

# STATES OF JERSEY

## OFFICIAL REPORT

MONDAY, 11th DECEMBER 2023

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[9:30]

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

**Deputy B. Ward of St. Clement:**

There is a long-service award ceremony at 12 o'clock and I am asking if I, as a member of the S.E.B. (States Employment Board), may attend.

**The Bailiff:**

Do Members agree that from 12 o'clock the Deputy may be marked excuse? Yes, very well.

**Deputy B. Ward:**

Thank you, Sir.

**Deputy I. Gardiner of St. Helier North:**

I would like to advise that I have a hospital appointment at 3.30 p.m. today and I will be absent for an hour.

**The Bailiff:**

Very well, for the duration of that you will be excuse.

## QUESTIONS

### 1. Written Questions

#### 2.1 Deputy M.B. Andrews of St Helier North of the Chair of the States Employment Board regarding Ministerial Departments who have been made redundant in 2023. (WQ.474/2023)

##### Question

Will the Chair provide a breakdown by department of the number of staff made redundant across Government during 2023?

##### Answer

There were three redundancies to date in 2023:

Department	Individuals
Cabinet Office	3

#### 2.2 Deputy M.B. Andrews of St Helier North of the Minister for Social Security regarding increasing notice periods. (WQ.475/2023)

##### Question

Will the Minister advise whether any consideration has been, or is being given to increasing the statutory minimum period of notice for employees; and if not, why not?

##### Answer

The statutory minimum notice periods to be given by both employees and employers are set out in the table below:



Time since employment contract began	Notice period
Less than 2 years	1 week's notice
More than 2 years but less than 3 years	2 weeks' notice
3 years or more	An additional 1 week's notice per year of continuous service, up to a maximum of 12 weeks

Where a contract of employment requires a period of notice greater than the minimum required by the Employment Law, then the contractual period of notice applies.

The above notice periods have been in place since 2005 and I am not aware of any concerns being raised about them.

I have seen no evidence that the current statutory provisions are creating difficulties for employees or employers. The statutory provisions in Jersey are in general alignment with those in other jurisdictions. I have no plans to review them.

**2.3 Deputy M.B. Andrews of St Helier North of the Minister for Treasury and Resources regarding percentage of corporate tax. (WQ.476/2023)**

**Question**

Will the Minister state the annual revenue from Corporate Income Tax as a percentage of the Government revenue for the period 2018 to 2022?

**Answer**

	2018	2019	2020	2021	2022
Total corporate income tax (£m)	100	115	120	85	122
Total government revenue (£m)	1,244	1,305	1,290	1,435	1,528
Corporate income tax as % of government revenue	8.0%	8.9%	9.3%	5.9%	8.0%

Notes

1. Total corporate tax revenue has been taken from [Government of Jersey tax receipts](#) on Gov.je.
2. Corporate income tax is accrued for based on company returns' assessable income. Revenue therefore relates to the previous year of assessment and includes adjustments from earlier years.

3. Government revenue has been interpreted to mean total income of the States in the Consolidated Accounts, before gains/losses on financial assets, as reported in the Annual Report and Accounts. This is consistent with the position taken in the response to the Deputy's previous Written Question 425/2023.

## **2.4 Deputy M.R. Scott of St. Brelade of the Minister for Treasury and Resources regarding revenue growth bids. (WQ.477/2023)**

### **Question**

Will the Minister advise whether the list of revenue expenditure growth bids provided in his response to [Written Question 371/2023](#) includes bids relating solely to inflation costs of Government departments and Arm's Length Organisations, and if it does not, will he provide a list of these bids and the outcome of their consideration by the Council of Ministers?

### **Answer**

Inflation costs are addressed centrally as part of the process to develop the Government Plan. A provision is established in the Reserve for Centrally Held Items to fund pay awards for public employees and the Council of Ministers agrees the amount to be assigned equally to all Government departments to meet non-pay inflation.

The list provided in Written Question 371/2023 relates to all requests for additional revenue funding submitted by departments as part of the Government Plan process. It includes two that related purely to inflation. These are Process Chemicals submitted by the Department for Infrastructure and Environment, and Extraordinary Inflation submitted by the Department for Children, Young People, Education and Skills. Neither of these requests was progressed. The former was already provided for in the Reserve and the latter was addressed in line with the process outlined above to provide additional budgets for inflation to all departments.

As part of the Government Plan 2023-26, funds for 'excess inflation' were provided to be held in the Reserve. This was to meet costs where the rate of inflation for products or services materially exceeds the general rate implied by the Retail Prices Index and a department's exposure to such costs would have a significant impact on their budgets. Where relevant, those provisions have been transferred into departmental base budgets. In the case of inflation related to hydrocarbons, funds remain in a central provision as there may be deflation as international wholesale prices return to levels prior to key events such as the outbreak of war in Ukraine that sparked inflationary pressures.

## **2.5 Deputy M.R. Scott of St. Brelade of the Minister for Treasury and Resources regarding ITIS payments. (WQ.478/2023)**

### **Question**

Regarding ITIS (Income Tax Instalment Scheme) payments by employers, will the Minister detail –

- (a) the total amount of payments that the Government allowed to be deferred during the Covid-19 pandemic;
- (b) the total amount of payments that continue to be deferred;
- (c) the number of employers involved;
- (d) the highest number of employees of any single employer for which deferral of payments were agreed; and
- (e) the total cost of all deferred payments to date?

## **Answer**

- (a) There was no option to defer ITIS (Income Tax Instalment Scheme) payments during the COVID-19 pandemic.
- (b) Not applicable
- (c) Not applicable
- (d) Not applicable
- (e) Not applicable

## **2.6 Deputy M.R. Scott of St. Brelade of the Minister for Infrastructure regarding transfer between heads of expenditure contemplated by R.170. (WQ.479/2023)**

### **Question**

Further to [R.170/2023](#), and the establishment of a consolidated Soft Facilities Management (SFM) team under the Cabinet Office, will the Minister advise what consideration, if any, has been given to integrating this team with the existing Government Hard Facilities Management (HFM) function; and what efficiencies and holistic approach to facilities management could be gained by such a transfer.

### **Answer**

Soft Facilities Management (Soft FM) and Hard Facilities Management (Hard FM) represent two distinct aspects of overall facilities management.

Jersey Property Holdings are configured for and responsible for Hard FM across the entire public estate. The remit is considerable, comprising responsibility for the physical infrastructure and fabric of the premises and it was concluded at an early stage that there was no significant benefit to combining the two.

The Cabinet Office have taken on the responsibility of Soft FM across some of the Government's shared buildings. Others, such as Philip Le Feuvre House, remain the sole responsibility of Customer & Local Services.

#### 1. Different Skill Sets and Expertise:

- Soft Facilities Management:
  - Involves managing non-physical assets and services.
  - Requires skills in relationship management, communication, and coordination.
  - Encompasses areas like internal cleaning and hygiene services, security, and health and safety.
- Hard Facilities Management:
  - Deals with the physical infrastructure and assets of a facility.
  - Requires technical expertise in areas such as engineering, maintenance, and equipment operation.
  - Encompasses activities like HVAC maintenance, plumbing, electrical systems, and structural maintenance.

2. Vendor Specialisation:
  - Soft facilities management services are often outsourced to specialised vendors with expertise in areas like cleaning or security.
  - Hard facilities management may involve in-house teams or specialised contractors for tasks requiring technical know-how.
3. Budgeting and Resource Allocation:
  - Soft services and hard services often have different budgetary considerations.
  - Separating them allows for more precise budgeting and resource allocation, ensuring that both aspects receive the attention and funding they require.
4. Regulatory Compliance:
  - Soft facilities management often involves compliance with regulations related to health, safety, and environmental standards.
  - Hard facilities management deals with compliance in areas such as building codes, regulatory and statutory testing and compliance and equipment safety standards.
5. Efficiency and Focus:
  - Separation allows each department to focus on its core functions, improving efficiency.
  - Soft facilities management can concentrate on enhancing employee experience and well-being, while hard facilities management can focus on maintaining and optimizing physical infrastructure.

By separating soft and hard facilities management, we can tailor our strategies, teams, and resources to the unique demands of each aspect, ultimately contributing to a more efficient and effective overall facilities management service.

## **2.7 The Connétable of St. Martin of the Chief Minister regarding key opportunities for joint working with Guernsey. (WQ.480/2023)**

### **Question**

Will the Chief Minister provide details of the opportunities for joint working with Guernsey that the recently appointed Assistant Minister for Health and Social Services will explore, including those relating to –

- (a) the Public Health Alliance launched in March 2023;
- (b) the Public Health discussions held with Deputy Ferbrache at the British-Irish Council Summit in June 2023;
- (c) remit of the Minister for External Relations;
- (d) the Government of Jersey's New Healthcare Facilities Programme; and

and will she further advise whether the Government of Jersey and the States of Guernsey intend to enter into a Memorandum of Understanding regarding joint working on healthcare matters, to be presented to both Island Assemblies?

## **Answer**

Since July 2022, the Jersey Public Health function has been working much more closely with our colleagues in Guernsey. This working relationship was formalised by launching the Public Health Alliance in March 2023. Cross-Island meetings are held twice a year with informal contact in between meetings. The purpose of the Alliance is to promote effective working on public health matters between public health teams in the Channel Islands to improve islanders' health outcomes.

The new Assistant Minister for Health and Social Services will support the continued development of this work, as well as potential new and extended areas of cooperation with Guernsey, including around the delivery of services, collective contracting for services, recruitment, and governance frameworks. To this end, the Assistant Minister will support the Minister in working with the relevant Committees and colleagues in Guernsey.

This can build on the work of the Minister for Health and Social Services, and the discussions at the British-Irish Council, which showed a keenness from both Islands to work together.

The experience of Deputy Ozouf as Minister for External Relations, and the relationship that the External Relations Ministry has built, will assist in this.

At this time, the delegations to the new Assistant Minister do not include the new healthcare facilities.

This joint working is especially important as health services become more complex and more technologically driven, and as demands rise as our populations age. It is the Minister's intention to formally establish a joint working group between officers on health and social care matters with Guernsey. A Memorandum of Understanding setting out principles of collaboration in respect of health and care matters, agreed in 2018, is already in place.

## **2.8 Deputy R.J. Ward of St. Helier Central of the Minister for Children and Education regarding total expenditure on agency teaching staff from UK agencies. (WQ.481/2023)**

### **Question**

Further to her response to [Written Question 18/2023](#), will the Minister state the total spend on agency teaching staff from UK agencies from 18th July 2023 to date, including –

- (a) travel to and from Jersey for staff;
- (b) accommodation;
- (c) daily rate of pay to staff; and
- (d) daily rate paid to agency?

### **Answer**

Further to responses to Written Question 18/2023 and Written Question 313/2023 since the end of July to end of November 2023 there have been seven teachers employed from teaching agencies, some for only one or two months, others for the term who have completed three months.

- (a) £1,200 (based on an average of £150 per flight; unable to confirm actual cost within timeframe)
- (b) £30,823
- (c) This is a private arrangement between the teacher and their agency.
- (d) The average day rate paid per teacher this term has been £296.71; range is between £283.00 and £330.00

The total spend for travel and accommodation is £32,023 - 01 September to 30 Nov 2023.

The total spend with agencies for staff is £96,092 – 01 September to 04 December.

The total cost for the above is £128,115.

It continues to be the Minister's preference to employ substantive permanent teachers wherever possible. Overseas agency teachers are only used for vacancies that have been unsuccessfully advertised on and off island and, for a variety of reasons, it has not been possible to make an appropriate substantive appointment.

## **2.9 Deputy R.J. Ward of St. Helier Central of the Minister for Children and Education regarding education reform programme. (WQ.482/2023)**

### **Question**

Will the Minister provide details of the funding for the Education Reform Programme over the next 3 years, including how much is allocated for head teacher pay awards in 2023 and 2024; and clarify the key measurable outcomes of the Education Reform Programme for 2024 and 2025?

### **Answer**

£221,000 has been allocated to the Education Reform Allowance payable to school leaders in 2023, no similar funding has been allocated for 2024. More details on the allowance are available [here](#).

The Education Reform Programme is a three-year programme due to complete in the first half of 2024. During this three-year period additional funding was approved in Government Plan 2023 – 2026 of £6.1m for Inclusion. Consequently, the significant focus on inclusion in education will continue into future years as part of a new programme of change to be established in education. The objectives and outcomes for inclusion are aligned with the recommendations from the Independent Review of Inclusion and include:

- Establishing an Inclusion Charter for Jersey, due in quarter 1 2024.
- Implementing new and strengthening existing provisions for children and young people with additional needs. The outcomes include the establishment of new and expanded additional resource centres (ARCS) in primary and secondary schools and increased capacity in our special schools.
- A Continuous Professional Development (CPD) programme including continued NASENCo master's level accreditation for SENDCOs, and neuro affirming practice.
- Supporting increased school attendance (as measured by attendance, timetable and exclusion data) and improved transition between phases.
- Developing new paediatric speech and occupational therapy support models for schools, outcomes to be determined by the pilot activities currently underway.
- A new assessment of schools against an inclusive education framework, completed for all schools by end 2025.
- A revised Jersey School Review Framework, with increased focus on inclusive education, implemented for academic year 24/25.
- All underpinned by increased and sustained funding for inclusion allocated to schools through the school funding formula. This is measured by the increase in funding allocated to schools, the

additional resource this funding enables and the continued publication of the funding formula for inclusion (we will publish the 2024 formula in the first quarter of 2024).

This seeks to ensure that all children and young people in education in Jersey can reach their full potential.

## **2.10 Deputy R.J. Ward of St. Helier Central of the Minister for Social Security regarding maintenance payments from separated parents. (WQ.483/2023)**

### **Question**

Will the Minister advise what Departmental assistance, if any, is available to pursue unpaid child maintenance payments from separated parents no longer living in the household, and explain how these unpaid payments are taken into account by the Department when calculating Income Support levels for single parents?

### **Answer**

The Department does not assist in the recovery of maintenance but will advise the customer to seek support from agencies such as Citizens Advice Jersey or Family Mediation Jersey. It is not the role of Government to pursue maintenance payments through the courts and attempts to do so could be highly controversial, as shown by experience in other jurisdictions. Where one party does not make payments due under a formal maintenance agreement it is possible for the other parent to take them to the Petty Debts Court.

In cases where a person claims Income Support and there is no maintenance received in respect of a child, officers will ask them to make reasonable efforts to secure maintenance. If the parent does not make reasonable efforts to secure maintenance, it is possible to add a notional income on their claim, meaning that the parent is treated as if they did have this income. This happens in only 2% of cases.

If the single parent demonstrates that they have made reasonable efforts and are unable to get maintenance from an ex-partner, this will not have any negative effect on their entitlement to benefit. No notional income is added, and they will receive the full entitlement to Income Support.

