional costs arising from the increase in the number of workers and the lower than average earnings increase experienced by lower paid workers. This was included as a significant funding pressure in the 2009 Business Plan." Again, it has come as an amendment and it is something really that we are between a rock and a hard place here; something indeed we must do. Also in the report, Sir, it says: "However, the continuing growth in the economy, together with the increase in numbers in work and the effects on the cost of supplementation, has a significant impact on the forecast for 2009 and the revised estimates [these are again estimates] indicate that the department could be under-funded by up to £4.5 million." That is the latest guess I would suggest but again it is something that we must do. It does give some idea, Sir, of the figures because it says: "The initial analysis of the first quarter's data has shown that the growth in the workforce has continued with the number of contributors having risen by 1.4 per cent over the same quarter of 2007. Of these contributors, the number of those whose contributions require supplementation has risen by 3 per cent to 32,062." Again, I would suggest that somewhere we need to link together this information and perhaps get some joined-up government because it is now 55 to 57 per cent of people in the workforce need supplementation. I do not think, Sir, at this stage

the House has any option to support this. It is really unfortunate the way it has been brought as an amendment when the Council of Ministers and indeed we all knew that something was required. They could not pin down the exact figure and probably even at this stage this is not right because again it is a guess of what is going to happen. We do not know. I know what the Minister is saying about perhaps using other methods to do that but that is not what we are discussing today. We are discussing £4.5 million for this. I will give it support, Sir, but I think in future the Minister, the department, the economic adviser, the Statistics Unit regarding the employment numbers and how all this comes together must inform us better about where we should be for future forecasting. We should not be coming with this as we are today, Sir, at the last minute. Although I support this, Sir, it is reluctantly.

#### **1.1.5 Deputy R.C. Duhamel of St. Saviour:**

In a similar vein to the last 3 speakers, this is planning on the hoof or an absence of planning. A number of Members have asked at various meetings that have been held over a period of years when we were determining whether or not we were going to open the floodgates and go for growth, what it meant to be bringing in somebody who was economically active and whether or not the benefits were all positive. For every person working in the finance industry there are a whole host of other jobs in support of that person or persons or family or children which have to be done. The Statistics Department have not come forward with a sensible estimate as to how much extra demand we place on immigration in terms of creating extra jobs. Indeed, following on from that calculation is the element of supplementation that would have to be applied to the Social Security fund to pay for the benefits that those persons might wish to receive. This is without looking into the pension problems that we are generating for ourselves because indeed pensions are another hidden cost that we have to take into account. So what have the States done? We have just gone ahead and we said we are going to go for growth because that is the best way out. Keep on growing and all our problems will be solved. I find the approach of the Council of Ministers on this one very, very underhand because what we are being told is that this is a £4.5 million hit to the pot of gold that the Minister for Treasury and Resources has suddenly found himself at the end of the rainbow with as happens every year after it stops raining. What are we going to do? We are going to spend it. We are going to spend it all. I do not mind spending providing it is done sensibly but this is indiscriminate spending. This is unplanned spending. This is unplanned, unforeseen expenses. We are being told, Sir, that the £4.5 million is one hit for this year. In fact, put your blinkers on. We are only discussing the Annual Business Plan for 2009 but part and parcel of the Annual Business Plan process is to identify funding pressures - whether they be capital or revenue - into the future. There is no mention as to how much there is going to be called upon in future years. Next year if the population grows again there might be £5 million, £6 million. We do not really know. I think this is the bit that I dislike most. It is all very well going for the balanced budgets and spending all the money, Sir, that is coming into your pot. That is the easy thing to do, but the harder thing to do, which is what we should be doing, is being prudent and it is called financial planning. We should really be sorting out our funds and our monies and our finances to ensure that we are not through the action of one department finding ourselves in a position of having to spend unnecessarily, or necessarily as the case may be, by another. I will be saying something in relation to Transport and Technical Services at a later stage in terms of their revenue spend because we have a number of hidden policy issues for indiscriminate spending there as well, Sir, but in this particular case we are between a rock and a hard place because the Council of Ministers have come at a very, very late stage and they have us over a barrel. If we do not cough up the monies that we do have and allow them to be spent, what is going to happen? It is too late. It cannot be scrutinised 2 weeks before the debate. Some of the issues were raised earlier on so it is not as if we did not know about these things but we have not done our homework properly. We are finding the easy way out of our problems; just spend, spend, spend whatever has come in. I do not know how I am going to vote on this one at the moment, Sir, but I certainly would like the Minister to tell the House how he intends to quantify as best as he is able to do the amount of monies that

will be called upon for future supplementation in the absence of a policy change, or if a policy change is forthcoming, which year will that policy change be promulgated? As I say, Sir, there is nothing in 10, 11, 12 or 13 and we should know. Prudent financial planning is what it is all about; not just spending what you have got.

#### **1.1.6 Connétable A.S. Crowcroft of St. Helier:**

It seems to me that what we are witnessing in this succession of amendments is the creation of a financial cushion for the next Council of Ministers. That will allow the Council next year to pay for things that it has not been able to get a handle on this year, or indeed for new, unforeseen, urgent items that come up. The obvious recent example of that is the support that was required for the prison that took money away from a sum of money that the States had previously voted for something else. The more of these amendments that go through, the bigger that financial cushion will be next year and the less need there will be for the kind of financial rigour that successive Ministers and committee presidents before them have been talking about. I must say, I am quite intrigued by the process that has led to where we are today. A number of Members have already referred to it. The sum of £2.1 million as a shortfall was notified, we are told, at the beginning of 2008. That figure is still at £2.1 million. Later on in the brief report we are told that it still could be £2.1 million but £4.5 million is as a result of revised estimates. It could be under-funded by up to £4.5 million we are told. Other Members have asked this question, when we are told that the Council of Ministers agreed in arriving at the plan, why did they agree that the additional funds would not be included? What was the thinking behind that? Are they not aware as we are that supplementation is the payment required under the law? This should be one of those items in the good old days of decision conferencing that simply went into the column "had to be paid". These are the ones that are put aside at the beginning. I am very curious to know what has happened to the financial planning process. Is it a case of getting through the Business Plan with a nice, but seemed to be austere, suite of proposals and then come in at the 11th hour with a whole series of amendments to provide that extra spending money that the Council of Ministers want to use? I do not know. I was not at the meeting. Perhaps we will be enlightened shortly. I think this issue of £4.5 million, why is it £4.5 million? It is not adequately explained. I see the figure of £2.1 million a couple of times. That is based on data that the department has had. I do not see the analysis that demonstrates £4.5 million is required. In fact if we look late on in the report section in the amendment, we are told: "The department is undertaking further analysis of the data and revising forecast spend across other cash limited expenditure for 2008 to ensure if possible that the cash limit for 2008 is not exceeded. It is very unlikely this could be achieved in 2009 given the scale of the costs involved." I am not sure. Are we being told that the door is entirely closed, that other cost savings will be found and that the £4.5 million will not be required? I do not know. A number of speakers have said that we are between a rock and a hard place. We have no choice. I am not sure that is the case. If we are by law required to spend this money and if once the figures are in next year we know what the figure is - maybe it will not be £2.1 million; perhaps it will be £3 million, we do not know yet, but when we know the figures what is to prevent the Minister from coming back to the Assembly next year and saying: "By law I am required to find this money. You did not vote it through in the Business Plan last year. We have looked in all the other silos." That is the discussion which we have not heard much of in these amendments. Where is the end of silo thinking that we hoped that the Ministerial system of government would bring? Has one Minister said to the other: "Have you got an under-spend that we can use to deal with this problem before we go back to the States and ask for more money?" I certainly think that would be a much more prudent response. I am reminded of that and I think it has only happened the once. Perhaps there are other examples. Of that occasion when former Deputy Dorey came back to the States and returned £500,000, which I think it was the Agriculture and Fisheries Committee, under his presidency had not used. He came back to the States and returned it to the central coffers. There is precious little of that kind of thinking going on today. Before we come in successive amendments and ask for all this extra money, surely Ministers and their successors - and we do not even know

who they are yet - should be tasked by this Assembly with the job of looking in all those silos before you come back for this money. We know it has to be paid but we do not yet know what the figure is. We do not yet know what will exist in other coffers of the States. So that is my first point I would like to make very strongly, Sir. I certainly do not feel that I have a gun to my head from the Social Security Law. I believe in voting down this amendment. I am giving a message to the Council of Ministers that they can come back any time next year and convince me that they need that extra money. The second thing that I am interested to know is - and I always love this phrase when you see it in any report from the civil service - "the department is actively pursuing." How many times have we read that? Presumably pursuing is enough on its own unless there is a history of inaction and that is why the word is put there. I have not been in the Assembly as long as Deputy Breckon but I know that when I started in the Assembly the department was actively pursuing an end to the supplementation problem because Deputy Breckon was one of many Members - and Deputy Southern too, I think - who has been trying to get some movement on this subject. At the 11th hour to come back to us and say we are actively pursuing it is a very lame excuse indeed. I would like to know if that active pursuit includes talking to our sister island of Guernsey because I noticed on the news the other night that they are now looking again at the possibility of raising thresholds to increase alternative ways of bringing money into their system. I would like a little more detail please about this active pursuit. I would suggest to the Minister, and indeed to all the Ministers, next time they come and ask for more money that they avoid the phrase "actively pursuing" because I think it is pretty meaningless. It is probably almost a tautology. The pension scheme was referred to and Members will know that certainly the Parish of St. Helier has been doing its best to wrestle with the fact that the final salary scheme to which this relates is storing up problems for future generations. The Minister touched on this subject. He did not say really how far up the agenda it was. I would be interested to know whether this is being pursued by the States because certainly one of the messages the Parish of St. Helier received when we tried to go it alone was: "Why do you not wait for the States to do it?" Well, we are waiting. Finally, the issue of forecasting. I would, as I say, like to know more about where this figure comes from, the £4.5 million. It seems to me that forecasting, we have seen examples recently and the public must be really quite confused about the States forecasting because we have lots of staff, we have a Statistics Unit - I can hardly say the word - but it does seem to me that the forecasts keep moving. Maybe that is the nature of the animal we are dealing with; that is what happens with the economy. People who had crystal balls recently ... that is the wrong phrase. I am going to rephrase that. Anyone who had a crystal ball recently would have made an awful lot of money out of the volatility of the stock market and so on. I think we have recently found a whole lot of extra money from G.S.T. (Goods and Services Tax). What is going on in terms of the Island's forecasting? Why can the Minister not be a little more definite, a little bit more precise about the figure? I would like to know, for example, when will that figure be known? Could he come back next year and give us an exact figure? Could we then be asked as a new House to vote him the extra money if indeed we know that he has looked in all the other ... and spoken to all his Ministerial colleagues about the alternative ways of funding it? Sir, I am not convinced that this is the only alternative. Unless the Minister can convince me I will not be supporting the amendment.

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

I hardly know where to start on this one. However, let us put it in context. What we have here is a series in the fourth amendment of 11 initiatives on which the Council of Ministers are under pressure. The Council of Ministers apparently find it very difficult to make decisions about prioritisation and who spends what where. We have had these 11 items brought literally at the last minute with very little time ...

#### **The Greffier of the States (in the Chair):**

Sorry to interrupt you, Deputy, but the Assembly is inquorate. I cannot raise the défaut when we are inquorate I am afraid. There are 28 people present but 2 are on défaut.

**Senator F.H. Walker:**

Could I propose that we raise the défaut on Senators Ozouf and Cohen?

**The Greffier of the States (in the Chair):**

It is a catch 22. We are not competent to do anything while we are inquorate.

**Deputy G.P. Southern:**

If you do not want to fly, you are not mad.

**The Greffier of the States (in the Chair):**

Once the Assembly become quorate we can raise the défaut. If one Member would return. All right, very well.

**Senator F.H. Walker:**

Sir, may I now then propose the lifting of your défaut on Senators Ozouf and Cohen?

**The Greffier of the States (in the Chair):**

Yes, indeed. I propose the défaut on Senators Ozouf and Cohen be raised. Those in favour? Those against? The défaut are raised. Deputy, please continue.

**Deputy G.P. Southern:**

It is like playing the Glasgow Empire. The audience leaves. **[Interruption]** Please do. Please do, feel free. Why have we had this series of 11 amendments at the last minute? What is this particular piece of amendment? If you look at the others; the nice pirouettes on G.S.T. on food and the lollipops that are being given out. Funding that nobody would find easy to oppose. Lollipops for the election. A debate just before an election. What is going on here? We are told this particular must be passed because it is a legal requirement. We could not possibly guess how much it was going to be in any way, shape or form, despite the fact that we are given strong indications. This has been an issue and it has been around - I have seen the paper - since the end of last year/beginning of this year. It could easily have been put into the overall scheme of the spending plan early on so that we had plenty of time to talk about it and discover what it means. Instead of which we have this last minute Johnny position where we have to find ... is it an extra £4.5 million, Minister? Is it an extra £4.5 million in total?

**Senator P.F. Routier:**

Yes.

**Deputy G.P. Southern:**

Yes, okay. Why was it not put into the original plan? Because that would have meant to stick within budget we would have to throw out some nice to have things and make some hard decisions on things that are nice to have in an election year. They could not do that so we are brought at the last minute with the ultimatum you cannot vote this out. Wonderful. What a technique for running a whelk stall. I do not believe it is going to work for the whelk stall and it certainly does not make sense for a Council of Ministers. That is the context. Let us set another context. Here we have a Council of Ministers that, under Ministerial government, is supposed to be producing joined-up government. The current Minister for Treasury and Resources used to be in charge of Social Security until 2002 so he knows exactly what is going on with supplementation presumably and now as Minister for Treasury and Resources must walk around with sometimes in the air with a little light going on in his head saying: "We are going to have to deal with supplementation. It is going to be here soon. I wonder what is happening?" But what happens? Hang on. We are told the economy is booming. That is the problem. Was the Minister for Economic Development not speaking to the Minister for Social Security and the Minister for Treasury and Resources and saying the business is booming? What was he saying about the overall fiscal strategy and the

economic growth plan? The economic growth plan, if I may remind Members, says we will grow the economy, grow the high value end of the economy. We will attract a young, go-getting, high worth, high salary, high contributing end of the job market. Immigrants will be top end. Of course we do not have a mechanism to filter out those people who are doing the rest of the service jobs keeping the finance sector going. We do not have a mechanism for that. We cannot stop them coming. What has happened? Clearly - and the figures are there - we have taken off the brake, we have pressed the accelerator on the economy. It is go for growth. Gung ho for growth at all cost and here is a cost. What happened? In 2007 over one-third - 34 per cent - of new jobs created were filled by immigrants; by newcomers. What type of immigrants; of newcomers? Supplementation tells us exactly what type. Yes, there were some at the high end who did not require supplementation but by and large a significant large number of low skill workers working for peanuts and requiring supplementation so the supplementation bill has gone through the roof. Why? Because the co-ordination and the planning of this Council of Ministers has gone to pot. All the fine-sounding terms, phrases about sustainable, about controlled, are being shown up for what they are. They are mere platitudes. Complete and utter platitudes to make us feel better while we drive the car with our eyes closed. That is what is happening and the chickens are coming home to roost. Some Members may remember back in 2002/2003 a young greenhorn Deputy coming in and saying: "Take a look at this supplementation thing. It is crazy. You have a policy that is going to lose us £90 to £100 million of tax, your fiscal strategy, and you have not paid one jot of attention to the fact that at the time around £50 million is going out from your tax revenues year in and year out and growing to supplementation; this arrangement where you have one third, one third, one third or almost one third because it is easy in most years just to let that slip and then play catch up later on when you have a bit of cash." We are already fiddling and fudging around the edges of it. We have allowed ourselves to drop in over the third principle anyway. I said way back then, and I cannot remember whether it was to the current Treasury and Resources Minister or the current Minister for Social Security, but I definitely brought the proposition. It said take the cap off supplementation. "Oh, we could not possibly do that. What is this back of the fag packet calculation? Oh, dear, danger, danger, danger. Stop." One of the things that was said because I remember the debate. I remember it well. Early bleeding, I do not forget. I just keep coming back. One of the factors was: "Do not let this young firebrand do this. It is rash. It is foolish. We are working on it. Do not worry, it is in hand. We will come up with a solution." That was in 2002 or 2003. Hey, it is the end of 2008 and what do we have? We have this fudge. Nothing. No work gone into it; nothing done. This is a sorry tale of complete and abject failure to address serious issues around the Social Security funding and particularly supplementation. Even the simplest mechanism you could do, which would be to take off the cap, is dismissed out of hand by the Minister for Social Security. What would it do? What would it do? It would put contributions on a level playing field. Everyone in the Social Security fund saving towards their pensions but paying for current pensions because that is what has happened. A bit extra goes in the pot. We are still building up the pot but effectively it is what we do with our contributions is we pay for today's pensions. That is part of our job. Taking off the cap would simply make that 6 per cent payable by all. At the moment with a cap at £40,000 a person earning £100,000 pays something like 1 per cent or under of his earnings towards the Social Security fund. I am just over this margin, am I not? So already I am benefiting a little bit; not quite by 6 per cent. The shop worker pays 6 per cent. The person on the shop floor pays 6 per cent. The plumber down the road is probably paying 6 per cent. But someone earning £100,000 is effectively paying 1 per cent. Is that a level playing field? I would say not. Is that progressive? Absolutely not. Is it proportional even? No, it is not. Who would that impact? It would impact only higher earners. If we did it properly instead of this crazy 20 Means 20 scheme that we have invented, which is fantastically complicated - only an accountant could have come up with it - a fantastically complicated way of hitting those middle to high earners, it kicks in too low. It hits a lot of middle earners and it is going to make them suffer. We might even be able to revise that; go back to that and look at that craziness and say: "Hang on, we have just done this with Social Security payments if we take the cap off. That is proportionate. We

know it only hits higher earners.” Bingo. That is a way to get some fairness back into our tax system in the light. Back to we are about to lose £100 million and yet you cannot be bothered to plug this hole that says at the time £50 million, now £63 million is flooding out of this hole. Getting rid of the cap on supplementation would at the time have saved around £22 million or £23 million. I presume proportionately nowadays that would be around £28 million to £30 million. Has the Minister even considered this? Has he started up? Has he come with a Green Paper saying what do we do? No, he has not. He has come with some fiddle and fudge; some last-minute fudge at that. So what do we have? We have an economy racing away and we are sucking in low paid workers and supplementation is going up. We do not know what to do about it apart from come to this House and say: “Can I please?” Legally you have to do this. We have to spend this money. We are working on some fudges that will mean that we do not have to spend it another year. I think it was the third stage of this review we may review and come with some decent work, not my calculations, because I cannot be trusted, but some decent work which, finally, once and for all, might allow us to address this problem that has been sitting around gnawing at our finances for the past several decades; but certainly we have been aware of it as a serious problem, certainly for a decade and certainly in the last 5 years and absolutely, definitely ignored by these Ministers for the last 3 years: “If we do not open our eyes it will not be there. It will go away. Oh, that is difficult. Put it off.” They promised to do that back in 2002-03. They have not, absolute failure. The first question that needs to be asked, and I will ask it, is if we do not vote this money what happens? We are defaulting by law on our position. £4.5 million in the fund does not occur. What is happening to that fund? Why, it is still growing. It is in credit. So that we are taking more than we need for immediate payments and we are putting some of it away. The Social Security Pension Fund is growing. It is calculated that it will grow until 2035. So what will happen? Surely it means that the fund will grow a little less. The end of the world does not happen if we do not vote this through, it appears to me, it is just that we weaken our own fund. Not a wise thing to do perhaps, but not the end of the world. All the wheels do not fall off at once; if we have any wheels on this wagon that is. So the answer to that clearly, if we break the law the A.G. (Attorney General) or the S.G. (Solicitor General) prosecutes us for defaulting on what we should be doing with our Social Security fund. I do not know. It is not clear here. We are just told we must by law do it, so you have to do it. Some choice that is. Why does the Minister bother bringing it? It is insulting. It is insulting this House. Sir, we have been asked to come up with this money because we have to, given no reasons at all, and this is basically a little mini fudge. Now, this particular Minister is very good at fiddling and fudging. He has persuaded us that we do not need a major review of Income Support, for example, because things that are wrong with it are only fiddles and fudges and we can do that as we go along and it does not really matter. So we can mend this by fiddling and fudging, putting a bit of oil on the machinery for the moment and it will work and it does not really matter and we are falling down in our major responsibility of addressing the hard questions and not just the easy ones. I am not convinced that this in fact is necessary. I wait for that assurance. Like the Constable of St. Helier, I wonder could this not be found another way? Is there not another way? Although, on consideration, it strikes me that there is another piece of madness and absence of joined-up thinking going on anyway because we did have a quite substantial pot of money - I think it is called a contingency fund - that we could at any stage during next year have come to and said: “Help, it is worse than we thought. It is £4.5 million. Can we do something about it? Can we spend this money, put it in the pot?” We could come with that except we have emptied the pot. Remember? When we were all absolutely worn out from a very long and interminable debate on the Energy from Waste plant, they came up with: “This is the way we are going to pay for it.” Not staged payments over a number of years which you and I might think is sensible - £7.5 million a year, was it - we are going to pay for it all at once. We have just emptied all our savings out. So we put ourselves in a tight position as well. Again, another brilliant, wizzo idea from the Minister for Treasury and Resources that not a month down the line has us facing no choices on another hard issue on spending. This is symptomatic of a Council of Ministers who does not know what it is doing, have all of their bits crossed, their fingers, their toes, et cetera, and

they are just hitting and hoping. All we are getting from these Ministers are not hard decisions, well made, well thought through, brought to this House in a timely manner. We are getting fiddle and fudge and help and no options whatsoever because they made an endless series of one mistake and one bad judgment after the other. Unless I hear otherwise, unless I hear some sound argument about why we cannot pay this money, I will be voting against it.

#### **1.1.8 Deputy S.C. Ferguson of St. Brelade:**

Deputy Southern mentions pressures. I will remind Members we still have some £29 million worth of such items as maintenance and infrastructure. Why does the House think that the P.A.C. (Public Accounts Committee) feels so strongly on financial management and control and proper project planning? Members are attributing all this requirement on growth but it is partly an effect of I.T.I.S. (Income Tax Instalment System), collateral damage if you will. The House was very enthusiastic about bringing all Islanders into the income tax net. In the P.A.C.'s recent hearings on the accounts, and according to the Comptroller of Income Tax, the number of taxpayers has gone up by 36 per cent, much as a result of I.T.I.S., but the income tax collected has only gone up by about 10 per cent. As a result of the various discussions we had in the hearings about the tax and the supplementation, the Auditor General has, as the Minister said, been reviewing this and I understand he will be issuing a note on this. It is a complicated issue and we shall need further actuarial reports before we can make the plans to deal with it. Obviously it is partly a side effect of growth because of the work that is required to support the overall economic growth. In view of the current financial markets I would suspect ... in fact, I would go a little further than that and say I believe that the growth will not be as significant over the next few years. We do not have sufficient information to be dealing with this. It is one of the reasons why I supported the expansion of resources for the Chief Minister's office, because this sort of work ... if you are fiddling with taxes, you do need to look at the collateral implications. This is why the Public Accounts Committee is pushing for better financial management and controls. We must not forget that supplementation is largely for pensions and we cannot interfere with this without better information. If we follow Deputy Southern, we will be operating a pay-as-you-go pension system by 2035, if not earlier. We do not fiddle with people's lives in this way. This is why an informed and balanced review is required. We do not have sufficient information so I will be supporting this but with the proviso that a proper and intelligent review is made.

#### **1.1.9 Senator T.A. Le Sueur:**

Perhaps we should remind ourselves that what we are debating here is how much money we are going to be spending next year. We seem for the last half hour, in Deputy Southern's speech, to be talking about fiscal policy, Social Security policy, Income Support policies. Today is the time when we decide, at one date in the year, our entire spending for the coming year. That gives a particular problem to Social Security and the Minister for Social Security in trying to calculate this question of how much to put aside for supplementation. As Deputy Southern said in his introduction, surely the Minister for Treasury and Resources knows all about supplementation. Well, I cannot say I know all about it but I know enough about it to be able to say that you cannot forecast it with as much accuracy as I would like as Minister for Treasury and Resources. Senator Routier has explained the reasons why one cannot forecast that with absolutely accuracy. I cannot remember which speaker it was now who asked when will we know what the actual spend for supplementation for 2009 will be and the answer is some time in 2010. The Accounting Officer for Social Security has an obligation for 2009 that he cannot exceed his budget and that legal requirement - just as a legal requirement to pay supplementation - gives the Minister for Treasury and Resources and gives all of us a planning headache. Certainly the fact that for the coming year the expected funding of supplementation has risen is, as I think we all appreciate, one of the factors of a buoyant economy. Yes, supplementation is rising and, yes, as Deputy Ferguson says, it is partly the effect of bringing in I.T.I.S. As the Comptroller of Income Tax said, that has caused his tax take to go up by 10 per cent. We forget, when we are thinking about this extra £4.5 million,



that we are going to spend on Social Security, the benefit that we get from the increased tax revenue we are collecting. Where are we collecting it from? Deputy Southern says that one-third of the new increased workforce were immigrants, as if there were something wrong about that, and that means that two-thirds of the increased workforce were local. Of that mixture of local and immigrant workforce, 56 per cent require supplementation to some degree. Now, I do not know whether that is from the one-third of the immigrants plus a bit more or the two-thirds of the locals less a few or, far more likely I suppose, a mixture of both but we should not blame or congratulate one sector of society for a function which affects all of us. Certainly I have absolute confidence that our economic growth policy is the correct one, just as I have absolute confidence that our fiscal policy is the correct one. But today is not a question in any case for debating whether those policies are right. It is a question for debating how much we need to spend. Now, some speakers, and I think Senator Norman was the first one, asked surely the Council of Ministers were aware earlier in the year that there was going to be a shortfall and the figure of £2.1 million was bandied around. Yes, indeed, Ministers did know earlier in the year but what we had, because what we had been tasked to do as a result of a previous Business Plan debate a couple of years ago, was to charge the Minister for Social Security and his department to look into ways in which supplementation might be amended and the Council of Ministers had hoped that the result of that would have come to fruition during this year. Sadly, with the result of changes to Income Support and other activities in the department it has taken longer and it is when we realised that that was not coming to fruition in this year that we appreciated that something would have to be done. Now, this is not the first time that this problem has arisen. Members may recall that for 2007 I brought a proposition to the States under Article 11(8) of the Public Finances Law to increase the funding available to Social Security to enable them to meet the higher costs of supplementation and that would be a route available for this House to do for the 2009 supplementation. We could wait until some time next year and bring in the proposition then to increase our spending. Article 11(8) allows me to bring those sort of propositions for unforeseen circumstances but could a Minister for Treasury and Resources honestly come to the States in 6 months' time and say this was unforeseen. We have been debating it for the last couple of hours and it is clearly not unforeseen. We know about it. We know it is going to increase our annual spending and I think those who are concerned about the spending limits of 3 per cent or 4 per cent, whatever the percentage may be, might forget that when a Minister for Treasury and Resources brings additional spending requests during the year, that increases the percentage spend or the growth of percentage spend. What we have tried to as a States is to ensure better financial discipline by agreeing all our spending one day during the year, or in this case one fortnight during the year. That is, I think, a far better way to go about it but we cannot get away from the fact that for 2009 this money is going to have to be spent. It is, as the Minister for Social Security says, still less than one-third of the total contribution which comes between employers, employees and the States. It is a consequence of the fact that employers' contributions have gone up as well and so employees' contributions have gone up as well. They have gone up because the economy is booming and our tax revenues have gone up because the economy is buoyant as well. So this is, I think, no more than a natural consequence. There is nothing sinister about this particular amendment. It is just reflecting the fact that in the present circumstances that money, one way or the other, is going to have to be spent and we have to face that fact now rather than take the alternative, which Ministers previously have done, and brushed it under the carpet for 6 months and then asked the Minister for Treasury and Resources to bring it out again when everyone was talking about it some time next year. That is certainly not the honest way to go about things. If we know that this money is going to be spent, let us face up to that fact and agree that it has to be spent and pass this proposition.

**The Bailiff:**

I call upon the Minister to reply.

**1.1.10 Senator P.F. Routier:**

I thank the previous president of Employment and Social Security for those very clear and concise comments about what supplementation does and the difficulties of trying to forecast the impossible because, as Members have hopefully become aware, for instance, trying to forecast these things is an impossibility. I think it was Deputy Breckon who asked when would we know for 2009 what the figure will be. Well, as Senator Le Sueur has said, we will not know that until 2010. We will not know what that bill will be. That is the difficulty that is faced by forecasting these amounts and we have met with the Comptroller and Auditor General in recent months to find a way forward for the States to be able to put in a figure within the budget which can be stuck to and he has come forward with a suggestion which will enable us to perhaps put a 3-year block vote in and settle it for 3 years and then we would have to re-adjust it for another 3 years, but it would give more certainty for the States to enable them to plan for the future. I have to say there were a number of speakers who I was very concerned about who were wanting to do away with the social contracts we have with the public of the Island. We have a duty to support people in their need, for their pension with the ageing population. You know, we help them with their pensions. It is a contract we have with them and we must not back away from that. I just do not think that is an appropriate thing to be doing. The increase in supplementation is caused by very, very many things and obviously there has been criticism about we have just let the economy grow and all the rest of it. The fact of the matter is we have planned to have the economy grow. We know it has exceeded expectations and which some people do not think is a bad thing. Well, the reality of it is that increase in the income and income tax needs to be reflected in an increase in the supplementation. People worry about the ceiling level for supplementation. There are many people in this room who receive supplementation, even at this level, and the earning ceiling is the contribution to an insurance premium which will give you the benefits when they are due. It is a set contribution level. I understand there are people that want us to look at, in the future, raising that ceiling. It then, as we all know, just changes that into a payroll tax and moves it away from the pure Social Security insurance contribution. I believe personally that we should not move away from that principle because Social Security should be sacrosanct; because if you start using Social Security for raising money for other things, you then get tempted at a later stage to perhaps dig in to the Social Security pot to pay for other issues which other governments have done. We must protect it and have it sacrosanct and not touch it for anything else. The forecasting, as a lot of people have criticised, is an impossibility. We do not know from one month to the next how many people are working. We do not know how much they are being paid. We do not know what bonuses they are getting. We do not know lots and lots of combinations of things like that which create a problem for supplementation and for forecasting it. So I urge Members to maintain our support for the pension scheme, maintain our support for benefits that are paid out of the pot and I ask Members to support the amendment.

**Deputy G.P. Southern:**

Sir, may I ask for a point of clarification, please? Two points, Sir. He described the Social Security fund as a pure insurance fund. Is it not the case that contributions today go out today to pay other people's pensions, that is what largely happens? Also, he said if we change the fund in any way people will use it for doing other things and that should not happen. Can he just confirm that nobody today has said using the pot to do other things?

**Senator P.F. Routier:**

The Deputy is right that a proportion of the money that comes into the fund now does pay for current pensions but it also does obviously increase the fund and we are still putting money into the fund. We currently have around £600 million in the pot and that will be gradually drawn down, probably in about 10 years' time, and it will gradually start filtering into the system. The comment I made about people wanting to use the fund for other things, nobody has mentioned that earlier but that is the likelihood and the thinking that goes into using a Social Security fund for raising taxes. Other jurisdictions have done that and that is what they do. They use the Social Security

mechanism to raise money and then they start spending it on other issues and I do not believe that is an appropriate thing to do.

**The Bailiff:**

The appel, yes.

<b>POUR: 35</b>		<b>CONTRE: 7</b>		<b>ABSTAIN: 0</b>
Senator F.H. Walker		Senator S. Syvret		
Senator W. Kinnard		Senator L. Norman		
Senator T.A. Le Sueur		Connétable of St. Helier		
Senator P.F. Routier		Deputy R.C. Duhamel (S)		
Senator M.E. Vibert		Deputy of St. Martin		
Senator P.F.C. Ozouf		Deputy G.C.L. Baudains (C)		
Senator T.J. Le Main		Deputy G.P. Southern (H)		
Senator B.E. Shenton				
Senator F.E. Cohen				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Deputy A. Breckon (S)				
Deputy J.J. Huet (H)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisssier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy S.C. Ferguson (B)				

Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy A.J.D. Maclean (H)				
Deputy K.C. Lewis (S)				
Deputy of St. Mary				

**2. Annual Business Plan 2009 (P.113/2008): fourth amendment (P.113/2008) Amd. (4) Amd. (4)(1)(7)**

**The Bailiff:**

We come next to amendment (7) and I ask the Greffier to read the amendment.

**The Greffier of the States:**

After the words “withdrawn from a consolidated fund in 2009” insert the words “except that the net revenue expenditure of the Social Security Department shall be increased by £529,000 for the purposes of providing work and vocational day care service opportunities for people with learning disabilities and people on the autistic spectrum.”

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

In July, Members will recall that we debated a proposition brought by Deputy Gorst regarding the need to enhance the existing overstretched day and vocation services for people with learning disabilities and people on the autistic spectrum. The proposition was supported unanimously by every Member in the Assembly that day. Voting these funds today will enable the Ministers and Departments of Education Sport and Culture, Health and Social Services and my department to bring forward enhanced and new services which provide the desperately needed support. The strategy presented by Deputy Gorst on behalf of the joint secretariat for people with learning disabilities and people on the autistic spectrum we debated highlighted a flexible array of options which will give choices in vocational and day services which are desperately needed. I would like to take the opportunity to thank the joint secretariat for people with learning disabilities and the other people involved in drawing up the report and especially Deputy Gorst for carrying out the research and highlighting the options available. It is a great pity that he is not in the Chamber today; he is out of the Island. Those options obviously will improve the current position for people with learning disabilities and who are on the autistic spectrum. Deputy Gorst did ask me to say that this would be one of the amendments he would have supported because I know in this debate he has been concerned about some of the spending we have been carrying out, but he did want me to make the point that this is an investment. This is an investment in those people, in assisting them in getting into the workplace. So he was very, very supportive of that. I am sorry that the Deputy of

St. Ouen is not here today, unwell, but last week when we were discussing this amendment he did ask me to give an assurance that the money voted for this proposition would be ring-fenced specifically for this area of work. I can give that assurance and I think if Members were to look at the amendment itself, on page 23, there is a clear statement that the money will be used for those projects. I urge Members to support this vital amendment.

**The Bailiff:**

Does any Members second it? **[Seconded]** Does any Member wish to speak?

**2.1.1 Deputy A. Breckon:**

Just to say what I said when Deputy Gorst brought this really, that because it goes across departments it is a shame that Ministers did not get together to do this and Deputy Gorst, with some assistance, did produce an excellent report which made the case. But it is one of those areas where the proposition of Deputy Gorst requested the Ministers for Social Security, Education, Sport and Culture and Health and Social Services to review and consider this strategy. Well, the question is, they meet often enough, why were they not considering it anyway and giving due weight and consideration to people who have some difficulties? It is one of those areas, Sir, where I do not think it demonstrates joined-up government if an individual Member has do this and indeed, with others, we were mindful of the work the Deputy had done and the vote went 42 with none against. But, again, Sir, it is one of those areas where perhaps Ministers should come down a little bit and look at what is going on and relate with that.

**2.1.2 Deputy J.B. Fox of St. Helier:**

I am a trustee of the Jersey Employment Board that looks after the aspirations and the support that is required for these young people on behalf of Education, Sport and Culture which, as has already been said, involves the other agencies. I would just like to say that this spectrum of support and employment, and learning alongside, is extremely important. There is an increasing number of people that need support nowadays. People are living longer, people that are looking after them are getting older, and up to now it has been talked about silos and, of course, one part deals with education, one part deals with other support and one part deals with employment, et cetera. But increasingly, and through the various groups working together, Deputy Gorst brought everything together which was extremely important. But we must recognise that through the various agencies the information had been brought to the attention of the Chief Minister who, if you like, commissioned Deputy Gorst on behalf of Council of Ministers to bring all this information together and do the research. He must be congratulated for doing so but there was also an awful lot of other people that were involved in bringing this forward. Although we are not there yet and there is still a lot we have to do, we are starting to move forward in a marked way to support these young people, both in the education going from 18 to 25, but they also need support to be able to do education and likewise for the vocation training to learn the skills, to work with all the various agencies to get into the real workplace, and obviously to the employers, which includes the States, to provide real work for these people to spend quality of life and provide for their eventual families, et cetera. I think I will leave it at that, at that point. Thank you, Sir.

**2.1.3 Deputy J.A. Hilton of St. Helier:**

I would like to say I am a committee member of Jersey Mencap and Les Amis. This amendment, when debated just a couple of months ago, received the full support of Members in the States Assembly, including I might say Deputy Ferguson. I mention the Deputy's name because she did state last week, after we took the vote on the additional spending for Chief Ministers, that she was not going to support any more amendments being brought forward. But I do note that she supported the supplementation amendment, so hopefully there is a chance that she will reconsider and support this very worthy amendment. Anyway, I make this point because Members must have been aware when voting for this amendment - and it was a unanimous agreement that afternoon

when we debated the proposition brought by Deputy Gorst - that resources would have to be found from somewhere and presumably, as Social Security have all their budgets tied up from the beginning of the year, this was always going to be an additional service. This amendment goes to the very heart of what is deemed to be a fair and caring society, to provide additional services to those who by their disability are disadvantaged in life from the time of their birth or when the disability occurs, possibly as a head injury, et cetera. The aim of the original proposition was to ensure that no person with a learning disability or on the autistic spectrum wishing to work is excluded from pursuing employment opportunities with appropriate support due to lack of appropriate employment opportunity options. The report does address the key objectives within the social policy framework of 2007 and I would just like to read to Members the forward by the Chief Minister in that framework. It says: "Helping individuals to help themselves, their families and neighbourhoods is central to this approach. Everyone has a stake in the outcome. It is not Government's job to tell people what to do. Its duty is to challenge ingrained social attitudes and ensure an understanding of individual lifestyle decisions and the implications of them for both the individual and the wider community. Government has a key role in addressing the economic and social conditions that are beyond the control of any single individual, intervene and to provide support to people at critical transition points in their lives and providing protection for those in need." Data indicates, based on U.K. (United Kingdom) figures, there could be in the number of 1,500 people in the Island with a learning disability and 900 on the autistic spectrum but only about a third of these people are known to the services and form the basis of this report. It is envisaged the additional funding will address the growing number of people with either no or limited access to daytime services. Over 100 people have indicated that their level of service does not meet their expectations or requirements. The numbers of young people with a disability who currently receive additional support in schools and colleges but do not have resources allocated to them when they leave fulltime education; in 2006, 355 people with disabilities were reported to have a record of need and of these 211 were either diagnosed as having learning disability or on the autistic spectrum. Also reported was a lack of provision for people with a disability that find it difficult to compete in the open market. Over 90 people are reported to require an alternative form of sheltered employment support. I could say a lot more on this amendment but I am well aware of the time constraints facing us all in this Assembly. I cannot stress how important it is that we as a society help those who do not have the same opportunities as the majority in order that they can be helped towards exploring their strengths and abilities so they can take their rightful place in society. I would ask Members to please support this amendment, secure in the knowledge it will make a huge difference to those people in our society who unfortunately, through no fault of their own, have been marginalised in the past. This is a time when we should be putting our money where our mouth is to show the public we do care about those people out there who up until now have, in the main, been ignored. Thank you, Sir.

#### **2.1.4 Deputy C.J. Scott Warren of St. Saviour:**

I have in the past been a member of the Jersey Employment Trust Board. Sir, a few months ago we had the debate on this important matter and we agreed to support this provision. We are, Sir, an affluent Island community. This gap has to be stopped. The previous speaker has given all the reasons. As I say, we have had the debate and I urge Members, Sir, to support this amendment.

#### **2.1.5 Deputy R.G. Le Hérissier of St. Saviour:**

Very briefly; I will not attempt to emulate Deputy Hilton's very spirited case, for which I congratulate her, supported by Deputy Scott Warren. I wonder, Sir, if the Minister could outline what are the actual programmes to which this money will be devoted?

#### **2.1.6 Deputy G.C.L. Baudains:**

I will not be supporting this. There are 2 types of proposition within the overall amendment 4, those I do not agree with in principle and those I do support but cannot agree with the way they

have been brought forward by the Council of Ministers. Clearly, all the items in the overall amendment are by definition low priority. That is why the Council of Ministers brought them as an amendment in the first place, otherwise they would have put them in the main Business Plan. As Members will recall, I have not supported any of the amendments so far but I would just like to make it clear, Sir, that that does not mean I do not support the cause; merely I do not support the funding mechanism.

### **2.1.7 Deputy P.V.F. Le Claire:**

This is one I do not think that we can lay blame at the Council's feet and I do not think that we should lay blame at the Council's feet either. This is one where Council of Ministers and the Minister for Social Security have reacted to the mechanism that allows the States, from time to time, to have a Back-Bencher bring forward as an issue that may or may not receive support. Deputy Gorst brought forward a proposition outlining the need in these areas. I do not see how Members cannot support this. I am pretty certain it will go through quite easily but I think we should give cognisance to the fact that this is a flexible system that we have invented. Much of the criticism of the last few days and the amendments of the Council of Ministers, I am sure, are not going to go over their heads and in the future will be taken on board. I do not see us or the States in the future going through another year where this sort of occurrence that we have seen this last week and we are seeing again today will be repeated. The educational needs of people with learning disabilities and the educational needs of people within the autistic spectrum are emerging on a scientific level and a medical level to be appreciated and understood. It is something that is just only now really coming through and the professionals that have been put in place within the States employment ... and also I declare an interest because my brother works private in this through the work that he does. Many of the families that are affected have, in the past, especially when they have realised that their children may be affected in these ways, been unable to receive the support that they have required. Now, those things are coming through and generally in society we are starting, and only just starting, to understand and appreciate them. But the vocational work that is going to be provided and the support into the workforce is an important step that the States needs to take. I am certain that the future Minister for Social Security will have cognisance of these things and plan for them accordingly but we cannot just throw this at his feet at the last minute and expect him to have set aside all of the other work that he has been planning for, for the last 3 or 4 years. So I think that is important. Education needs and the money for those within the workplace are a natural endgame for having bothered in the first place to take account of those needs throughout the educational process. I question now the Minister who stood up and spoke about, in his previous amendment, the need to have a wide-ranging debate on the supplementation issue and then in his summing up dismissed the notion that anything could be done to raise the ceiling and change the system to a payroll tax. I think if the Minister is going to be honest about the consultation then he cannot raise it as a possibility and dismiss it in his summing up speech. It may be the Minister's opinion but surely the Minister's opinion should at least be reserved until he has had a chance to have that wide-ranging important public consultation prior to telling us what it is. One of the things he said is we do not know how much people are getting paid. Well, maybe we do not but we do know how much we are taxing them and taking I.T.I.S. off them monthly. So I think if the Minister needs to look ... it is related. I am getting to it if I was not going to be interrupted. It is related in as much as I am trying to link this wide-ranging debate for the need to look at the contributions employers and employees and I am going to ask the Minister in that wide-ranging debate that will be coming up, perhaps in these areas where there are people with learning disabilities or on the autistic spectrum, if special cognisance could be taken and special compensation could be given in the contributions that the employer and the employee make in these circumstances to encourage employment opportunities for those with learning needs and within the autistic spectrum. We already do that for people that have passed the age criteria, where they are not counted on the department's manpower numbers. So if somebody employs a pensioner, that does not go towards their overall head count in the Regulation of Undertakings law. The point I am trying to make is

that, in the consultation that will occur, will the Minister consider, or report back to us if it is not possible, giving incentives, real incentives, through not having those numbers on head counts and speaking with the Economic Development Department to ensure that that happens; to give incentives to people to employ these people so that this money we are going to approve this morning would be best targeted and that mechanisms other than just money can be given towards helping these people have gainful employment. Just to cap it off, to repeat, special compensation would mean, in my view, consideration of perhaps lower levels of contributions or removals from manpower. That is how I was trying to link my contribution this morning.

#### **2.1.8 Senator M.E. Vibert:**

As Minister of Education, Sport and Culture, Sir, I am rightly proud of the work at Mont à l'Abbé School and I believe the Island can be rightly proud of the work done there with special needs young people. But I do not think, as an Island and as a States Members, I can be rightly proud of what happens after these young people leave Mont à l'Abbé School. I think this is something we need to address today. The transition from Mont à l'Abbé to work needs to be vastly improved. We look after these young people and educate them up to the age of 19 and we need to ensure that, following that, proper provision is made for them. It is not only in the best interests of the young people and their families, but also in the best interests of the Island as a whole; for all young people to live as fulfilling and productive a life as possible. I would urge Members to support this amendment, Sir.

#### **2.1.9 Senator L. Norman:**

On this amendment I have to disagree with Deputy Baudains' analysis, as no doubt I will be doing quite a bit over the next few weeks **[laughter]**. But this amendment is different from most of the others because the decision to implement the scheme was made after the Business Plan was approved and lodged and, therefore, the funding for this scheme could not have been included in the original Business Plan. I think it would be almost cruel to the potential beneficiaries if the scheme was approved, as it was in July, and then the funding for it denied so that it could not be implemented. That would be totally wrong.

#### **2.1.10 Deputy G.P. Southern:**

I am looking at this series of amendments and reacting to them, I am afraid, in more and more of a cynical manner. It cannot have failed to pass the notice of Members of the House, nor indeed of much of the population of the Island, that we are in an election year. So I ask myself why should this particular Back-Bench proposition receive this last-minute support? The answer was supplied very clearly by Deputy Hilton when she spoke and she said: "What does this do?" and she said: "It gives us the opportunity to show the public that we care." To show the public, in an election year, that we care. Certainly Deputy Gorst did that when he did the hard work and produced this proposition and certainly he is right to show that: "I care for this particular group of people and I have done something about it." Then Council of Ministers climbs on board, 4 Ministers up for election. Yes, I am outrageous. Any time I stand up in an election year I am accused of electioneering. The Ministers are in a far better position to electioneer and they have done it very successfully. They have produced a whole bagful of lollipops, called policies, brought before this House that really it is very difficult to oppose. Nursery education, try opposing that; but that is brought by Council of Ministers at the last minute. Taking G.S.T. off food; some people, amazingly, managed to oppose that but it left the Ministers sitting pretty: "We brought it but you did not accept it, so we are all right, Jack." We have winter fuel allowance coming up; what a nice little lollipop that is.

#### **The Bailiff:**

Deputy, having made this point, do you think you can now address the amendment, please?  
**[Approbation]**



**Deputy G.P. Southern:**

I will, Sir, and I will do it, if the Chair permits, in my own way.

**The Bailiff:**

Do it in your own way certainly but address the motion rather than anything else.

**Deputy G.P. Southern:**

Certainly, Sir. As ever, as ever, I am just there when often you do interrupt me. Finally, of course, we have a little something called Transport and Technical Services because that Minister is standing as well. This ...

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

On a point of order, Sir, that is just completely wrong. I am not standing in the current election, Sir. It would be nice if the Deputy had his facts right from time to time.

**The Bailiff:**

Can I repeat the request to the Deputy, to address the amendment which we are debating, please.

**Deputy G.P. Southern:**

This, as I say, is an amendment that really it is very difficult, apart from Deputy Baudains, to find any reason to oppose at this particular time; so, of course, I will be supporting this wholeheartedly on behalf of Deputy Gorst. However, the cynical way in which this has been brought fills me, quite frankly, with disgust.

**2.1.11 Deputy G.W.J. de Faye:**

Sir, I am really appalled by the speech that I have just heard. The reason this has been put forward by Council of Ministers, by particularly the Minister, should be quite clear from the first paragraph of item 7 and that is because Deputy Gorst's proposition was approved by States Members 42 votes to nil. That is why it is being brought forward. **[Approbation]** I find it extraordinary that we are continuing to debate a proposition that we have effectively agreed. This amendment is simply to provide the additional cash to support what 42 States Members say they want on behalf of the public and why do they want it? It is because we support people with learning disabilities very well in the schools but regrettably at the moment they get chucked out from the schools and find life difficult when they get work out there in what we call the real world. This is sorting that problem out. I am amazed that we want to discuss it at great length. We have already debated this and we should simply approve. I just find myself appalled at the responses from Deputy Southern, trying to in some way insinuate that Council of Ministers has taken this on as some sort of electioneering issue, possibly to prop up Deputy Gorst or whoever. Nothing could be further from the truth and nothing should be more obvious. Council of Ministers is bringing this forward because this is what the States wants Council of Ministers to do and has effectively instructed Council of Ministers to do. I do hope, Sir, that I will be the last person to speak on this and we can now vote on it.

**2.1.12 Deputy J.A. Martin of St. Helier:**

I was just going to say I have a couple of questions. I am going to totally support this because at the time, when the vote went through, I thought: "Well, where is the money?" It should have come then and obviously the wrong time but it has come a few weeks later. My question to the Minister for Social Security, he might not be able to answer, how many people with learning difficulties are employed in maybe his department and will the 3 Ministers that get charged here be in discussions with the Minister for Economic Development? Because my feeling is until we can get some sort of law - and it will have to come through Reg. of Uns. (Regulation of Undertakings) that if you want a new job, a certain amount of people must be employed up to a certain level with learning difficulties - they will not be employed however much money we are chucking at it. That is another question, if Deputy Hilton's figures are correct - I think she said 365 coming through the

system - this £500,000 to me on that amount of people is peanuts. So we do need to get some legislation so that the people that need the backing ... but we need to start at home and we need to start States departments employing people. We also need to, through the Minister as I say, make sure that the rest of the community do this; other than that, it is just a nice caring proposition but who is being employed? As I say, I fully support it, Sir, but if the Minister has those numbers or could find them out for me. Thank you.

**The Bailiff:**

I call on the Minister to reply.

**2.1.13 Senator P.F. Routier:**

I will try and be brief. I will take the hint from Deputy de Faye. Just a couple of points that I really should pick up on. Deputy Breckon in his opening comments was a bit ... he was not happy that this had not come originally from the working together of the 3 Ministers involved. I sort of believe that should be turned on its head because this is a grass-roots suggestion which has come from the people who are working in the area and know the real facts. I was obviously aware of it in very early days and I perhaps should have mentioned it at the outset my involvement with Mencap and Les Amis and the Learning Disability Partnership Board. Because of my conflicts in the early days, I felt it inappropriate for me to be hands-on with the development of this. I was aware of the issue and we asked for the policy to come from the grass roots to ensure that it was exactly what was required and not just, as some Members might have thought, I would have been bringing forward a proposition just in time for the elections to make sure that I get something for the people I am interested in and things like that. So I, hopefully, was trying to avoid that situation. Deputy Hilton reinforced, I think, the findings of the report which we debated last time. She gave the details of that in some depth and hopefully helped to convince people yet again of the importance of this. Deputy Le Hérisier asked me a specific question about the programmes that would be brought forward and which would be used. They are in the report and there is a whole suite of various mechanisms which can help people, including one of the things which was a suggestion of Deputy Le Claire, incentives to encourage employers to take on people, and that will obviously be filtered into the review of the Social Security system as well. I will ensure that does happen. But there are other incentives as well which can be worked within the Income Support system as well to help people get into employment. I was pleased that Senator Vibert recognised the need to carry on the very, very good work that is carried on from Mont à l'Abbé School after young adults leave the education system. The transition move is a very, very critical time. It has, in recent years, been causing a great deal of concern to a lot of parents and to young adults of where they find their path for the future; what work they are going to be doing and what they are going to be doing with their daytime vocational needs. I am going to ignore totally Deputy Southern's comments because I think they were totally cynical and do not deserve any comment. **[Approbation]** Deputy Martin was asking whether the States were playing their part in employing people. I know within my department we do employ some people with disabilities. We need to do more. The States Employment Board has recognised and they do have a policy to employ more people with disabilities. I would encourage all States departments to ensure that they do meet that policy which is there. I am not sure that they are at the moment. In fact, I know they are not and we do need to encourage every department to play their part in making jobs available for people with all disabilities. I maintain the amendment, Sir.

**The Bailiff:**

The appel is asked for.

<b>POUR: 40</b>		<b>CONTRE: 1</b>		<b>ABSTAIN: 0</b>
Senator S. Syvret		Deputy R.C. Duhamel (S)		

Senator L. Norman				
Senator F.H. Walker				
Senator W. Kinnard				
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator M.E. Vibert				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator B.E. Shenton				
Senator J.L. Perchard				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Deputy A. Breckon (S)				
Deputy J.J. Huet (H)				
Deputy of St. Martin				
Deputy G.C.L. Baudains (C)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				

Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy A.J.D. Maclean (H)				
Deputy K.C. Lewis (S)				
Deputy of St. Mary				

**3. Annual Business Plan 2009 (P.113/2008): fourth amendment (P.113/2008) Amd. (4) Amd. (4)(1)(8)**

**The Bailiff:**

We come now to amendment (8) and I ask the Greffier to read the amendment.

**The Greffier of the States:**

After the words “withdrawn from the consolidated fund in 2009” insert the words “except that the net revenue expenditure for Social Security Department shall be increased by £2,320,000 to extend transitional relief to October 2009 for those in receipt of protective benefit payments under the Income Support Scheme and to increase the winter fuel allowance in accordance with the recent increases in the cost of fuel.”

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

Recognising the challenges faced by many Islanders from the unprecedented increases in food and fuel costs, Council of Ministers recently announced a package of measures to reduce the burden upon the public. Those measures included amendments to this Business Plan, in particular increases to the level of payments under the winter fuel allowance and extending protective benefit payments under the Income Support transitional benefit arrangements. At a time when the cost of living is increasing, adjusting to a new level of benefits becomes more difficult. Council of Ministers proposes, therefore, that those in receipt of protective payments will see no reduction in benefit until October 2009, as opposed to the coming January as currently planned. This measure alone will provide additional support to some 3,500 households at an additional cost of £2.2 million in 2009, falling to £200,000 in 2013 and nothing thereafter. I would like to stress the time-limited nature of the fundings; it does not carry on anywhere after 2013. With regard to the winter fuel allowance scheme within Income Support, this provides additional support towards the cost of heating during the winter months to those families on Income Support with either an adult over 65, a child under 3 or a child or adult with a significant disability. The June retail price index proved that the cost of fuel and light had increased by 26 per cent over the year. The G.S.T. and October up-ratings of Income Support have already ensured that the payments this winter would be 6.8 per cent higher than they would have been last winter. So on top of that, this proposition Council of Ministers is making is now proposing a further increase of 20 per cent in the rise to the level of the

allowance with effect from January of 2009. This will mean that compared to January of this year, the rates will have increased by a total of 28 per cent. I have already lodged the amendments to the winter fuel regulation to bring this much needed increase into effect should the States agree to this funding. Of course, if the States do not agree to this funding of £150,000 I will have to withdraw those regulations. These regulations will help in the order of 2,250 of the most vulnerable families in our Island. I ask Members to support the proposition.

**The Bailiff:**

Is the amendment seconded? **[Seconded]** The amendment is open for debate.

**3.1.1 Deputy G.W.J. de Faye:**

Sir, I just want to make a very brief comment on this because some Members may know that as a matter of record I dissented at Council of Ministers in respect of the additional 20 per cent to the winter fuel allowance. I want to make to Members the reason for that quite clear and that is that I feel very strongly that the core issue about heating at winter remains insulation and it is absolutely vital that we press on with insulating homes that are not properly insulated. I am very pleased to see that the States is in accord with that and has supported the Action Plan with the J.E.C. (Jersey Electric Company) to the tune of £500,000. Nevertheless, I still regard an addition to winter fuel allowance despite the known pressures about energy costs as yet another case of throwing another log on the fire while in many instances we still have the windows open and the heat is just simply dissipating. So, I do wish to explain that position. The fact of the matter is that clearly this is a matter of high concern to members of the public. I am very pleased to see that there is transitional relief being extended in respect of G.S.T. that underlines what you can do when the tax has raised the revenue to allow you to spend some money to make those sorts of extensions. I will be, despite my dissent at Council of Ministers, supporting this measure but nevertheless I say to Members that my heart is not entirely in it because I do believe that it is more important that we press ahead as soon as possible with plans to properly insulate homes and I would have preferred to see that money go in that direction.

**3.1.2 Senator B.E. Shenton:**

I would just like to point out to Deputy de Faye that the Income Support Scrutiny Sub-Panel did bring an amendment to allow for an insulation allowance under the Income Support system and unfortunately Deputy de Faye voted against it. I would also like to give my wholehearted support for this increase in the winter fuel allowance. When the winter fuel allowance was brought in it had the support of the Assembly, but unfortunately all of my colleagues on the Council of Ministers did vote against it and I hope that they now realise what a good facility it is to help the people of the Island.