## **2.11 Deputy M. Tadier of St. Brelade of the Minister for the Environment regarding grants to be given for the restoration of listed buildings. (WQ.484/2023)**

### **Question**

Further to the response to OQ.225/2023 ([Hansard](#)) in which the Assistant Minister stated that the fund relating to Article 56 of the [Planning and Building \(Jersey\) Law 2002](#) (the Law), which permitted grants to be given for the restoration of listed buildings, had not been replenished, will the Minister –

- (a) explain why this funding was stopped, including whose decision it was to cease the funding;
- (b) advise when the last time such a grant was made under Article 56 of the Law;
- (c) state when the powers available under Article 84 (1) and (2) of the Law were last used and for what reason; and
- (d) explain his vision for the protection of listed buildings in prominent public areas which are currently falling into disrepair, including but not limited to, the former ‘La Folie Inn’ site?

## Answer

- (a) The Historic Building Repair Grant Scheme was approved by the States in 1995 in recognition of the perception of additional responsibilities which the owners of registered buildings (the precursor to listed buildings) carry. The Historic Building Repair Grants scheme introduced in 1997 was targeted specifically at proposed Sites of Special Interest and Sites of Special Interest (now referred to as 'listed buildings' which numbered around 800 buildings at that time) and received an annual budget of £100,000 funded from the then Planning and Environment revenue budget.

The budget available to the scheme was reduced to £75,000 by 2001 because of pressures on revenue funds. In 2002, the scheme was extended to include buildings of local interest (BLIs), which expanded the number of potentially eligible properties to over 4,000. An additional £60,000 was allocated specifically for BLI grants giving a total Historic Building Grant budget of £135,000 in 2002. In 2003, the schemes were combined into a single budget with a total annual allocation of £75,000; this was reduced to £60,000 the following year. The award of grant monies is discretionary spend and the amount of money to support historic building grants continued to be reduced in the face of the need to make budget savings across the public sector.

In 2010, the Minister for the Environment embarked on a fundamental review of the island's historic environment protection regime ([Review of the protection of heritage regime - consultation response \(gov.je\)](#)). In essence, this involved the replacement of the two-tier structure of designation and protection (involving SSIs and BLIs) with a single designation for buildings and places (listed buildings and places). The Minister for the Environment proposed that an integral part of the review was a comprehensive re-survey of all of the Island's existing and potential heritage assets, to re-assess and evaluate their heritage value. This comprehensive re-survey was undertaken between 2010 and 2013, where this work was funded from monies previously used to support the award of historic building grants.

Upon and since completion of the comprehensive re-survey in 2013, there have been insufficient professional and discretionary financial resources available within the Historic Environment team and associated revenue budgets to re-establish an historic buildings grant scheme.

- (b) It is believed that the last grants to be offered, under the auspices of Article 56, were for repair works to Ashley Court<sup>1</sup>, St John (LBG2), for the repair and restoration of the bell tower and weathervane; and to Samarès Manor<sup>2</sup> (LBG1) for works to the roof of the colombier. These granted-assisted works were completed in 2009.
- (c) The last Notice issued pursuant to Article 84 of the Planning & Building (Jersey) Law 2002 was issued on 2 September 2022. This was a combined Land Condition Notice including reference to Articles 84, 86 and 89. The Notice was issued for the following reasons: It appears to the Chief Officer that the amenities (visual or otherwise) of the land known as 'Le Côtill de Délà' is being adversely affected by its condition or use. 'Le Côtill de Délà' lies within the; 'Green Zone' as defined in the Bridging Island Plan 2022 (Policy NE3), 'Water Pollution Safeguard Area' as defined in the Bridging Island Plan 2022 (Policy WER5) and 'Strategic Countryside Access Site' as defined in the Bridging Island Plan 2022 (Policy C19) and is therefore given a high level of protection. The current condition and use of 'Le Côtill de Délà' is considered to have a significant adverse impact upon the landscape character of this sensitive rural area.

Notice link: [LD Enforcement Notice -ENF-2022-00006 -02.09.2022.pdf \(gov.je\)](#)

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<sup>1</sup> [JN0053: Ashley Court, Les Chenolles](#)

<sup>2</sup> [CL0085: Samarès Manor, La Grande Route de St Clement](#)



The Section of the Notice relating to Article 84 required the removal of eight ruinous and dilapidated wooden and metal structures and associated paraphernalia.

- (d) Retaining historic buildings in viable use is key to their retention and maintenance. This is of the utmost importance to ensure their long-term presence and care; and in ensuring their continued contribution to the island's sense of place, character and identity. This principle applies to all historic buildings and not just those that are in prominent public areas, such as La Folie Inn.

Change in the historic environment is inevitable and adaptation or development will often be the key to securing the future of historic buildings and places. Managing change to historic buildings is regulated through the planning process. The planning policy regime set out in the bridging Island Plan, together with associated supplementary planning guidance, supports the objective of seeking to ensure viable uses for historic buildings.

Officers endeavour to work constructively with owners of listed buildings to enable their beneficial viable use and change, to best protect their significance. Some successful examples of this include the former Le Seilleur Workshop<sup>3</sup> (Oxford Road); Sion Methodist Church<sup>4</sup> (La Grande Route de St Jean); Hope Villa<sup>5</sup> (La Grande Route de la Cote); and 37-39 King Street<sup>6</sup> (formerly Hamon's now Collins).

One of Jersey's great challenges is how we adapt the old – in terms of historic buildings and places – to make them relevant to our modern needs. I regard that challenge as an opportunity. Our historic built environment is part of what makes Jersey unique and in seeking to repurpose historic buildings we therefore reinforce our special island identity, whilst modernising our built environment for contemporary purposes.

Historic environment officers already work with owners of listed buildings, vacant or not, to enable repairs and restoration of key parts of these buildings to keep them wind and watertight. Ensuring that vacant buildings are maintained in a watertight condition is critical to enable future proposals to bring them back into viable uses.

For owners of large, complex buildings such as the grade 1 listed former Odeon Cinema<sup>7</sup> in Bath Street, historic environment officers have worked with the owners and their agents to facilitate works to repair and change the building. Works to repair the roof and gutters have protected the integrity of this building to enable internal changes to bring parts of the building back into a new use. Some works to the façade have also been agreed to help ensure that the integrity of the built fabric is secured. Ongoing discussions continue to help manage changes to support the current uses within the building. As shown by this particular example, work can be undertaken to listed buildings to ensure the integrity of the built fabric, which is not always evident in public views, but which is essential to ensure the long-term viability of listed buildings.

Maintenance of listed buildings owned by major landowners, such as Ports of Jersey, Andium Homes and Jersey Property Holdings, is part of established and ongoing discussions with historic environment officers.

Work is currently being undertaken to explore options to proactively support and deliver the viable re-use and appropriate restoration of more listed buildings, including vacant homes. This will include consideration of all mechanisms that might be potentially available, including persuasive compliance

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<sup>3</sup> [HE1255: 1 \(Le Seilleur Workshop\), Oxford Road;](#)

<sup>4</sup> [JN0075: Sion Methodist Church, La Grande Route de St Jean](#)

<sup>5</sup> [CL0011: Hope Villa, La Grande Route de la Cote](#)

<sup>6</sup> [HE1153: 37-39 King Street](#)

<sup>7</sup> [HE0024: Odeon Cinema, Bath Street](#)

and the potential use of legislative powers, with a view to the development and adoption of policy and guidance. This work is underway and will be progressed into 2024.

**2.12 Deputy M. Tadier of St. Brelade of the Minister for Economic Development, Tourism, Sport and Culture regarding increase in duty on alcohol. (WQ.485/2023)**

**Question**

Will the Minister advise –

- (a) whether he supports the proposed increase in duty on alcohol set out in the draft Government Plan 2024-2027, and if he does, provide his rationale for such support, and if he does not, confirm whether he made these concerns known at the Council of Ministers; and
- (b) whether he supports the framework that prohibits promotions on alcohol sales, including happy hours, and if he does, provide his rationale for such support, and if he does not, confirm whether he made these concerns known at the Council of Ministers?

**Answer**

- a) The Deputy will be aware that the Council of Ministers have proposed an amendment to Amendment 25 which I support.
- b) As the Deputy will be aware, I have committed in my Ministerial Plan to review and progress amendments to the licensing law during 2024 following the completion of the Visitor Economy Strategy this month. This review will be undertaken alongside businesses and relevant stakeholders and will consider a range of changes to the sale of alcohol including drinks promotions. My aim is for this to be an objective review and my position will be formed on the basis of the evidence collected.

**2.13 Deputy M. Tadier of St. Brelade of the Minister for Economic Development, Tourism, Sport and Culture regarding applications for capital bids submitted by Jersey Arts Centre. (WQ.486/2023)**

**Question**

Will the Minister advise whether –

- (a) any applications for capital bids were submitted by Jersey Arts Centre, including for the maintenance of the building and, if so, provide details of the bids and whether they were accepted or declined; and
- (b) any work is required to the Jersey Arts Centre building and, if so, provide an outline of the work together with details of the cost, how it will be funded and when it will be completed?

**Answer**

- a) No application for a capital bid was submitted by Jersey Arts Centre Association ('JACA') as part of the 2024 Government Plan process.

A business case was submitted in February 2021 to the Fiscal Stimulus Fund panel for the renovation of Jersey Arts Centre at a cost of £2.96m. This followed a number of condition surveys undertaken in 2019. The bid was successful, and a tendering exercise was completed for a Project Manager/Quantity Surveyor. The initial completion date for Fiscal Stimulus Funds projects was the

end of 2021, however after a request to the panel, this was extended to 30th June 2022. Despite best efforts after to secure a design team, it became apparent that it would take time to update the feasibility studies and tender for the enabling works and therefore the deadline would not be met. The project was therefore withdrawn from the Fiscal Stimulus Fund.

b) The JACA entered into a 99-year full repairing lease with the Government of Jersey in 1982. Over and above JACA’s annual revenue grant, the Association received an additional £35,000 for repair of the air handling system, through the Government’s Investment Advisory Board in 2019 and I granted JACA an additional £150,000, over and above their annual revenue grant for 2023, towards additional building works and to have the 2019 condition surveys updated. The full cost of the renovations are unknown at present.

**2.14 Deputy L.V. Feltham of St. Helier Central of the Minister for Social Security regarding child personal care benefit. (WQ.487/2023)**

**Question**

Will the Minister provide the following annual information regarding applications for the Child Personal Care Benefit for the last 5 years –

- (a) the number of applications received;
- (b) the number of successful and unsuccessful applications;
- (c) the reasons given to applicants for unsuccessful applications;
- (d) the number of unsuccessful applicants who appealed the decision, and of those, the number of applicants who subsequently received the benefit or an alternative special payment; and
- (e) the number of unsuccessful applicants who appealed to the Minister, and of those, the number who went on to receive the benefit or an alternative special payment?

**Answer**

The following information is taken from departmental computer records but it should be noted that the recording of claim information does not match exactly with the questions being posed. Claims would need to be reviewed on a manual basis to address all the details set out in the question.

- (a) and (b)

<b>Year</b>	<b>Number of CPC claims starting in this year</b>	<b>Estimate of number of CPC applications disallowed in this year</b>	<b>Estimate of total number of applications in year</b>
<b>2019</b>	<b>43</b>	<b>5</b>	<b>48</b>
<b>2020</b>	<b>39</b>	<b>3</b>	<b>42</b>
<b>2021</b>	<b>53</b>	<b>5</b>	<b>58</b>
<b>2022</b>	<b>85</b>	<b>5</b>	<b>90</b>
<b>2023</b>	<b>81</b>	<b>8</b>	<b>89</b>

This table shows the number of claims that started in each year shown. These are successful applications. It also shows an estimate of the number of applications that were unsuccessful. This is likely to be an under estimate. If an application was made and was not successful but a subsequent

application led to a successful claim (i.e. the care needs of the child increased over that time) the unsuccessful initial claim may not be included in the table above. If an application is made in respect of a family already receiving Income Support and the application is unsuccessful, this information is only available by manually examining each claim history to provide fully accurate information.

(c) Applications are normally only refused if the assessment of the child's care needs does not meet the level associated with level 2 or level 3 of the personal care impairment assessment as set out in Income Support legislation. This information is provided to the parents at the time of the unsuccessful application.

(d) If an applicant challenges a decision, the first step is to request a redetermination. In 2023 three applicants have requested a redetermination. One case is still outstanding and the other two cases resulted in an award being made after extra information was provided by the applicant. In 2022 two applicants requested a redetermination. Both cases resulted in an award being made after extra information was provided by the applicant. This information cannot be extracted from departmental systems for previous years other than by a manual search of individual records. This process cannot be completed in the time available to provide the response.

(e) Between 2019 and 2023, there have been 5 Ministerial Decisions to support cases of this type. Support provided under a Ministerial Decision typically applies when there is a strong case for support, but the circumstances of the case are not covered by legislation.

## **2.15 Deputy L.V. Feltham of St. Helier Central of the Minister for Social Security regarding extending home carers allowance to families with more than one child. (WQ.488/2023)**

### **Question**

Further to her answer to [Question Without Notice on 28<sup>th</sup> November](#), regarding extending Home Carer's Allowance to families with more than one child with a level 1 or 2 impairment will the Minister –

- (a) clarify the process that families in this situation should follow to gain access to the Home Carer's Allowance;
- (b) state if it is the intention of the Department to contact families in this situation and inform them of this policy; and
- (c) provide a timeline for the legislative changes required to extend the Home Carer's Allowance?

### **Answer**

At present, families of children with significant care needs are able to claim a Child Personal Care benefit if the child has care needs meeting level 2 or level 3 of the personal care component as set out in Income Support legislation. A Home Carers Allowance may also be available to a parent if the child has the highest needs (level 3). These benefits are not means tested.

I can confirm that my policy intent is to extend access to Home Carers Allowance to a parent who has caring responsibilities for two children who both have level 2 needs. At present a family in this situation would receive Child Personal Care at level 2 for each child but would not receive a Home Carers Allowance. At present Home Carers Allowance is only paid when the child is assessed at level 3.

In my answer to the question posed without notice on 28 November, I referred by mistake to level 1 and level 2 care needs. I apologise for this oversight - Child Personal Care benefits are available at 2 levels, but these levels are identified as levels 2 and 3, rather than levels 1 and 2.

- (a) Until such time as legislation is in place the department will ensure that any family receiving child personal care at level 2 for more than one child will be identified and will be offered non-statutory support from January, equivalent to the financial value of Home Carers Allowance.
- (b) Yes.
- (c) Subject to the outcome of the Government Plan debate this week and the finalisation of my delivery plan for 2024, I have asked officers to prioritise this work for completion as early as possible in the New Year.

**2.16 Deputy S.Y. Mézec of St. Helier South of the Chief Minister regarding plans to relocate Government operations from the rented office in Broad Street to the newly built office. (WQ.489/2023)**

**Question**

Regarding the plans to relocate Government operations from the office on Broad Street to the newly built office on the old Cyril Le Marquand House site, will the Chief Minister provide –

- (a) an estimated date for completion of the new premises;
- (b) an estimated date for the opening of the new office to the public;
- (c) the total allocated budget for the move; and
- (d) confirmation whether the facilities and equipment currently in use in Broad Street will be relocated to the new office, or whether entirely new facilities and equipment will be purchased?