**3.1.3 Deputy P.V.F. Le Claire:**

I do not think any of us could have missed the headline: "Heat or eat" that was recently raised in the media. I think the Council of Ministers in this instance are to be congratulated for taking this short-term measure to address the additional costs that people are going to face in terms of heating. They obviously will not cover ...

**Deputy K.C. Lewis:**

I believe we are inquorate.

**The Bailiff:**

Perhaps I could ask Members in the precincts to return to the Chamber. Please continue, Deputy.

**Deputy P.V.F. Le Claire:**

They will not obviously cover the increases that are likely to be seen in the next 2 or 3 years, as Jersey Electricity was unable to keep its costs at the level that it would have wished to because it

could not argue with the other European countries and French providers for the special rate that it was seeking to levy. There are issues about the support that the Council of Ministers does through its other initiatives that will have a knock-on effect. Now, Deputy de Faye has spoken about throwing a log on the fire and watching the heat go out the windows and Senator Shenton has spoken about the Scrutiny Panel bringing a proposition for insulation and not being supported. The issue is quite clear: there are a number of houses in Jersey in the built environment that do not adequately provide the insulation that the modern house will provide. I do not know how much the Council of Ministers has covered in terms of the plans for the Minister for Planning and Environment and his department to bring forward the new build rating codes that we have been scrutinising, but Senator Cohen's department through Planning, who have done some great work on this, are bringing forward proposals for new regulations on new build in Jersey so that there will be a requirement that new housing through the Island Plan is required to meet certain standards. Those obviously will take into account the ability for the house to generate energy and heat efficiently. There are a whole host of ways the States spends money and plays catch-up or does not maintain things. The Minister for Housing and his assistant are well aware of the costs of heating accommodation and providing States monies to maintain and insulate States properties. Although it is a bit of a dragged-on element of this speech, I think that we do as a Chamber have to take on board the fact that we have to introduce new legislation in this area to support Senator Cohen when he comes that new build will have these ratings. But also as we have suggested on the Environment Scrutiny Panel that at the point of sale, as in other countries, when you transact at the point of sale the suggestion is that you provide at that point of sale the certificate, the energy rating, for that property you are selling so the regulations will extend to existing build. Because it is all very well making new regulations in new houses but it is the old existing stock that we need to tackle. If we do not, then we are going to need more and more and more and more logs on the fire because the windows are open. So, the proposal is although not a requirement to insulate but a requirement to show the energy factor like with appliances, show the energy rating of the house that you are selling, show the energy rating of the house that you are building, and encourage people through tax incentives and tax breaks to insulate their home so they will achieve those better ratings and achieve greater sales potential from their property. So if I take £2,000 and I insulate my house before I put it on the market, I will achieve a greater return for my property than if I just put it on the market and let it ride. I was not going to talk about insulation but I think given the 2 speeches so far, one by Deputy de Faye and one by Senator Shenton, it is only right that we do start to look at this in a holistic way. We cannot just keep throwing money, and an inadequate amount of money, at people that are cold, elderly people that are cold, and people that are in need that are cold, and 3 years and under that are cold, and low Income Support that are cold, we have to tackle the fact that our housing stock needs investments not only in new build but existing build. We have to do that through supporting initiatives, to give tax breaks and incentives to incentivise the home owners and the home purchasers. The States has its own housing stock it is going to have to look after, but we need to employ a public/private partnership arrangement with the private sector so that we do not only put the requirement on the developer but we put the requirement on the seller to empower this Assembly to make sure the money we raise in taxes is best allocated. The way we are going at the moment, although I support this strongly, this will blossom, if we do not start doing other things, into a horrendous amount of money in a very short period of time.

#### **3.1.4 Deputy S.C. Ferguson:**

I would just like to correct Deputy Hilton's comments earlier; I did say that the Chief Minister could not be assured of my support in the other propositions. I do support this. Our elderly feel the cold desperately. Even though we had an efficiently insulated house and my aged mother was wearing a woolly sweater, et cetera, we still had to keep the temperature high; something like 22, 23 degrees, so I think this is absolutely essential and I will be supporting this.

#### **3.1.5 Deputy C.J. Scott Warren:**

Firstly, I will be supporting this amendment and the 2 parts of it. The protected benefit payments: I believe this is essential to extend this to October 2009, particularly in view of the fact that Income Support Review will not be taking place until 2010. The increase in the winter fuel allowance is also essential. I would question why the age limit for a child stops at 3 year-olds because a warm house, Sir, is a right for all children and for all people. I also agree with the comments being made regarding better insulation for homes. So I will support both this amendment for both parts and urge Members to all do likewise. Thank you, Sir.

### **3.1.6 Deputy J.A. Martin:**

I just really have a question for the Minister for Social Security. When Income Support was brought in last year he was given the budget of all the benefits that were to come in and then they had to be redistributed to Income Support. On top of this, if my memory serves me correctly, the Social Security from Treasury were given £20 million for transitional relief. I, therefore, wonder - and it was basically there has never been anything written in stone as to the transition - how long it will go for, how quick it will be taken away, percentages? It really always has been, Sir, up to the Social Security Department to work that difficult one out. Sir, my question is, why have you not just brought some money forward with this £20 million, or has it gone somewhere, because I am very interested to know where the £20 million for complete transition has gone. I do not have a difficulty in the protection but on page 24 we are talking about 3,500 households and if you work that out around the £2.2 million, you are talking an average protection of £58 a week extra, i.e. the scheme does not think that these families need this £58. Some of it maybe; £30 some families, some families might be up to £60 or £70 transitional but let us work on the average. The scheme does not think that these 3,500 families need this £58 to live on because it is transitional and it has been extended and it is protected. So, I go back to the Minister and ask him why then is it being extended to next October? Because the House and everything this House ... when voting for Income Support there were a lot of reasons they would not support my amendments, especially the insulation one, because there was not money for it or at the end of the day it was to spend out a bit of money and get it back. But it was not supported, so how can the Minister for Social Security, who came through a very targeted scheme last year that started in January this year, come back in the Business Plan and say: "I am not going to start taking this money away now but the scheme is absolutely fine." I just cannot get it, Sir, and I really await the Minister to tell me. We had a rendition from the Assistant Minister for Social Security who said they wanted to help people because they have just found out that food and electricity has gone up and fuel. Well, sorry, you want to help them today but you still want to start taking it away tomorrow. Tomorrow is now; not January. Tomorrow is now October 2009. Sorry, Sir, I do not get it. It is not targeted, so either one is wrong. The scheme is wrong. Keep giving money to people who under the scheme do not need it, supposedly, cannot be right and, firstly, where is the £20 million that was already in the budget for transition and it was at the Minister's discretion when and whom received that? So, as I say, I think this is another fudged "bring it at the last minute". Social Security Income Support has been in, they have had over a year to decide when transition goes, who loses under the perfect scheme? So I really look forward to the Minister squaring that circle for me. Thank you, Sir.

### **3.1.7 The Connétable of St. Helier:**

It is a great pleasure to follow that speech with that very searching question into the consistency of the Minister's position on this. Of the various measures that have been put before us as amendments, this one is hardest, I think, to defend from the charge of electioneering but we will see. No doubt Ministers will rise to their feet and try and do just that. It is quite extraordinary, and I think Deputy Martin has done it far better than I can, that a system that was brought in because there needed to be a redistribution of funds from those whose need was not as great as others, we are now saying that we can tackle that difficult moment later; let us put off the evil day. It is something that many people that I talk to about Income Support have been dreading, this falling out of the transitional period. But if, as Deputy Martin has said, if it is right that they come out of the

net, then why delay it until October? Because interestingly, next October the House will probably be in the same position as we are today, and we are practically in October this year. What happens next year if energy costs have continued to rise? Will the new Minister of the department be coming back and saying: “Well, we need to prolong this period for another 10 months or so, or another year or so?” So I am like the Deputy; I am really curious to know how the Minister can explain the original proposal that was put before the House and widely consulted on, how have we arrived at this position now where those people - and it was always going to be the tough call - who are getting too much are going to start to get what they are supposed to be getting. I do not know how he explains that but no doubt he will. But, Sir, the main reason I am speaking on this item, of course, we all support the winter fuel allowance, even those who previously did not, now support it. But what about those who are not on Income Support? Surely the dramatically rising costs of energy, particularly domestic fuel, this year is really going to hit people who are not on Income Support. It is those people that I would welcome the Minister’s advice upon. How is his department going to pick people like that up before they start turning down their heating? What proposals does he have to intervene in people who ... because they do not for whatever reason claim Income Support, those people are going to be going cold this year, and I think that is a real worry and I am sure other Members as well are concerned about that. I welcome the comments of the several Members who have spoken about insulation because it does seem that while this is fire fighting in a sense, we are really just putting money into the energy companies here. What steps is the Minister taking, where is the joined-up government between the Minister for Social Security, the Minister for Planning and Environment and other colleagues on the Council of Ministers? Where is the strategy to get Jersey homes well insulated so that money is going into these kinds of measures so that there is an end in sight? We need to know that in 5 years’ time, 10 years’ time this proportion of homes will be adequately insulated. I think that is particularly of concern for those people who are on Income Support. Those homes should be being targeted if they are not already; perhaps they are and we will hear all about it. But also those people who are not, as I say, on Income Support, are their homes identified? Is there a programme? Are the Ministers talking to each other about how these homes can be provided with insulation? Because we all know that prevention is better than cure and it really is worth ... that is where the “investment” word can be used. You cannot really use the word “investment” when you are just talking about spending, but if you are investing in home insulation and subsidising it and incentivising it and, of course, insisting on it in new build, but it is not new build I am thinking of here, it is the people who are living in the older properties around the Island. How are we going to get the insulation into those roofs; into those walls? How are we going to get the other energy-saving pieces of technology into those houses to reduce the worry and to reduce the danger of people suffering from fuel poverty? It has not been mentioned yet but I think it is worth mentioning that, of course, the other reason why it is so important to get better insulated homes is because we do have environmental responsibilities as an Island and it may not seem so sometimes when one is on this piece of rock surrounded by very cold winds, but we are contributing to global warming. Clearly, the more we can do as an Island to insulate properties and conserve energy, the more we can hold up our heads high when we attend international conferences and talk about how well we are doing in meeting our environmental commitments. So, for good reasons, for local reasons, for global reasons, we have to address the need to better insulate our homes, and I look forward to hearing from the Minister what the Council of Ministers is doing about that. Thank you, Sir.

### **3.1.8 Deputy G.P. Southern:**

The previous speaker said of this particular proposition amendment that it is the one most difficult to pin the label “electioneering” on. Not in the least, Constable, it is fairly obvious; it is a straightforward ruse. We notice that 3,500 households are covered by transitional support. Those households, as Deputy Martin said, will be losing an amount of money when transitional support is withdrawn. That may well mean that many households will be tightening their belts and trying to budget even more than they do currently because they will be losing money. Under the original



Income Support Scheme that transition support was due to be phased in starting in October this year and clear letters were to be sent to those 3,500 households explaining how much they would be losing and over what timescale. Those letters would have had to have gone out in June, July and August, perhaps even now, of this year so as to give people time to prepare themselves for losses in their household budgets. That should be happening now. Conveniently, that has been put off until January, away from the election period, and now to October next year, away from the election period. Can you imagine 3,500 families discussing what is happening to them this October after the elections, for they are going to lose whatever it is: £40 a week; £70 a week; £10 a week, overnight, 3,500 families, perhaps 5,000 or 6,000 electors. No wonder this has been moved. No wonder this has been moved. Those letters should be out there; people should know what they are facing. They are not. They will not be sent until some time next year. So when the Constable says will we be facing a Minister for Social Security, whoever he is, saying: "I still need to maintain transitional support" the answer is probably, no, he will not be returning then because there is no election in October next year; there is one now. Now, we have these 2 amendments; these 2 purposes all linked together in one, so if one finds fault with one half of it, it is really impossible to vote against it because they are all rolled up together. But Deputy Martin is totally correct when she says: "Hang on, you had £20 million, or thereabouts, for transitional support and it was given to you to do as a Minister as you saw fit." Why can you not take some of the transitional support that was destined for the later years, 3 years down the line, or 5 years down the line, and front load it? Surely, you could have moved £2 million of that and if necessary come back to us some time later to say: "We did this in order to protect people. It was convenient at the time. We could do it, we need to top up now" in plenty of time with plenty of notice, to give Members plenty of time to take a look at it and say: "All right. Yes, you did that. Good move. Now you can top up the pot; it has cost a bit more." Well, fine. But, no, we have it yet again, minimum notice, £2 million, throw it in the pot. That is what we have decided. It is really poor management, I think. Where is that pot? Why is that not being used and why are we not debating this with less pressure at a different time with more information? That is absolutely vital. Again, we have another lollipop here; you cannot really vote against it in terms of the winter fuel allowance. Yes, fuel prices have gone up. Yes, it would be a hard-hearted, flint-hearted Good King Wenceslas who turned people away in winter into the snow. However, the fundamental issue is correctly addressed by Deputy de Faye's remarks and Constable Crowcroft's remarks about where are the moves for insulation? That is the real problem. Why are we not doing more there and just throwing money at it? Just throwing money through the window through which the heat is going, or through the roof through which the heat is going. So that question, again, remains unanswered and I suppose one has to vote with this but the serious questions posed by Deputy Martin are still out there. Why could you have not done this in a more straightforward way and with your own reserve instead of coming straight away, cap in hand, to beg for another 2 point whatever it is million? I will be voting for this but with a heavy heart again.

### **3.1.9 Deputy R.C. Duhamel:**

The last time we discussed this I rose to mention an alternative way of dealing with the spend of the monies which perhaps might not have gained any favour, but I think I feel duty-bound to mention it again. We are talking about spending not insubstantial sums on home insulation in order to keep the people inside the buildings warm. It is utterly ridiculous, Sir, in this day and age where we are not thinking about spending the money on warm clothing to keep the people warm and if indeed the cost of keeping the building outweighs the cost of keeping the people warm, then I certainly know where I would want to put my pound of spend. This Island, Sir, had a very strong knitting industry at one stage and while not advocating that we should automatically be going back in winter periods to getting out our knitting needles: balaclavas, thermal underwear, scarves, ponchos or whatever, there is a whole host of clothing that quite, quite easily if worn enables the person to inhabit a slightly cooler surrounding space to no detriment. **[Laughter]** If you contrast that, Sir, with the other alternative picture which is skimpily-clad over-65 year-olds running around their houses as if

it is the height of summer in some kind of foreign clime, I think you will get the drift of where I am coming from. As I said, it might not well be practical and it might well not be at the top of everybody's list for ticking the boxes as to sharing in the benefits that the finance industry brings to the shores, but I think there is a valid point nonetheless, Sir, that we are wasting our monies. It has been said on other occasions if we could find £103 million of taxpayers' money to burn on an incinerator, now why worry about another couple of million to burn on heating fuels for the under-3s or the over-65s? There are better, more sensible ways of dealing with the spend of these monies and I am a little bit disappointed, Sir, that having mentioned it last time, nothing has been done in that direction in order to achieve a bettering of the spend rather than just burning the money through fuel companies. Sustainability would imply that we move in this direction and I think a waste of monies on fuels is almost as bad as not having the monies in the first place.

**3.1.10 Senator F.H. Walker:**

I am absolutely longing to read the Deputy's election manifesto. **[Laughter]** Absolutely longing. I think I would put quite a lot of money on the table that it will not reflect too closely what he has just said but we will wait and see. Sir, we have heard one or 2 amazing speeches in this debate suggesting very clearly to me, first of all, that a couple of Members at least have not read the amendment 4 put forward by the Council of Ministers, and certainly have not read the report that is attached to it because had they read the report they would have seen very clearly on pages 20 and 21 what the joined-up policy is on home insulation and protecting those who are suffering grievously from increased fuel costs of recent months. For Deputy Southern who purports - and I use that word deliberately - to be a champion of the less well-off to speak, as he has done now in the last 2 debates on Social Security issues, both of which are aimed at supporting and very significantly supporting the less well-off, I find it absolutely amazing. I guess his election manifesto will show his voting in support rather than the miserable speeches that he has made effectively against these measures. To suggest, Sir, that this is just electioneering, I am forced to the conclusion that the Deputy is upset because some of his election platforms have been pulled from under his feet, but there we are. It is just suggesting that this House, because there is an election, should do nothing to help the less well-off in Jersey over the next few months, despite the fact that they are suffering grievously from increased food and fuel costs. Yet, he purports to support the less well-off in our community. I am sure many people listening will see the disconnect between what he claims to be and what comes out of his mouth in these debates. Sir, these measures are aimed at supporting the less well-off. There are no bones about it. Looking at supporting or extending the transitional relief which is for those who are not totally the most well-off but just somewhat above that sector which a couple of speakers have spoken to, there are 3,500 households who will benefit from that. Similarly, winter fuel; there are 2,250 households who will benefit from the proposed increase. Now I find it incredible that some Members have managed to turn what is indisputably good news for the less well-off at a time of almost unending bad news that they have managed to turn that too allegedly into bad news. I find that absolutely incredible. So I do not believe that Members will share Deputy Southern's heavy heart when they vote in favour of these measures. I am sure Members will vote in favour of these measures and not with a heavy heart but with a real sense of satisfaction that they are there to help the people in the community who we need to help most. So, Sir, I very much support the amendment.

**3.1.11 Deputy K.C. Lewis of St. Saviour:**

As we all know, Sir, electricity, gas, coal, all the prices have gone through the roof. Many senior citizens are also on medication to keep the blood thin and the thought of senior citizens in balaclavas just astonishes me, Sir; in fact, I can feel a *J.E.P.* (*Jersey Evening Post*) cartoon coming on. I do fully support a good insulation policy for all senior citizens' homes and I will be supporting this, Sir. Thank you.

**The Bailiff:**

I call upon the Minister to reply.

**3.1.12 Senator P.F. Routier:**

I have to say the discussion we have had about insulation is a very valid discussion. It is vitally important that we do encourage everybody to insulate their homes to the best of their ability. As the Chief Minister has highlighted within this amendment itself, and the States have agreed it, that there is a whole package of things which will be put in place through what we have decided in the last couple of days. I am disappointed that some of the people who have commented about insulation, the need for greater insulation, have not taken on board what we had already decided. Not only have we decided things with regard to incentives for people to insulate their own homes, the Housing Department, under the careful guidance of the Minister, does have a programme of ensuring that Housing-owned rental houses are being gradually insulated to a higher standard. So I believe that the programme of insulation is an appropriate thing to be doing and that is in progress. But that does not help people this winter. This winter is what the Council of Ministers was concerned about. This winter people will be facing higher bills. This winter we need to support them. This winter, if you support this proposition, people will be able to pay for their fuel costs. I hope you will be supporting that section of the amendment. With regard to the extension of the transition payments, the protection, Deputy Martin was asking about what has happened to the £22 million. Well, I have here a list of every day the amount of money we are paying out protecting people: £37,000 per day we are protecting people currently. We are using that money that we have been allocated. It is being used wisely to protect people. The Council of Ministers were concerned that with the additional increased costs that people were facing in food and fuel that is happening now, those people who are in transition, who are moving out of Income Support and gradually phasing their protection being taken away from them, we recognise that they will be facing higher bills. So we think it is appropriate to move that protection further away for them. I hope Members do support that move because those are the sorts of people who do need additional support. So that money is being used, the £22 million, for us to be able to achieve the support, so to extend it out we do need this additional amount of money. Deputy Southern was wanting to know about why could we not bring forward some of the money that was allocated for other years. Well, the Finance Law does not allow that to happen. We are working within the framework of the Finance Law and the budgeting processes, and so we have had to ... the money which we were using for current money, we need to top that up so we can continue with transition in later years at the rate that we were wanting to do. As I say, this is a 2-pronged measure which is of benefit to those people on low incomes. There is some concern about the winter fuel payments just being focussed on 2,200 people. Because of the measures we are doing with transition, of supporting people with that extra protection, that is a method of trying to support them even more to help them with their food and fuel costs. So although they are not getting a specific winter fuel allowance within the Income Support, those people who are just outside of Income Support and just on transition, not qualifying for the winter fuel, will be protected a bit longer. I think it was Deputy Scott Warren who was concerned about 3 year-old children; why not older children? Well, medically it is recognised that children under 3, people with disabilities and older people have a greater difficulty in controlling their own body temperature and it is recognised that those age groups are the ones that need to be protected to ensure that they do have a warm home. Older children are more active and do have the ability to control their body temperature. As I say, this is a 2-pronged method of supporting people and I believe that it is the right thing to do. Some people have criticised and suggested that this is electioneering, if we had not done something we would have been criticised. People would have been needing additional money to support themselves. So, we have on the one hand, we are criticised for doing something, and then on the other hand we would have been criticised for not doing anything. In a position that we are in and I am in, I cannot win. You just make your own minds up and decide which way you want to deal with it. I know that what we are doing is right. I urge Members to support it.

**The Bailiff:**

Very well.

<b>POUR: 42</b>		<b>CONTRE: 0</b>		<b>ABSTAIN: 0</b>
Senator L. Norman				
Senator F.H. Walker				
Senator W. Kinnard				
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator B.E. Shenton				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				
Connétable of St. Helier				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Deputy R.C. Duhamel (S)				
Deputy A. Breckon (S)				
Deputy J.J. Huet (H)				
Deputy of St. Martin				
Deputy G.C.L. Baudains (C)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				

Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy S.C. Ferguson (B)				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy A.J.D. Maclean (H)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy of St. Mary				

**4. Annual Business Plan 2009 (P.113/2008): fourth amendment (P.113/2008) Amd. (4)(1)(9)  
The Bailiff:**

I come now to amendment (9) and I ask the Greffier to read the amendment.

**The Greffier of the States:**

Except that the net revenue expenditure of the Transport and Technical Services Department shall be increased by £1 million to fund the first phase of a package of recycling and sustainable transport initiatives with the approval of this expenditure, in accordance with the provisions of Article 14(9) of the Public Finances (Jersey) Law 2005, dependent upon the subsequent approval by the States of the introduction of a Vehicle Emissions Duty which will generate sufficient income to fund this expenditure.

**Senator T.A. Le Sueur:**

It strikes me that having debated an earlier amendment and deciding not to introduce Vehicle Emissions Duty, would it be appropriate to, on the hoof, if you like, amend this amendment to withdraw the words “subject to the approval of a Vehicle Emissions Duty”, otherwise we will have a proposition where one says to introduce it and the other says not to introduce it?

**The Bailiff:**

Well, you would be accepting then the amendment of Senator Cohen which would otherwise come later in the day?

**Senator T.A. Le Sueur:**

Effectively, yes, Sir. I think that was the mood of the House.

**The Bailiff:**

Yes. So your recommendation is, Minister, that we delete the words: "... dependent upon the subsequent approval by the States of the introduction of a Vehicle Emissions Duty ..." until the end of that sentence?

**Senator T.A. Le Sueur:**

Yes, Sir.

**The Bailiff:**

Are Members content to adopt that amendment to the amendment consequential upon the decision made at an earlier stage?

**Deputy P.V.F. Le Claire:**

What is the customs on making amendments that are brought to the Assembly and taking words out?

**The Bailiff:**

We could do it another way. Technically, I suppose, one could move to debate the amendment of Senator Cohen. What the Minister for Treasury and Resources is saying is that the Assembly has already expressed a view on this; there is no point in debating again an amendment of Senator Cohen and the Assembly is being asked to take a pragmatic view that instead of debating Senator Cohen's amendment these words can be omitted from the amendment proposed by the Council of Ministers. It is a matter for Members. We can deal with it the long way around if Members feel there is a lot of time to spare. **[Laughter]**

**Deputy P.V.F. Le Claire:**

It is not that, Sir, it is just that the insinuation is that these revenues will be derived from a Vehicle Emissions Duty and these revenues totalling £9.25 million in all, if I am not mistaken, are included on page 8 in section 8.

**The Bailiff:**

Well, I do not think that is the position, Deputy; perhaps the Minister for Treasury and Resources could explain?

**Senator T.A. Le Sueur:**

Yes, I think the effect of this amendment will be that for the year 2009 if this amendment is adopted, £1 million will be spent on recycling and sustainable transport initiatives but the funding for it will have to come from general funds. There will be no matching source of funding for that year.

**Deputy P.V.F. Le Claire:**

So, therefore, the rest of these years, and the rest of these figures, will no longer be getting approved during this ... we are not doing that now?

**The Bailiff:**

I think we come, at a later stage, to subsequent years, Deputy. We are dealing with the 2009 at the moment. Well, are Members content to delete these words from the amendment?

**Deputy R.G. Le Hérissier:**

If I may, I have some doubts. This was predicated on the fact as far as I can see that the V.E.D. (Vehicle Emissions Duty) funds would be available. Presumably some very tight calculations were done and there was a very major assumption made that this particular set of amendments would be financed by V.E.D. and all of a sudden we are turning that upside down.

**Senator F.H. Walker:**

Maybe I can help the Deputy and maybe others? As the Deputy knows, and all Members know, the House, in effect, did reject V.E.D. for 2009 on the back of Senator Cohen's amendment. So, now, unless as you said, Sir, we go through a very lengthy process of re-debating his amendment and see where that goes, which seems to, I think, most people to be totally unnecessary, the simple question is do we fund the environmental initiatives from cash limits or do we not do them? That is basically where we are at. We are either going to do them and the money comes from cash limits, which is not what the Council of Ministers proposed but is the effect of the States decision on Senator Cohen's amendment, or we do not do them.

**The Bailiff:**

Are Members content to delete these words, otherwise I shall ask Senator Cohen to return to the Chamber and propose his amendment on the V.E.D.? Are Members content to delete these words? Yes? Very well. Well, then I call upon the Minister to propose the amendment with these words deleted.

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

I am very grateful to Members, and obviously to the Minister for Treasury and Resources who pointed out that technicality fractions of a second before I was about to do exactly the same thing. I will not spend a lot of time on this. Transport and Technical Services has been criticised for not being ambitious enough with recycling rate targets. If we do want to move from 32 per cent to 36 per cent, we have to find the funds to do it. I want to give my very grateful thanks to all those Connétables in Parishes who have already come on board with kerbside collection recycling schemes. We can see from the initial experiments that they are popular with the public and it is what the public want, as it says the extra £300,000 will provide funds for the start-up cost of introducing household recycling collections for the remaining Parishes, which I hope all Members would support. Here in black and white to back up what I have informed Members about over a number of occasions, we are taking TVs, batteries and computers out of the waste stream, the trouble is we are having to stockpile them because it costs £500 per tonne to send them to the appropriate waste recycling units. It costs that amount of money because, frankly, the department has always been concerned to ensure that disposals are undertaken in a proper way and that items like TVs are not simply being put in huge holes in underdeveloped countries to keep the costs down **[Approbation]** which is an entirely inappropriate way of dealing with matters. The remaining £500,000 as part of this package will go on to a number of items. I do want to just take very quickly a moment to inform Members before they read it in a media release, and I am very pleased to say this because it will indicate that you are putting your money into an appropriate and a highly successful source, I have learnt over the weekend that period 12, and this relates to our bus service operator, in Connex's sixth year of operation, has broken all records. Connex have now carried more passengers and generated more revenue during that period than in any other during its 6-year history in the Island **[Approbation]** and that is worth some footstamping, Sir. It means that over the last month, Connex was carrying incredibly more than 13,000 passengers every day. Broken down to year on year that means since last year when the integrated service began - this is the second year of the integrated service - passenger figures are up over 6 per cent and revenue is up well over 7 per cent. Island Explorer figures, which is the summer service that contributes to tourism and our local leisure and hospitality industry, saw 10,000 extra passengers from last year to this year. It is an excellent success story and I am quietly confident, as my total number of passengers currently stands at just under 2.8 million for the last year and there is one period to go, I

am really hopeful that we will break the 3 million passenger mark, which would be a tremendous achievement. So, when Members look at monies going to additional commuter bus services, real time information at locations and holding bus fares as well we can, this is all, as I hope is underlined in what I inform Members, money that is going towards something that is working extremely well. Obviously, a proposal for an eastern cycle route to be investigated, I think everyone knows the enormous success that effectively the Railway Walk and the western cycle route has been and it really would be an achievement for the Island if we can find a way to replicate those commuter routes or, indeed, in some cases tourism routes on bicycles, if we can replicate that from the eastern end of the Island into town. Of course, the success of St. Martin's Safe Route to Schools project is well known and that is a project that we wish to build upon. I simply say that without the funding these things cannot happen, Sir, and I commend this particular package which, thanks to Senator Cohen's amendment, will come out of cash limits under the assurances that he gave. I commend this to the House.