**Answer**

- (a) The estimated date for practical completion is the end of July 2024.
- (b) The estimated date for the opening of the office to the public is December 2024, following phased occupation by Government of Jersey personnel between September and December.
- (c) The total allocated budget for the move is £510,000, which includes the transfer of staff and team storage items and the decant of other equipment, including monitors, workstations, printers, recycling bins, safes and other office items.
- (d) Fixtures and fittings, such as desks and chairs, etc, will be returned to the landlords on termination of the occupation, as required by the Broad St offices lease. Any additional items that the Government of Jersey has purchased for departments in Broad Street will be offered to other Government of Jersey colleagues in other buildings and then offered to charities or disposed of carefully and as sustainably as possible. Specialist items, such as photocopiers, are leased by the Government of Jersey and will be transferred to the new building together with Government of Jersey owned audio/visual equipment. The fixtures and fittings in the new office building will be provided new under the Development Agreement.

## **2. Oral Questions**

### **2.1 Deputy M.R. Scott of St. Brelade of the Minister for Social Security regarding social security payments by employers (OQ.245/2023)**

Regarding social security payments by employers, will the Minister state the total amount of payments that the Government allowed to be deferred during the COVID-19 pandemic, the total amount of payments that continue to be deferred and the amount written off to date?

**Deputy E. Millar of St. John, St. Lawrence and Trinity (The Minister for Social Security):**

I thank the Deputy for her question. The total social security contributions deferred came to £17.8 million. £1.3 million was in respect of quarters which are still within the 2-year deferral period, that is, they are not yet due for payment. Around £8 million has reached the end of the 2-year deferral period. These sums are either already subject to a repayment plan agreed between the employer and Treasury or are being worked on by the Treasury debt team. The remainder, some £8.5 million, has already been repaid by businesses. At this time, no debts have officially been written off, although it was always possible that some companies would no longer be trading by the time repayment was required.

#### **2.1.1 Deputy M.R. Scott:**

Could the Minister please inform the Assembly what percentage of the £8 million are not subject yet to a repayment plan?

**Deputy E. Millar:**

I do not have that information. It is either subject to a repayment plan or there is no repayment plan and is being pursued by Treasury, I think is what I have previously said. I do not have a breakdown of the proportion of that.

#### **2.1.2 Deputy G.P. Southern of St. Helier Central:**

Just briefly, does the Minister for Social Security not consider that she should have these figures as to what has been repaid and what has not been repaid to hand?

**Deputy E. Millar:**

I am sure the figures exist, but we cannot foresee every question and I do not have the information available.

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

Would the Minister like to volunteer to inform Members how much those sums are?

**Deputy E. Millar:**

As I say, £8 million is subject to either a repayment plan or pursuit. But, yes, I will try and find that information, if it is available.

#### **2.1.4 Deputy M.R. Scott:**

I just want to confirm that the Minister, therefore, is saying she is not able to inform the Assembly what percentage of the £8 million is being pursued at this moment in time then?

**Deputy E. Millar:**

Ultimately it is all being pursued. We are not writing anything off at the moment. Some employers have a payment plan, some employers do not, and that is subject to discussion with the debt team. I simply do not have the breakdown of the 2 and, as I have said, I am happy to provide it.

## **2.2 Deputy M.B. Andrews of St Helier North of the Minister for Social Security regarding employment probation periods (OQ.237/2023)**

Will the Minister advise what consideration, if any, she has given to introducing a maximum length of time for employment probation periods, including any extension to the probation period; and if none, why has she not?

### **Deputy E. Millar (The Minister for Social Security):**

I thank the Deputy for his question. Probationary employment periods are a matter for contractual agreement between an employee and an employer. Probation has no impact on an employee's employment rights. I have no evidence to suggest that this is a priority issue, or that abuse of probation periods have any prevalence on the Island, and I have no plans to reduce such legislation.

### **2.2.1 Deputy S.Y. Mézec of St. Helier South:**

Could the Minister explain whether she or her department, in preparing for this question, have had any feedback on what in many employment contracts may be a discrepancy between what is their probation period and what is the qualifying period for unfair dismissal?

### **Deputy E. Millar:**

I do not believe there is any discrepancy. Probation does not affect an employee's employment rights. Probationary periods, I believe, are generally between 3 months and 6 months. The period for unfair dismissal is 52 weeks, so that is broadly a year. However, I believe that if someone was dismissed during their probationary period for a reason that is automatically unfair; for example, something that is discriminatory, then they still have that right. But given that most people's probation periods expire within at most 6 months, that it has no impact on their ability to claim unfair dismissal.

### **2.2.2 Deputy S.Y. Mézec:**

The Minister said there was no discrepancy and then went on to describe the discrepancy, which is that probation periods are often 3 or 6 months and the qualifying period for unfair dismissal is a year.

[9:45]

Or to put it another way, you can prove to your employer that you are a good employee and worth employing, but do not get your rights to claim unfair dismissal if they sack you for no reason after you have passed your probation. So will the Minister, given those facts and having been asked by Deputy Andrews this question, endeavour to look at this issue again to work out whether the length of time we have for qualifying for unfair dismissal is appropriate in Jersey?

### **Deputy E. Millar:**

I am not sure I fully understand the question. When an employer employs someone, they will often put them on a probation period of either 3 months or 6 months. That is there to ensure that the person is right for the business and that the business is right for the employee. When I said there is no discrepancy, everybody has ... whether you have a probation period or not, your rights to unfair dismissal come in at 52 weeks unless your dismissal is automatically unfair; for example, discrimination. It is very difficult to legislate for probationary periods because it really is a matter for the business. Some jobs will be very complex and therefore will merit a longer period. Others will be fairly straightforward and all you need to know in a matter of 3 months is whether the employee is reliable, turns up, and does a good job. I think the notion that people are employing people for 3 or 6 months and then sacking them is probably misplaced, and I have no evidence that that is the case.

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

If one were to replace the phrase “probation periods by traineeships”, would that make a difference to the Minister’s answer? If so, how would it make a difference?

#### **Deputy E. Millar:**

It would not make any difference whether you are a young person starting a first job. I have started a job as a fully-qualified lawyer with some experience and had to do a 6-month probation period. How do you decide? How do you legislate for who needs a probation period and for how long? It is a matter between employer and employee. If an employee feels their probationary period is being abused, then they can go and seek the advice of J.A.C.S. (Jersey Advisory and Conciliation Service). But I do not think this is an area that can easily be legislated, and I do not intend to do that in the absence of evidence that it is really required.

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

The difference between a traineeship and a probation period is likely to be different amounts of wages to those 2 categories, is that not the case?

#### **Deputy E. Millar:**

I am sure the Deputy will remember that I believe earlier this year we have removed the trainee minimum wage. Whether you are a trainee or not, you will earn the same minimum wage as any other employee. But most employers will pay someone at the outset, I expect, someone who has no qualifications or skills, slightly less than a fully-qualified employee, and a probationary period will have no impact on that.

### **2.3 Deputy M. Tadier of St. Brelade of the Minister for Sustainable Economic Development regarding the closure of Nude Food (OQ.242/2023)**

Will the Minister advise what lessons, if any, have been learnt from the recent closure of Nude Food, particularly in relation to those workers who were brought to the Island on work permits and their ability, or otherwise, to seek alternative employment?

#### **Deputy K.F. Morel of St. John, St. Lawrence and Trinity (The Minister for Sustainable Economic Development):**

Ordinarily the subject of work permits would fall to the Minister for Justice and Home Affairs, rather than the Minister for Sustainable Economic Development. A work permit is tied to specific employment and should this cease the immigration permission also falls away, if there is one. If extenuating circumstances exist, work permit holders whose employment ends can be allowed to switch to alternative employment without leaving the Island. Jersey Customs and Immigration Service have been in contact with the majority of those affected by the closure of Nude Food, and in most cases they are being permitted to switch to another employer, subject to finding alternative employment within hospitality. I would also like to add that I just want to send ... my thoughts are absolutely with the staff and the owners of Nude Food.

#### **2.3.1 Deputy M. Tadier:**

First of all, can I thank the Minister for answering? I think there is something of a Venn diagram between his department and Home Affairs and this one; clearly, the fact that his department has now been changed to Sustainable Economic Development. Does he agree that there is something not very sustainable about the current system we have where we need to get many of our employees from overseas on work permits and we find in such a situation where work permits are terminated prematurely, that those workers are having to turn to social media and crowdfunding before they can look for other jobs. Does the Minister have any thoughts about the synergy between his department



and Home Affairs to make this a more sustainable and perhaps a more fair area for those workers and businesses?

**Deputy K.F. Morel:**

I thank the Deputy for his question. I would like to say, first of all, that I have a very good working relationship with the Minister for Justice and Home Affairs, and there is no question that one of the subjects of conversation that we have and official meetings, et cetera, that we have had since day one of taking up our roles, has been about work permits and will continue to be about work permits. I understand that the Jersey Customs and Immigration Service, and I have seen this myself and spoken to them myself, does have a very understanding attitude in the main to when very unfortunate circumstances arise, such as the one that we are discussing today. From that perspective, I am comforted that the Jersey Customs and Immigration Service does adopt the right attitude, even when the rules themselves may be slightly more fixed. I would have to refer to the Minister for Justice and Home Affairs as to whether or not work permits need further changing, but it is a constant subject of conversation.

**2.3.2 Deputy M.R. Scott:**

Will the Minister accept that the attractiveness of the Island for workers who come here to work under a work permit is somewhat threatened when hospitality businesses are perceived to be vulnerable?

**Deputy K.F. Morel:**

I think the biggest threat or the biggest action to make it harder for our economy to attract people was, in fact, the United Kingdom leaving the European Union. That is probably the main reason why the hospitality sector is finding it difficult to bring people in. But I do understand we have, as we saw in the media just last week, up to about 2,000 people on work permits, possibly more. There is no question that Jersey remains an attractive jurisdiction for people to come and work in.

**2.3.3 Deputy M. Tadier:**

Notwithstanding previous answers about what is not within his domain, will the Minister consider to look at what might be in his domain? Will he consider that when a work permit is issued to a worker for, let us say, 9 months, it could be a year, and if that work is terminated could he bring about a situation whereby the worker is simply just allowed to stay on the Island to fulfil that period and look for work without needing to revert to Home Affairs, which, with due respect, has absolutely nothing to do with the employment chances between ... that should be a relationship between the employer and the employee? Does the Minister agree that more liberalisation of the work permit system might be beneficial?

**Deputy K.F. Morel:**

I thank the Deputy for his supplementary question. I am very much open to discussing whether liberalisation of work permits is the right way forward or not. I personally do not have a fixed view on that at the moment but it is wrong to suggest that I have any power in terms of work permits. I, as Minister for Sustainable Economic Development, do not. It really does fall entirely to the Minister for Justice and Home Affairs. So where the business community speaks to me and has concerns about work permits, which from time to time they do, I pass that on to the Minister for Justice and Home Affairs, and we have an ongoing dialogue about the appropriateness of our work permit system, and that will continue. Even following this exchange, I will speak to the Minister for Justice and Home Affairs about these matters.

## **2.4 Deputy G.P. Southern of the Chief Minister regarding the Living Wage (OQ.241/2023)**

Further to the adoption of P.78/2022 and the response to Written Question 49/2023, will the Chief Minister advise what progress, if any, has been made in developing options to convert the minimum wage to a living wage in Jersey?"

**Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter (The Chief Minister):**

Could I start by asking to raise the défaut on Deputy Ozouf, please?

**The Bailiff:**

Yes, the défaut is raised on Deputy Ozouf.

**Deputy K.L. Moore:**

Thank you. To answer the Deputy's question, I am pleased to confirm that the investigation on the feasibility of converting the minimum wage to a living wage has been completed, and that the report will be published before the end of the year.

**Deputy G.P. Southern:**

May I congratulate the Minister on actually meeting one of her targets?

**Deputy K.L. Moore:**

I thank the Deputy.

### **2.4.1 Deputy S.Y. Mézec:**

What does that report say?

**Deputy K.L. Moore:**

As I said, it will be published before the end of the year and we will all be able to read it. But I have not read it myself.

**The Bailiff:**

No supplementary, therefore? You are entitled to a final supplementary, Deputy Southern, in the circumstances. Very well.

## **2.5 Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter of the Minister for Justice and Home Affairs regarding the Jersey Police (OQ.238/2023)**

What assessment has the Minister undertaken to be certain that the proposed Government Plan budget for the States of Jersey Police, of £27.4 million per annum, is sufficient to provide an efficient and effective police service?

**Deputy H. Miles of St. Brelade (The Minister for Justice and Home Affairs):**

I thank the Deputy for his question. As a member of the Jersey Police Authority, the Deputy will be aware that the States of Jersey Police Force Law 2012 provides that the police authority is responsible for overseeing the performance of policing services by the States police force. This includes providing advice in relation to the budget. I therefore rely on the authority and, of course, my regular discussions with the chief officer, to provide me with reassurance in relation to the sufficiency of the budget. I am assured that the budget is sufficient to deliver an appropriate policing response for the Island and maintain our high levels of public safety.

### **2.5.1 Deputy L.J. Farnham:**

Can I thank the Minister for her response? While I know that the Minister said the budget will provide an appropriate service, we want to ensure we have an efficient and effective service. Is the Minister aware that the proposed freezing of the budget essentially is tantamount, given the rates of

inflation, to quite a significant cut in the budget, and it will have an impact on front line policing? I just wondered if she would be prepared to revisit that as a matter of urgency for next year's budgeting Government Plan?

**Deputy H. Miles:**

I thank the Deputy for his question. The chair of the police authority raised some concerns about public safety recently in the media, and he said that there could be an impact on public safety. Of course he is right to highlight that risk. As with all my front line services, I will monitor budgets very closely to ensure that financial constraints do not impact service delivery. I am currently satisfied that the budget is sufficient to deliver an appropriate policing response for the Island and maintain our high levels of public safety.

**2.5.2 Deputy R. Ward of St. Helier Central:**

May I ask the Minister, in the response just given it was a recognition that there could be an issue regards the funding level. Can I ask the Minister what analysis is undertaken and the specific risk areas that may arise for the police force in providing the service that I know we all need?

**Deputy H. Miles:**

I refer to my previous answer in that it is the role of the police authority to advise me, due to their oversight of the performance of policing services by the States of Jersey Police. Evidently I converse regularly with the chief police officer, and areas of particular risk will be highlighted. In the event that I consider the budget to be insufficient to maintain public safety, I will not hesitate to talk to my colleague, the Minister for Treasury and Resources, to make sure the force has what it needs. The Deputy, in his initial question, asked about certainty and, as we have seen over the last year, we can never be absolutely sure to what extent our emergency service will be tested, either operationally or financially. I would also note that we need to remember that the police and the funding for the police is not the sole driver of community safety. It does not carry all the risk. It is just that community effort involving all of us to keep Jersey a safe and special place.

**2.5.3 Deputy R.J. Ward:**

May I ask the Minister then whether she is reassuring the Jersey Police Authority that when concerns are raised, then they will be listened to and be acted on promptly?

**Deputy H. Miles:**

I thank the Deputy for his question. As we would expect, I have had discussions with the chair of the authority and the chief officer about the challenges of delivering our essential policing services.

[10:00]

The authority have not yet, to date, raised a formal concern in relation to the budget, nor have they sought any additional resources for the force. At such a time they do, I will consider that request.