**The Bailiff:**

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?  
Deputy Le Hérissier.

**4.1.1 Deputy R.G. Le Hérissier:**

I do not wish to be a party pooper but there is obviously, as people have said, a psychology to handling these amendments and there is this fear as we go down the list, Sir, they become less popular with maybe a spurt at the end for the Law Officers when we all wake up again or recover our sanity. But I cannot quite see the purpose of this. The Minister has given a very spirited - to use that word again - promotion of these things. But I never knew, Sir, they were in the same category as the issues that have been coming before us which I thought were either very urgent issues, massively overdue issues, or time-sensitive issues, where services really needed expansion or they would not continue. In the way they have been argued, Sir, and given the kind of service that already exists for some of these, and although lobbyists for each of them will obviously come out of the woodwork as is the wont in this Assembly, they do not fit into the categories we have been hearing about. A lot of us had to stretch credulity to deal with those earlier categories and swallow our pride and behave in somewhat strange, bizarre and inconsistent ways, and I just do not see where this is coming from, Sir. For example, the bus contract, and again I repeat what I said: the Minister and his department do need praise, but we are told financially it is a vibrant contract. The other day, Sir, the Minister said, and I let him go then but I have to refer to it, that legally the contract has been checked out and passed but that is not the issue. It is the business model we are talking about; not whether its legality is spot-on. That is what I have always argued: that although he has done, and the department have done, wonderful things with the contract, it is essentially the wrong kind of contract without the proper kinds of incentives. I just do not see why the bus service, despite those wonderful figures of which the Minister and the department can rightly feel proud, all of a sudden it needs further money. I thought it was a financially vibrant, sound contract with the right incentives put in according to the sort of stuff we have been hearing, then all of a sudden we need extra money. This is just crazy. The same goes, Sir, I admire very much the efforts, and the Deputy of Grouville has been seen as a motivator; she has done a lot of unpaid work and, again, I do not see how this has popped up out of the woodwork as a sort of an urgent, time-sensitive need, irrespective of the worthiness of a project. Similarly, the Safe Route to Schools, I have been going on about the condition of Rue des Prés Trading Estate, for example. We know despite first aid work this year, for which again I thank the department, but it is essentially first aid work. The basic remodelling, redoing of that estate, the attention to the roads, even sweeping that estate in the evenings, is still basically highly deficient, and yet it did not make it on this list. We have been hammering on about this for 2 to 3 years. I just do not see how this list was whistled out of the objectives, Sir, of the department. I find the whole thing, despite the



worthiness of the projects, it just does not make any sense, Sir, compared to the other objectives of the department and compared to what we have been discussing the last few days.

#### **4.1.2 Deputy A.D. Lewis of St. John:**

I would like to express my pleasure and delight at the progress that T.T.S. (Transport and Technical Services) have made with recycling generally, particularly with the various collection points around the Island, not least the comprehensive one at Bellozanne. But I have a couple of questions for the Minister; perhaps he could answer them, Sir? Would he still be encouraging the Parishes to assist in the funding of setting up kerbside collections? The Minister would be well aware that in St. Johns we did a joint venture in that we acquired sponsorship. We also recently managed to negotiate some sponsorship for 3 other Parishes to participate as well, and the Parishes will be contributing to it as well. So, is this funding going to enable other Parishes to do it without them finding contributions themselves, whether that be through sponsorship or through Parish rates? The other thing I would like to ask him, Sir, is about the value of the actual items, and some of the recycled goods have quite a high value and a lot of it, of course, has a very low value. Are his calculations taking into account the value of some of the items in white and brown goods? For example, Sir, there are some quite valuable metals in them, is that just simply offsetting some of the transport costs, in which case he would still obviously need some further funding, Sir? The other issue is, we have been doing a little bit of recycling of white goods and brown goods at the prison. Is this a scheme that the Minister would like to develop further because it would negate the need for shipping large, bulky items to the U.K. and other places for recycling and breaking down? The other item, cycle routes, has been mentioned a few times already, but it talks mainly about the eastern cycle route, which I think would be a great initiative. Sir, I have also been trying to do something similar for the north of the Island so we can connect the Island up in a bit of a grid with cycle tracks, with not much result at the moment, but the idea there was to try and acquire very small slithers of arable agricultural land so that we could put cycle tracks down the sides of all the main roads going north/south which, of course, would create a fantastic cycle network if that was possible. Does the Minister expect to be investigating those types of routes as well as an eastern route and, of course, developing further successful western cycle tracks? I would be interested in the Minister's response. Thank you, Sir.

#### **4.1.3 Connétable G.F. Butcher of St. John:**

The Deputy has asked most of the questions that I was going to ask but it was only to say at the end that it might not have been too prudent for our Parish to have spearheaded this in our costs and it would be nice if there was something coming back from T.T.S. Thank you, Sir.

#### **4.1.4 Deputy C.J. Scott Warren:**

Well, firstly, Sir, I support the further recycling initiatives and to increase the percentage target which was 32 per cent and now is 36 per cent and ultimately to get that to a higher percentage still. I also very much, Sir, support the sustainable transport initiatives. The 13,000 bus passengers the Minister has told us about per day this morning is excellent news, albeit, Sir, it must be recognised that this company has had the benefit of longer-term contracts than its predecessor ever had. Obviously some Members will know about the green travel day today and with the ECO-ACTIVE travel plans and sponsorship from a bank, which should move the work that has been done by a lot of people across committees, across departments, and to move that forward with a private sponsorship. We do have the Medical Officer of Health very much giving support to further cycling initiatives, safer cycling routes, safer routes to schools and basically more sustainable transport initiatives right across the board. So, Sir, I support these 2 major provisions. Thank you.

#### **The Bailiff:**

Deputy Fox, can you speak in 2 minutes?

#### **4.1.5 Deputy J.B. Fox:**

Yes, Sir. I just had a question. I agree with all what has been said so far but as you remember there was a temporary green waste drop-in facility that was required to replace the one at La Collette, and what I want to know is it was turned down in the States for having other sites, will some of this money here allow for that temporary green waste facility to be put somewhere else and give the facilities for the Island that was originally requested and was unaffordable other than the green zone in Bellozanne? Thank you, that is it.

## **LUNCHEON ADJOURNMENT PROPOSED**

### **The Bailiff:**

Very well. The adjournment is proposed.

### **Deputy G.W.J. de Faye:**

I am happy to wrap this up very quickly.

### **Deputy P.V.F. Le Claire:**

I was planning speak as well later, Sir.

### **The Bailiff:**

There are others to speak, Deputy. If Members agree, we will adjourn until 2.15 p.m.

## **LUNCHEON ADJOURNMENT**

### **PUBLIC BUSINESS - resumed**

### **The Bailiff:**

Does any Member wish to speak on the T.T.S. proposition? The Deputy of St. Martin.

#### **4.1.6 Deputy F.J. Hill of St. Martin:**

I would follow on a little bit from what Deputy Le Hérissier was saying this morning and it looks as though this is just an add-on for: "Give us £1 million, please, because everyone else on the Council of Ministers has been asking for money, so why not the Transport and Technical Services?" But I would like very much to draw attention to page 25 where it says: "Following the success of St. Martin's Safe Route to Schools project, a further scheme or schemes will be implemented to encourage children and parents to leave their car at home." Well, I have always had reservations about the safer scheme because where what was done outside the school is very helpful, with all the chicanes and all that, but really it was half a job. What I was going to ask the Minister was if indeed we get the £500,000, can we in St. Martins have it to finish the job that was started? Because while the footpath leading from the school down to the shop definitely is a help, and I think we will all agree to that, however, the important bit really is that extension from the shop to the pub in front of the cemetery wall. That was part of the safer route to school but somehow or other, either the money ran out or the will ran out, because we are now left with half a job. So, maybe the Minister in summing up could give us some explanation, or some reason maybe, as to the possibility of finishing the job. The other thing, of course, is that to ensure that we make the route safe, St. Martin's Parish have spent a considerable amount of money getting our Village Green in place, and in particular we have made a car parking area which really has made a great difference to the safety of people bringing and taking their children to and from school. However, it has come at a considerable cost to the Parish and really, obviously, we would have thought we would have some more money, maybe from Education or maybe from Technical and Transport Services, to ensure that we could get our car park up to speed because without a doubt the success of it in keeping people off the road is around the school period. So we are having to cover a lot of repairs for people really who may not be part of the Parish but are using the Parish school, so maybe I could get some information from the Minister whether he thinks any of the money could come from there. Also, the last thing is, it may be a bit unfair, there might not be an answer, but is the Minister able to give the House any information as to the number of children who now go to school on their bikes or, better still, save the parents taking the children by car? Because

I do not think those who go by the school have noticed any great difference but at the same time, half a job is not sufficient, although it may be a start. But I would be grateful maybe if we could get an answer from the Minister as to whether he thinks he has enough money to finish the job for St. Martins. Thank you, Sir.

#### **4.1.7 Deputy P.V.F. Le Claire:**

I am struggling on this and I feel very uneasy about struggling on supporting a proposition to give the Minister for Transport and Technical Services more money to adopt sustainable transport initiatives and more money to recycle. Because at every opportunity up until today I have not struggled at all to support the Minister and his team when it came to recycling and trying to introduce things such as Safe Routes to School. So I am afraid taking up the theme about the timing of this, I would like to continue to ask us to consider what is happening. £1 million split into 2: one for sustainable travel; and the other for recycling. The first is recycling and it talks about the extra funds to cover the start-up costs of introducing household recycling collections to the remaining Parishes. Well, this came as a bit of a surprise to me because I have been working quite closely with the Constable of St. Helier and Deputy Duhamel from the Environment Scrutiny Panel on recycling initiatives in St. Helier. The Constable of St. Helier said that he had not been approached to roll out the scheme. Whether or not the Minister will say something different, that is the position from the Constable. In order for this money to be approved, one would think that it had first gone past the Constables that were going to receive the schemes at the very least. We are meant to be operating in a world of Scrutiny and executive government and there has been some criticism of the Council of Ministers for bringing the amendments that they have brought so far. I have not supported any of those criticisms because I have defended the actions of the Council of Ministers, which I thought up until this stage were wholly supportable and commonsense. Then we get to the very thing that I have a great interest in seeing achieved and I am struggling from a responsible perspective to tick the box and pass the test. It may be that £350,000 would be required to see the collections rolled out to the remaining of the Parishes, but surely in a system of Scrutiny which we spend a lot of money, or we have spent a lot of money, setting up, we would have at least have had some of those details brought before the Scrutiny Panel and the Constable of St. Helier before this was lobbed into the wheelbarrow of the Chief Minister and the Council of Ministers' shopping trip. Then we go on to the Sustainable Travel and Transport Plan and we go to things such as the eastern cycle route. Very emotive; Safe Routes to School and eastern cycle routes. Yet, when I have been asking for address to the decision to reverse the traffic flow at Reid's, the chemist, and the subsequent difficulties pedestrians and vehicles are facing now that the traffic flow has changed there, I have been told by the Minister in question time that there are 21 other areas of concern for issues to do with safety and children's safety and he cannot put zebra crossings all the way across the Island. One wonders when one is adopting a Safer Routes to School programme how serious they are about setting in place quick solutions to situations that are readily identifiable. This one in particular, which is one that I have been bringing up, is a no-brainer to fix and yet it has not been fixed. The Safer Routes to School, I have my tongue in cheek about their thinking: "Do I really believe that one?" It continues, I am afraid, into the proposals for an eastern cycle route. If we give support to this other £500,000 without Scrutiny today, we have seen no plans, we have had no presentations. The eastern cycle route may be in 5 other policy objectives and the Deputy of Grouville who has been championing this issue may be getting a little bit wary about where the support is going to come from, but it is not guaranteed in any event. It is only: "Proposals for an eastern cycle route or routes will be investigated and, where feasible, the first stages of implementation will be commenced." Where feasible? If they are investigated? It is all very woolly. As I said, following the success of St. Martins Safe Routes to School project, you have more woolly things around implementing possibly a further scheme or schemes to encourage children and parents to leave the car home. That is surely the essence of the work of the department in any event. Why do they need, all of a sudden, emergency funding for £500,000 to tackle those core issues? Then we get to the wording of the proposition that causes me to be a little

bit jaded: “The Draft Integrated Travel and Transport Plan [which we have seen on the Environment Scrutiny Panel] outlines a number of measures to encourage the uptake of more sustainable travel options and [this is the important part] if £500,000 became available from introducing V.E.D. the following would [not could, or may] be delivered in 2009; additional commuter bus services and real-time information at key locations [we do not know how much that is or what the would be] will be introduced and bus fare increases will be put on hold.” We have heard this morning, and they are to be congratulated for the efforts that they have taken in the buses, that things appear to be going well there. As has been pointed out, if they are going so swimmingly, why do they need more money? Is it because in the papers that we have already seen that prior to the end of the contract they are facing a £500,000 shortfall in that contract? In order to get across the finish line they will need to bump that up and protect that contract to get to the point where they can re-tender. Is this not another way to get the funding to help it across the line? I am particularly disappointed that I am speaking in the way that I am speaking and I am sure that the Minister would probably concur that he is disappointed in the way that I am speaking. I would love to support the Minister and other Members if they brought forward well thought out, rational details about the schemes and the reasons for the schemes, as were brought by Deputy Fox, which I supported. At that time, many of the Council of Ministers could not support that and here we are, 6 or 7 months down the road, sitting on their hands saying nothing about this because all those have gone through and what have not gone through yet are coming up. I am having great difficulty with this particular part. One wonders where the bus stops and where the buck stops. All I would say to Members is I am not sure which way I am going to vote yet. I am having great difficulty supporting it. For all the Members that stand up time after time after time and go on about the need to have proper Scrutiny, the need to have properly costed-out options and those types of speeches and those types of critiques, if they are genuinely those types of politicians, then they are going to find this jolly hard to support as well. It also goes on, as I said, having identified that money shortfall, in the final sentence: “In subsequent years, additional funding will be used to maintain low bus fares and expand the capacity of the routes and to deliver new facilities, such as the proposed eastern cycle route.” We have a recycling scheme that the Constable does not know about; we have Safer Routes to School that we are no wiser from; we have cycle routes, we do not know where they are going or coming from; and we have bus information which is contradictory to the speech that the Deputy made today about everything being rosy; and the information that we are receiving through Scrutiny. That is fine. If Members want a system whereby you cobble together a few sentences and ask for £1 million at the 11th hour, then fine, support this; that is the way we will work. If Members want to justify Scrutiny, and if they want to justify a Ministerial government, then they cannot support this because Scrutiny is meant to be evidence-based. It is meant to be something that gives value or adds value to policy. It is not meant to be done at the 11th hour because the Transport and Technical Services has not been supported all the way down the line in key areas by his colleagues on the Council of Ministers. I lament the fact that the Council of Ministers did not support the Minister for Transport and Technical Services and his Assistant Minister and the department earlier this year, but I am very sorry, for the very first time, I am pretty certain I cannot support this. It gives me great trouble to say that.

#### **4.1.8 Deputy A.E. Pryke of Trinity:**

Here we are again discussing recycling, cycle tracks, et cetera, and we have looked and discussed it many times even in my just 3 years in this House. For anything to work, any initiative for the environment, the public must be right behind it, otherwise it is a waste of time and a waste of money. We know that the public are doing their bit. Only this morning with a main bank spurring their staff on with a cycle to work day, along with ECO-ACTIVE, and other banks and trusts, et cetera, doing their bit. They are being involved in environmental issues right across this Island. They encourage their staff to be extremely active. The Ecology Trust, of which I am Chair, along with Education, Sport and Culture, have promoted Environment Week in schools for the last 3 years. It is highly successful. I know all States Members receive a booklet outlining what schools

are doing for the environment and different projects. As part of that week I am fortunate, along with the Trust, to go and judge different environmental projects: recycling, doing their own gardens, even having an allotment. I can tell you here now, especially in the primary schools, they are way, way ahead of Government. Right at an early age they encourage their children to take part, cycle to school, and I am very ashamed to say we as a Government are way behind. The Island, at long last, is awakening up to environmental issues. With more Parishes being involved in kerbside collection, it can only be a good thing. At a recent meeting at a Parish in Trinity, it was overwhelmingly decided to introduce this kerbside scheme. All this comes at a cost. We know that T.T.S. is under-resourced. The Minister has been telling us that for a long, long time. Here we have a chance to put it right. If I remember rightly, it is what this Assembly has been saying for a long time. What I ask is you to support them, support this amendment, and let us get these initiatives up and running, not only to benefit our Island, but in a very, very small way, our planet. Now is the time to show some leadership and put in practice what we all preach. Thank you, Sir.

#### **4.1.9 Deputy R.C. Duhamel:**

Normally one would not expect in an Annual Business Plan to be agreeing or not agreeing particular strategic initiatives and yet this is what exactly we find ourselves doing today. On page 25 of this amendment 4 under Sustainable Travel and Transport for £500,000, we are being asked by the Ministers to put in these sums of monies in order to support a number of measures that are in the Draft Integrated Travel and Transport Plan, which has not as yet seen the light of day in a very open, public fashion, or even been agreed by this House. It strikes me, Sirs, it is absolutely unbelievable that we should be voting monies, first and foremost, without discussing the policies and agreeing the policies. Whether or not they are laudable aims or not, we appear, under this particular Travel and Transport Plan, quite clearly to be putting the cart before the horse and that is not what you do for transport; it is the other way around. I would have expected the Minister to be coming forward, as indeed he promised us almost 3 years ago and 2 years ago and one year ago and 6 months ago, that we were going to be having the Integrated Travel and Transport Plan properly produced, properly made available to the public for a further round of consultation so that it could be debated and agreed and amended in this House and then funded. I do not really think that we should be doing it back to front. On those grounds, Sir, I think that I find it very difficult to be supportive of the £500,000 per annum into the future for ever in a day to support this particular plan. We must either support our mechanisms and our processes of government and do things properly or not. If not, then there is no point in having an Annual Business Plan and certainly from the proposals that have been brought forward very late by the Council of Ministers, I am beginning to think that the whole process is completely and utterly flawed and we are wasting our time, certainly from a Scrutiny point of view. Likewise on the recycling front, Sir, the Scrutiny Panel showed quite clearly that if indeed recycling could be upped to a substantially higher level, a point that was disputed by the Minister at the time, then indeed knock-on savings, huge capital and revenue savings could be able to be made in terms of the provision of whatever final strategy solution was put forward in order to get rid of those elements of the waste stream that could not be recycled, reduced, reprocessed and made money on. Yet, here we are having agreed, up to a point, to spend an estimated £105 million, and it does not end there because I will have a few things to say as to the capital financing when we move into that area later on. There are a whole host of other add-ons, and not least of which the capital servicing of those monies, which will make the inevitable outturn of the project even more expensive than the monies that we have already estimated. What do we have the department doing? Yes, creditable, absolutely creditable and credible; 32 per cent by 2009 to 36 per cent by 2018, even though the rest of the world by 2018, if not before, will be at 50 per cent, 60 per cent, or even higher, and spending less money on their waste management strategies than we will be. Nonetheless, here we have a request, let us spend another £350,000 in the first year to buy kerbside containers. Who for? Is it for the States or is it for the Parishes? The Parish collection is organised by the Parishes and the Parishes have generally paid for their own collection vehicles. It is only just recently, Sir, that with movement beginning to

be shown by the Parishes into setting up their own recycling, kerbside bring initiatives, and making money out of them, might I add, that we find Transport and Technical Services now suggesting that here is an Act that they would like to get into. Will they be doing it on the same basis and making money from the intrinsic value of the waste materials that are to be recycled? We do not know. Probably not, if we look at the accounts of previous years and we listen to how they spend the monies on recycling. Yet we have a request here to just come forward and spend more monies without knowing the details. Some Members might say: "That is part of your job; you are supposed to be looking at the details" and I have to tell the House, Sir, that we have been trying to get some details from the department since June and before to find out how a shortfall in tipping-fee incomes down at La Collette, which is mainly for inert materials to be recycled, of £400,000 is able to be replaced and spent on other areas. I will be referring to it again later, but I think it is right that I do say a little bit more. On page 72 of the thick Draft Annual Business Plan document we do have a request for the replacement of £400,000 in tipping-fee income. In the blurb sheets that were sent out by the department in response to the Treasury request for "significant funding pressures" to be defined within the 2009 Plan, we were told that the tipping-fee income had fallen due mainly to contractors using private tips. In asking the department we still do not know whether or not this is an indication of a sustainable policy in recycling stone and inert materials from the materials that are tipped at La Collette and whether or not other contractors wishing to get into the business of recycling those materials is in fact a huge feather in the cap of the recycling bandwagon and an indication that all is healthy and well in that particular area. We do not know that. We are just told that there has been a shortfall of £400,000. Then in order to have an argument to replace the funds there has to be an indication of which non-discretionary services would cease should the monies not be forthcoming, which they are going to be asked for at a later stage in addition to this £350,000 in year one and I am not sure what happens in year 2 or 3 or thereafter. We were told in the blurb sheet, and so was the Treasury, that if indeed the £400,000 in tipping charges could not be replaced then there would be a number of services that would be discontinued. Some of them were along the lines of transport, so we were told that we would have to increase school bus and student fares from 50 pence to £1 in order to find the money there. We would have to ...

**Deputy G.W.J. de Faye:**

It was 80 pence.

**Deputy R.C. Duhamel:**

I have it on the sheet from the department.

**Deputy G.W.J. de Faye:**

80 pence.

**Deputy R.C. Duhamel:**

It may be 80 pence, but certainly on the report that was sent to the Treasury Department it says, and I have a copy of it here, Sir: "Increase school bus and student fares from 50 pence to £1." It also says: "There is another way of finding the £400,000, tipping charge replacement. [We do not know what it was for, as yet.] We have to cease the Christmas, Castle and Promenade display lighting; or perhaps we reduce the standard of out-of-town highway and footpath cleaning [that is 2 posts] or perhaps we stop specific recycling initiatives." As a matter of surprise to the Environment Scrutiny Panel, Sir, the tipping charge monies, we were told, were being used in different areas. One of the areas that they were being used in was cross-subsidies to encourage recycling. Whether or not that is permissible under the Finance and Accounting Rules, I do not know, Sir. It makes life very, very difficult for Scrutineers on both sides of the House to know what it is you are spending your money on and whether or not you are spending that money wisely and whether or not, if there are shortfalls in any particular area, that those shortfalls should be replaced. If they are to be replaced, Sir, how they should be replaced. We were not able to get to the bottom of it. I go on, Sir, because there are

other areas, which is the usual thing whenever there is a deficit in a particular department, you always raise issues that you know are going to be unpopular in order to make the case, a violin playing at the same time, to get the monies reinstated. We were told that there would be an increase to the cost of operating the abattoir to a full-cost recovery or allow the local meat industry to operate it with no public subsidy; reduce the quality of parks and gardens by replacing all the bedding with shrubs and close the nursery; or, indeed, introduce a 50 pence flat fare on the buses for pensioners. All this indicates that we have an area of public spend where we do not really know what we are getting for our money. Certainly, if we go and agree to putting in another £350,000 under this particular amendment, we are also going to be having a suggestion, because it is within the body of the text, when we come to agree the reconciliations for the net revenue expenditures, another request for £400,000 tipping charge replacement to be used on recycling initiatives. You ask yourself: "How much is being spent on recycling the materials?" We do not know. We have asked and we still cannot get sensible figures. The Minister told us that in order to cut down on the toxic emissions from the incinerator, he would be following the W.E.E.E. (Waste Electrical and Electronic Equipment) Directives in taking, or attempting, to take out a number of the waste electricals which do cause problems from the waste-burning stream, and quite right too. The fact that it has taken him so long to do it, we will not go into. It is a good aim. On the flipside, he is also stating that it costs £500 a tonne to recycle these materials and to ship them to other places to get them properly processed. The Scrutiny Panel have looked into a number of different elements of the waste stream, Sir, and these materials do have value. Indeed, some estimates of the total value within the materials that are sent to the incinerator at the moment was of the order of £1.5 million to £2 million, pretty much on a par with what the Constables spend or the Parishes spend in total with the collection costs. We have to ask ourselves, Sir, are we in the business, as Members of this government, to always, as a matter of course, be trying to set up areas of responsibility for departments to operate where there is no revenue income, or should we be playing a little bit of a more out-of-a-box kind of game and if there are values to be obtained from the materials that we are processing, should we not be offsetting the sale of those materials against the cost of the service in the first place? I would argue very, very strongly, Sir, that that latter way of thinking is the way that we should be applying their thinking across the board in order to balance the books. If we are going to do that we really need to have both sides of the account and we do not have both sides of the account in front of us at the moment. All we have is that it is a sensible move or not, no justification other than is here. Let us spend another £500,000 on recycling. Yes, fine. What are we going to get for our money? I do not know, but we are going to set up a new kerbside collection system which may or may not be run by the department; it may be run by the Parishes, the Parishes may be running their own. We may be running a joint service, we are not sure, but it is going to cost £350,000. That is the only certainty that we have. It does not make sense, Sir. I am finding, as I have said, that this whole process of Annual Business Planning increasingly more frustrating. One asks ourselves what we are really supposed to be doing. We are spending quite a lot of time doing it, so it must be worthwhile doing, unless we have screws loose. If we are trying to get the best out of our accounts we really should, as the Chairman of the P.A.C. has stated earlier, some days ago, have better management information. We are flying by the seat of our pants, or we are flying blind, in a lot of these issues, Sir. Although it is perhaps the right thing to do to be standing up and speaking from the heart and suggesting, because the elections are coming up, that this is the right thing to be doing with our money because we did not want to do it last year or the year before, but this is election year, it is all very well, but is it good government? It may be good government, but is it good accounting? I do not think it is. How does that leave me in knowing how to vote? Certainly, I would like to see - and the Environment Scrutiny Panel would have liked to have seen - a greater endorsement of the move towards higher recycling because, not for the pure hell of doing it, at the end of it, had we agreed to do that we would have not only been offsetting some of the costs of recycling against themselves by the sale of materials, but we would have also succeeded in reducing the £105 million down to something much more manageable of the order of £35 million, but we are not doing that. On the Travel and Transport front, do we wish to agree strategic plans

after we voted the monies for them, or do we want to agree strategic plans first, tidy them up, amend them, agree what we want to do and then fund them? It is pretty clear to me, Sir, which way around a lot of these things should be going and I think, generally, the issues that are put forward by amendment this year are not supportable because it would appear that we are doing things back to front. I will listen to what the Minister for Treasury and Resources has to say, but I think it is a little bit late to be given details. Indeed, Sir, under the Scrutiny process, even when you ask for details it is incredibly difficult to get them. Thank you, Sir.

**4.1.10 Senator J.L. Perchard:**

It is just a question for the Minister. I must apologise to him and Members of the House. I did not hear his proposing amendment 9 because I had to attend a meeting that had been postponed twice and I was not prepared to postpone it a third time. Could the Minister, when he sums up, explain something to me; 2 or 3 days ago, at the end of last week, we did agree to fund environmental initiatives, amendment 5 of the Council of Ministers, but without the proposed funding. There was an amendment to the amendment, Sir. Amendment 5 appears on page 20 of the report as to indicate for our information as to what was being purchased, what that money is to be used for. It says in the final paragraph under Environmental Package: "It is proposed that in 2009 that £1 million will be spent on promoting energy efficiency, £500,000 on recycling, and £500,000 on increasing bus travel and journeys by bicycle and by foot." A little bit of confusion there for me. Then when we do turn to ...

**Deputy G.W.J. de Faye:**

If the Senator will give way, I can direct him to what I think will help him.

**Senator J.L. Perchard:**

Can I just finish and then ...