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

The community policing section of the States of Jersey Police provide an essential amount of support for the Honorary Police services and the Parish. Will the Minister confirm that their presence out in the field, so to speak, will not be compromised by these budget cuts?

**Deputy H. Miles:**

I thank the Connétable for the question, and a very important question. I am not in a position to confirm that the Community Policing Unit will not be withdrawn to other areas. As we will have noticed over the last 12 months, some of those community police officers have been withdrawn to support the force in areas that have been required to meet the emergencies. Although I would like to be able to confirm that to the Connétable, I am not in a position to do so.

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

Will the Minister agree that she perhaps needs to be a little bit more forceful in retaining the budget for the community police services in the Parishes?

#### **Deputy H. Miles:**

It is entirely for the chief police officer to decide how operationally he deploys his officers. I have fought very hard and had very robust discussions to maintain and increase the budget for States of Jersey Police, but those operational decisions will always be made by the chief police officer.

### **2.5.6 Deputy M. Tadier:**

Given the fact that last year's and this year's inflation have been in double figures, and when one looks at that in a compounded way I think one can think it is eye-watering. Could the Minister give us advice as to what her budget is looking like in real terms, when the R.P.I. (retail price index) is taken into account? Is it a cut or is it an increase?

#### **Deputy H. Miles:**

I refer to my previous answer. It is down to the police authority to advise me on decisions around the budget. I think nobody would suggest that there has been an increase but it is down to the chief officer and myself to decide how that cake is going to be cut.

### **2.5.7 Deputy M. Tadier:**

So that does not really answer my question. It is quite simple. We have effectively seen a 23 per cent increase in the last 2 years in R.P.I. Has the budget for the police, and her department more generally, gone up by 23 per cent or not?

#### **Deputy H. Miles:**

I think the Deputy will agree that actually no budget across the States of Jersey has been increased by 23 per cent.

### **2.5.8 Deputy L.J. Farnham:**

I note the Minister has said she has fought hard to increase budgets for her Ministerial, which is commendable. Can she confirm what actual budget was presented to the Council of Ministers for policing, for the term of this Government Plan? I am trying to ask: was the £27.4 million, as presented by the Minister, what she asked for or did she ask for a greater budget but it was reduced after discussion at Council of Ministers?

#### **Deputy H. Miles:**

The budget that we achieved was the £27.1 million. There were various growth bids that went into that budget, which were slightly higher. If my recollection serves, it was about £300,000 higher and that was to cover issues like the Digital Forensics Unit and other areas. But that was also across Justice and Home Affairs.

#### **Deputy L.J. Farnham:**

I did ask just a straightforward question: was the £27.4 million the budget that was requested by the Minister or the budget that was left after negotiation at Council of Ministers?

#### **The Bailiff:**

My understanding of the Minister's answer, Deputy, was that certain additional figures were requested, but they did not make it through the cut. Is that correct, Minister?

#### **Deputy H. Miles:**

Yes, Sir.

**Deputy L.J. Farnham:**

Can I thank the Minister?

**2.6 Deputy S.Y. Mézec of the Chief Minister regarding benefits from COP28 (OQ.249/2023)**

Will the Chief Minister advise what quantifiable benefits to Jersey will arise as a direct result of her presence at the COP28 conference?

**Deputy K.L. Moore (The Chief Minister):**

As an outward-facing small island jurisdiction, I am always pleased to represent us at international events and to enhance understanding of our strengths, what we can offer the world and what we can learn from others. Climate change affects every country and territory in the world, regardless of whether we are large or small. By attending COP28, the Minister for the Environment and I have been able to engage directly with fellow policy makers and with senior level contacts that will benefit the development of our domestic policies. For example, I was pleased to represent Jersey at a special event put on by the U.A.E. (United Arab Emirates)-U.K. (United Kingdom) Business Council demonstrating Jersey's commitment to supporting progress in the financial services industry so we can respond to growing demands in environment, social and governance obligations and boosting our visibility as a potential partner for other jurisdictions. We have an external facing economy, which is dependent on international trade and on our global partners having confidence that we are a competitive, responsible and mature jurisdiction with which others do business after.

**2.6.1 Deputy S.Y. Mézec:**

My question referred to quantifiable benefits. Could I ask the Chief Minister to outline exactly what has been achieved by her presence there and how Islanders will directly benefit from it, and how that will be measured?

**Deputy K.L. Moore:**

I do believe that I have answered the Deputy's question. The whole purpose of engaging in international events is to share and promote understanding of our Island and what we can offer, what we are doing, and to learn from the experiences of others.

**The Bailiff:**

You are looking at me, Deputy, as if you are looking for some form of ...

**Deputy S.Y. Mézec:**

I have asked 2 questions with the word "quantifiable" in and received answers that I do not think are quantifiable.

**The Bailiff:**

The Chief Minister will correct me if I am wrong but I think it is soft influence and soft power rather than quantifiable that the Chief Minister is saying, and that there does not appear to be an answer that is quantifiable. Is that fair, Chief Minister?

**Deputy K.L. Moore:**

That is a very fair description. Thank you, Sir.

**2.6.2 Deputy R.J. Ward:**

Given that the benefits are qualitative, and I fully accept that, can I ask the Chief Minister whether the reports are that the chair of the COP28 made comments where there was no science behind the demands to phase out fossil fuels, whether the Chief Minister agrees with that or whether she sees that as a real issue, which we would not want to be involved with?

**Deputy K.L. Moore:**

My understanding, after discussing with many people at the event, was that the majority of people do see the science of climate change, and the focus is most certainly on introducing and enhancing factors that help us all internationally to contribute, to harness the impact of climate change. That is certainly why we were there in attendance.

**2.6.3 Deputy R.J. Ward:**

One of the perhaps quantifiable or certainly noticeable issues on in Jersey at the moment is a growing voice, particularly in our media, that questions climate science. Can I ask the Chief Minister whether she will make a statement following her attendance at COP28 to put that clearly in perspective and the Government's views of the importance of the science behind climate change?

**Deputy K.L. Moore:**

What I hear most frequently from members of the public on this subject are concerns about the cost of implementing climate-change mitigations. That is something that we have addressed and are addressing as a Government, and putting in place measures such as support for households to convert their energy use to move away from fossil fuels and we continue to do so. We understand the concerns that some members of our community have, but we continue to look to ways that we can all work together to support this important work across the globe.

**2.6.4 Deputy M.R. Scott:**

Could the Chief Minister remind the Assembly what percentage of global fossil fuel emissions are produced by Jersey and the estimated cost of Jersey meeting net zero?

**The Bailiff:**

I am not sure that is within the parameters of the question, Deputy Scott. This is relating to the Chief Minister's attendance at COP and the benefits to Jersey. It is not a general discussion about climate change or indeed the cost to Jersey of climate change. Do you wish to rephrase your question?

**Deputy M.R. Scott:**

At the conference, did the Minister raise the matter of the small percentage of global fossil fuel emissions that are produced by Jersey and the cost of the Island meeting net zero?

**Deputy K.L. Moore:**

As a small island nation, we of course use a small amount of fossil fuels in relation to other places. However, as I mentioned in my earlier answer, it is part of an international effort to change the way we do things and to use energy in a different way. Therefore, at the conference, I was very keen to talk with others about our commitment to meeting the Paris Agreement and also measures that we are undertaking as an Island, for example, supporting our sailor Phil Sharp, who will be racing the only zero emissions boat in the Vendée round-the-world yacht race. It is something that we can celebrate, a use of his science, developing a hydrogen fuel cell, which is an exciting contribution to the global climate and energy economy.

**2.6.5 Deputy S.Y. Mézec:**

We saw from some of the output from the Government while Ministers were at COP28, references to the proposal for a wind farm in Jersey's territorial waters. Could the Chief Minister explain whether it was one of the purposes of her attendance at that conference to seek out a partner to deliver that wind farm? If that was one of the purposes, was she successful in it?

**Deputy K.L. Moore:**

The Deputy will be aware that we are in a consultation process at the moment on the wind farm development. I personally feel that it is an exciting opportunity for the Island to generate power to

ensure that the whole Island is powered by electricity, and also to create a new export market. It is something that we are proud to talk to other nations about. We are also interested to learn about the techniques that others are adopting in terms of funding such projects and also delivering them.

**Deputy S.Y. Mézec:**

Sir, I did ask if it was specifically one of the purposes of her attendance, which I would have thought would be easy to answer yes or no.

**The Bailiff:**

Are you able to answer that as a yes or no, Chief Minister?

**Deputy K.L. Moore:**

I think I explained that we are in a consultation process, therefore that is not the purpose of the visit. However, it was an exciting part of our message to share with others.

**2.7 Deputy R.J. Ward of the Minister for Justice and Home Affairs regarding rules for migrant workers (OQ.239/2023)**

Will the Minister advise what consideration, if any, is being given to the implications for Jersey of U.K. changes to migrant worker rules, including changes to salary thresholds and the ability to bring foreign family dependants into the U.K.?

**Deputy H. Miles (The Minister for Justice and Home Affairs):**

I thank the Deputy for the question. The Jersey work permit policy, which is reviewed on a regular basis and does include some minimum salary thresholds, operates separately to the changes that are proposed in the U.K. to increase salary thresholds for skilled workers and is tailored to the specific labour requirements of the Island. The Jersey immigration rules and work permit policy are currently being reviewed in response to the Work Permit Holder Welfare Scrutiny Panel report, and the proposed measures to be introduced by the U.K. will be considered as part of that work. This will include some consideration about salary thresholds, which were last set in 2018. However, it is not proposed that we will mirror the U.K. changes as any changes we make need to be suitable for the Jersey context. The U.K.'s proposed measures to restrict the ability of certain dependents of foreign workers to join them in the U.K. and other visa changes will also be considered further in the local context before any changes to the Jersey immigration rules or work permit policy are introduced.

**2.7.1 Deputy R.J. Ward:**

I thank the Minister because that is reassuring that we can make our own choices on this. Just to confirm that those visas that are issued by the U.K. will not limit what Jersey can do as an Island in order to meet the needs of our workforce requirements at any time.

**Deputy H. Miles:**

I thank the Deputy for his question. Our work permit policy and our Jersey immigration rules are unique to Jersey. There are elements of those that we have to take into account, particularly regarding visas and those issues around the Nationality Act, which is extended to Jersey. But other than that, we do have some leeway in deciding what we want to do for our local context.

**2.7.2 Deputy M. Tadier:**

Is the Minister aware that there may be some evidence that salary thresholds for skilled workers may have an unintended consequence of acting as a standard or, indeed, ceiling for those who work in those industries? If she is or is not aware of that, would she give consideration as to how effective those salary thresholds are and whether they are indeed needed, given that surely it could be down to the free market to determine the level of salaries paid to those on work permits and skilled jobs?

[10:15]

**Deputy H. Miles:**

There are certain salary thresholds in place for certain skilled workers who come in on a skilled visa. As I said, the rules and the work permit policy are currently under review, and those are the sort of issues that will be considered during that review.

**2.7.3 Deputy M. Tadier:**

Would the Minister go further, and perhaps in the wider piece of work that is going on on equal pay between men and women, does she agree that there should really just be a general principle of equal pay for equal work, whether or not one person is on a work permit and another person is not on a work permit? Does she agree as a principle that that should apply across the different bands?

**Deputy H. Miles:**

I thank the Deputy for the question. I would not want to conflate matters of equal pay with the work permit policy, but what I would say, and what I have made clear, is that if you have 2 people working in a particular role, one of whom is on a work permit and one of whom is not, there should be no discrepancy between those wage limits.

**2.8 Deputy B.B. de S.V.M. Porée of St. Helier South of the Minister for Infrastructure regarding a ban on plastic bags (OQ.248/2023)**

Regarding the Single-Use Plastics etc. (Restrictions) (Jersey) Law 2021, will the Minister advise whether consideration has been given to a total ban of plastic bags, and if not, why not?

**Deputy T. Binet of St. Saviour (The Minister for Infrastructure):**

I thank the Deputy for her question. Before I start, I would just like to explain that I am not able to be present this morning just due to COVID isolation. I would like to offer my apologies to not be able to be there to answer the Deputy's question directly. Returning to the question; it was before my time, but I understand that consideration was given to a total ban on plastic bags while the legislation was being developed. Those at the time did a lot of research with other jurisdictions and elsewhere in the world, and they consulted locally with retailers to learn a little bit about what sort of bags were in use and what they were used for. It quickly became clear that if they banned every type of bag it was going to cause a lot of problems, not least for uses like bin liners and less savoury uses like cleaning up after dogs and disposing of nappies. A decision was taken to exclude certain types of bags from the legislation, certainly in the first instance. This was intended to make the whole thing workable. I think without those exceptions we would have found life pretty difficult. So that is why we are where we are.

**2.8.1 Deputy B.B. de S.V.M. Porée:**

The principle of the restriction on plastic law has not been fit for purpose. The idea was to stop the circulation of single plastic use. As I am aware, it is still available in every single shop you go to. But the difference is now the consumer is paying for it. Does the Minister agree that this law has gone wrong somehow and really needs immediate attention possibly?

**Deputy T. Binet:**

Unfortunately, I cannot agree with the Deputy that the legislation has gone wrong. To be honest with you, I do not know what the figures are. But as a person who shops regularly themselves, I see an awful lot more people taking reusable bags to do their shopping. I think it has had a pretty profound effect. That would be my unqualified view of it at the moment. I am perfectly happy to take another look at this, and it is a shame that the Deputy had not contacted me in the first instance, because we could have sat down and taken a look at it together, and I would invite the Deputy to stay in touch with me on the matter because obviously she has a particular concern, and I am very happy to look at it.



### **2.8.2 Deputy M. Tadier:**

Does the Minister agree that plastic bags are not the only type of single use plastic that are an issue in Jersey? Does he agree that one area to look into might be making those who import and sell single use plastics - one might think of cucumbers wrapped in clingfilm or courgettes that are wrapped in other packaging when they could be sold loose loosely - should be made both financially and morally responsible for the cost and the practicality of their disposal?

### **Deputy T. Binet:**

I think the Deputy makes a very good point. As I say, I am a shopper myself and I notice these sort of things and they irritate me. I come from a background of dealing with retailers for a long period of time and when you consider the fact that we are supplied, in the main, by U.K. retailers, I have to say it would be very difficult for them to make specific ... in fact, it would be impossible for them to make specific arrangements with things that are so systemised in order to service Jersey's needs. Save for the items that get packed locally in plastic, I think we have very little control over that, much as I might like to see some of those things changed.

### **2.8.3 Deputy M. Tadier:**

Although I am younger than the Deputy and the Minister, I remember a time when one could take bottles back and get a 5 pence or 10 pence refund. Does the Minister think that maybe we should look to the past and try and put an inherent value on packaging, particularly when it is cans/bottles and incentivise, with carrot or stick, the return of packaging so that if you buy a can of fizzy drink from the shop or soft drink, you can then return it to the shop and you get some money back for your packaging.

### **Deputy T. Binet:**

I think I would have to refer the Deputy to my previous answer. A lot of these things are very desirable but in the real world they are not terribly achievable. We are looking at improving our recycling on the Island, in any event. We are coming up with a package of measures, hopefully, during the course of next year. But there are limitations. I am certainly happy to take lead in areas where we can do something. But I make the point, again, that when you are supplied by U.K. retailers where everything ... the supply chain is exceptionally systemised, it really is a difficult thing to do.