**Deputy G.W.J. de Faye:**

Which is paragraph 2, Sir; if he cares to read paragraph 2 of the Environment Package. This is related to V.E.D., which was of course replaced by Senator Cohen's amendment, there it says: "The V.E.D. tax [now replaced by spending from cash limits] will be introduced at a low rate which will yield an estimated £2 million in 2009." That £2 million is then split into - and he can see the split in the paragraph he read - £1 million on energy efficiency, and that is all explained in the subsequent paragraph under energy efficiency; that comes under Planning and Environment. The second aspect, the 2 £500,000 elements, those are the 2 bits we are now discussing. I hope that has cleared it up for the Senator.

**Senator J.L. Perchard:**

It perhaps would have been better had the Minister intervened once I had completed my queries. If we do, Sir, turn to the explanation on page 24 of what we are being asked to approve now, I have to admit, under 9: "Recycling £500,000" and then carry on to the top of page 25: "Sustainable Travel and Transport, £500,000." In this particular paragraph about Sustainable Travel and Transport, £500,000, it says in the second paragraph: "The Draft Integrated Travel and Transport Plan outlines a number of measures to encourage the uptake of more sustainable travel options and if the £500,000 became available from introducing V.E.D., the following would be delivered ..." It goes on to talk about the improved bus service, cycle routes. There is some confusion, Sir. I am trying hard to understand what we are voting for here and what we voted for the other day, who is funding what? Perhaps somebody, a speaker - I know the Chief Minister is due to speak - can enlighten me and anybody else who may be confused? Until there is some clarity, I am going to be forced to vote against this because I do not really understand what I am voting for, Sir.

**4.1.11 Senator F.H. Walker:**



I think I can help the Senator a little bit into what I am going to say now. Sir, can I first of all though deal with the issue again of timing and the fact that this amendment, in common with other amendments, has come through to the Business Plan indeed as amendments at this stage, because I thought we dealt with that last week. It is clear from some of the speeches made during the day today that we have not. The fact is this is not the way the Council of Ministers would want to conduct business. This is not the way we would want to conduct business. The fact is we have had no choice. We were told by the States in the last Business Plan debate that we had to produce a Business Plan within the financial figures, targets approved at that time, and that is exactly what we have done, but we do not like it. We do not think that the Business Plan objectives go far enough, so we had 2 choices - 3, I guess - we either said: "We cannot do anything, we will just submit the Business Plan and all these initiatives will not be debated" or: "We can bring them forward and get them debated." I think there are probably 2 options, that is it; that either they would not be debated at all, therefore would not be done, or we brought them forward. The House chooses and the House can still choose, as it has been able to do throughout this entire debate, whether it wants to stick to spending limits as in the Business Plan, although things have moved on in other amendments somewhat beyond that, or it embraces new initiatives, which in the view of the Council of Ministers, makes the Island a better place. We could not have brought them forward in the Business Plan without other things coming out. Having conducted a prioritisation process, we Ministers did not feel that the many, many objectives in the Business Plan could come out, so we said the House should choose. That is democracy in action. It is not the way the Council of Ministers would want to do it, I agree, but if we had not come forward with these amendments then these new initiatives, many of which the States have approved over the last few days, simply would not have happened, they would not have been possible. Surely Members are not objecting to be able to take that decision to be able to choose, because that is the position the Council of Ministers have put them in. It saddens me that despite having explained that 3 or 4 times, and other Ministers having explained it, we still get this in speech after speech that this should not have come forward at this time and in this way. Ideally, I would agree, but the Council of Ministers had no choice if we wanted these many improvements to the way of life in Jersey, the quality of life of many people to be possible. That is basically the position we are in.

**Deputy R.C. Duhamel:**

A point of clarification, Sir? From what the Minister has just told us, does that mean that in effect we are agreeing the Integrated Travel and Transport Plan?

**Senator F.H. Walker:**

I did not understand the point of that. We are not agreeing the Sustainable Travel and Transport Plan; that is not before the States today.

**Deputy R.C. Duhamel:**

The Travel and Transport Plan, indeed Sir, is a new policy that has not been discussed as yet and the Minister, if I catch him right, was suggesting that in bringing it forward as a part of the funding plan, we were approving the new initiative.

**Senator F.H. Walker:**

Can I deal with that before the Deputy of St. Mary perhaps asks her question? The fact is that what we are looking at here in terms of transport is improving the bus service and capping fares. Does anyone want to speak? Vote against that in principle? Because there have been many, many, many speeches over the years about improving the bus service, making it available to more people on more routes, having greater frequency, more capacity, more versatility, more flexibility, and keeping fares down. That is exactly what is being proposed here. I agree with Deputy Duhamel that ideally we should have been debating the Transport Plan before we came to this. Ideally, I agree. The fact is, the States has a choice; we either improve the bus service to the benefit of many

people in 2009, or we vote against this amendment and we do not. That is the simple choice in terms of transportation. Sir, I hope that answers the Deputy's point. The Deputy of St. Mary wanted to put a point as well, I believe.

**Deputy J. Gallichan of St. Mary:**

If I could just ask the Chief Minister to give way for a second. I understand the response you have just given to the reason why Members are concerned about this. It is not the fact, from my point of view, that it is coming as an amendment, Chief Minister, it is the fact that it is coming so late as an amendment. That is the difficult issue because if simply the matters could not be fitted into the Business Plan - and I fully appreciate the Council of Ministers' problem there - then surely they could have been brought as amendments much closer to the original lodging time to give us the time to look at them properly?

**Senator F.H. Walker:**

Again, I can only agree with the Deputy, but I am afraid the pressure of the work involved in working through the amendments and putting them into a state where they were frankly fit to put before the House took time, and it did take time. Again, ideally, I would agree. I think that the next Council of Ministers should look again. We have made many improvements to the Business Planning process over the last 2 years; it is still far from perfect. I think the next Council of Ministers should look again at how it can be improved still further. I think we are looking at some pretty big examples here of clearly how it can be improved, but as long as the system remains as it is currently agreed by the States, and as long as there are handcuffs put on the Council of Ministers by the States, with which I do not necessarily disagree, then this type of process will continue to present itself, I am afraid. We still come back, Sir, to what type of Island do we want to be. I think the arguments about the process are a bit of a red herring. What matters here is what sort of Island do we want Jersey to be? Do we want to grasp the opportunity we have here under this amendment to add to our recycling initiatives, which again, Member after Member after Member has said: "We need to be doing more of it." I am astonished to hear Deputy Duhamel opposing a development of an improvement in our recycling, a move to all-Island recycling, which has been a target since 2005. We have heard comments: "This has come through, this is new, it has not gone through Scrutiny and what have you." It was in the Solid Waste Strategy which was produced in 2005 and this is a means of bringing that forward. It is not new. It should not come as a surprise to any Member. It is really a question of whether we want to hit the new recycling targets which we must hit on the back of a reduced capacity Energy from Waste plant, and which we should hit from an environmental point of view anyway. It is a question of whether or not we want to be able to achieve those enhanced recycling targets or not. That is the simple choice; a vote against the process today will be a vote against extending recycling Island-wide. It is that simple. Similarly, a vote against the transport developments will be a vote against a more flexible, wider-based, more accessible bus service and will be a vote in favour of fares going up faster than they otherwise need. Sir, I understand Members' frustration at the process but that should not colour the way they vote on these 2 very, very important initiatives for the Island. The choice very simply is more recycling, a better bus system, or not. Sir, I know which way my vote is going to go and I very much hope other Members will agree to support the amendment.

**The Deputy Bailiff:**

Senator, you were going to address Senator Perchard's point, I think?

**Senator F.H. Walker:**

I was, Sir, I apologise. He must have missed some small item of debate earlier when it was discussed and we agreed that because Senator Cohen's amendment on Vehicle Emission Duty fell, so the source of funding identified initially for these environmental initiatives has disappeared, the question now is do we add to cash limits to fund environmental recycling and transport

improvements or not. That is the simple question. The source of funding identified by the Council of Ministers has gone, therefore, it is very simple; do we add to cash limits so that we can do these things, or do we maintain cash limits where they are as amended by other things and not do these things? It is that simple.

#### **4.1.12 Deputy A. Breckon:**

I just remind the Chief Minister there, I think he walked into a trap there when he said that it took time to get the amendments together. That is for the Council of Ministers. The question I might ask him is what would it be like for an individual Member to do it without the resources in the timescale? Maybe that is a point to be considered. I think, Sir, in the annex to the Plan, there was a clue in that the Minister said in May 2008: "I [that is him, not me] set a new recycling target of at least 36 per cent by 2018. The public has responded well to our call to recycle and has exceeded annual targets previously set. However, in order to achieve the new target the public will have to be supported by the provision of appropriate facilities and systems which keep pace with recycling growth. Additional funding will be required to meet the high cost of recycling. It is also important for the Parishes to work with T.T.S. to establish a new and improved doorstep collection system if Jersey is going to react to the 36 per cent target." The clue was there, Sir, and that was lodged with the Business Plan, so it is clear that funding was going to be required from somewhere. In the narrative to the Fourth Amendment, Sir, at paragraph 9, it says: "The extra funds will cover the start-up costs of introducing household recycling collections of the remaining Parishes. A total of £350,000 will be required for the supply of kerbside containers and to deliver a high profile and comprehensive launch campaign." I would add to that, Sir, I think perhaps it is needed to be targeted closer to some households as well. I know some of the initiatives are there with facilities in the community, but perhaps some of these need to be, I would suggest, more accessible. I think in general terms, Sir, we have set the ball rolling here. I know what other Members have said, but not to support at this stage, albeit it is late in the day, I think is folly. I think at this stage, Sir, that we have to go with that particular incentive. It does mention under the Sustainable Travel and Transport about the Integrated Travel and Transport Plan and it does say that it is to encourage the uptake of more sustainable travel options. I do not have a problem with that, Sir; the problem is I have not seen it. Although I do not doubt what that is saying, I have not witnessed the thing myself, therefore, it is taken on trust. As somebody else has mentioned, are we voting money for part of a plan that we have not seen and perhaps it would have been better to adopt the whole of it? I have noticed further on in some of the things there is £9 million for a car park in Ann Place, which I did not know anything about, but it is there in capital and that is obviously part of another plan, or the same plan, I do not know which. I am not sure what is wrong with Minden Place car park, but I will come to that, Sir, when we discuss that amendment later. Regarding the eastern cycle route, I know the Deputy of Grouville, in particular, has done a lot of work on that, Sir. Perhaps the department could do no worse than look at what has been pulled together and work on that and bring it into being. That may also encompass some of these Safe Routes to Schools; some of these things could be adopted because I think that was part of the plan that was under consideration as well. It was about, you know, obviously children are going to go to school, either walking or biking, then they need to be, in the main, off main roads, especially where it is only 2-way traffic. The other thing that I cannot figure out, Sir, and again it comes back to joined-up government, I remember not that many years ago the Tourism Development Fund gave St. Helier £350,000 for cycle routes. To my knowledge, that money has not been used. I have seen a few green signs on roads and I have seen a few bike racks, but I have not seen a great deal of evidence of that money being spent. Perhaps if there are cycle routes, the Tourism Development Fund perhaps could have been considered as a source of funding. To my knowledge, there is money there that has not been used and perhaps it could be. It might not be in St. Helier, but that is by the by, if it is doing its thing, because the cycle routes could be for locals, visitors, and indeed the Safer Routes to Schools. Again, Sir, nobody has demonstrated any approaches there or the joined-up government. Perhaps T.T.S. feel that they cannot go to the Tourism Development Fund, but I

cannot see why not. I think Economic Development have been there for something or rather and I think the Deputy of Grouville has been trying to get some money from there, probably to no avail. I am not sure. I do not think so, Sir. I do not think she has been given any money for this. Again, you see, this is a case of individual Members doing things and doing some good work and it has not been acknowledged or recognised or worked on with the co-operation of a department. It looks like they are going to do their own thing again, Sir, I think which is a shame. In general terms, Sir, I could split that in 2 and perhaps vote for half of it, some of it, or none of it, and I am not decided yet. I will wait until I hear what the Minister says in summary. Thank you, Sir.

#### **4.1.13 Deputy A.J.H. Maclean of St. Helier:**

For the last week or so I have been rattling on about process and it is the process again with regard to these amendments, these last-minute amendments, that I have the biggest problem with, not the amendments themselves. Many of them are very worthy in terms of what they attempt to achieve. The Chief Minister says that those that are continually rattling on about process are just bringing to the party a red herring. I am afraid I do not think that is the case. The Chief Minister says: "What sort of Island do we want?" Well, we want an Island that includes many of these things in the amendments, absolutely right. There is no question of doubt about that, but it should be done, in my opinion, in an orderly fashion. **[Approbation]** A lot of these items have been known about for some time. Surely it is not beyond the wit of man, or the wit of the Council of Ministers, to have brought them a little bit earlier. I have to say that one of the outcomes of this additional spending, if we go down this particular route, and indeed if this process is continued next year and the year after, will be an increase in States expenditure up to an unacceptable level, in my opinion. It will leave us in a position where we are going to see tax rises, which is the last thing any of us should surely want and it is certainly the last thing that the public want. It will in particular lead to, sooner rather than later, an increase in G.S.T., which, again, I do not think any of us or indeed any members of the public want to see. Unless we have stronger fiscal and budgetary controls then that is the outcome, unfortunately, that we are going to end up with and we do not want that. We have to exercise, in my opinion, some more control. Indeed, what I see on this page is very worthy, in principle. I might add though, I would like to know, Sir, if you or any other Member of this Assembly would be happy to spend £1 million of their money based on the information that I have in front of me? **[Approbation]** Or considerably less, I might add, than £1 million for the information available. Again, it is not really the way I would like to see business carried out. I note, just looking at the details that are presented here on this page, it refers to the Energy for Waste Plant. Of course, we voted on that some while ago - not that long ago, in fact - expenditure of £100 million, or so, I believe. I note here in the opening paragraph that part of that is of course raising the level of our recycling from 32 per cent to, I think by 2018, 36 per cent; all very laudable, absolutely right, we should be doing it, but we are being asked for more money to support an initiative, the Energy for Waste Plant, which we have already spent £100 million on. Why was that not raised at the time? Why is it suddenly coming up at this stage, again, late in the day? Looking further down, we are looking at: "The extra funds will be used for the start-up costs", it says, but what about replacement? What about running costs? Nothing mentioned as far as that is concerned. There is a lot of information that is vague. I move on and look and read the items about the Draft Integrated Travel and Transport Plan, the extra £500,000 for supposedly keeping bus fares at the level they are. Already today we have heard that Connex - and I am sure everyone is very pleased to hear how well Connex are doing - more passengers than ever before, 13,000 a week or a day, I cannot remember what the Minister said, but anyway, it is considerably up. They are clearly being very successful. I read this as a subsidy, and perhaps the Minister will correct me if I am wrong, but it appears like a £500,000 subsidy towards keeping fares on hold from a company already doing very well, thank you. Is that what we should be doing? I am not sure that that really is. Yes, we do not want fares to rise, but should we not be expecting fares to stay as they are anyway if the company is being successful? I go on and look at, just very briefly, the other items that are included in this £500,000 that we are going to benefit from. I see that there are words,

which again seem terribly vague to me: “Proposals for an eastern cycle route [brilliant idea] will be investigated.” I thought we were spending the money, so why is it only being investigated? It goes on to say: “Where feasible.” That seems pretty vague to me and this is £500,000 we are just forking out for that. We go on again and talk about the schools’ project: “A further scheme will be implemented to encourage children and parents to leave the car at home.” Again, very laudable, something we should certainly be doing, but “encourage”? This is £500,000 we are spending to encourage people. I am just not sold on the whole concept of this. It is too wishy-washy. There is an item at the bottom which says: “In subsequent years, additional funding will be used to maintain low bus fares.” So I take it that is an additional sum of money on top of the £500,000 that we are already being asked to spend here. How much? It does not say. Again, a lot of vague items in this. The idea is very good, I support the idea entirely, but let us have some proper detail if we are going to spend public money. This is not good enough and I cannot support it. Thank you.

#### **4.1.14 Senator L. Norman:**

The Chief Minister asks in an incredulous voice: “Do we not want these initiatives” as if we would be totally mad to vote this down and it should be an absolute given. Do we want new recycling initiatives, more recycling? Do we want a better transport system and lower fares? Of course we do. We want all of these things and more. We want more social initiatives, we want more economic initiatives, we want more service initiatives. What the Council of Ministers and the Chief Minister should try and understand is we are not objecting to the initiatives themselves, but the way they have been brought. Not only do we want these initiatives but we want financial control as well, we want financial discipline, with an eye on the plight of the taxpayer who is going to have to meet all of these bills with the pressure on the taxpayer, which is now more on the personal taxpayer than it is on the corporate taxpayer with the burden having been moved that way. All of the initiatives are good by themselves. All of the initiatives are supportable. We also want the Council of Ministers to show us some leadership. We want the Council of Ministers to show us what they want, what their priorities are. We want them to show where the savings are to fund these new, exciting and worthwhile initiatives. In the past and in the not so recent past, when a private Member has brought a proposition for initiative in the budget or in the Business Plan they are told in no uncertain terms: “Where are you going to make the savings to meet this? What are you going to knock out to achieve this?” Of course, that applies to private Members, but now, apparently, it does not apply to the Council of Ministers and it should.

#### **4.1.15 Connétable K.A. Le Brun of St. Mary:**

We have heard about the recycling and, as you are most probably all aware, yes, I am all for the recycling, and in fact, there are 2 or 3 Parishes who will be initiating the kerbside plan within the very near future, just adding on to the back of the St. Johns one. As somebody pointed out earlier, it is not cheap, it is expensive. I am a little bit concerned about this extra requirement of money required because we as a Parish, and there are several others going too, there has been a sponsor that has come forward and will be paying for the boxes and bags and that; that is their sponsorship side of things. Then the individual parishioners will then pay for an extra collection round, which is going to cost them more on their rates as well. In a sense, I meant to say that the Transport and Technical are not contributing at all to the initial outlay. I am concerned at where they are wanting this extra money, I hope sincerely ... because time and time again we have heard over the last few years, that: “Yes, we will have recycling. We have to do more recycling within our limit”, but every time we hear about that we have a stockpile of televisions or we have a stockpile of paper or something, it is so costly to get it off the Island. I am just wondering, is this the money that you want so as to help get it off the Island? Because, otherwise, what is the point of all of us doing a lot of recycling within the Parishes and all the others are wanting to and it has been accepted that kerbside is the way forward because you will get more people involved with it, it is rather pointless doing all this recycling if at the end of the day you then say: “We do not have any money to get it off the Island.” It has been suggested, it seems, in some earlier speeches that it was thought about

providing the recycling boxes and suchlike, but then on the other hand, some of us - and I think it was mentioned by the Deputy of St. John the other day - are saying they have set it off the ground and now you are going to contribute and help towards other Parishes doing it. I think there has to be this, as long as I am ensured that that will help to ... and we do not hear any more in the future about the cost of getting it off the Island, the recycling of the electrical goods, the televisions, the paper, the cardboard and all those things, let us get it off the Island. Let us not have any more excuses and suchlike that it is costly to get it off the Island. If I can be assured that is what it is, I am sure you will get a lot more support in that respect. Coming on to the other issue regarding safety issues as such, and as well as I appreciate the Deputy of Grouville who was wanting to get the lovely eastern cycle route in that, I have a lot more immediate concern regarding safety issues. We, in St. Mary, have 2 notorious black spots, crossroads, all main roads. Fatality has taken place. There are consistently accidents there and it is unbelievable - fortunate and unbelievable - when I say that there have been no further fatalities. We, as are our police, are trying to come up with several suggestions and ideas how we can alleviate this to a certain extent and recommended some calming measures to Transport and Technical and they came and said: "You cannot do that; it is not safe enough. It would be dangerous to promote the cycles. We suggest, and this is the only way forward ..." They came out with a very good scheme, a perfect scheme, so I said: "Fine, ideal. When are you going to go ahead with it?" "We cannot go ahead with it; we have no money. I can put you at the bottom of a long list which will take goodness knows how many years before you can do it" and this is the situation. We are talking about getting cycling routes, but these are notorious black spots which really need pavements, help the children's cycle routes to get to school as well. We have existing ones. I am sure he mentions: "At the end of a long list" but that is not just a long list for St. Mary; that is all the other Parishes. I think if you contact all the other Parishes, they have their lists and black spots and cycle routes that they want and pavements which they want. It is there already. We do not have to spend £500,000 looking for ideas. There is an enormous list there now that needs to be done urgently. This is the situation that we are in and this is why I find it very, very difficult to vote for all of this because as well as you have all that and it is always needed, there are situations here and now. When you contact the department, as I say, as I have done, they say: "We have no money. We will put you at the bottom of our list and it is a long list and we do not have a clue when they are likely to come and do it." That is emergency situations that are needed now. I said: "I am talking about literally life and death." "I am sorry, so are all the others", he said. This is why I have a difficulty when suddenly you ask for another £1 million to go to the recycling, which we understand, if people are willing to pay for it as well, if you do it in the right manner, and then you start talking about the other situations as well. I am still in very much 2 minds, Sir, which way I am going to vote because as well as all things are very good and wish lists, I know there are very urgent and important matters to be seen to now. Thank you, Sir.

**The Connétable of St. Helier:**

I wondered if you could advise me, Sir, whether this would be a matter one could seek to refer back? This amendment, Sir?

**The Deputy Bailiff:**

This is an amendment, is it not? Would other Members like to carry on while I think about that one? Does anyone else want to speak on the amendment? I would have thought, frankly, Connétable, your best answer is to vote against it, is it not? Because this is the Business Plan which has to be approved now. This is an amendment to it. If the amendment is referred back then presumably the proposition carries on. I do not think you can refer back an amendment, really.

**Deputy G.W.J. de Faye:**

Would the Constable like to outline what grounds he has for referring back?

### **The Deputy Bailiff:**

No, I do not think I even need to hear that. I do not think it is practical to refer back an amendment in this way.

#### **4.1.16 The Connétable of St. Helier:**

I will continue my speech, in that case. I do feel that with this particular amendment the States do have an important decision to make. I know that there are many Members, perhaps every Member in this House, want to send out the message that they support recycling and they support sustainable transport. There is no Member who would disagree with either of those important strategic policies of the States. Clearly, Members also want to send out a message that they believe in financial control in the House, so they have not forgotten that from several years ago when it was certainly one of the key concerns of this Assembly. There is, as other Members have said, a complete lack, a complete absence, of any kind of financial rigour here. We are simply being asked to fund another £1 million or so on the back of a fag packet. We have literally about half a dozen short paragraphs to go on. It really beggars belief that this amendment has a good chance of getting through. I am very grateful to Deputy Maclean for his excellent speech about process. The process is important when a Parliament comes to set its budget. Is that not the case? Deputy Maclean is to be congratulated for his speech. It is very much in contrast to some of those who want this money to go through because a clean sweep of these amendments will net the Council of Ministers a lovely £11 million worth of extra money next year. The Chief Minister, in his speech, as usual said: "We only have 2 options"; he did say 3 and he could not think of a third one. Of course, we can all think of a third one; the third one is that the Council of Ministers makes those savings across the departments and finds the money for these worthwhile initiatives. That point evaded the Chief Minister, but never mind. He also said: "What sort of Island do we want?" We all want an Island with recycling and with sustainable transport, but we sure are not going to get it when 3 years on from the new Council of Ministers we do not even have a policy. How the Council of Ministers can try and get money for a policy that has not been written yet or has not been debated yet really is extraordinary [**approbation**]. I must say, if they get this one through, it will be the nadir of the Assembly's progress this year. The nadir, for those who do not know, and I think I am on a Senator's patch here, it is the lowest point. This really must not go through if the States is to emerge from the Business Plan with any credibility. I believe in sustainable transport, I believe in recycling. There is a lot more I could say about the recycling part of this; for example, that on the back of my election pledge in January I promised to recruit a recycling manager who started work on Monday. I do not suppose he has been consulted by T.T.S., they really have not had a chance to talk to him yet, but the fact is we now have a full-time member of staff who was not here before who is going to, and if that is part of the commitment, bring kerbside recycling across the Parish of St. Helier, including all the businesses, within 2 years. Fine, if the States wants to spend the money, that prevents the ratepayers of St. Helier having to do so. Perhaps I should just sit down and keep quiet and the Minister will get the money and do the work for me but the fact is this particular Parish wants to get on and explore that. In fact, on Friday this week, if the States have finally wound up by then, I am off to France to meet a couple of recycling companies who want St. Helier's waste. They probably want the whole of the Island's waste as well. There are people across the water in France who want to take our waste from us. They are going to pay us for some of it and yet the States are now going to throw £1 million in the general direction of these "nice to have" initiatives on the back of this amendment. I do urge Members not to get caught up in the kind of good feeling, sort of "end of term" feeling, let us put a little bit more money in here, a little bit more money in there. I urge Members just to come to their senses and say to themselves: "Do we really want the message to go out that you can more or less ask the States Assembly for anything, even if you have not written the policy yet and they will give it to you." I urge Members, let us throw this one out. It does not have to go through. Recycling is still going to happen next year. Sustainable transport plans are still going to come forward next year. Do not have the wool pulled over your eyes. While I am on my feet, I just want to respond to Deputy Breckon, who

mentioned the Tourism Development Fund. Indeed, they did put a lot of money into an eastern cycling route and town cycling routes but I know they hit various buffers and I know that if the money is not in the Tourism Development Fund, it is around somewhere. I certainly have not spent it on any “nice to have” things in the Town Hall so the money is there. That is another pot of money that the Deputy of Grouville could be calling upon for the eastern cycle route. As I say, I urge Members, do not be hoodwinked by this. Vote this one down.

**4.1.17 Deputy G.P. Southern:**

It is always a pleasure to follow my Constable. He has introduced a new word into the Chamber again, “nadir”, I love it. We had “sophistry” last week, “nadir” this week. Yes, I am filled with a feeling of *déjà vu*. It seems to me, having been in this Assembly for 7 years, I have seen this sort of performance done year in and year out. It used to be done on the budget debate. Everybody, their granny and their dog used to come to the budget debate and put in amendments. A little bit here and a bit for this and this interest here, a lot for this one, that is a “biggie” and a little bit here and tweak it there and tweak it there. Presidents, then, used to go down on their knees and they would pray to the Chamber: “Stop, stop, stop, stop, you are throwing all our money away, you cannot do this to our budget.” Look what has happened. Ministerial government, right, and lo and behold, it is not the Back Benchers who are throwing in a little bit here and a little bit there for this specialist interest and that; it is the flaming Ministers. What is going on? **[Aside] [Laughter]** A little bit here, little bit there. The Minister for Housing obviously feels he has been left out because he does not have a bonus to throw in at the moment. **[Laughter]** I do wish the Minister would stop talking when I am on my feet. I believe it is Standing Orders. Thank you. How very annoying that is. So it is the Ministers now. Oh, and by the way, here is another idea. We fell off our priorities list a long time ago but we have dug it up and resurrected it and we want to do this as well. So some here, some there. As the Constable has just said, where is the financial probity in this? Absent, thrown out the window, flown the coop. Now, we really must be very careful about voting these amendments through. As has been clearly demonstrated by several speakers from the Environment Scrutiny Panel, these proposals have not been thought through. Indeed, the overall transport plan has not even been discussed by this House and yet here is the starter for 10. It is like University Challenge, starter for 10. Let us just get on with it now at the last minute and just before an election.

**The Deputy Bailiff:**

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

**4.1.18 Deputy G.W.J. de Faye:**

I rise with sadness. Mainly it is embarrassment, the lack of understanding and research that many Members have at their hands. The suggestions that there is anything new here are patently absurd. It really is a matter of regret that some of the worst offenders are Members of the current Environment Scrutiny Panel so I hope Members will understand why I have had significant difficulty working with them. Indeed, some of them are former member of Public Services, including a former President, and I have to say it really is quite galling so while I am asked: “Waste Electricals, what are you doing about it, about time too” from someone who was previously on a Public Works Committee before I was, that really takes the biscuit. I would like to say to those Members: “What were you doing?” and I will tell them what they were doing. They were avoiding the opportunity of spending £60 million on an incinerator in order to fiddle around with alternative technologies that were not proven and, as a result, cost the Island £46 million. That is what they were doing and this is all part of a guilty conscience. Anything to point the finger in another direction and take the spotlight off our ghastly error. It is also astonishing that some Members are seeming to think that they did not know about this. Well, let me remind Members that the target of 32 per cent recycling rate was laid down and approved by this Assembly in 2005 in the Solid Waste Strategy. Have Members forgotten? It seems some have. The idea of kerbside collections around



the Island in all the Parishes was part of the 2005 Solid Waste Strategy and we seem to have forgotten about that. Safer Routes to Schools; have I just jumped this one on Members? No, I have not. Safer Route to Schools policy goes back to 2000 as a subcommittee of the Health Committee. So how come Members did not know about that? I elect, Sir, that Deputy Maclean, as a new boy, should obviously be excepted from that accusation. It is understandable that he would not be aware of policies that go further back than 2005. He was not here. May I also point out that the approach to bus services can easily be justified under the currently existing sustainable transport policy. So it is all very well for Members to sit around saying: "Oh, we have not read the new one" although, of course, Scrutiny have had a copy for some time but carefully have not mentioned that. No, you do not need to read the new one to understand that the old one says I am charged with trying to keep bus fares down. That is the policy. This is what I am putting to the States. There is nothing new here, possibly with the exception of the eastern cycle route. Now, Deputy Le Hérissier struggles with aspects of the Connex contracts. I am not going to go into details about the Connex contracts at this stage or comparisons with previous ones. I would be very happy to enlighten the Deputy in private because I think it ought to be best dealt with in private, as there are some very embarrassing elements to it. However, the issue is simple. We are currently victims of our own success. The success story I advise Members of, passenger figures up. Well, I am afraid the number of buses has not gone up to match the increased demand. That is why we have a success story. More people want to use the buses. That is why the demand is quite specific, additional commuter bus services. Why do I want that money? Because I receive continual complaints by people who want to come into town during the rush hour who find full buses going past them and they cannot get on. So this is the problem I am seeking to address with this additional funding. I hope that does not come as some sort of policy I am trying to sneak under the wire here. This is straightforward approach. I share Deputy Le Hérissier's concern about the shrubbery at Rue des Prés Trading Estate but I have to say to him we have higher priorities. I am sorry but that is the way it is. I thank the Deputy of St. John for his encouragement about kerbside collections. St. John have been leaders in this field but I need to advise him and Members, and remind them again not to get carried away with the idea that there are these enormous amounts of value lurking in recycled goods. There are not. They simply are not. Where there is value, we extract it so that in exporting paper, if there is a price on the gate, we will take the payment but, regrettably, in most cases, the price on the gate has come from a payment for receiving tonnages to a requirement to have some money for the company or the mill to service it. The figures have gone round and why have they gone round? It is market forces. The more you recycle, the more of that commodity is available and therefore the value for the commodity drops because there is increasing demand to push paper towards the mills and if the mills have quite enough paper, they do not want to know about having any more so they simply drop the prices they are prepared to give and, in the end, start charging you. There is very, very little that you can make out of recycling and I frankly do not think it is likely to be ... the more recycling we do, the less likely there is to be serious markets that are valuable. Deputy Fox asked about the green waste drop-in facilities. They are not part of this but I will be addressing that more publicly in due course. I am sorry to tell the Deputy of St. Martin I did not know the job was half-finished at St. Martin. It all looked finished to me and I have to say I do not know, on the basis of his claim in the House today, whether I can assure him that the next amount of cash is going to go his way or not but I just thought most likely, no, it would not, it is probably going to go to another safer school route. I do not know the number of children that currently use bikes. It is an entirely variable element and there is no way of checking that out. I say simply to Members here are a list of things that you either wish to do or do not wish to do. Everything has been flagged up for very considerable periods of time, in some cases, up to 8 years. There is no question about slipping things under the wire here or policies that are being introduced without being voted on. I apologise for the process but, frankly, that was the situation that was forced upon the Council of Ministers by being asked to have tight spending limits that come between previously agreed credit limits. The only way that we can have more money for these things is by having amendments to the plan. So it is straightforward. Do Members think it is a good idea to contribute more to starting up Parish

kerbside collections? I think it is and I would be very disappointed if we see now suddenly from the Constables a change of view on whether kerbside collections are a good idea or not. That would come as a great disappointment. I can assure the Constable of St. Mary that we have a whacking great stockpile of TVs, batteries, computers, waste electricals of all sorts, and it costs us £500 a tonne to ship them out and have them dealt with properly and that includes any monies that we get back. Those shipping figures count any bonuses we receive but such is the situation that although much is recoverable, an awful lot of work goes into breaking up a television or a computer in order to get the bits out so there is really not a tremendous amount in it for the provider of waste. If Members do not want additional commuter bus services and think that it is okay for people trying to get into St. Helier to keep watching full buses go past them, well, so be it. If they think that we want bus fare increases, so be it, but I think that the policy is already clear on that. I also think that there can be no serious disagreement about the benefits of an eastern cycle route and I commend the Deputy of Grouville for all the personal effort that she and other volunteers have put into this already [**Approbation**] and it has just been a great shame that the department has never had any cash to give her any support whatsoever. We simply have not had the cash. Now, if Members think that she should not have any, do not vote for this. Finally, Safer Routes to Schools. As I have said, Sir, that is a pre-existing policy and I really cannot see that any Member can have issues with this. Now, if Members wish to vote on a basis of principle in regard to the process, I understand that but all Members will do is put everything off for at least a year and possibly see some things sink away longer than that and I do not think that is what any Member in this House wants. It comes as a particular disappointment to me to see people who, on the one hand, advocate recycling, advocate the benefits of public transport, and yet carp and whinge today because they have some issue about their ability to approve it and help. I do not think that is an acceptable position frankly, but if Members do, that is up to Members, Sir, and I call for an appel.

**The Deputy of St. John:**

Could I have clarification on a couple of points, Sir, one in particular on the kerbside collections? The Minister did not ...

**The Deputy Bailiff:**

Is this something arising out of your speech?

**The Deputy of St. John:**

Yes, Sir. He did not answer the question about was the £350 for doing every Parish or is he still expecting a contribution from the Parishes as well? I know it is a question from the Constables' benches as well. Also, Sir, I did ask him about using the resources of the prison for the recycling of white and brown goods and he did not answer that either. I wonder if he could clarify whether that would mitigate some of his costs of getting those goods to the U.K.?

**Deputy G.W.J. de Faye:**

There was a scheme organised in conjunction with Her Majesty's Prison at La Moye which involved the recycling of electrical waste. That progressed successfully for some time but I regret that due to a secondary decision by the Assembly to introduce educational opportunities for prisoners at the prison, all of a sudden, they opted out of doing the work on the recycling and opted in to have further education. Thereby, regrettably, that particular project foundered. In relation to kerbside collections around the Parishes, the department is supplying the kit to carry things out with. I would still expect that the Parishes will pursue sponsorship opportunities because what I am certainly not offering here is sufficient monies to help Parishes out with their Parish waste collection contracts. That is not on the cards with these monies and is not on the cards for some considerable time into the future. That is a matter for the Parishes and, as I understand, the Constable of St. Helier is going it alone and I commend him for doing that and I am sure it will relieve the burden all round.

**The Deputy Bailiff:**

Very well, the appel is called for in relation to amendment 9.

<b>POUR: 25</b>		<b>CONTRE: 17</b>		<b>ABSTAIN: 0</b>
Senator F.H. Walker		Senator L. Norman		
Senator W. Kinnard		Senator J.L. Perchard		
Senator T.A. Le Sueur		Connétable of St. Mary		
Senator P.F. Routier		Connétable of St. Peter		
Senator M.E. Vibert		Connétable of St. Helier		
Senator P.F.C. Ozouf		Deputy R.C. Duhamel (S)		
Senator T.J. Le Main		Deputy of St. Martin		
Senator B.E. Shenton		Deputy G.C.L. Baudains (C)		
Connétable of St. Ouen		Deputy R.G. Le Hérisssier (S)		
Connétable of St. Clement		Deputy G.P. Southern (H)		
Connétable of St. Lawrence		Deputy S.C. Ferguson (B)		
Connétable of St. Brelade		Deputy of St. Peter		
Connétable of St. Martin		Deputy J.A.N. Le Fondré (L)		
Deputy A. Breckon (S)		Deputy S. Pitman (H)		
Deputy J.J. Huet (H)		Deputy A.J.D. Maclean (H)		
Deputy C.J. Scott Warren (S)		Deputy K.C. Lewis (S)		
Deputy J.B. Fox (H)		Deputy of St. Mary		
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy of St. John				

**The Deputy Bailiff:**

Very well. Now, Minister for Treasury and Resources, do I understand that amendment paragraph 10 is to be withdrawn?

**Senator T.A. Le Sueur:**

That is correct, Sir, yes. Amendment paragraph (10) was related to a likelihood of G.S.T. being not charged on food. Having debated that and deciding to continue with the present situation, we do not need the staff at this stage.

**The Deputy Bailiff:**

Very well, so that is withdrawn.

**5. Annual Business Plan 2009 (P.113/2008): fourth amendment (P.113/2008) Amd. (4) Amd. (4)(1)(11)**

**The Deputy Bailiff:**

So then we come to paragraph (11) and I will ask the Greffier to read the amendment.

**The Greffier of the States:**

Except that the net revenue expenditure of the Law Officers' Department for 2009 shall be increased by £520,000 to ensure that there is sufficient resources to restructure the department in order to meet the pressures on the department and achieve service levels which are to be agreed with the Council of Ministers.

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

The Law Officers' Department currently has 3 major problems which are affecting its ability to deliver the quality of legal services in the timely manner that this House have every right to expect and also to watch, monitor, maintain and protect our position internationally. The 3 problems are: the numbers of staff and how they are employed, the salary levels which they are paid in a very competitive environment in Jersey, and the lack of a robust internal management structure. The result is that the department is unable to meet all the demands we place upon it, and is placed upon it by others, in a timely and effective way. This is a serious situation for Jersey, both internally and internationally. Internally, this House, all Members, must have access to, and the support of, the highest quality legal advice in a timely manner, basically, if we are able to do our job as the Island's government. Too often - and I make no criticisms here - we have had to wait, and Ministers, in particular, have had to wait. I think Scrutiny Panels have had to wait as well, too long, for opinion on new laws and responses to requests for advice and that is simply not good government. Nor is it good for Jersey's reputation. If we are to have a reputation as we earnestly strive for as a well-governed, well-regulated society, then we must have an efficiently functioning legal department. Internationally, Jersey, as we know, faces many, many challenges and those challenges grow all the time. There are challenges to our financial position, to our economic position, and also to our constitutional position and our much cherished and hard fought for level of independence. There are many, many demands, new demands, on top of a very long list of existing demands, made upon the department. For example, take all the conventions that are put to us now from within the European Union. We simply do not have the resources to adequately meet the challenges and the demands that we are currently faced with. Jersey's reputation is vital to our success, I think, in every possible way and we cannot sustain that reputation unless we have a legal system that matches the best in international standards and not only can cope but is seen to be able to cope with today's requirements and expectations; a legal system, in short, that is world-class and is seen to be so because, given the nature of our constitutional and economic position, Jersey can accept nothing less. But that is not what we have today and again I repeat this is no criticism of the Attorney General or his team but is simply not what we have today. The Department is under-resourced and also, as a result of being under-resourced, lacking in effective organisation. This amendment basically has 4 targets, 4 purposes. The first is salary levels. We all know the extent and the success of Jersey's legal system and the extent and the success of the private sector in

providing law services to residents of Jersey and to clients from all over the world. It is an intensely competitive sector of the market and as a result, salary levels are very high indeed. What has happened within our Law Officers' Department is that salary levels have lagged far behind the private sector and that has meant that we have either failed to recruit or, having successfully recruited, we have lost some very, very good people, people we could ill afford to lose and who are very, very difficult, at times impossible, to replace. There was, in fact, an independent salary review undertaken a few years ago by Mr. Colin Powell and Mr. Richard Pirouet, which made some fairly sweeping recommendations; recommendations, though, which for one reason or another, were only half implemented. The result was that although there were salary increases within the Law Officers' Department, they fell significantly short of the recommendation of this independent report and although it was probably prudent financial management at the time, or seemed to be so, its results have been, as I have already said, a loss of some very good people or an inability to recruit some very good people. The total covered by the amendment is £520,000. The sum required to lift salaries to a level where we can indeed recruit and retain the good people we must have is £80,000. The next part of the proposition is for 2 senior legal advisers to address the shortfall in resources that we undoubtedly have and it is as important, obviously, that we do that as much as increase salaries if we are to have the department that we must have. Next, there is the opportunity here to appoint an assistant legal adviser on secondment into our advisers in Brussels. I think Members know, Sir, that we employ a firm called White and Case to watch out for Jersey's interests in Brussels and a very good job they do too, but we have an opportunity here to put in our own legal assistant so that we would have that much more direct contact with Brussels and within Brussels which is unquestionably becoming much more important to the future of the Island. Finally, the amendment calls for the appointment of another legal assistant as a records and information manager where there is an acute need that we currently cannot meet many of the requirements placed upon us including, for example, the obligations under the Public Records Law. They are simply not "meetable" by the current resource within the Law Officers' Department. This part of the amendment would be for £100,000 and other parts of the information which ever increases in volume are not being met, so I think the important thing here is we have had much criticism in this debate about things coming forward all of a sudden, the timing, et cetera. The Attorney General has been pressing for these additional resources now for at least 5 years, and, so far, that has not been accepted. Although improvements have been made, they are nowhere near far enough. As Members agreed we had, with the Chief Minister's Department, cut just a step or 3 too far and we are no longer able to guarantee the sort of high quality legal service that we require. The Comptroller and Auditor General thinks this is significant. The Comptroller and Auditor General has looked at the Law Officers' Department and he too believes that they are under-resourced. Now, we know the Comptroller and Auditor General is not afraid to come forward to say when he has found areas where savings can be made. Equally, he is not afraid to come forward to say when he believes we are under-resourced and he has confirmed that the Law Officers' Department, in his view, is now under-resourced and I think that is significant independent support for the amendment I am putting forward. But - and there is a but - he has said that his support for increased resource is conditional upon the management structure and management systems of the Law Officers' Department being overhauled and improved and, frankly, brought up to speed. Now, I have put that to the Attorney General and he absolutely agrees so what I have said to him I would do is that I would put forward this amendment on the condition that he agreed to a management restructuring within the department to bring it up to the level of efficiency that it has to be. Now, he has made that undertaking immediately and without reservation. He made that undertaking but I am putting forward the amendment absolutely on that basis. Additional resources, yes, but a new management structure to deliver efficiency, absolutely essential at the same time. Now, Sir, in an earlier part of this overall amendment, the States have accepted the need for greater support for our international position and, indeed, for our efficiency of government and this part of the amendment is absolutely along the same lines. This is all about efficiency of government, ultimately, cost saving through efficiency of government, and all about representing Jersey or ensuring that Jersey is represented

more effectively internationally and that we are able to meet our international obligations which, as I have already said, grow almost by the day. So, Sir, we do have a good legal system but currently it is not reaching the mark. It is simply not good enough and it is vital for Jersey's future, our reputation and our future, that it is up to the mark and fully up to speed and if we approve this amendment, then that is what we can achieve. If we fail to approve this amendment, then I fear our own Law Officers' Department, upon which we rely so heavily, will fall further and further behind the pace and I hope that every Member will agree that that is absolutely unacceptable. Sir, I move the amendment.

**The Deputy Bailiff:**

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

**5.1.1 Senator B.E. Shenton:**

I will be brief. I was a little bit concerned by the Chief Minister's comment that the Law Officers' Department currently lacks a robust internal management structure. I would just like the Chief Minister to let the House know when the internal management structure collapsed, why it collapsed and under whose oversight it collapsed. It seems a rather strange set of affairs that someone has allowed the internal management structure to get into such an awful state.

**5.1.2 Deputy C.J. Scott Warren:**

It has been well known for several years that the Law Officers' Department is under-resourced. I hope, Sir, that if this amendment is accepted, that when a Freedom of Information Law is brought forward, and there obviously would be an Information Commissioner, that it will be a less daunting prospect for the Law Officers as a result of them having an increase in their staff in the department. So, Sir, I do support this amendment.

**5.1.3 Deputy A. Breckon:**

Is the Chief Minister able to say, in view of what he said and Senator Shenton has picked up on, whether any actions were taken following the report from the National Audit Office? That was into the legal bill for Les Pas, you may remember, and there were some recommendations for the Law Officers' Department about how they funded things and how they monitored them in the National Audit Report. Another point, Sir, is it looks like unfortunately in the narrative attached to this that we have given up on the Freedom of Information law. If I may remind Members, it was one of the recommendations of the Clothier Report. If you are going to have a strong executive, then you have access to information and it says in here that the total amount that could not be included in the Law Officers' Department was £650,000. "Included in that total of £650,000 is an additional legal adviser to handle the legal issues which would result from the introduction of the Freedom of Information law. As the law will not be considered by the States in 2008, it could not come into force during 2009 and therefore the need does not arise in that year. Should the law be agreed, there will be a need for this post but until it has been agreed, it would not be appropriate to increase the cash limit to reflect it." Well, I read that, Sir, with some disappointment because I understand that from a Code, this House has agreed that it be translated into law, so perhaps if the Chief Minister could tell us who decided it would not be? I think P.P.C. (Privileges and Procedures Committee) have had some responsibility for that, Sir, but perhaps he could inform the House where this has fallen between a rock and a hard place.

**5.1.4 Deputy J.B. Fox:**

I know it is not strictly within this brief of this amendment today but clearly with Ministerial government with the international scene changing as it is and with major investigations that need staff et cetera, I am surprised that with all the reviews that have been required for States departments that I have not heard anything of any significant reviews from the Crown Officers. The Attorney General is constantly telling us about the shortfalls and the difficulties that he has in sustaining the pressures that are placed on the department and I just wonder if the Chief Minister

could advise us when the Solicitor General can advise us on whether this is just a stopgap measure or whether there is a need to have a significant review to bring us up to date with the changing terms? All I would ask of the Solicitor General, if he would be so kind as to pass on that we would like our reply back on Law Policy fund. We cannot progress that for the Law Policy fund for the Royal Court and for the States, so that would be most useful.

**5.1.5 Connétable M.K. Jackson of St. Brelade:**

I would start just by the remark in response to the comment from Senator Shenton that my experience of the Law Officers' Department has been extremely good. They have always been very efficient in the few dealings I have had and I thank them for that. One question I would ask of the Chief Minister was, is it intended that appropriated proceeds from arrested drug dealers, et cetera, be still applied to the Law Officers' Department? Because I understand that was the case in the past and had been frowned upon, so I would just like clarification on that, please, Sir.

**5.1.6 Deputy P.V.F. Le Claire:**

I am very happy to support this and I have spoken on a number of Business Plans in the past after Her Majesty's Attorney General has stood up and spoken quite extraordinarily about the shortfall in resources in the Law Officers' Department, Sir, and I have, for many years, been concerned about the fact that it would take obviously some great pressure for him to stand up and make that appeal. So today I am very, very pleased to see that we have an opportunity to put collectively our money and the public's money where our mouth is and support the Law Officers. I also had a great privilege of being part of the Management Committee for the pensions for many years, Sir, and under that Management Scheme for the pensions for the States employees, I was responsible for the ill health retirement of States employees for about 6 years as the political representative for the Committee of Management. Under that scheme, about 50 a year or so were averaging ill health retirements. Generally I saw, time and time again, many people being put out to pasture for ill health reasons, not all of them but certainly some, because of the fact that they were not supported adequately in their roles and I thought there was a real waste of a talent when somebody would have to go out and invariably, on occasions, come back to the same department to work part-time because we had basically worn them out and not given them enough support. I am pleased to see Her Majesty's Solicitor General in the Chamber this afternoon and his predecessor, Stephanie Nicol, who was Her Majesty's Solicitor General prior to him, worked exceedingly hard, Sir. I am sure that we all appreciate the fact that it was not unusual for her to be working 14, 15, 18-hour days and I think that the amount of money that has been set aside to supplement the Law Officers in this important work is well overdue and I am very, very glad to see it. I am very pleased to see it. The important work, no doubt, that will extend into Brussels into the future will have a bearing as to how Jersey sets itself out among the modern world and how we are seen on the international stage. But I have seen how we are seen on the local stage and the local stage, is it is very difficult to get lawyers to come into this type of service where they forego perhaps some of the benefits that are in the private sector for a service to the public and I think that they should be supported, Sir. I am very pleased to see that they are going to be this afternoon and I think that we have to be cognisant of the fact that not only do they need more money, they need the management structure that was highlighted and they need the support services in management to make sure that they have enough resources and support to do their work.

**The Deputy Bailiff:**

Does any other Member wish to speak?

**5.1.7 Deputy R.G. Le Hérissier:**

I would like to support this. I was going to make a response to Senator Shenton where he asked when did it collapse. I think the answer to him probably is it "grew like Topsy" in that as the workload increased, the management structure did not grow in line with the workload. You often

find this in organisations where professionals are both the managers and practising their profession at the same time. The whole thing gets overloaded so that would probably be the answer. I do not think anything collapsed; I just do not think it developed. What I would like to ask the Chief Minister, Sir, is could he tell us when this report into the management structure will be completed and what terms of reference it will be given because I think it is very important because we clearly do not want to go along the road of burdening people with enormous amounts of requests and so forth when allegedly they are meant to be managing the department as well as giving advice. The second point, Sir, is about Brussels. It is good news to see how this is coming more and more to the top of the agenda and although I did not vote for the raft of positions the other day, I wonder, Sir, if the Chief Minister could comment on the fact that legal eyes at Brussels should be complemented by political eyes at Brussels as well, that we should have people monitoring the situation. Obviously, both fronts are interconnected but we should have people monitoring the situation on both fronts because although undoubtedly an assistant to the advisers will do an excellent job, of that there can be no doubt, and it is a wonderful career opportunity for an individual to be in the “centre of the storm” so to speak, it is very important that we broaden our horizons and perspective when we are monitoring that situation.

#### **5.1.8 Mr. T.J. Le Cocq Q.C., H.M. Solicitor General:**

Perhaps I can start by expressing my thanks and I know it would be that of the Attorney General, both to the Chief Minister and to all of the Members who have spoken in support of this change in the Law Officers’ Department financial position. Sir, I cannot speak with the breadth or depth about the demands on the Law Officers’ Department as could the Attorney General and I know that he very much wanted to be talking to this matter and he would have done so had it been dealt with by the Assembly last week but I suppose what I can bring to it is the perspective of someone who has newly come from the private sector. There is absolutely no doubt in my mind at all that the Law Officers’ Department is significantly under-resourced. The resources that the private sector are able to commit to things like document organisation, filing, document retrieval, the creation of know-how, is really quite extraordinary and none of that is available in anything like sufficient measure for the Law Officers’ Department. The same is true of workloads. I have been hugely impressed with the commitment of people working frankly far too long and far too hard on matters of importance to the public of this Island. Just entirely coincidentally, I received, over my laptop, a report that I had asked for and I received it only 20 minutes ago from someone working in the Children’s Law section and I simply wanted to get a handle on what the workload was. One of the paragraphs says this: “To put what I am doing into context, Guernsey has had 5 child cases this year. I have had 5 this last month; 28 new cases this year, 5 of which are multi-siblings.” This individual is working well outside of core hours every day and at least one day in the weekends to get all of these applications ready for the court and to keep them going and that is not, in any sense, unusual as I have observed it. I could go on and dilate a little bit about all of the other good things that this increase in money will help to buy but I think it is all adequately set out, if Members agree, in the report and I have very little that I can add to that. We are in fierce competition with the private sector. Lawyers are remunerated within the private sector taking a number of things into account, their post, qualifications, experience, and the comparison between what they might be paid in Jersey against what they can earn elsewhere. Those pressures are inevitably inflationary and real and we are recruiting out of precisely the same pool and it is extremely difficult for us to offer anything comparable to the remuneration that lawyers might get in the private sector or certainly the expectations that they might have. There are a lot of good things that working for the public of the Island can offer a lawyer, a huge variety of work, being close to the States, being close to government. All of those things are important, as is the ethos of public service. The pension scheme is, of course, good, and all of these things are attractive but I would strongly argue that any lawyers working for the Law Officers’ Department should be able to feel that their training, that their seniority, is reflected in a salary which is at least comparable, if not entirely comparable, to that which would be earned in the private sector and it seems to me that it would not be fair to



expect people to continue in any other way. Other than to thank the Assembly for its time, I would say nothing more than to urge the Assembly to support this amendment. **[Approbation]**

**The Deputy Bailiff:**

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

**5.1.9 Senator F.H. Walker:**

I am grateful to everyone who has spoken and grateful indeed that we are having a relatively short debate on this topic. Senator Shenton talked about the management structure collapsing. I made no such comment in my opening remarks. The management structure has not collapsed but the management structure is not as robust and as effective as it needs to be and the reason is that the very, very scarce resource that has been available to the Law Officers' Department has all gone into frontline legal work and there has not been enough to introduce the internal discipline, the internal controls, record keeping as referred to by the Solicitor General, it has all gone into the front line. Any suggestion that the management structure has collapsed is quite, quite wrong and well off the mark. Deputy Breckon talked about the National Audit Report and I have to confess that is not something that I am familiar with but what I do know is that the Law Officers' Department has been reviewed, as I referred earlier, by the Comptroller and Auditor General and there will need to be a further such review, in my opinion, next year, not just on the managerial structure of the department but on the duties that the department undertakes. There is no question, Sir, of giving up on the Freedom of Information Law but the reality is it will not be in force, it will not be debated by this House this year. That is now not possible so it will not be in force by the time it has gone through all the necessary Privy Council structures, et cetera, in 2009, so there was no point in putting forward a resource request for it at this stage but there will be every point in doing so in 2010 and thereafter. I think I have also answered Deputy Fox's questions about reviews of the Law Officers' Department but I can say also, Sir, this is not a stopgap. This is permanent resourcing and permanent salary restructuring which the department most definitely needs. I do not believe it is the final answer but it is not stopgap. Whether it is the final answer or not, at the very least it is a big step in the right direction. The Constable of St. Brelade raised some points about management efficiency as well and can I say that I have no doubt at all in saying that the department offers the best service possible under the circumstances **[Approbation]** but, through no one's fault, the circumstances are not conducive to offering services at the level we require. Deputy Le Claire also referred to the very good work done by the department and the long hours worked endorsed by the Solicitor General and I absolutely endorse that. It cannot be right that we are expecting our employees to put in 15-hour days and work weekends on a regular basis. It is fine on a short-term basis. We have all done that, I think, in various guises, but to have to do it day in, day out, week in, week out, is absolutely unacceptable and we should commend them for their dedication and commitment to what they do. **[Approbation]** Deputy Le Hérissier touched really on a very similar point, that the workload, as he said, has "grown like Topsy" and the resources have not grown to compensate for it and I think I have mentioned the reviews. I cannot say precisely to the Deputy when the management structure review will be completed except there is a real urgency. If these resources are to be utilised by the Law Officers' Department, they have to have a new management structure. That is the condition under which I bring forward this amendment. Deputy Le Hérissier also raised another very, very important question and that is if we approve this amendment, we will have direct legal representation in Brussels. The Deputy asked, though, should we complement that by direct political representation. My answer is an unequivocal yes, and personally, as I think I mentioned last week, I would long ago have established a Jersey office in both London and Brussels but, again, we are talking here about even more resource and the judgment has been so far that that is a step we simply cannot afford at this juncture. Many may argue that it is a step that we cannot afford not to do and I think that is something for serious review in the first months of the next year by the new Council of Ministers. Sir, I was delighted to hear the Solicitor General's speech and I think we should take particular note of his comments. As certainly one of the newest

arrivals in the Law Officers' Department coming straight from the private sector in Jersey, I think his immediate view that the department is significantly under-resourced is one that we should take great notice of and therefore add weight to the support of this amendment. Sir, can I say that the whole amendment is about providing the quality of service we need. It is about ensuring we can recruit and retain very good people. I think we have been extraordinarily lucky to be able to appoint someone of the calibre of the Solicitor General to his job and we need to support him and the Attorney General by appointing people of high calibre to the other essential posts as well. **[Approbation]** So, Sir, I have no hesitation in maintaining the amendment.

**The Connétable of St. Brelade:**

Could I ask for just a small point of clarification? I mentioned the use of the Drug Proceeds Confiscation Fund. I am not sure whether the Chief Minister answered that question.