### **The Bailiff:**

Just to remind, Members, the question is about single use plastic bags and not more generally, recycling.

### **2.8.4 Deputy R.J. Ward:**

I am so tempted to say I hope the package of measures is not in a plastic package of measures, but there we go. One of the very important points raised by Deputy Porée was the fact that perhaps this law has gone slightly wrong. I will give the Minister an example. If you get a takeaway and support our local restaurants by having a takeaway, you are charged 70 pence for the bag because they have to charge you for the bag in which they put your takeaway. Do you think this is an example where the law has gone wrong, and it is just adding a price for consumers? Where does that money go to?

### **Deputy T. Binet:**

The Deputy raises another couple of interesting points, and I will have to raise my hands and say I do not really know where that money goes. There does seem to be something wrong in that regard. Without access to figures as to what sort of money gets collected and how much is involved, it is difficult for me to make any further comment. All I can commit to doing is to looking into it and coming back to the respective Deputies with whatever information I can find out.

### **2.8.5 Deputy L.J. Farnham:**

In relation to alternative types of packaging, will the Minister ensure that applies to t-shirts? I ask because today I received my Reform jersey t-shirt wrapped up in a plastic bag, thank you.

#### **The Bailiff:**

I am not sure that you have to answer that question.

#### **Deputy T. Binet:**

No, I take that as a statement, shall I?

#### **Deputy L.J. Farnham:**

It was a large, I asked for a medium..

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

That is now 2 occasions when the Minister has said: "I do not have the numbers." Will the Minister commit himself to getting the numbers so we can have a rational discussion around the extent to which single use plastic bags are in use?

#### **Deputy T. Binet?**

I do believe that I committed to doing exactly that. I will say this, it is also going to be a very difficult task because it is going to involve lots of different retailers with lots of different types of bags. At this point, I am not exactly sure how we would capture that information but, as explained, I am certainly happy to have a go at it.

### **2.8.7 Deputy B.B. de S.V.M. Porée:**

I would like to say it is quite disappointing to hear the Minister say that it is almost impossible to stop the producing of the single-use plastic. That was my question. I have just been recently to Africa, 2 different countries, and the Governments in Kenya and Morocco do not allow for the production of such single-use plastic bags. When we are in a country where we have much more knowledge and ability to stop those things and become more sustainable, to hear that that is not possible is a bit disappointing. But does the Minister agree, at least in principle, that this policy can be improved upon? If so, would the Minister like to meet up with me and carry on this conversation outside the Chamber?

#### **Deputy T. Binet:**

I am sorry but I believe I have answered the second 2 parts to those questions. I have already said that I am happy to talk to any Deputies or Constables that are concerned about single use plastic. I have committed to get as much information as I possibly can. As to the Deputy's disappointment, I do not like to disappoint people but I am afraid I live in the real world, as we all do, and like I said, I do know a little bit about supply chains. If we think we are going to persuade people like Waitrose, for example, or Morrisons to stop their supply chain to strip plastic off cucumbers or the sort of plastic that ties 2 boxes of tissues together for Jersey, I am afraid I have to disappoint people. These things are simply not possible, as desirable as they may be.

### **2.9 Deputy L.J. Farnham of the Minister for Health and Social Services regarding prostate cancer screening (OQ.247/2023)**

Following the response to Oral Question 166/2023, will the Minister detail what actions, if any, she is taking to include Jersey in the £42 million prostate cancer screening trial, funded by the National Institute for Health and Care Research and Prostate Cancer U.K., that is due to begin in the U.K. in early 2024?

**Deputy K. Wilson of St. Clement (The Minister for Health and Social Services):**

Thank you to the Deputy for his question. What I can say is that screening teams in both Jersey and Guernsey are awaiting confirmation from the National Institute for Health and Care Research as to whether we are eligible for inclusion in this trial. The research centre tends to focus more on established N.H.S. (National Health Service) trusts but this is something that we are very keen to participate in. However, should we not be considered eligible, we will certainly follow developments in this area closely and our lead consultant for our screening board will be updating fellow clinicians as regularly as possible. In the event that we are able to pursue the screening process, provisions will be made in H.C.S. (Health and Community Services) to secure the sufficient resources and staffing, which will be likely through the Radiology Department. This, of course, would rely on additional funding for the service and as such will be something that the Minister for Treasury and Resources and I will need to discuss further.

**The Bailiff**

Supplemental question, Deputy?

**Deputy L.J. Farnham:**

No, thank you, Sir. I thank the Minister for her answer and wish her well with her endeavours and hope we can get this up and running as soon as possible.

**2.9.1 Deputy R.J. Ward:**

Can I ask the Minister, it was disappointing in the recent cancer strategy, which is welcomed, that screening for prostate cancer was not there, seeing as one in 8 men and many more in Afro-Caribbean men, for example. Can the Minister reassure that the tests that we do have are encouraged for men to go and get, because early diagnosis is so important?

**Deputy K. Wilson:**

Yes, I can agree with the statement that the Deputy has just made. Every effort is being made to support people to access screening services and, as you have just heard, we do have a screening board who keeps regular oversight of this.

**2.9.2 Deputy R.J. Ward:**

Is the Minister aware that there are some providers - I will use that word - who may say that the P.S.A. (prostate-specific antigen) test is not relevant? Would the Minister publicly state whether she feels that it is actually a useful test for men to have as an indicator in early on in diagnosis?

**Deputy K. Wilson:**

Certainly I would be supportive of any evidence that suggests that it is for the benefit of patients. I do know that the National Screening Committee have also commissioned a review of the evidence. So, obviously, when that review has been concluded we will have some more further detail on the efficacy and the efficiency of some of these tests.

[10:30]

**2.10 Deputy M. Tadier of the Minister for the Environment regarding La Folie Inn (OQ.243/2023)**

Will the Minister commit his support to the delisting and demolition of the former La Folie Inn and, if not, will he explain why not and state his vision for the future of this building?

**Deputy J. Renouf of St. Brelade (The Minister for the Environment):**

If I may start by apologising for not being present in the Chamber. I have a chest infection and I think it best, particularly in deference to those who sit near me, that I attend remotely. Turning to

the question; I cannot support delisting and demolition of La Folie because it would be inappropriate to do so. I need to avoid prejudicing my position in case there is a future appeal relating to the site, whether that relates to a planning application or to delisting. What I can say is any demolition proposal would need to be considered within the context of a request to delist the building and require a justification as to why it is no longer of special architectural or historical interest. Vacancy and disrepair are not reasons to remove a building from the list. The management of change to any listed building or place is best considered through the process of a planning application and any such proposal would be judged against the relevant policies of the bridging Island Plan. My own view about the future of La Folie Inn, as it is about any vacant listed building, is that it should be brought back into a viable use, whether as a pub or something else, to ensure its sustainable long-term maintenance and to protect its heritage significance. There have been many successful examples of this kind of repurposing and I hope that as Ports of Jersey continue with their development plans for the harbour, they will bring forward proposals that safeguard the future of La Folie.

#### **2.10.1 Deputy M. Tadier:**

There was a question posed way back in 2009 by a fellow St. Brelade Deputy, of which the Minister and I now represent, which said that La Folie Quay is currently being master-planned by Jersey Harbours, W.E.B. (Waterfront Enterprise Board) and Property Holdings with the intention of maximising the greater value of the whole site for marine leisure in the long term. That is already 14 years ago and Deputy Howell was asking why the site had already been vacant for 6 years. When the Minister says that he wants to see the site repurposed, possibly as a pub, can I ask what active steps and conversations he has had with fellow Ministers and maybe Ports of Jersey, to make sure that we do not have to wait another 14 years before we get the same answer from a future Minister for the Environment.

#### **Deputy J. Renouf:**

That is a fair comment there, in a way. It is disappointing when buildings stay out of use for so long. What I can say is that the redevelopment of La Folie does form part of the harbour master plan. A public consultation was undertaken in the autumn of 2022 and I am told that it has recently been agreed that the Ports Policy Ministerial Group have decided that Ports of Jersey will undertake a high-level request for information exercise commencing in January to find out if there is interest in the development of visitor accommodation on the La Folie site, as well as the restoration of the former public house. I would say that work is planned. I think it is also fair to say that for Ports the redevelopment of the Elizabeth Harbour is the absolute priority at the moment but they are also undertaking work to progress the redevelopment of La Folie.

#### **2.10.2 Deputy M.R. Scott:**

Will the Minister express his views on whether what has happened with La Folie is indicating that system by which Government seeks to protect historic buildings is essentially broken, because they can simply be allowed to deteriorate and in the end will be demolished anyway?

#### **Deputy J. Renouf:**

I would not call it broken. I think we have a system whereby there is, in extreme circumstances, as was mentioned by Deputy Jeune in the last sitting, order powers to improve derelict buildings, to make them safe and so on. It is the preferred method to work with the owners of property to find ways to redevelop them. There have been many successful examples of this type. We have done this at a very large scale, where you can think of turning a Victorian fort into a leisure centre or a Jesuit college into an educational establishment or an educational establishment into housing. We have also done it on many small-scale examples. The aim is to work with the owner of the property to bring it back into use.

### **2.10.3 Deputy M.R. Scott:**

Would the Minister not accept that the actual approach he is taking in terms of conservation areas so far suggests that he thinks Government should be giving handouts to owners of these buildings and whether, in fact, this is a sustainable way of supporting our architectural heritage?

### **Deputy J. Renouf:**

No. We have moved slightly here on to conservation areas but the conservation area power that was passed by the last Assembly to give grants is the same as for listed buildings. It is a power that exists as a theoretical power; it requires money to be allocated through the Government Plan for it to actually happen. As was pointed out in the previous Assembly, that has not been the case for some years. In fact, I think the last grant was given some 10 years ago for listed buildings. I do not think that we have a problem. The problem we have there is not being able to give money where we might want to do so. If we bring the subject back to La Folie, I think it would be a stretch - a very great stretch - to expect the public to put money forward to the redevelopment of La Folie when it is owned by Ports of Jersey, who have income streams that they can utilise and a very large estate where they would be able to find resources, I would expect, within their operating budgets and so on to be able to fund that once they have come up with a scheme that safeguards the long-term future of the site.

### **2.10.4 Connétable K.C. Lewis of St. Saviour:**

I did ask a question in the last Assembly meeting regarding La Folie and the sea scouts. Does the Minister have a timeline for the redevelopment of the La Folie area? Does he not only believe that the organisations like the sea scouts should be provided for as it would make an excellent parade ground directly in front of it and it should not just be about profits for Ports of Jersey?

### **Deputy J. Renouf:**

As I say, I think the indications are that Ports will be asking for expressions of interest in terms of use of the site in the future, as in starting in the new year. I have not asked them about the question of sea scouts; I am happy to do so. I know the Constable has a particular interest in this area and I would be very happy to include him in those discussions. I think it feels like something that should be taken up with Ports in more detail. It may be that there is an appropriate solution there, it may be that there are appropriate solutions elsewhere.

### **2.10.5 Deputy M. Tadier:**

I believe that there is a wider vision for this area, which can stretch from the Weighbridge right through commercial buildings to where La Folie Inn is up to Fort Regent, which could be Jersey's new cultural quarter, if the Government had the vision to do that. Will the Minister agree to look into a creative thinking, which may involve direct Government support? Would he also look into the fact that La Folie could be reacquired by Government directly? That conversations could be had with Highlands College and the construction industry to rebuild La Folie and to run it as a direct department of Highlands College for the hospitality faculty to bring much needed practice, expertise and a revenue stream back into that area.

### **Deputy J. Renouf:**

There was quite a bit there but if we focus on the La Folie related elements. I am not sure I would agree that it would be appropriate for the Government to take it back into use. It is worth remembering that the listing of La Folie is complemented by other listings; for example, of the English and French harbours, and they form a unit. To have those under single ownership feels to me to be a good thing and abstracting one of them from it, and therefore putting it into a different set of strategic priorities and so on, does not feel like the right way to go forward. I think we do have to wait for Ports of Jersey to come forward and say what they think their vision is for that. That is something which will obviously then be open for consultation, and I think it will be very interesting

to see what thoughts that stimulates. I do not particularly want to prejudge that at the moment. We do have arm's length organisations charged with doing that work for us and, as I say, I do think, as it is part of a unified site extending and covering quite a large area, that it is appropriate for it to stay under one ownership and for it to be developed in that way.

## **2.11 Deputy M. R. Scott of the Minister for Social Security regarding the deferral of Social Security payments (OQ.246/2023)**

Regarding the deferral of social security payments by employers from the COVID-19 pandemic to date, will the Minister state the total number of employers who have benefited from these deferrals, and the highest number of employees of any single employer for which deferral of payments was agreed?

### **Deputy E. Millar (The Minister for Social Security);**

1,176 businesses and employers benefited from the deferral of social security contributions. Social security contributions were deferred for the first 2 quarters of 2020 for all companies with less than 80 employees. Those with more than 80 employees could also benefit from the deferral but would have needed to apply. Different employers were in the scheme for different periods of time and many deferred part of their contribution liability rather than the full amount due relating to both part-time and full-time staff. As a result, officials are unable to conclusively state, without diverting significant resources, the highest number of employees for any single employer.

#### **2.11.1 Deputy M.R. Scott:**

Regardless of whether the Minister has the figures at hand or not and whether Deputy Southern feels she should or not, would she be able to express this as a percentage of total employers? I will leave it at that since it seems that just referring to the different sizes of workforces is a difficulty for her department.

### **Deputy E. Millar:**

I do not think it is a question of difficulty, it is just what information you record and when and why. I am sorry, I have lost the track of her questions.

### **The Bailiff:**

Something about expression as a percentage but I have to say that I did not entirely ...

### **Deputy E. Millar:**

I do not have that number, 1,176, as a percentage of businesses as a whole. We have businesses of all types, from huge employers to sole traders. I do not have that number to hand but if she would like it I am sure it can be obtained.

## **2.12 Deputy B.B. de S.V.M. Porée of the Minister for Infrastructure regarding donation of profits from plastic bags (OQ.251/2023)**

In relation to the 70p charge imposed on the sale of reusable bags, will the Minister advise what consideration, if any, has been given to the profits made from the sale of such bags, and the option for those profits to be donated to environmental causes; and, if not, would the Minister say why not?

### **Deputy T. Binet (The Minister for Infrastructure):**

Thank you to Deputy Porée for that question. I am reliably informed that paragraph (d) of P.64/2020 proposed all retailers would be required or should be required to give the profits of the sales of plastic bags to environmental charities. But after considerable discussion, it was decided that it really was not a feasible option because of the difficulties involved in identifying what was being sold, how did we get hold of the money, and it also was not deemed appropriate for the Government to be deciding upon which charitable environmental causes to give the money to. So it was rejected in 2020.

### **2.12.1 Deputy B.B. de S.V.M. Porée:**

Forgive me for saying, but that in principle seems to be so wrong. Again, going back to the single use of plastic bags, the law came in to look at the impact on the environment these bags are making and by reducing them that would be the way forward. We are carrying on producing them, we are charging and the companies ...

#### **The Bailiff:**

Deputy, this does have to be a question.