**Senator F.H. Walker:**

No, Sir, I apologise, I did not answer that point. Sir, the use of the Drug Proceeds Confiscation Fund is quite strictly controlled and it has been used, and continues to be used, to cover some aspects of court and case costs. It is not considered appropriate that it should fund ongoing revenue expenditure involving staff within departments. That is not what it is set up to fund and it would be breaching its terms of reference to do so. It can support one-off court and case costs but it would not be right for it to support ongoing annually recurring revenue costs of this nature in my view.

**The Deputy Bailiff:**

Very well, the appeal is asked for. The matter before the Assembly is amendment 11 by the Chief Minister.

<b>POUR: 35</b>		<b>CONTRE: 2</b>		<b>ABSTAIN: 0</b>
Senator F.H. Walker		Deputy of St. Martin		
Senator W. Kinnard		Deputy G.C.L. Baudains (C)		
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator M.E. Vibert				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator B.E. Shenton				
Senator F.E. Cohen				
Senator J.L. Perchard				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				

Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Deputy R.C. Duhamel (S)				
Deputy A. Breckon (S)				
Deputy J.J. Huet (H)				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisssier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy S.C. Ferguson (B)				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy of St. Mary				

**The Deputy Bailiff:**

Very well, that completes the amendments and therefore we return to the proposition on paragraph (b) which the Minister for Treasury and Resources proposed some time ago and I think the Greffier is in a position to circulate to Members an amended page 94 which will show the effect of the amendments which have been carried.

**6. Annual Business Plan 2009 (P.113/2008): paragraph (b), as amended**

**The Deputy Bailiff:**

Now, does any Member wish to speak on paragraph (b) in its amended form? Very well, I invite the Minister for Treasury and Resources to reply.

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

I think we have probably spent enough time now on paragraph (b). I was going to say that the figures have changed. It is even better that we now have hot off the press the up-to-date figures. Sir, I can do nothing else but maintain part (b).

**The Deputy Bailiff:**

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

**7. Annual Business Plan 2009 (P.113/2008): paragraph (c)**

**The Deputy Bailiff:**

We then come to paragraph (c) and I invite the Greffier to read paragraph (c).

**The Greffier of the States:**

To approve the summary set out in Part 3 of the report, Summary Table B, page 95, being the estimated income and expenditure and estimated minimum contribution, if any, that each States trading operation is to make to the States Consolidated Fund in 2009.

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

The Public Finances Law makes provision for the States to run trading departments for trading operations and there are 4 activities which currently sit within those definitions. They are under Economic Development, the operation of Jersey Airport and that of Jersey Harbours and under the Transport and Technical Services Department, the activities of Jersey car parking and Jersey street management. Sir, a financial summary of the revenue and income is presented on Table B on page 95. If Members want more detail, they can find submissions on the annex starting at page 93. Figures for the airport are shown on pages 99 to 100; those for the harbours on pages 105 to 106; car parks training account on page 110 and the street management figures on page 113. Sir, those summaries in the annex should provide all the information which Members require and I propose the summary of expenditure as set out in Table B on page 95 of the main document.

**The Deputy Bailiff:**

All right. Is that seconded? **[Seconded]** Does any Member wish to speak on paragraph (c)?

**7.1.1 Deputy A. Breckon:**

I mentioned this earlier. Could the Minister for Treasury and Resources explain that the expenditure set aside in the Jersey car parking fund of £9 million - and I understand, Sir, from information that we will discuss in a minute, under Table F, that it is detailed in there as a car park at Ann Street - who has agreed this? It says it will go to the planning stage. I understand there is housing there at the moment. Also there was the EDAW report about town regeneration. I understand that this is part of a bigger picture of the town park and, although it is not his direct responsibility, I wonder if he could tell us what exactly is wrong with Minden Place car park that we need to knock it down. Finally, Sir, I would ask the Minister if he believes it is prudent to proceed in the current climate to spend £9 million on a new car park when we already have one there that looks okay to me.

**The Deputy Bailiff:**

Does any other Member wish to speak? Very well, I invite the Minister to reply.

**7.1.2 Senator T.A. Le Sueur:**

As the Deputy says, I am not an expert on car parks but I do believe, as far as Minden Place car park is concerned, it is not the ideal car park by any means and those people who use Minden Place from time to time would probably echo that comment. I think more pressing need for spending this £9 which, as the Deputy says, is, indeed, in respect of a car park at Ann Place, is that without doing that, the town park itself cannot proceed and I think there is a great desire on the part of many

people that the town park should come to fruition. This is one step in that long process, Sir, and without this car park, the town park will never materialise. That is the reason for it being in the fund, Sir, and on that basis, I believe it is money well spent and I maintain part (c) of this proposition.

**The Deputy Bailiff:**

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

**8. Annual Business Plan 2009 (P.113/2008): paragraph (d)**

**The Deputy Bailiff:**

We come next to paragraph (d), which I will ask the Greffier to read.

**The Greffier of the States:**

To approve each of the capital projects in the recommending programme of capital projects for each States funded body for 2009 as set out in Part 3 of the report summary, Table D, page 97, that requires £54,851,000 to be withdrawn from the Consolidated Fund.

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

The capital programme has a much longer lifecycle and the capital programme started from the base which was set out in last year's Annual Business Plan and in accordance with the Public Finances Law, the States is asked now to approve the 2009 programme in detail and approve, in principle, the funding allocations for subsequent years taking note, but no more than that, of the intended year of commencement. Sir, if Members look at the table, they will see that the growth figure for the proposed capital expenditure has been increased because we are now showing the Housing Social Works programme which it is intended will be funded from receipts from sales. These additional allocations add £12.8 million to the 2009 programme and a further £66 million over the next 4 years. Details of that can be found in section 5.7. So while Members are now asked to approve the gross figure, they can be reassured that the actual spend will be offset by the income from the sale of those housing assets no longer required by the Housing portfolio. What this new treatment does - and I hope Members believe it is a step in the right direction - is to show more clearly the total extent of our capital expenditure which is being undertaken by the Housing Department in the coming years. Therefore, Sir, the Council of Ministers is proposing a gross allocation for capital works of £54.9 million for 2009. I shall speak in due course about the subsequent years but a detailed breakdown for 2009 can be found in Table D on page 97 and, once again, if Members require more information, I refer them to the Annex of the Business Plan where they will find those details starting on page 114. Sir, I propose paragraph (d) of the proposition.

**The Deputy Bailiff:**

Is that seconded? **[Seconded]** Does any Member wish to speak on paragraph (d)

**8.1.1 Deputy A. Breckon:**

Again, if I could just ask a question of the Minister. Obviously this "guesstimate" was done a number of months ago but there is provision in there from Social Housing capital receipts of nearly £12.8 million. Could the Minister give the House any indication of whether he still thinks that will be achievable if people have difficulty obtaining credit? Also, if he could give us some idea, if he knows, what has happened so far in 2008? Perhaps if he does not have the knowledge, the Minister for Housing may like to chip in and tell us that.

**8.1.2 Deputy R.C. Duhamel:**

There is a £7 million transfer to the capital reserve regarding risk and, to some extent, it was tied into the monies that were going to be expended or at least in part on the incinerator replacement which is now due to be funded from the Consolidated Fund. With reference to borrowings of

capital monies, can the Minister for Treasury and Resources indicate to the House whether or not the cost of financing this very large project will include a financing charge for the monies or whether the monies are just coming straight out of the Consolidated Fund for nothing, so to speak, and whereas those monies might well have been invested generating extra funds to the House, whether or not those monies will be reimbursed by the T.T.S. Department? Secondly, in relation to the spend from the Consolidated Fund on the incinerator plant replacement, can the Minister for Treasury and Resources indicate whether or not any of the £7 million that has been earmarked for the Risk Capital Reserve Fund is indeed earmarked to cover any currency fluctuations? Because I do note that the major part of the contract is due to be worked in euros so will be subject to currency fluctuation.

**The Deputy Bailiff:**

Does any other Member wish to speak? Very well, I call upon the Minister for Treasury and Resources to reply.

**8.1.3 Senator T.A. Le Sueur:**

Deputy Breckon asks whether the £12.8 million from property sales is still achievable from housing sales in the current economic climate. I am not an expert on property, Sir, but the indication I get is that the housing market, particularly for properties of that sort, may be flat, but certainly the estimates that were put forward at the time of this Business Plan, in my view, are still equally valid and I have no reason to doubt that the £12.8 million is achievable. If it was achievable then, it is still achievable now. Deputy Duhamel points to the £7 million which has been allocated to the Risk Reserve and now that we have a system of capital spending allocations where we are not allowed to go over budget. We are very careful in the Treasury as to how capital schemes are proposed and valued and although, in practice, it is very rare for anything to go over budget, it is appropriate that there should be some allocation for unavoidable risks. Those sorts of risks can be, for example, a contractor going broke in the middle of a contract causing other knock-on effects which add to the contract costs. The Risk Reserve at present hopefully is adequate but, as a prudent Minister for Treasury and Resources, I believe it is right that the Risk Reserve more accurately reflects the value of capital works being undertaken. It does not specifically relate to currency fluctuations. It covers any and every risk which might occur in a capital contract and I am not going to comment at this stage about the risks of any delay to any Energy from Waste plants. The final question that Deputy Duhamel raised was that of the cost of financing an Energy from Waste plant. That financing, as Members know, is being done from the Consolidated Fund so the effect of that on the States accounts will be that our annual income from bank interest will decline over the next few years as monies are drawn down. The £103 million is not drawn down all in one hit. As it is drawn down, the balance on the Consolidated Fund decreases and hence the income from that money also decreases so we do not see any reflection of that charge in the expenditure allocations. We will see it when we come to debate the budget in December, Sir, when my projections for income will decrease as a result of that money being used over the years to fund that plant. That, Sir, I hope deals with the questions raised by the 2 Deputies and I maintain part (d) of the proposition.

**The Deputy Bailiff:**

All those in favour of adopting part (d), kindly show? Those against? Part (d) is adopted.

**9. Annual Business Plan 2009 (P.113/2008): paragraph (e)**

**The Deputy Bailiff:**

We then come to part (e) and I will ask the Greffier to read part (e).

**The Greffier of the States:**

To approve each of the capital projects in the recommended programme of capital for each States trading operation as set out in Part 3 of the report summary, Table E, page 98, the required funds to be drawn to the trading funds in 2009.

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

Well, just as we have considered the revenue expenditure for the trading operations, now we have to do the same thing in respect of the capital expenditure for those operations and this is slightly different from the situation with other departments in that trading departments are expected to fund their capital requirements from their own trading funds and that is why they are allowed to retain their trading fund balances. Sir, the proposed programme is shown on Table E and totals £16,269,000. Those Members wanting more detail can find it in the annex on pages 101, 107, 110 and 113 for the airport, the harbours, the car parks and street management respectively. Sir, I propose the allocations as set out in proposition (e).

**The Deputy Bailiff:**

Is that seconded? **[Seconded]** Does any Member wish to speak on paragraph (e)?

**9.1.1 Deputy A. Breckon:**

Again, Sir, if I could just bring up the question of the Ann Court/Ann Street development. I have not seen this as part of a general report or a need or a strategy and I am aware, as probably other Members are, that there is a car park being built in Kensington Place. There is extra car parking, I understand, on the Waterfront. There are various office blocks, including the old Swansons, I think, that are being built at the moment. I just wonder what the car parking need is. Do we have an accommodation policy? I am not sure where we are. We have not seen the Transport strategy. Is it accommodation? How does it reflect the cost of motoring, perhaps encouraging more people on the buses and the environmental issues? It might not be wholly the responsibility of the Minister for Treasury and Resources but I have not seen anything coherent that addresses these issues which perhaps this is very convenient for us to do that, but the question I would ask is, do we need to do it if somebody else is? And is it car accommodation?

**The Deputy Bailiff:**

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

**9.1.2 Senator T.A. Le Sueur:**

Thank you, Sir. I am pleased to say that I am not directly responsible for parking strategy but what I can say about Ann Street car park and why it is needed, in view of the fact that extra parking is being built at Kensington Place and perhaps elsewhere, is that this Ann Street car park, Sir, is not additional accommodation; this is car parking which will replace car parking currently existing at Minden Place and at the gas works. I think those Members who have responsibility for electoral districts in St. Helier and St. Saviour's Hill will know of some of the resident parking problems in those sort of areas. I think anyone who doubts the need for parking facilities in that area need only wander around there and talk to some of their constituents. I am quite satisfied that there is a need for this car park and I am sure it is required, I say partly for the town park itself but also because there are many residents in St. Helier who currently have difficulty in finding a suitable parking space. That, Sir, I think is all the comments that were raised about that table. I maintain proposition (e).

**The Deputy Bailiff:**

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

**10. Annual Business Plan 2009 (P.113/2008): paragraph (f)**

**The Deputy Bailiff:**

We then come to paragraph (f). Perhaps before asking the Greffier to put this I could seek the views of the Assembly. This is a matter where the Council has lodged a substantial number of amendments all of which - perhaps the point I am just going to mention - are mirrors of the amendments which the Assembly has just been debating in relation to 2009. I would put forward to Members the idea that save where there are further amendments that the Assembly's views on 2009 should be taken to those in respect of later years and they should be taken as consequential. **[Approbation]** Minister, how do you wish to play it then? Are you happy to in effect propose paragraph (f) as amended by all the amendments subject to the one matter which the Chief Minister wishes to raise, which relates, I think, to paragraph 5 and paragraph 8?

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

Yes, Sir, I am more than happy to propose these *en bloc* and for the reason you have just said I believe that would be the sensible and right course of action. I was indeed going to hope that you might permit the Chief Minister to speak to the second amendment which is now on Members' desks in order that if that were agreed as acceptable for debate then we could debate the amendment as amended by the Chief Minister's latest amendment.

**The Deputy Bailiff:**

Very well, what I suggest then is you propose paragraph (f) as amended by all the amendments excepts paragraphs 5 and 8? That is what is formally proposed, then we will hear the amendments in relation to those 2 paragraphs.

**Senator T.A. Le Sueur:**

I formally propose paragraph (f) with the exception of those 2 paragraphs subject to the amendment which we are about to speak of.

**Senator F.H. Walker:**

Sir, just for the record, I do not know if this was taken into account, but also the amendment relating to the extra resource for the Minister for Treasury and Resources to allow for removing G.S.T. from food does not apply.

**The Deputy Bailiff:**

Does that apply? That falls in the same way as the previous one, so that is amendment 9. Quite right. Senator Cohen, as I understand it, you are withdrawing your 2 amendments because it has now been replaced by what the Chief Minister wants to do, is that right?

**Senator F.E. Cohen:**

Yes, Sir, that is correct.

**The Deputy Bailiff:**

Very well. Then the Chief Minister has lodged an amendment today which should be on Members desks which relates to paragraphs 5 and 8. He needs the Assembly's leave to bring those. Chief Minister, do you wish to say anything as to why the Assembly vote should be taken?

**Senator F.H. Walker:**

Sir, these are consequential, really, on the decision taken by the House not to approve Vehicle Emission Duty in 2009. During that debate it was made very clear that that decision was for 2009 only and that the Minister for Planning and Environment, together with others, would be reviewing other forms of environmental taxation for implementation from 2010 onwards. The purpose of the amendment is to ensure that the additional expenditure so incurred will only apply to 2009 subject to new environmental tax measures being proposed in 2009 for 2010 and onward.

**Deputy G.W.J. de Faye:**



This may be a point of order, Sir, but I am just slightly concerned with the wording. Before we proceed further I want to make sure that we have the wording right. My concern is can the States approve something with a proviso of the States doing something in 2009 which is in the future?

**The Deputy Bailiff:**

Yes, I think that is open to the Assembly to do. If the Assembly does not do in 2009 what it says then the expenditure for those years will fail and others will not be approved.

**Deputy G.W.J. de Faye:**

Fine, Sir, but the point I am making is ... I understand that could happen in the future, my only concern is whether it impacts on the now. In other words, the States cannot anticipate its decision in 2009 because it is not there yet.

**The Deputy Bailiff:**

These are only in-principle decisions in any event. Does the Assembly agree to take the Chief Minister's amendments? Those in favour? Those against. Very well, the Assembly agrees to take them. Do you wish to take them together, Chief Minister? They seem to go ... hand up altogether, do they?

**Senator F.H. Walker:**

Absolutely, Sir, and just adding briefly to the comments ...

**11. Annual Business Plan 2009 (P.113/2008): fourth amendment (P.113/2008) - second amendments 5 and 8 paragraph (f)**

**The Deputy Bailiff:**

Sorry, Sir, I am going to ask the Greffier just to read them. I just wanted to make sure you wanted to propose the 2 of them? Greffier, if you would read then the Chief Minister's amendment?

**The Greffier of the States:**

There are 2 amendments in identical terms. One to page 4, amendment 5 and one to amendment 8. For the words: "providing that a new vehicle emissions duty is approved by the States in 2008 to fund this expenditure" substitute the words: "providing that a new environmental tax is approved by the States in 2009 following further public consultation to fund this expenditure."

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

Sir, yes, I will just very briefly add to the comments I have already made when the House agreed to take this amendment. Basically, what it means, as I have said, is that the additional expenditure incurred in order to implement the environmental initiatives and indeed the transport initiative will be limited at this stage, anyway, to 2009. Then in 2009 the Minister for Planning and Environment will bring forward new proposals for environmental tax. I would emphasise that it is not necessarily a vehicle emission duty. No decision has been taken at this juncture on what form that may take. Then the House will have a choice in 2009, does it implement environmental taxes of some sort? Does it change its mind and add to expenditure for 2010 onwards, as it has done for 2009? Or does it stop fulfilling the environmental initiative, if that be a choice for the next phase? What this means is, as was very clearly pointed out during the debate on V.E.D., because it felt the additional expenditure is necessary but it will be limited to 2009 only at this juncture. I move the amendment.

**The Deputy Bailiff:**

Seconded? [**Seconded**] Senator Shenton?

**11.1.1 Senator B.E. Shenton:**

Sir, I wonder if the Minister for Treasury and Resources could speak concerning his no new taxes promise which - I am not sure whether he did or did not make - certainly it was reported a no new taxes promise? Also, the Minister for Planning and Environment to comment because he came up quite strongly about no new environmental taxes recently and whether he is fully supportive of this move for new environmental taxes?

**11.1.2 Senator F.E. Cohen:**

Thank you, Sir, just to be clear, it was my intention always that environmental benefit initiatives should be funded through increasing cash limits only for one year, so I concur entirely with the present amendment under debate. I have made it very clear in relation to Senator Shenton's comments that a consultation process that I would lead should I be reappointed as Minister would present a variety of options one of which, Sir, would be having no environmental taxes at all, but that would of course mean that the environmental initiatives would fall away should the consultation response conclude that there was no appetite for an environmental tax of any sort.

**11.1.3 Senator P.F.C. Ozouf:**

Thank you, Sir. I am very pleased that we approved the environmental package. In that debate I spoke of the car market. Sir, the car market in Jersey - I should probably declare a tangential interest in being the owner of a piece of property; no linkage with that, but just for the avoidance of any doubt - my declaration of interest, it is against my interests what I am just about to say. The car market, Sir, in terms of retail car sales is worth probably £60 million a year worth of new cars, quite apart from the second hand car market. Also the petrol market, motor fuel market is worth ... Islanders are spending probably in the order of £40 million, £50 million, £60 million a year in terms of petrol duty. Senator Shenton may well want to get out of the lips of politicians and the Minister for Treasury and Resources: "No new taxes"; I want to have no new taxes. I particularly want no new taxes that affect consumers. Some aspects of G.S.T. have been controversial, some aspects of G.S.T. have been absorbed as we have seen with the absorption by many retail and U.K. undertakings on King Street and Queen Street and elsewhere in the Island absorbing the G.S.T. I believe, Sir, that there are problems in relation to the car market clearly indicated. I do not think I have persuaded many Members of the immediate concern of that, but certainly the car market showing that new car prices in Jersey, being inexplicably higher in Jersey than in the United Kingdom, perhaps up to 20 per cent. Members can do the maths; that is about £12 million worth of potential unexplained additional cost in just the new car market. Understanding that market, understanding the motor fuel market, that is the way that we can raise additional money, raise additional taxation without affecting consumers. Understanding the market and making the market work well. If I am still here then I will be willingly working with Senator Cohen and others in order to deliver that objective.

**Senator B.E. Shenton:**

Sir, can I just clarify, I was asking the question of the current Minister for Treasury and Resources, not the future Minister for Treasury and Resources.

**Senator P.F.C. Ozouf:**

Cheap shot, Sir.

**11.1.4 Senator T.A. Le Sueur:**

This afternoon in this amendment we are not debating what form that new environmental tax will take, that is something for another day. What this is is simply to find a way of ensuring that our books balance over the upcoming years. In relation to Senator Shenton's specific question about what promises I gave, it was decisions this House took when it agreed the fiscal strategy and we agreed at that stage that there would be no new taxes other than environmental taxes. It may be that the Senator has forgotten that, he was not in the House at the time, but I just remind him of that fact. If that is the way that we are going to go, Sir, the consultation next year will decide that one

way or the other, and what form, if any, that new environmental tax will take. At the moment, Sir, all I can say is that this amendment is the most pragmatic and sensible way of dealing with the situation which faces us today.

**The Deputy Bailiff:**

Does any other Member wish to speak?

**11.1.5 Deputy G.C.L. Baudains:**

Thank you, Sir. I must say I do get concerned when Senator Ozouf proposes taxes in the hope that they will be absorbed by the retailer and have no effect on the consumer, because in practice that rarely happens. The Government of Jersey failed miserably to address the cost of fuel in Jersey, which the last time I did a survey into it, it was almost exactly twice the price that people could buy fuel for in the U.K. Jersey is a captive market and that has a significant effect. I must say I am somewhat concerned, along the same lines as Deputy de Faye was a few moments ago, that previously on this issue we were talking about environmental initiatives that would be funded by revenue achieved at this period in time. We are now talking about environmental initiatives funded by something in the future which may or may not come about. My concern is that we will probably start on these initiatives and then somebody will come back to this Assembly and say: "Look, we have just spent £2 million, we have to raise some money to cover it." It is a question of timing. I am not at all comfortable with it.

**The Deputy Bailiff:**

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

**11.1.6 Senator F.H. Walker:**

Thank you, Sir. Senator Le Sueur has adequately dealt with Senator Shenton's barb, he has not only managed to give me a cold this week, he has also managed to stick a knife firmly between my shoulder blades, but I think Senator Le Sueur has adequately dealt with that and I confirm that the introduction of environmental taxation is entirely consistent with the promise made by the Minister for Treasury and Resources and accepted by the House at the time. Sir, I do not think I need to speak any more about the other speakers. I am grateful to everyone who has spoken, somewhat impressed with the different reasons that Deputy Baudains has come up with for opposing each and every one of the amendments brought forward by the Council of Ministers. He has been, I have to say, very innovative and I congratulate him on that. I do not agree with him, but I congratulate him. Sir, I maintain the amendment.

**The Deputy Bailiff:**

The appel is called for in relation to the amendments of the Chief Minister.

<b>POUR: 26</b>		<b>CONTRE: 7</b>		<b>ABSTAIN: 0</b>
Senator F.H. Walker		Deputy R.C. Duhamel (S)		
Senator W. Kinnard		Deputy A. Breckon (S)		
Senator T.A. Le Sueur		Deputy G.C.L. Baudains (C)		
Senator M.E. Vibert		Deputy J.A. Martin (H)		
Senator P.F.C. Ozouf		Deputy S. Pitman (H)		
Senator T.J. Le Main		Deputy A.J.D. Maclean (H)		

Senator B.E. Shenton		Deputy K.C. Lewis (S)		
Senator F.E. Cohen				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Deputy of St. Martin				
Deputy C.J. Scott Warren (S)				
Deputy J.B. Fox (H)				
Deputy S.C. Ferguson (B)				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy S.S.P.A. Power (B)				
Deputy of St. Mary				

**12. Annual Business Plan 2009 (P.113/2008): paragraph (f), as amended**

**The Deputy Bailiff:**

We return to the debate upon paragraph (f) as amended. Does any Member wish to speak on paragraph (f)?

**Deputy A. Breckon:**

Sir, can I just seek clarification? According to the paper we are also debating Table F. Is that correct?

**The Deputy Bailiff:**

That is part of paragraph (f), yes.

**12.1 Deputy A. Breckon:**

Thank you, Sir, I would like to ask a question from that. Home Affairs have a sum in 2010 for the TETRA radio replacement and the sum is £3.9 million and in there is an inflation factor of just over

£500,000 which is 12, 13, 14 per cent. I would have thought, Sir, with technology advancing - and it was an area that we did touch upon when we looked at the telephone mast in the review - I wonder if somebody could justify if those figures are correct? As I say, I understand that technology was advancing and prices were coming down. It does seem a lot of money and there does seem a considerable amount in there for inflation.

**12.2 Senator W. Kinnard:**

Sir, I will do my best to try and answer some of that. The TETRA radio replacement, there is a TETRA Management Group and they have provided the Corporate Management Board with a feasibility study for the replacement of the Island's Emergency Services radio communication system. The report arises from a decision of the Home Affairs Department to refer back. There were originally 2 separate bids, one for the States of Jersey Police and one for the Fire Service. Indeed, Sir, we referred it back to put forward a combined bid. What we have done as well, further than that, is we have looked enlarging, if you like, the family of services that we can cover with the replacement. We have recognised that there is an opportunity in procuring the system to meet not just the Emergency Services' needs but also those other departments that have a business requirement for a radio communication system in carrying out their day-to-day work. The group believes that the approach that we have put forward offers in fact real value for money and real economic opportunities while obviously providing significant operational and organisational benefits to the States in terms of radio communications users as a whole. Sir, prices are coming down and as a result of that we have been able to enlarge, if you like, and encompass these other services which will benefit the whole of the States business.

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

Sir, while the Minister for Home Affairs is on her feet, would she confirm or otherwise that the Honorary Police are included in the circle?

**Senator W. Kinnard:**

I know there have been discussions, Sir; I would need to review the papers on that.

**12.3 Senator P.F.C. Ozouf:**

I have supported all of the Council of Ministers' amendments, and of course these are consequential to those additional resources. I supported them because I believe that they were necessary. I would not wish, however, for the Assembly to be given the impression that these limits are necessarily set in stone. This Assembly, in the course of the Business Plan debate, has agreed that the Comptroller and Auditor General's report on savings to be achieved must be reported on. These are not cast in these individual budget allocations. There are going to be, and still are, substantial challenges going forward in terms of unfunded initiatives. I would regard these limits as maximum limits as far as I am concerned. The new Council of Ministers should start, as my department did, with a zero-based budget approach. There are still substantial efficiencies that we must deliver on in terms of the corporate centre. I.T. (Information Technology), H.R. (Human Resources), the property portfolio, there are big issues with the big spenders of Education, Health and there is the issue of understanding and putting Social Security on a sustainable long-term future in dealing with issues such as the health insurance fund, et cetera. I think the public wants us to deliver better value for money for our taxation and the Assembly should not be lulled into a false sense of security that these figures are set in stone.

**12.4 The Deputy of St. Martin:**

I was hoping I might have got in before the Minister for Home Affairs. It is just to draw attention and ask whether the police relocation sinking fund fit-out, is that anything to do with possible new police headquarters or just refurbishing of the present headquarters?

**The Deputy Bailiff:**

Does any other Member wish to speak on paragraph (f)? Very well, I call upon the Minister to reply.

**12.5 Senator T.A. Le Sueur:**

Thank you, Sir. I think the Minister for Home Affairs has probably dealt with the majority of the comments about the TETRA funding of £3.9 million. It may well be that prices do come down and we will have a little bit of change at the end of the day. That seems the most likely at the current time. Senator Ozouf makes some very valid points here. These limits are not necessarily set in stone but they are an indication of the way we are thinking. I do not think we should expect them to be dismissed lightly either upwards or downwards. From the States point of view, it is important that we try to plan for the longer term with a rolling, freer budget and so on and this gives us a clear indication of our current thinking of the way we should be going. While it may well be that next year we start from a zero base and work upwards, that is something that a new House will have to contend with at the time. Certainly, if we can achieve additional savings, be they efficiency savings or anything else, I am sure that I would be the first to welcome those, but equally if we have to spend money on necessary expenditure then so be it as well. Finally, the Deputy of St. Martin questions the police sinking fund for relocation. When the House agreed, many years ago now, to move the current police headquarters and get them a new building it was to be done in a phased period. The majority of that has been shown in earlier years' budgets, this now simply relates to the fit out costs of the police relocation work whenever that occurs, and the indicative date for that is 2011, which is 3 years ahead. This is, at this stage, very much an indication for those 4 years. It may well be, Sir, that I did not go into sufficient detail at the start about the capital programme and the way it was spread over those 4 years. What we have here is a total capital spending as shown in Table F over those 4 years of £211,395,000. One can never be sure exactly which year that expenditure will commence and how the money will be spent. This is an allocation over that 4-year period, and I would say no more than that at this stage. Clearly in total we should not be expecting to spend any more than that, otherwise we would be breaking our own guidelines. To repeat that, just as for 2009, similarly for these years the figure is inflated, if you like, by £66 million which we expect to get from Social Housing receipts, again in furtherance of the agreed States Housing Property Plan. That, I think, deals with the question that has been raised. I maintain paragraph (f) of the proposition.

**The Deputy Bailiff:**

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

**13. Annual Business Plan 2009 (P.113/2008): paragraph (g)**

**The Deputy Bailiff:**

We come next to paragraph (g) and I would ask the Greffier to read the paragraph.

**The Greffier of the States:**

To approve the schedule of properties to dispose in 2009 in the Property Plan, as detailed in Part 3 of the report, Summary Table G, pages 100 to 101 of the report.

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

The Property Plan at section 6 of the document provides, I hope, a comprehensive account of the progress that has been made in the establishment of property holdings, a contribution of which a property can make to revenue savings and capital receipts and activities which have commenced in the preceding year. This specific proposition deals with the approval of a plan, and in particular the approval of the properties identified for disposal in 2009. Those properties are identified in Summary Table G on pages 100 and 101 on the pink sheets, but, Sir, if I may, I would like to withdraw from that list the one at the bottom of page 100 which says: "Highbury House and Stranton, Five Oaks, St. Saviour, at the time that this plan was drawn up no one had any use for this

site, but since then it has come to my notice that it might be of benefit to T.T.S in terms of traffic management. While that issue remains ongoing, Sir, it would be, I think, remiss of me to put it up for sale. I beg leave of the House to withdraw that one from the list. I trust that that will be acceptable to Members. What I am proposing then, Sir, is that we adopt Summary Table G on page 100 and 101 but with the specific exception of Highbury House and Stranton. I propose Part (g).

**The Deputy Bailiff:**

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

**13.1.1 Deputy P.V.F. Le Claire:**

Thank you, Sir, when we set up Property Holdings we did so to make sure that the States maximised the potential for the property portfolio that is charged to our care on behalf of the public. There were at the time of the setting up of the department a number of criticisms and constructive comments in relation to maximising the sale of property and how one would undertake to achieve that by utilising the modern methods of selling property. When I read the Property Disposal Plan for 2009 I was marked by one particular question, in particular the one in relation to for sale by informal tender. There are a number of properties, many of which are not objectionable as individual disposals, and it can be argued collectively that they do not represent that much of a concern given the need for the department to have our confidence in progressing matters. However, may I ask please why is it, and what is it, when we say that disposal is recommended by informal tender? Does an informal tender mean that this will be placed among the public in such a way as to maximise the revenue for the States? I appreciate that in some circumstances where there are tenants or landholders or property owners that have a greater perhaps right to purchase those properties, perhaps they should have the preferential opportunity to bid. I am concerned not understanding those terms what informal tender means and whether or not we are going to maximise the income to the public or the utilisation of the public land that is in our care? Could I please ask the Minister to explain to me what is meant by for proposed sale - we keep seeing it repeated - by informal tender? Proposed sale to existing tenant or by informal tender. Why are existing tenants, some of which who are held over, having preferential access to these sales when they might - I am not saying they necessarily would - fetch a markedly different amount of money if they were marketed in the sorts of ways that we see property in Jersey being marketed today? Would the Minister please outline to us how those concerns that I have raised this afternoon can be mitigated against? If they are not genuine concerns, I might be misinformed. I am not certain as to the process. If this is the case with this particular set, I am not certain if that is the best way forward. I might reserve my vote if they are just going to be done in an informal way that suggests something not quite as open as it could be. If it is not as open as it could be, can we please put the marker in the sand today prior to getting any more property for disposal on the States, that we maximise the use and if it is going to be disposed completely, that we maximise the exposure to achieve the best amount of money for the value of the taxpayer, please?

**13.1.2 Senator B.E. Shenton:**

Sir, the Minister for Treasury and Resources mentioned Highbury House. I am familiar with this property. The property was compulsorily purchased by the States very much against the wishes of the owner. Indeed, it was in 2006 that I became involved because the owner refused to accept settlement of the proceeds from the sale. It was only when he unfortunately hit ill health that he reluctantly banked the cheque, so to speak. It was very protracted. It was one of these horrible compulsory purchases where the owner did not want to give up the land but the States insisted that the land was required as a housing development. I was therefore a little bit surprised to hear the Minister for Treasury and Resources say that the land may be used for traffic widening measures. It was compulsorily purchased for housing development and I am very surprised that we can do anything else with the land. Perhaps the Minister for Treasury and Resources could clarify?

### **13.1.3 Deputy J.J. Huet of St. Helier:**

Thank you, Sir. I am not sure if I am on the right line here, but I just have one small query. Can we be assured that there will be Le Brocq clause on these lands being sold? I should hate us to be in the position of after a few months somebody comes back and gets housing permission for houses on this land and we have sold it at agricultural price. I believe the clause is a Le Brocq clause, if it should be sold for development which it did not have before, we get quite a lot of the profits, because obviously the land was ours and we sold it back. I would just like to be assured that it will be sold on that basis?

### **13.1.4 The Connétable of St. Brelade:**

Thank you, Sir, if I may refer to the first item, Field 87 on Route des Quennevais, St. Brelade. It is outlined that the cycle track is being put along there; in fact I think it is just about complete. What concerns me, Sir, is that this field in fact is adjacent to the proposed Belle Vue Development in St. Brelade. I just wonder if it is well-advised at this juncture to dispose of it in view of the fact that we have not yet quite decided how Belle Vue is going to be completed? I would ask the Minister for Treasury and Resources to answer that.

### **13.1.5 Deputy K.C. Lewis:**

Thank you, Sir, I was going to mention Highbury House but that has already been mentioned. Field 1489, Bellozanne Valley. Its current status is Transport and Technical Services recommended retaining the field until all plans for the Bellozanne works were finalised. As the East of Albert site, La Collette is still very fluid, Sir; I would also recommend retaining of this land. I know it is on a higher level, but I think it would be prudent of the Minister to retain this land for a few years.

### **13.1.6 Deputy C.J. Scott Warren:**

Thank you, Sir. I would like to ask the Minister, but probably the Minister for Home Affairs might be more able possibly to answer this, the Picquet House and 11 Royal Square; I just want to ask if all options have been looked at? I see it says it is not effective or efficient office accommodation but because of its location, so near to the States Assembly and the heart of this Government, is there nothing that that building would be of use to for the administration or for States Members?

### **13.1.7 Deputy J.B. Fox:**

Thank you, Sir. A question for the Minister. Jersey Enterprise Board, the proposal that was going to be set up. Can you just advise me of where we are at? Is this now defunct or is this something coming back in the future? I agree that Picquet House and 11 Royal Square would have some exceedingly good value, especially for some of our non-States support work that we have. I am not going to mention individual organisations. But it is right in the centre of St. Helier, it would provide some excellent services. I am sure we have not exhausted that yet. Having been a recipient operating from that office, it is one that is very user friendly from the public's point of view, and it is well-appointed as well, and it is a listed building.

### **13.1.8 The Deputy of St. Martin:**

Thank you, Sir. Just to draw the Minister's attention to Fields 79 and 80, which are shown also on page 144, it is concentrated in the minds of the Parish deputies of St. Martin and Trinity. We do not think that Field 79 is in St. Martin, that backs on to a meadow barn which is in Trinity and Field 80 we would consider to be in St. Martin, that backs on to a sulabar(?). It is just for correction, that this has been spotted by the Constables and the Deputies.

### **13.1.9 Senator P.F.C. Ozouf:**

Sir, very quickly. I very strongly support this comprehensive plan. The report, if Members have read it, sets out some very big challenges which the Property Services Department are going to have to deal with, namely, since the reorganisation of property it has become very apparent that



there has been at the departmental level a substantial under-investment in maintenance, partly because committees in the old world received free capital and that was easy to deal with it and did not maintain their property. 2 of the previous speakers have highlighted the extreme sensitivity that this Assembly places on the disposal of property. I want to say to Members 2 things. First of all, the maintenance budget is going to need significant additional resources unless we look at the whole of the property portfolio. The property portfolio of the States of Jersey is going to have to be rationalised. Property is going to have to be released, that is a good thing in an Island that is scarce in terms of property and property could be better used in private hands than it is in States hands, quite apart from making ... I know from my own department while I regret the Tourism Visitor Centre is no longer on Liberation Square. As far as the administrative offices are concerned the Tourism Department, now with the Economic Development Corporate Centre being on the third floor, is now more efficient, more effective than it was in the rabbit warren offices above Liberation Square. I wish we could have had our cake and eat it in terms of being on Liberation Square and having modern offices. But the fact is, is the States ... and I fully endorse this plan but I think that we are going to have to be much more radical in terms of the property function of the States of Jersey. To avoid the requirement of putting more maintenance, and the States is going to have to make some pretty courageous decisions in respect of dispersals which are not simply going to be Picquet House, we are going to have deal with dispersals such as the Planning and Environment building up at South Hill and many other of the so-called silver that the States owns. Radical measures are going to have to be taken but that will benefit States efficiency and the States as a whole.

**13.1.10 Deputy R.C. Duhamel:**

I hope some of the mistakes of the past are not to be repeated into the future and with that I have the Girls' College in mind, which is still sitting there rotting quietly away when it could have been sold for a substantially larger sum than indeed the Minister was prepared to sell it for originally. With that in mind, Sir, I would like to strongly suggest that the new Property Services Department do espouse the strong assumptions of strong, open, competitive bidding for these properties and certainly in any valuation process that is carried out, and should be carried out in all cases, that the valuation does pay close to attention to the acquisition costs of the property in the first place, and certainly with some element of grading in terms of the inflation and other financial issues that have taken place since. Picquet House was one of those properties which was, I think, bought by the House at no insubstantial cost a number of years ago for the particular purposes of setting up a police station. I was in the House, I remember some of the arguments as to the whys and wherefores as to whether or not, we did go ahead and make the purchase but I would hope that in disposing with this particular site we would not wish to be seen to be giving it away having spent so much money on acquiring it in the first place. **[Approbation]**

**13.1.11 Deputy A. Breckon:**

I wonder if the Minister could say whether the National Trust has been approached? I know what the previous speaker has just said, but perhaps there is some public gain for some of these to be protected in the public interest, not necessarily the most money raised. I am concerned about something the Constable of St. Brelade said regarding the proximity of the field in Route des Quennevais. If there is a possible marriage value in developing that we should be aware of that before the property is sold. I am aware of the point Senator Shenton has made about the very litigious nature of the land around about the Five Oaks there and the previous owner and it was long and protracted negotiations. I could well understand the Minister for Treasury and Resources' caution in withdrawing that for now and taking advice on that because I think there is possibly a Parish use there as well. Although he is not here, I think the Connétable of St. Saviour did express that view to the Minister, I think he has listened to that, Sir. I think it is difficult, and as Senator Ozouf said, of course the States property portfolio is a lot wider than that, and I think we have somebody new at Property Holdings and we must to some extent let them get on with it; but we

also must be aware that that might include changes so that people who have office space make best use of it and in fact may well have to pay for it, and indeed may have to maintain it. I think this is part of a process where we will need to take a different view of the assets that we hold and how we use them. I hope Members will bear that in mind because it is not necessarily a case of selling the silver, it is a case of doing what is the right thing that serves the public and gives efficient government. I am sure the Minister is aware of that.

**13.1.12 The Deputy of St. Mary:**

Thank you, Sir. Very briefly, following on in a similar vein to the question that was raised about the National Trust, at the briefing for the Business Plan, Sir, I asked whether the department would also consult with the Parishes prior to disposal. I am simply thinking that there might be instances where land could be used for installation of footpaths or perhaps road widening by the Parishes. It would be useful to know in advance when these parcels are coming up for disposal. Finally, Sir, also touching on Picquet House. Could the Minister advise me what consultation took place with the Home Affairs Department in the lead up to the decision to dispose of this property? Also to assure me that full consideration of the impact on that department will be given in due course?

**13.1.13 The Deputy of St. John:**

Thank you, Sir. I just wanted to express a little bit of concern about the fields in Rozel. I was living at Rozel at the time this debate occurred. One of the issues that residents had in particular ... there was 2 groups, this is a minority that did not want a car park but a number of people that were concerned about residents parking. Those that know Rozel will realise that there are issues for residents parking there as there is in many parts of the Island. I just wondered if by pursuing this further the opportunity for ever resolving the traffic issue there, will be gone for ever. I am not suggesting that was the only solution but I wondered if other departments have looked at a proper solution for traffic management in that location? This opportunity will be gone for ever perhaps if that is sold. We have already lost the opportunity for reclaiming the ball at St. Ouen's for example, for pedestrians. I would like to see Rozel reclaimed for pedestrians rather than be inundated with cars, which is what this was, part of a plan. Just by disposing of these 2 fields some of that might have contributed to at least providing some spaces to residents, and then providing parking for tourists in another way. I do not wish to miss the opportunity to reclaim places like Rozel, and St. Ouen's for that matter, for the pedestrian rather than for the car.

**13.1.14 Deputy S.C. Ferguson:**

Thank you, Sir. Deputy Breckon mentioned efficient use of property and Senator Ozouf mentioned better use. In the context of this, departments have been too lax over the space used as well as the maintenance provisions. It may have escaped Members' notice that tucked away in the Business Plan for the Jersey Property Holdings there are plans to charge departments for occupancy and I look forward to seeing what the departments are doing. I believe there is one office where a deputy director left and 5 people are now occupying that office. I support this planned programme by an extremely efficient and knowledgeable gentleman.

**13.1.15 The Connétable of St. Helier:**

Thank you, Sir. I believe that the Property Plan is remarkable less for what is in it than for what is not in it. It was all very well for Senator Ozouf to be warning us to gird our loins for some time in the future for big schemes to be coming forward to the States; but we have been saying that for years, particularly with respect to South Hill. I think this is really a very modest proposal and I wonder quite why that is? Is it that the new Property Services organisation is still to get its feet out of the table? Why is it that there is absolutely so little that is being put forward? A cynic might surmise that it is something to do with not wanting to realise too much and not wanting to liquidate too much at this stage in the proceedings while we are trying to get more taxes past the public. It would be worth the Assembly being brought up to date with the plans for the former J.C.G. (Jersey

College for Girls) building because that clearly is a property that many Members might expect to see. Another one that mystifies me is what I call the Hector's site, or the plot of land in York Street which was the subject of a States debate. I do not want to see that piece of open space lost to the town centre, but a fair fight was had in this Assembly, and I was assisted by Deputy Fox in trying to keep that piece of open space for the Parish and for the community. We lost the fight and that was a couple of years ago, why has not Property Services flogged it? That is what we expected to happen. The way things are going, and there seems to be such a lack of urgency, that I am minded to have to come back to a new House next year and see if we can secure it for open space. That is the danger if Property Services are not trying to dispose of these properties with anything like speed. Picquet House of course is important and I have certainly had discussions in the past with Home Affairs about the future of that building. I absolutely concur with Deputy Scott Warren when she says this is an important building, really at the heart of government. It does seem to me short sighted to be parting with that when there must be other governmental or possibly public sector/private sector partnership uses for it. Equally, there are a number of strategic sites on this list. Attention has been drawn to the field in Bellozanne Valley, which of course as we know ... sites have been bought up there for many years. Is it right to be parting with some of these properties which may have strategic value to the States? I absolutely agree with the Deputy of St. Mary when she says that the Parishes must be consulted before these sites are got rid of. Finally, maintenance has been given as the reason for this. So we are selling off these properties in order to fund maintenance? People may want to take a view on that. If that is the preferred method of the Minister for Treasury and Resources could I just remind him that waiting in the wings is a proposition suggesting that the States should pay rates on their properties, and he may like to bear that in mind when he is working out next year's list.

### **13.1.16 Deputy J.A.N. Le Fondré of St. Lawrence:**

Thank you, Sir. Very quickly, I am delighted to endorse the comments of Senator Ozouf, Deputy Breckon and Deputy Ferguson. Essentially we are moving forward at Property Holdings. One of the key things for 2009 is a combination of the charging mechanism, which is essentially when departments will start realising the cost and value of the property that they use. We believe that will be one of the key things towards getting a behavioural change in how departments recognise and utilise that property. The other thing that, interestingly enough, a couple of Members have referred to, we are starting, we have taken the first steps on the road towards what we are calling the office strategy. It was in the media a little bit in the summer because the B.B.C. contacted us because we put in a planning application for St. Saviour Hospital. People may not know or may not realise, but as we look at the old building, the left-hand side of that is predominantly empty, which is not exactly a great use of taxpayers' funds. The application that has gone in is to convert that to office space which is consistent with what the Health Department use most of the right-hand side of that building for. The steps very simply are to convert that to office space to have decanting room. We then aim to clear out South Hill to move planning up there temporarily and then basically to use the funds from South Hill, which can be used as a brown field site for badly needed housing development, to then essentially ... at the moment the plans would be to redevelop J.C.G. and put new offices behind. That will then give again new offices, far more efficient, and hopefully again the behavioural consequences that we are looking to come out of this. We have taken the first steps but there is quite a timeframe involved in that. I just do want to make the point that things are starting to move. It will take a while. Very quickly, Deputy Le Claire asked about informal tender process. As I understand it, I may be incorrect, but this has always been my understanding, an informal tender process still involves advertising but is just not as stringent under States Rules generally or the jargon of The Royal Institute of Chartered Surveyors as to what a formal full-blown tender process is. I think the point is these are generally quite low value items of land that are involved. You do not want to overcook it because of the overall funds involved; it is an advertised process. Very briefly, Deputy Huet, yes, agree entirely on agricultural land and making sure ... do not think it is a Le Brocq clause, I thought a Le Brocq clause referred to Social

Housing and the type of things that happen there, but if it is not, it is to make sure there is a no development clause. Constable of St. Brelade, a general comment, it is obviously permissive, what we are doing here, it is not obligatory to sell. Yes, as the Constable is aware, we are doing things on Belle Vue, we believe they are good things and, yes, certainly my view would be we hold off there, we get the general permission to move forward, but then obviously once Belle Vue goes in, which we hope will be before Christmas, we can bring the 2 together. I think the other comment to say, Sir, is that people do have to stand back and say, if we recognise we have the maintenance problems, if we recognise - and they are huge - we do have to release our grip on certain buildings and Picquet House is one of those that is right for that, Sir.

**The Deputy Bailiff:**

Does any other Member wish to speak on this particular debate? Very well, I invite the Minister to reply.

**13.1.17 Senator T.A. Le Sueur:**

Sir, I will try and reply briefly. Basically, Deputy Le Claire, yes, the aim is to maximise the value about our portfolio. We do that not just by selling properties but also by making best use of those that we retain. I endorse the comments of Deputy Ferguson talking about the need to get best use of space and not to waste that space. The sale by informal tender, any tender that the States issues is by nature informal because a formal tender requires you to take the highest bid whether you wanted to or not. We reserve the right not to take the highest bid if there are other bidders in the offing. In many cases, such as the field we are talking about here, there will be cases where the National Trust or the Parish would be interested and the States may well take the view that it is far better the land be sold to that organisation rather than make an extra pound or 2. Realistically, we are talking about fields here and the yield from them, as the report in the supplementary pages here indicates, is significant. If we can add some social value for that at very little extra, very little less, of course, then I think we should do so. To those Members who asked have we consulted with the National Trust and the Parishes, yes, we have, and we will continue to consult with them before or when the properties are to be disposed of. I say when they are to be disposed of, this is a permissiveness, it does not mean that we will be going to dispose of all of them tomorrow. For example, the one at St. Brelade, adjacent of Belle Vue, we have agreed to dispose of the Belle Vue site and those plans are well underway. This gives us the chance to add his other site to that and make an even better package. To the Bellozanne Valley one, yes, I will also comment there that we will not sell that field until T.T.S. are satisfied they no longer require it. The Highbury site at Five Oaks, Senator Shenton is quite correct, it was subject to compulsory purchase for housing and it may well be that before that housing is built a small slither of the land may be needed for road widening or something like that. All we are doing at this stage is keeping the options open until the situation is clearer and maybe the new Island Plan comes in. To Deputy Huet, whether it is the Le Brocq clause or not, I know what she means, and we will make sure that it is complied with, if the land was passed for building there could be a clause in there. Looking at the fields in question here, I can think of very few, if any, which that building could take place, but where that is a situation that would be the case. Deputy Lewis suggests field 1489 could be kept; I have dealt with that one. Picquet House, frankly, if Members do read the reports on the Yellow Pages they will see that there has been consultation with different departments at different times for Picquet House. For example, there may well be a variety of uses for that. With this States property portfolio we have to start somewhere, and that is, I think, a very good place to start. Deputy Fox, where are we with the J.E.B. (Jersey Enterprise Board)? It is coming back to the States, yes. That will be back hopefully early in the New Year with some variation or improvements on the previous propositions. To Deputy of St. Martin, I am grateful for his knowledge of geography, whether the fields are in St. Martin or Trinity, I do not think would alter their value significantly, it might cause the conveyance side a headache or 2, but I will leave that for her to work out. I appreciate the comments of Senator Ozouf and we do maybe need to be a bit broader in our thinking. I believe that with our new Chief

Officer at Property Holdings we are coming together with a much better joined-up way of looking at properties, and that, I think, will go on into the future. Deputy of St. John and the fields at Rozel and traffic options, I think that has been fairly well fleshed out over the years as to their suitability, but I am always open to further discussion. I appreciate the comments of Deputy Ferguson as far as the best use of property is concerned. The Constable of St. Helier talks about different properties and apparent lack of progress. If Members are interested in progress, page 88 of the report does indicate for all the properties that we agreed to sell in early years just where we are with that lot. Far from not wanting to collect the cash, if I could collect the cash in we could do some more of the essential maintenance which at the moment on hold. Places like St. Mary School are having to be put on hold. We are ahead of the game, we have sold properties in excess of what targets we have set, but that is no excuse for letting up. An update on J.C.G.; I think my Assistant Minister has already done that. Is this Property Disposal Plan as much as I would have liked? No, it is not, but I am more importantly getting it right before we start making decisions, rather than simply rushing ahead with a list of properties which might yield money but might also be the wrong decisions. That, Sir, I think deals with all the questions that have been raised. I thank my Assistant Minister for his knowledgeable words and I maintain paragraph (g) of the Business Plan.

**Senator F.E. Cohen:**

Can we have the appel, Sir?

**The Deputy Bailiff:**

The appel is called for in relation to paragraph (g) of the Business Plan

<b>POUR: 36</b>		<b>CONTRE: 2</b>		<b>ABSTAIN: 1</b>
Senator L. Norman		Deputy G.C.L. Baudains (C)		Senator F.E. Cohen
Senator F.H. Walker		Deputy S. Pitman (H)		
Senator W. Kinnard				
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator M.E. Vibert				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator B.E. Shenton				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				
Connétable of St. Helier				
Connétable of St. Lawrence				

Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Deputy R.C. Duhamel (S)				
Deputy A. Breckon (S)				
Deputy J.J. Huet (H)				
Deputy of St. Martin				
Deputy C.J. Scott Warren (S)				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy S.C. Ferguson (B)				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy P.V.F. Le Claire (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy S.S.P.A. Power (B)				
Deputy A.J.D. Maclean (H)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy of St. Mary				

**The Deputy Bailiff:**

Very well, that completes paragraph (g), which is adopted.

**Senator L. Norman:**

Sir, before proposing the adjournment could I say it appears to me, and I am sure many Members, that there are a number of significant issues on the Order Paper which we need to debate tomorrow and I do not think there is any guarantee that we are going to finish all of those items by 5.30 tomorrow. Standing Orders require that we do adjourn tomorrow until after the Senatorial and Constables election on 15th October. I think Members should have some clarity that there will be no attempt to suggest that we lift Standing Orders and continue after that. **[Approbation]** That we do adjourn tomorrow at 5.30 p.m. at an appropriate break in proceedings and then continue with the sitting after the Senatorial and Constables election, Sir. I wonder if the Privileges and Procedures President might wish to comment on that?

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

No comment at this stage, Sir. What I am suggesting, Sir, is we wait and see what happens tomorrow.

**Senator P.F.C. Ozouf:**

I think the President of Privileges and Procedures should be informing the Assembly now and we should give a clear steer as to what we are going to do. **[Approbation]** It may mean for nothing else, Sir, that Members might engage in some restraint in speaking perhaps only for a limit of 5 minutes. **[Approbation]**

**The Connétable of St. Clement:**

Sir, the clear steer I would give is that we do not suspend Standing Orders because the whole purpose of putting in Standing Orders **[Approbation]** was that there would be no speeches in the Chamber during the election period. What I would suggest is if we do not reach tomorrow we adjourn until the day after the Senatorial Election, 16th October.

**Deputy G.W.J. de Faye:**

Sir, I think it is only fair I give notice to the Assembly that if necessary I will not be adopting that approach and will be precisely asking for suspension of Standing Orders in order that we can have debated P.136 on a proposal of public inquiry which without having that debate dealt with poses a very unnecessary delay on proceedings relating to the Energy from Waste Plant which is a matter which has already been approved by the States.

**Deputy J.A.N. Le Fondré:**

May I just test the mood of the House how long it is likely to take to do the last part of the Business Plan on the legislation programme? Whether it is something we could wrap up tonight?

**Senator F.H. Walker:**

Sir, may I come in on the back of Deputy Le Fondré, as it were; I would suggest that we do take the legislation programme tonight. It should not take long. I personally would like to go home, I am sure other Members would, knowing that we have concluded the Business Plan and we can get stuck into a couple of meaty issues straightaway tomorrow morning. I propose that we continue now, I hope, relatively briefly, to finish the Business Plan completely so we have a clear start in other business tomorrow.

**The Deputy Bailiff:**

Very well, that is proposed, is it? Seconded? **[Seconded]** The proposition then from the Chief Minister is that we should continue sitting until the final paragraph, paragraph (h), the legislation programme is dealt with and then adjourn.

**Deputy J.A. Martin:**

Can we have the appel please, Sir?

**The Deputy Bailiff:**

The appel is called for in relation to that proposition.

<b>POUR: 12</b>		<b>CONTRE: 25</b>		<b>ABSTAIN: 0</b>
Senator F.H. Walker		Senator L. Norman		
Senator W. Kinnard		Senator T.J. Le Main		
Senator P.F. Routier		Senator F.E. Cohen		

Senator M.E. Vibert		Connétable of St. Ouen		
Senator P.F.C. Ozouf		Connétable of St. Mary		
Connétable of St. Lawrence		Connétable of St. Peter		
Connétable of St. Brelade		Connétable of St. Clement		
Deputy R.G. Le Hérisier (S)		Connétable of St. Helier		
Deputy J.B. Fox (H)		Connétable of St. Martin		
Deputy S.C. Ferguson (B)		Connétable of St. John		
Deputy G.W.J. de Faye (H)		Deputy R.C. Duhamel (S)		
Deputy J.A.N. Le Fondré (L)		Deputy A. Breckon (S)		
		Deputy of St. Martin		
		Deputy G.C.L. Baudains (C)		
		Deputy C.J. Scott Warren (S)		
		Deputy J.A. Martin (H)		
		Deputy G.P. Southern (H)		
		Deputy J.A. Hilton (H)		
		Deputy P.V.F. Le Claire (H)		
		Deputy S.S.P.A. Power (B)		
		Deputy S. Pitman (H)		
		Deputy A.J.D. Maclean (H)		
		Deputy K.C. Lewis (S)		
		Deputy of St. John		
		Deputy of St. Mary		

**Senator L. Norman:**

I then propose the adjournment, Sir.

**The Deputy Bailiff:**

The adjournment is proposed. We will reconvene at 9.30 a.m. tomorrow morning.

**ADJOURNMENT**