### **Deputy B.B. de S.V.M. Porée:**

Okay. Would the Minister be prepared to look at it again, because presently it looks like the companies and businesses are making money out of the environment?

### **Deputy T. Binet:**

I agree with the sentiment of what Deputy Porée has to say. We are still confronted with the difficulties. We have had some questions early on about plastic bags and I have committed to looking at all of this. I think if the Deputy goes to her computer or her phone, she will find that there is already an invitation to meet me - I certainly hope there is - and we are going to get on and look at it.

### **2.12.2 Deputy M. Tadier:**

Will the Minister say whether he supports the principle of the 70p charge for these bags?

[10:45]

### **Deputy T. Binet:**

I certainly think it is sensible to try and prevent people from using plastic. It irritates me as much as it irritates other people.

### **Deputy M. Tadier:**

I do not think he has answered the question, to be fair. I do not want to use the supplementary given the fact he is not answering.

### **Deputy T. Binet:**

No. If the question is: do I support the principle? Yes, I thought I had made it clear but if the word "yes" is required, then, yes, it is.

### **2.12.3 Deputy M. Tadier**

Can I drill down into that because I very much see this 70p charge is not for paying for a bag, but it is a fine that you pay, a social fine, for forgetting your bag for life? Given the fact that he does support a 70p charge for a bag, what other charges does he support for other single use plastics that come from shops? If he does not support them, will he explain his rationale?

### **Deputy T. Binet:**

Well, I have been caught on the hop a little bit here. I am not quite sure what the Deputy is referring to. If the Deputy would like to be specific about what other types of plastic bag or plastic uses that has particularly caught his interest, I will try and give a specific answer. But I do not really consider that that question was sufficiently specific, for me to find an answer to.

#### **The Bailiff:**

I think the specificity of the question is probably a matter for me, Minister. I have to say that it does seem to me to be outside the purview of the original question, which is the 70p charge imposed on

the sale of reusable bags and whether those profits should be returned to environmental causes. I think if we are going wider than that ...

**Deputy M. Tadier:**

It clearly flows on from the question so it is not a complete non-sequitur. I am asking about the rationale for the Minister's support for this policy, which he says he does support. He did say in his answer that he supports the reduction of all plastics. I want to know where does his support for charging for single use plastics end? If he cannot answer that now, that is fine.

**Deputy T. Binet:**

I will try and say. Where does it end? It is a very, very broad subject. Not one that I think that can be the subject of questions with notice. I do not think it is appropriate. If Deputy Tadier would like to join Deputy Porée and I when we meet, I would be delighted to meet with him, too.

**Deputy M. Tadier:**

Thank you, but I will wait until he is better.

**Deputy T. Binet:**

Hopefully tomorrow.

**2.12.4 Deputy G.P. Southern:**

That was the most resigned tone I have heard for a while. "I suppose I have got to ask Deputy Southern to us to ask the question."

**The Bailiff:**

I would not assume that it was a reference to you, Deputy Southern. The resignation of the tone could easily have been referring to something else.

**Deputy G.P. Southern:**

Absolutely, Sir. The question is: when the Minister says this idea was rejected, did he mean rejected by retailers or rejected by the Government?

**Deputy T. Binet:**

Rejected by the Government.

**2.13 Deputy G.P. Southern of the Minister for Social Security regarding progress on the minimum income standard (OQ.244/2023)**

I think we might squeeze a bit more out of this particular question. Further to the adoption of P.78/2022, and her agreement to investigate options to convert the minimum wage to a living wage in Jersey and report back to the Assembly before the end of December 2023, which is now, will the Minister advise what progress has been made, if she has considered the concept of a minimum income standard, and what comparisons will be made with other jurisdictions?

**Deputy E. Millar (The Minister for Social Security):**

I thank the Deputy for his question. I can confirm the information provided earlier by the Chief Minister that the report set out in P.78 is in the final stages of preparation and will be filed with the Assembly before the end of this year. I can also confirm that the report will include information on the use of minimum income standards by voluntary organisations in other countries and an international summary of living wage campaigns.



**2.13.1 Deputy G.P. Southern:**

Can I follow that up as well with further information as to what charitable organisations concerned with poverty issues were consulted in arriving at the policy, which we will see at some near future time?

**Deputy E. Millar:**

I do not recollect which charitable organisations were consulted. I know we have gone to the Employment Forum, which is the right thing to do for matters regarding the minimum wage. I do not recollect how widely our consultation went. It will be clear in the report.

**2.13.2 Deputy M. Tadier:**

Does the Minister agree that it is difficult to consider issues around the living wage without also considering the issue of living rents?

**Deputy E. Millar:**

The 2 things are not part of ... rent is not part of my remit and I do not believe the report on the living wage and minimum wage will consider rent.

**2.13.3 Deputy M. Tadier:**

Does the Minister agree that when reports have come forward looking at those living in relative low income, that one of the biggest stresses to that income is the amount of rent in the homes and accommodation that they have to pay for. Could she explain how indeed they can be decoupled?

**Deputy E. Millar:**

I think that is a difficult question to answer because in Jersey, aside from the minimum wage, we also have income support and income support will help people who are in rental stress.

**2.13.4 Deputy S.Y. Mézec:**

The Minister said she could not quite recall what charities might have been consulted with on this work. Is she really not able to recall whether Caritas was engaged with, given that the role they have played on the Island as a leading authority when it comes to this particular campaign and the contacts that they have with economists elsewhere to calculate what the living wage is? Was their expertise not called upon to help with this review?.

**Deputy E. Millar:**

There is a very wide question moving between minimum wage and living wage. We have looked at a number of comparisons. I think Caritas is certainly mentioned in the report but I simply ... the work was largely conducted by officers. I am going to suggest it really would be better, given that the report will be here very shortly, for people to wait until they have read the report rather than prejudge its contents.

**2.13.5 Deputy S.Y. Mézec:**

I do not think anyone has prejudged the contents. We were trying to find out what the contents are. Would the Minister, therefore, inform the Assembly whether she intends, when that report is published, to engage with Caritas so that they can benefit from their expertise on what might be questions of implementation or how to reach some of the more hard to find people in our community suffering from financial vulnerability? Will she endeavour to make that a matter of priority?

**Deputy E. Millar:**

Again, I think until the report is out there is not much point in having hypothetical discussions.

**The Bailiff**

Final supplementary, Deputy?

**Deputy G.P. Southern:**

I feel I cannot squeeze any more out of this question. No, thank you.

**2.14 Deputy S.Y. Mézec of the Minister for Housing and Communities regarding the delivery of a Residential Tenancy Law (OQ.250/2023)**

Will the Minister state whether he will meet the timeline set in his delivery plan to lodge new residential tenancy law in quarter 4 of this year; and if not, why not?

**Deputy D. Warr of St. Helier South (The Minister for Housing and Communities):**

I thank the Deputy for his question. It is my intention to submit draft legislation for a new residential tenancy law in Q3 2024. I believe the Deputy knows that the new law will not be submitted according to the timeline he has referenced. Therefore, it is not immediately clear to me why he has asked the question, but I will nevertheless take the opportunity to provide some background. In November 2022, I proposed the nomination of chair and members of the Rent Control Tribunal but this proposition was paused through a reference back process in the States Assembly out of concern about the scope and powers available in the Rent Control Tribunal in the modern context. After a period of reflection, I decided to withdraw the proposition to reappoint the Rent Control Tribunal early this year and instead take a more holistic and less piecemeal approach to residential tenancy reform, which I hope is the approach the Deputy continues to favour. I decided to widen considerably the relatively narrow scope of the original planned update of the residential tenancy law developed under the previous Council of Ministers. My proposed expansion includes bringing social housing into scope of the law, incorporating a housing tribunal with a wider remit, looking at the best means of bringing in rent stabilisation and better alignment with public health and safety legislation. Given the importance and scale of these changes, I published a White Paper in April this year setting out my reform proposals. It was at this point I made clear that we had moved on from the original intention to do something more narrow in scope by the end of this year, clearly stating that new draft law would not be ready before spring 2024 because of its widened scope. I subjected my proposals to the scrutiny of a public consultation which ended in June this year. During the consultation, I engaged directly with Islanders and listened to their views. The results of the consultation will be published soon and I will take them into consideration in developing draft legislation. Due to the scale of engagement ...

**The Bailiff:**

Sorry, I must ask you to finish your answer, you have already been 30 seconds over.

**Deputy D. Warr:**

Sorry, I have one half paragraph to go, Sir.

**The Bailiff:**

Well, I do not know how long it will take you, Deputy.

**Deputy D. Warr:**

Okay. Shall I stop there? You want me to stop there?

**2.14.1 Deputy S.Y. Mézec:**

The Minister just referred to the results of the consultation being published soon. When is “soon”? Can he confirm when he is intending a new residential tenancy law to be in operation for everybody to benefit from?

**Deputy D. Warr:**

I thank the Deputy for his question. The consultation process has now completed. A draft report has been produced, which is being reduced in size because we want to be very, very clear about what we have been told by those who we have engaged with. We have to be very, very careful with this law because just under 50 per cent of all people in this Island are renters and if we get this law wrong by being too hasty, we will do them a great disservice.

**Deputy S.Y. Mézec:**

He did not attempt to answer the second part of my question, which was when we are looking at for a timeline for that law being in force.

**Deputy D. Warr:**

I just would like to reference my delivery plan for the Minister for Housing in 2024. We will develop and present law drafting instructions that will improve rental accommodation standards and provide enhanced protections for both tenants and landlords. Updated law drafting instructions were submitted in Q3 2023 for draft legislation in Q3 2024.

**The Bailiff:**

Yes, that sounds like draft legislation before the end of the year.

**Deputy S.Y. Mézec:**

My question was about when the law would be enforced. You can pass a law and say it does not come into force for a time period afterwards. I am trying to ...

**The Bailiff:**

I think your question is: is there any intention to defer the coming into force of the law once the Assembly adopts it? Was that the question? Are you able to answer that?

**Deputy D. Warr:**

No, Sir, because of the scale of the consultation process and the scale of the law.

**2.14.2 Deputy L.V. Feltham of St. Helier Central:**

Given that we have a housing crisis on the Island and housing is one of the areas of the Government's relentless focus, does the Minister feel that he has enough resource within his policy team in order to pass the necessary legislation in a timely manner to make real, effective change that Islanders so need?

**Deputy D. Warr:**

I do.

**2.14.3 Deputy L.V. Feltham:**

I am surprised to hear the Minister's answer given that the legislation has been delayed. Could he then confirm how much resource is laid out within the Government Plan for this policy and legislation work, and what arguments he may have made to other Ministers around the table of the Council of Ministers to ensure that the right level of resources is in place to lead to meaningful action quickly for Islanders?

**Deputy D. Warr:**

Sorry, I am just trying to unpack that question. The law drafting instructions were underway prior to me becoming the Minister for Housing and Communities so that gives some idea of the scale of the law. In terms of resources, I believe we have the correct amount of resources. I have not had to fight with other Ministers to gain more resources. As far as I am aware, I am perfectly satisfied that the

level of resource we currently have is perfectly adequate to deliver the law in the timeframe, as I have laid out.

[11:00]

**2.15 Deputy R. J. Ward of the Minister for Justice and Home Affairs regarding reduction in funds to police to put towards farming (OQ.240/2023)**

Will the Minister advise what involvement, if any, she had in the decision regarding the £47,000 extra savings from the States of Jersey Police, put forward in the 33rd amendment to the Proposed Government Plan 2024-2027 and linked to funding for farming?"

**Deputy H. Miles (The Minister for Justice and Home Affairs):**

I thank the Deputy for his question. In order to fund what the Assembly agreed in adopting P.74 earlier this year, the Council of Ministers have lodged an amendment to the Government Plan to increase the value for money commitments required of departments. This should not surprise the Assembly. During that debate just last month, my colleague, the Minister for Treasury and Resources, stood up and told this Assembly that it would be hard to find the money required. He informed the Assembly that, and I quote: "The hard reality is that there will need to be savings delivered across departments to provide this additional money." My colleague from St. Brelade, Deputy Renouf, too, rose to his feet and urged Members to remember this situation when we are discussing the Government Plan. Quite presciently, he suggested that Deputy Luce may not find quite as much support if he were to be bringing the proposition here to cut £3 million or £4 million off the front line services. It was an acknowledgment that there would be difficult decisions to be made and, indeed, difficult decisions have been made. That has included the additional value for money commitment for the police and an extra value for money commitment for all of the other emergency front line services. This was agreed by the Council of Ministers, albeit subject to some robust discussions on my part. That was how we have arrived at the current position.

**2.15.1 Deputy R.J. Ward:**

Therefore, can I confirm with the Minister that she has no concerns about this £47,000 being lost from the police and she agrees with that cut being made?

**Deputy H. Miles:**

As I said, this was subject to some robust discussions around the Council of Ministers' table. I made my views clearly known on behalf of the States of Jersey Police and the other Jersey Home Affairs services to defend our front line service budget, as my colleagues know that I always will. As Ministers with a wide breadth of portfolios, we will approach difficult positions like these with different authorities and we face difficult challenges. I certainly do not envy the Minister for Treasury and Resources challenge in ensuring that he balances the books, but of course he must. I know that he understands the significant challenge I face in keeping this Island safe and I will be monitoring the impact of this closely. The Minister for Treasury and Resources knows that I will be knocking on his door if I have any concerns at all about public safety. Ultimately, the Council agreed this approach as being the best option given the finite pot of money we have available. As a Member of Council, I support this.

**2.15.2 Deputy L.V. Feltham:**

I note that the Minister voted in favour of P.74/2023, so could the Minister clarify whether she anticipated this cut to her department's budget at that time of that vote?

**Deputy H. Miles:**

Thank you for the question. I did indeed vote in favour of P.73 and my feelings there were clear that we need to support the agricultural industry and our fishing industry. I was concerned, actually not

at the time ... I was concerned about the process, I was concerned that we were able to have an amendment, a proposition of that nature, given that the Government Plan had already been lodged. My feeling was quite clear that any amendment that would have resulted in a reduction in budget available to the Government Plan should have been brought during this process.

**2.15.3 Deputy L.V. Feltham:**

In the Minister's initial answer to the first question, she seemed to suggest that other Members should have been aware that this was a potential eventuality, when they made that vote on the initial proposition. Why did Ministers not provide such information in the comments paper to enable Members to make a more informed decision at that time? Is she saying that Ministers did not decide at that point or had not decided at that point where the cuts were going to come from?

**Deputy H. Miles:**

I said in the initial part of my question, I find it difficult to believe that Members were not aware. The Minister for Treasury and Resources made it abundantly clear that the money would have to come from somewhere. As my colleague, Deputy Renouf, said, when we are discussing the Government Plan we may not find quite as much support if he were to bring a proposition here to cut £3 million or £4 million of front line services. At the point that I think Members agreed that proposition, the Government Plan had already been lodged and it was evident that it was going to be difficult to find that level of funding as a result of a sideline proposition.

**2.15.4 Deputy S.Y. Mézec:**

Could the Minister explain to States Members what, if any, indication the police service has given to the Minister for Justice and Home Affairs of exactly what this £47,000 cut would entail for them and what they would do to implement that?

**Deputy H. Miles:**

I thank the Deputy for the question. To date, we have not had those conversations.

**2.15.5 Deputy S.Y. Mézec:**

Does that not then mean this cut meets the definition of a speculative saving, which is precisely what the Fiscal Policy Panel is telling us not to do?

**Deputy H. Miles:**

No, I do not agree that it is a speculative saving. There are operational issues. The next time I meet with the chief police officer, I will discuss with him what we are going to do to attempt to make this extra saving.

**2.15.6 Deputy M. Tadier:**

Is the Minister confident that, as we have seen in the past, this is a potential false economy where we are going to be just saving up problems for the future and that a future Minister for Justice and Home Affairs may be dealing with the consequences of these very real cuts in 5 or 10 years' time when it comes to issues on the street in Jersey?

**Deputy H. Miles:**

I thank the Deputy for his question. As the current Minister for Justice and Home Affairs, I can assure him that I am already dealing with the effects of decisions made by previous Assemblies. All I would say to that is depending on the efficiencies and effectiveness that we are able to make, there will always be an opportunity for me to try to restore some balance, if required, in future Government Plans.

### **2.15.7 Deputy R.J. Ward:**

The Minister mentioned that we perhaps would have been aware of cuts to front line services when this was passed. Therefore, can we assume that the £47,000 will be from front line services? Is that what we are being told, because you cannot have threats of front line service cuts and then suddenly there will not be front line service cuts? So which is it?

### **Deputy H. Miles:**

The States of Jersey Police are a front line service. No matter where the elements of that £47,000 come from, be that back office, be that forensic services, be that human resources, all of those services contribute to the front line policing of this Island.

## **3. Questions to Ministers without notice - The Minister for Children and Education**

### **The Bailiff:**

We now move to questions without notice. The first Minister to answer questions is the Minister for Children and Education.

### **3.1 Deputy L. J. Farnham:**

Could the Minister explain the reason for the resignation of the well-respected and highly regarded head of Les Quennevais School, which I believe was tendered last week?

### **Deputy I. Gardiner (The Minister for Children and Education):**

Thank you for the question. I did have a very good professional meeting a month ago with the head of Les Quennevais and, as it was announced, she is going to be the headteacher of St. George's. It is a change of career and it is her private decision.

### **3.2 Deputy R.J. Ward:**

May I ask the Minister whether she will be supporting amendment 20 to the Government Plan that allocates funds to settle the teaching dispute?

### **Deputy I. Gardiner:**

I think this is a matter for debate. This is why we are going into the debate, we will have our discussions and the decision will be made during the vote.

### **3.2.1 Deputy R.J. Ward:**

I thank the Minister for the answer. Can I, therefore, can confirm that there is not a Government position, a Council of Minister's position on that amendment and that there is a free vote on whether or not you can accept that amendment?

### **Deputy I. Gardiner:**

There is always a Government position but each Member of the Government have what was written in their manifesto commitments. So it really depends where each one stands. But, going back, we are going into the debate and the debate is the debate.

### **Deputy R.J. Ward:**

I did ask whether there was a Government position; the answer was there is and there is not?

### **Deputy I. Gardiner:**

No, there is a Government position and comments for the Government position have been submitted. I said the caveat that each of the Members of the Government, as you know, according to the Council of Ministers Code of Conduct, we are voting with the Government as per the Government position

unless you have a very clear statement in your manifesto, in your written manifesto, that you are committed to something.

### **3.3 Deputy S.Y. Mézec:**

Following on immediately from that question, then can I ask, therefore, if this Minister's manifesto position puts her at odds with the stated Government position?

#### **Deputy I. Gardiner:**

I think we need to wait until the debate and decide because I would like to hear all presentations, including the presentation from Deputy Curtis, because things are missing from my perspective in the report and I would like to hear.

#### **3.3.1 Deputy S.Y. Mézec:**

Was her manifesto position then to have no position until she had heard what a Back-Bencher had come up with? I am trying to work out what her position as Minister for Children and Education ... what her own democratic mandate is, since she says we can have a separate position if it is in our manifesto. When I asked what that position was, she will not give me one.

#### **Deputy I. Gardiner:**

I think really it is about the democracy and democracy is to have a proper democratic debate in the Chamber.

#### **The Bailiff:**

I think the answer is that the Deputy is not prepared to say what was in her manifesto at this point.

### **3.4 Deputy A. Howell of St. John, St. Lawrence and Trinity:**

There was a consultation with parents and headteachers regarding costs of school uniforms, I think, earlier this term. Is the Minister, please, in a position to give us the results of the survey.

#### **Deputy I. Gardiner:**

I thank the Deputy for her question. First of all, we did have a consultation that had 588 respondents across primary and secondary schools, including J.C.G. (Jersey College for Girls) and V.C.P (Victoria College Preparatory) responded. Fifty-five per cent of parents were either very dissatisfied or dissatisfied with the current cost of uniforms. The majority of parents are spending between £100 to £200 on school uniforms per year and the majority of parents advised they felt there were too many branded and compulsory items. They believed that it should be between one and 2 items of the branded clothes for the main uniform and one and 2 branded or compulsory items for P.E. (physical education) uniform.

#### **3.4.1 Deputy A. Howell:**

Can I just clarify, 588 people responded but we may have something like 16,000 students; is that correct? Of those, 266 people were dissatisfied.

#### **Deputy I. Gardiner:**

First of all, it is important to think that some parents when they respond they have more than one child, they can have 2, 3, 4 children, and there will be one response. Second, I have now asked headteachers to follow up because when the survey was produced we did have a headteacher dispute but now that is settled and they can do the same survey within the school. On top of this, if the Deputy can recollect, every August and September we have BBC and ITV programmes for an hour when the parents are saying about the high cost of the uniform. It was a very clear public outcry over the last 2 years at least. We also had the J.C.R.A. (Jersey Competition Regulatory Authority) report, which has highlighted the numbers of branded and compulsory items. Some schools do not have

any, some schools have one or 2 and some schools have 17. So the gaps are very, very big and this is the reason that the new policy will be finalised by the end of this year and published with a 3-year implementation period. We will make sure that the implementation period is long enough to ensure that people who spend money on the uniform do not need to spend new money and also suppliers can adjust and not lose money.

### **3.5 Deputy M. Tadier:**

Would the Minister state whether there is a clear whistleblowing policy with regard to Children's Services and social workers at Children's Services to ensure that if staff raise issues that they consider to be whistleblowing matters, they will not be disciplined or sacked as a result?

[11:15]

### **Deputy I. Gardiner:**

As the Deputy is probably aware, we have a government-wide whistleblowing policy. There is not a specific one for Children's Services because once we have the government policy it is applied for all government employees.

#### **3.5.1 Deputy M. Tadier:**

Can the Minister therefore assure that if whistleblowers come forward with areas of practice that they think needs general or urgent attention, that they will be listened to and that they will not be put through a disciplinary process?

### **Deputy I. Gardiner:**

Absolutely. It is really important if the public servants, our employees, become aware of wrong practices; I would welcome it. Something that is important to mention is we just finished our inspection. It was an independent inspection of our Children's Services and the staff had an opportunity to speak openly with the inspector about different practices. I have a meeting today at lunchtime for an informal briefing from the head inspector to at least indicate their impression. The report will be published on the 14th February, Valentine's Day. This is how we can all learn, including me, what needs to be changed.

### **3.6 Deputy R.J. Ward:**

May I ask the Minister about P.33, the cuts from budget to establish money for farming. Sorry, not the best explanation I have ever given. It details £286,000 from the Minister's budget. Did the Minister offer up these savings or were they offered to her?

### **Deputy I. Gardiner:**

Thank you, Deputy, for the question. Like the Minister for Justice and Home Affairs, I was not a big fan of the particular proposition. If the Deputy remembers, I did speak in the Assembly because personally I felt very strongly that that proposition was brought in outside of the process and I realised at the time that some budget will be touched, including mine. Actually, I thought it would be more but it is £200,000. Am I happy about it? No. Am I going to look together with my chief officer at what can be done? My point, I am not ready to cut the front line services and if it comes to that point, I will be knocking on the door of the Minister for Treasury and Resources.

#### **3.6.1 Deputy R.J. Ward:**

Is the Minister certain that this money can be taken from a budget that is so much under strain when, for example, there is not enough money for a pay rise for teachers and they have taken continued strike action?



**Deputy I. Gardiner:**

I am concerned about other pay groups as well as teachers. Like we have teaching assistants, we have other pay groups, we have lots of stress on the budget and, at the same time, all of us here in the Assembly, including Deputy Ward, supported extra funding for the hospitality. My point ... and this is how I would like to check with hospitality, and this is maybe where we can do savings, if the Trident programme can be extended to ... sorry to agriculture, not to hospitality. If the Trident programme can be extended to agriculture and fisheries. If they will take more apprentices into the agriculture and fisheries. How our skills agenda ... if we can save something working together with the industry actually it may be a win/win situation. For me, it is to find the solution outside of the box but not to cut front line.

**3.7 Deputy S.Y. Mézec:**

Where are those £286,000 of proposed extra savings coming from and, practically, what do they mean?

**Deputy I. Gardiner:**

This will be the meeting with my chief officer and with my finance partner to understand what is proposed. I still have not seen exactly where it will come from. There are several options but it is definitely not coming from the front line.

**3.7.1 Deputy S.Y. Mézec:**

So we are offered cuts without being told what they are, without even the Minister knowing what they are. Does she accept that this amounts to speculative savings, which is exactly what the Fiscal Policy Panel has told the Government not to do?

**Deputy I. Gardiner:**

No, I do not accept that it is speculative because we would need to work ... as the Assembly decided, including Deputy Mézec, we need to find it somewhere in the budget.

**The Bailiff:**

If there are no other questions for this Minister? You have your light on, would you like a third question?

**3.8 Deputy S.Y. Mézec:**

Please, if no one else wants one. Can I ask the Minister how a cut, which she cannot at this point substantiate to any degree of detail whatsoever, does not meet the definition of speculative?

**Deputy I. Gardiner:**

Because there are several options how these savings can be made. Actually, there are several options how the savings can be made. I give an example. Currently I have 50 per cent agency social workers. We are bringing in a different type of recruitment. The agency social workers cost much more than the permanent ones, this is why we are having a reform and making sure that we are recruiting permanent staff. This is one of the ways.

**3.8.1 Deputy S.Y. Mézec:**

That is an excellent example which I wholeheartedly support because it is a genuine efficiency and not a cut. Could the Minister therefore tell us if this is a new proposed saving for this £286,000 or was it one that was included in her original allocations for the value-for-money programme?

**Deputy I. Gardiner:**

This is the conversation, that this £200,000-plus would be part of the value-for-money programme.

### **3.9 Deputy M. Tadier:**

Would the Minister agree that another part of a speculative arsenal is to say that the Government is cutting my budget, therefore I am going to cut some of my services. For example, where currently we provide services in children's healthcare effectively, that is something that we believe should be done at the Health Department so we are going to discontinue these services and allow those services to be picked up by another department. Are those the kind of lines of thinking that the speculation in the Education Department is looking towards?

### **Deputy I. Gardiner:**

I am not entirely sure if this question is not speculative, because children's health from the Health Department is not connected to the Children, Young People, Education and Skills budget. I am not entirely sure what I can answer, apart from we are not cutting services. We actually opened new services this year.

## **4. Questions to Ministers without notice - The Minister for Sustainable Economic Development**

### **The Bailiff:**

That brings the time for questions to this Minister to an end, I am afraid. We now have a period of questions for the Minister for Sustainable Economic Development.

### **4.1 The Connétable of St. Saviour:**

Members are aware that food is going up month by month, if not week by week. Lots of people are feeling the pinch and having to go to food banks. Further to this, we have been informed that, as of 1st January, shipping could possibly go up by as much as 19 per cent. I am sure the Minister is on to this, but would he explain to Members what action he will be taking because this will surely be passed on to consumers?

### **Deputy K.F. Morel (The Minister for Sustainable Economic Development):**

The Connétable is absolutely correct. We live in a high inflationary environment. The whole world is living in a high inflationary environment at the moment. But I am pleased that it seems that locally inflation appears to have peaked and the rate of inflation at the last check had come down from 10.9 to 10.1 per cent. That includes interest rates. We also expect, as interest rates hopefully will fall, inflation will fall further. I was deeply concerned to read about the large increase in shipping freight prices. I have written to the chief executive of the company concerned and have asked for justification of those rate rises. Of course, as I have just explained, I do appreciate that all companies at the moment are facing increases in prices and they will, of course, pass these on to consumers. Energy, fuel and so on have been part of those rate rises. I will wait and see what the chief executive responds, but I imagine things like that will be part of their response.

#### **4.1.1 The Connétable of St. Saviour:**

Just to illustrate the point. In my local supermarket a can of soup - I will not mention the variety, but there are 57 of them - was £1.50, £1.60 and now £2, which is absolutely ludicrous. It does illustrate that we must all shop around and use the Jersey Price Comparison or PriceComparison.je to get value for money. Will the Minister use his utmost to keep prices as reasonable as possible?

### **Deputy K.F. Morel:**

The pricing that the Connétable is seeing in his own supermarket is a reflection of the real world that the Connétable also has to live in. Therefore the inputs into the price of those canned goods that he references have increased in price. The provider, the producer, therefore, has to pass that on to the consumer. This is what is happening in the world at the moment caused by such things as COVID. There is no question in my mind that while many of us have forgotten that COVID had such a large

impact, the economic effects are being felt now and we will continue to feel those economic effects for some time. I, of course, have no direct control over pricing but I do chair the Cost-of-Living Group of Ministers. We do meet regularly, whatever very few levers we have we will use to the best effects and I will commit to continuing to do that. But as we do not control interest rates and we do not control pricing directly, the levers we have are small.

**Deputy M.R. Scott:**

Sir, this was a supplementary.

**The Bailiff:**

I beg your pardon?

**Deputy M.R. Scott:**

No, okay, fine. No, fine, I will ask the question I had.

**The Bailiff:**

I do not understand. This is questions ...

**4.2 Deputy M.R. Scott:**

Okay, I will ask the question. What action has the Minister taken this year that he can demonstrate has grown the economy?

**Deputy K.F. Morel:**

Such a wide variety of actions have been taken throughout the year by officers on my behalf, principally within strategies that have already begun, such as the arts, culture and heritage strategy where we are seeing increasing activity within arts, culture and heritage. Obviously, the rural and marine economy strategies have also been put into play. We are currently working on the visitor economy strategy. That in itself will be seeking to provide guidance for greater investment in the local economy and for increasing the number of tourists that come over here. Through Visit Jersey, over the past year, we have seen increased numbers of tourists that have helped grow the economy in that way. We have obviously also seen the good work of the Minister for Home Affairs in enabling tourists from France to come here with their identity cards. That, in itself, enabled an 80 per cent increase or thereabouts in the amount of a day-trip tourist to Jersey, thereby increasing the economy as well. There are thousands of businesses in this Island that I am incredibly proud to represent, as Minister for Sustainable Economic Development. Every day they are working to grow the economy of this Island. Every day I am working on my side, as we have just seen with the publication of the *Barriers to Business* report, on creating an enabling environment that will help those businesses thrive and, therefore, provide greater economic output and, therefore, enable us to meet the cost of rising healthcare and social care costs in the 15, 20 years ahead.

**4.2.1 Deputy M.R. Scott:**

My question was: how can the Minister demonstrate he has grown the economy with Government's own figures indicating that the economy has shrunk outside the financial sector by 4 per cent in real terms? With the Minister having just referred to work on reports, how can he demonstrate that any actions taken by his officers have grown the economy?

**Deputy K.F. Morel:**

It is quite clear to me that with a 6.7 per cent increase in G.V.A. (gross value added) 2022 over 2021 that the economy has grown nearly 7 per cent. There are different cycles within any economic environment. We are coming out of the back of Brexit and we are coming out of the back of COVID. What the Economy Department has been doing over the past 2 years is focusing on stabilisation and providing the direction that various sectors outside of the financial services sector have asked for.

We have been asked for strategies to provide north stars, as people often say, for tourism, for rural and marine, for arts, culture and heritage, for sport. These are the pieces of work that we are doing for the digital economy. These are the pieces of work that we are doing. Those strategies are then put into implementation and delivered. Through there we will see economic growth; that is the intention. Once those strategies have had time to be embedded I will then be able to turn round and speak to the Deputy and point to her exactly how these strategies have helped grow the economy. But you cannot have a strategy without first working on it and drafting it and publishing it.

[11:30]

#### **4.3 Deputy L.V. Farnham:**

Back to Condor, which is a subject I know a bit about. The Minister and I worked or wrestled with it for a number of years. Was the recently announced 19 per cent increase in freight discussed with the Minister or any of his team, as I believe is a requirement of the contract which they are currently under before it was implemented?

#### **Deputy K.F. Morel:**

I do not believe it was discussed. I believe it was notified and, as a result of that notification, I have written to the chief executive of the company asking for justification.

#### **4.3.1 Deputy L.V. Farnham:**

As the Minister will know, Condor is currently working through a notice period and their agreement is due to expire in August of next year, which will be upon us very soon. Can the Minister provide reassurance to the Assembly that plans are in place to either renew Condor's contract with something that is perhaps more suitable and gives the Minister more control than the current agreement or there are other arrangements in place, given the essential nature of the supply links they provide?

#### **Deputy K.F. Morel:**

A small correction if the Deputy does not mind. The operating agreement ceases at the end of March 2025, not August 2024. March 2025 is the deadline that we are working to. I can confirm that this is a piece of work that I am seriously engaged in. The aim of the piece of work is to make sure that we get best possible ferry services for our Island and that would indeed include an operating agreement that has, in the colloquial, teeth that can ensure that whichever companies are involved with providing ferry services to the Island, they can be held to account for operating outside of that agreement.

#### **4.4 Deputy L.V. Feltham:**

Could the Minister confirm whether or not his officers have undertaken any economic impact estimates on their regulatory technology to super tax deduction put forward in the Government Plan? If so, what is the estimated economic output? If not, why not?

#### **Deputy K.F. Morel:**

I believe that Treasury will have undertaken those economic impact assessments, as they are the department that has devised those regulatory tax deductions and I would expect to see that in the report to the proposition.

#### **4.4.1 Deputy L.V. Feltham:**

I am not sure where to go with that because I am quite surprised to hear that answer. Could the Minister confirm what his assessment of the economic value of the super tax deduction will be and whether there is a cost-benefit analysis that he has seen, as Minister for Sustainable Economic Development?

**Deputy K.F. Morel:**

I am surprised at Deputy Feltham's surprise because Deputy Feltham knows I am not Minister for External Relations and Financial Services and the regulatory deduction that she refers to is a reduction in financial services companies, therefore, it is not an area that I have oversight of.

**4.5 Deputy A. Howell:**

Can the Minister explain his views about the 11.1 per cent increase announced by Ports for 2024 following the 10 per cent in 2023?

**Deputy K.F. Morel:**

I understand that Ports have the .... I do not know if leeway is the correct word but they have the ability through Treasury to put up their prices by R.P.I. plus 1 per cent, so they have a maximum limit to go to. It seems that this year they have done exactly that. As I understand it, Ports was incorporated by the States Assembly in order to self-finance the development of our harbours and our ports infrastructure. That money, therefore, certainly needs to come from somewhere because they are not in receipt of taxpayers' money. The whole exercise, as I understand it, having read through the Scrutiny hearings of the day, suggest that their motivation behind incorporating Ports was to take the development of Ports off the States balance sheet. Therefore, I can only surmise that one of the reasons that the price rises have been notified by Ports is in order to finance their infrastructure development at both the airport and harbours, as well as of course, as I referenced in my answer to the Connétable of St. Saviour, that every company in Jersey, there is not a single company in Jersey that has not been hit by import price rises and Ports will be exactly the same.

**4.6 Deputy S.G. Luce of Grouville and St. Martin:**

As the Minister has already mentioned, as part of the future economy programme the results of the *Barriers to Business* report was recently published. Can I ask the Minister if there were any surprises in it and what his headline takeaways were?

**Deputy K.F. Morel:**

For me there were no enormous surprises. As someone who has been involved with the business community for many years, I had some idea where many would think that the main barriers to business are. I thought the biggest takeaway - and it is one that I think we should all learn from because it does not just relate to business, it relates to all areas of our work - was that the key finding, the key area that needed to change was in trust, so this was the big overall finding. While there were 8 areas for improving or reducing barriers to business, they were the availability of skills and people, something which I have spoken about here and I know the Deputy himself is very aware of. Interactions with the Government, which is something that I definitely expected to see there being problems because I know the length of time it takes for processes to be completed within Government is just too long very often for businesses to be able to cope with. Government administrative processes, logistics and customs and that is just obviously post-Brexit. It is very difficult trading outside of the U.K. Legislation and regulation, taxes, a lack of vibrancy in St. Helier town centre, which is something that myself and the Minister for Infrastructure and the Connétable of St. Helier, as well as the Future Places group, are working on, as well as issues that specifically affect small businesses and start-ups. None of those are any huge surprise to me but I really did think that the big takeaway was trust is vital, trust between Government and businesses and the breakdown of that trust or the erosion of that trust over the years has led to higher cost for businesses and slower processes. It is only as we improve trust that we will see that change.

## **5. Questions to Ministers without notice - The Chief Minister**

### **The Bailiff:**

I am afraid that ends the time for questions to this Minister. The final question period is of course for the Chief Minister.

### **5.1 Deputy P.M. Bailhache of St. Clement:**

Bearing in mind that the United Kingdom is only beginning to bring its own register of beneficial ownership up to Jersey's very high standard and bearing in mind also that opening a register to public scrutiny needs careful consideration in the light of the European Court's recent judgment on the implications of so doing from a data protection and human rights perspective, will the Chief Minister agree that accusations in the British House of Commons of Jersey's dishonourable conduct are misplaced and deplorable?

### **Deputy K.L. Moore (The Chief Minister):**

I thank the Deputy for the question. It was certainly a matter of concern to hear some voices in the House of Commons make suggestions and comments that were not accurate about our position here in the Islands. Along with my colleagues in the Isle of Man and Guernsey, we have been engaging on this matter as following on from the E.C.J. (European Court of Justice) judgment of last year and the importance that that placed on protecting identities and information, personal information, that would be in line with the laws that we consider to be of the greatest importance here in the Island.

#### **5.1.1 Deputy P.M. Bailhache:**

Following on from that, will the Chief Minister confirm that decisions in relation to our register of beneficial ownership will be for the Jersey Government and this Assembly and not for the U.K. Government or the House of Commons?

### **Deputy K.L. Moore:**

I would most certainly agree with the esteemed Deputy, who I know has a deep understanding of our constitutional position.

### **5.2 Deputy S.Y. Mézec:**

Speaking of constitutional positions. On Friday the United Nations Security Council voted on a resolution calling for an immediate ceasefire in Gaza and the unconditional release of hostages. That resolution was vetoed by the United States but the United Kingdom abstained on it. Speaking from a constitutional position, was the United Kingdom acting on behalf of Jersey when issuing that abstention and, if so, does it reflect the Government of Jersey's position on such a request?

### **Deputy K.L. Moore:**

The Deputy is very much aware of our position as a sub-sovereign nation on such matters. However, the Deputy will also be aware that along with leaders of the faiths in the Island, we have come together to show our unity and solidarity and our desire for peace.

#### **5.2.1 Deputy S.Y. Mézec:**

That answer did not refer to that specific resolution, which of course was what the question was about. But as a sub-sovereign nation, as the Chief Minister described us, does she agree that Jersey could and should join other sovereign nations within the British family, such as the Government of Scotland, the Mayor of London, the Mayor of Manchester, in breaking from the deplorable position of the United Kingdom on this and adding our voice to those global calls for the unconditional release of hostages and backing a ceasefire, which is the only way to end the human suffering in that area?

**Deputy K.L. Moore:**

I believe I gave a perfectly adequate answer in my previous answer. We are not members of the U.N. (United Nations) and the Deputy knows why. I go back to my previous answer and express my desire in the Island to work with all faith leaders to show that this Island is a place where we are a peaceful and respectful community. We work with other places. Just last week I met with the Crown Prince of Bahrain and members of his Cabinet, who were grateful for our expressions of unity and solidarity and the approach that has been taken here in the Island.

**5.3 Deputy M. Tadier:**

Would the Chief Minister explain when she says that the Government seeks peace in that area? I am sure that is a very universal desire but it is also quite an anodyne expression of hope for the area. Could she explain what she hopes will happen in the area and what she believes Jersey could be doing, using its own, albeit sub-sovereign voice, on this important issue to bring around that peaceful solution?

**Deputy K.L. Moore:**

I can only revert back to my previous statement that we, as a small sub-sovereign nation, are happy to work with others in expressing our desire for peace the world over; that is something that we can do in small ways.

**5.3.1 Deputy M. Tadier:**

Perhaps as a supplementary: what are those small ways that we could show that desire for peace?

**Deputy K.L. Moore:**

The words of Sir Keir Stamer, I think, are rattling around in my mind. I think he said at his party conference that: "Protest does not achieve power." I would wholly agree with Sir Keir on this point. I believe that by being respectful, by drawing together in peace, that we can express our desire for that and use soft power, as we have at our disposal.

**5.4 Deputy S.Y. Mézec:**

I note the Chief Minister quoting a fellow Thatcherite there. Could I ask the Chief Minister - and this is a constitutional question, it is no more than that - whether her declining of taking a different position to that expressed by the United Kingdom, which is one of abstaining on motions in support for releasing hostages and having a ceasefire, is that because she personally believes in that position of abstention on such a matter or is it because she does not feel that it is appropriate for Jersey's Government to deviate from the position of the United Kingdom?

[11:45]

**Deputy K.L. Moore:**

I believe I have answered this question, that we have made our statement because of our unique position and that is the position. We have in our previous statement called for pauses in hostilities so that aid could be given to those who needed it and that period has been put in place and that has passed. It is, as a sub-sovereign nation, not our place to do anything other than that. It has been expressed previously in this Assembly by myself and by others, we do not have at our disposal the intelligence that would have led to the position that was adopted by the United Kingdom in that vote last week.

**5.4.1 Deputy S.Y. Mézec:**

Of course we were in a position to do that in 2002 when we disagreed with the U.K. position on the illegal invasion of Iraq and other sub-sovereign nations in the British family have taken it upon themselves to take different positions. I have mentioned them; the Government of Scotland, the

Mayor of London, the Mayor of Manchester. The Chief Minister referred to the humanitarian pause there, a pause which has since expired and the killing has continued. We are now at almost 9,500 children killed by this conflict. Does the Chief Minister believe that Jersey's efforts to alleviate some of the suffering there through the Overseas Aid Commission donations made there are undermined by a position which is widely regarded by many countries around the world as being one that turns a blind eye to violence, rather than trying to stop it?

**Deputy K.L. Moore:**

I think the questions from the Deputy are becoming quite difficult and unnecessary. What I would say is that we have made it very clear that we condemn those who kill children as a rights-respecting place. We consider that children's rights are important and any person would condemn such acts.

**5.5 Deputy M. Tadier:**

A moment ago the Minister said that protest does not achieve power but does she agree that history is full of examples? We can look at Emmeline Pankhurst who through protest achieved suffrage for women; I noticed in the past the Chief Minister dressed in the suffragette's colours. Rosa Parks' protest achieved greater equality for the black community in America. That Nelson Mandela and Gandhi, who did use protest, also used that to finally abolish apartheid in South Africa. Does she accept the fact that the purpose of protest is not always to achieve power, it is to change things positively? Would she reconsider her previous position about the value of protest in a democratic society?

**The Bailiff:**

I will allow that, not because it goes to the philosophy of protest but because I take it to be directed to the Chief Minister's answer about a specific protest in connection with the matter for which she has responsibility.

**Deputy K.L. Moore:**

I am grateful to the Deputy for his eloquent history lesson.

**Deputy M. Tadier:**

It was a question though nonetheless, so it does need an answer of yes, no or do not know.

**The Bailiff:**

The straightforward question was: does the question, as posed, cause you to review the view of his question, Minister?

**Deputy K.L. Moore:**

I think the Deputy has very eloquently set out a number of alternative examples. Our position is and remains as it is.

**5.6 Deputy L.J. Farnham:**

Given recent challenges faced within the Council of Ministers and it is clear in certain parts, regrettably, there are divisions, is the Chief Minister perhaps planning a Cabinet reshuffle early in the new year?

**Deputy K.L. Moore:**

The place for discussion and disagreement is around the Council of Ministers' table. It is absolutely right and I think the public would expect that we challenge each other's ideas and do that in a respectful fashion. We have made some changes to Ministerial responsibilities in recent weeks. We will constantly be looking at making sure that our Ministers and our Ministerial team are the best people who can represent what we want to achieve on behalf of the public.



### **5.6.1 Deputy L.J. Farnham:**

Is the Chief Minister planning on a Cabinet reshuffle early in the new year; that means changing Ministers or changing roles?

**Deputy K.L. Moore:**

I think I answered that question in my last answer.

**Deputy L.J. Farnham:**

I am sorry, Sir, I am ...

**The Bailiff:**

I would say that I am not sure that it was answered in terms, Chief Minister, because it was: are you planning on any changes? If the answer is yes, then I dare say there will be further questions. If the answer is no, then I suppose there will not.

**Deputy K.L. Moore:**

I would say, as I said in my previous answer, that one is constantly looking to ensure that those in positions are there to create the best effect and to meet our commitments to the public.

**Deputy L.J. Farnham:**

I will take that as a yes, Sir, because if it had been no I think that would have been fairly straightforward.

### **5.7 Deputy S.Y. Mézec:**

Does the Chief Minister have full confidence in all of her current Ministers to see out the whole of 2024 delivering on their Ministerial plans?

**Deputy K.L. Moore:**

I have always made it clear that we have a talented, intelligent group of people in Ministerial positions. I am very fortunate to work with each and every one of them who are committed public servants.

**The Bailiff:**

I think the question was specifically: do you have confidence in them? Do I take that answer as meaning that, Chief Minister?

**Deputy K.L. Moore:**

Meaning yes, Sir.

### **5.7.1 Deputy S.Y. Mézec:**

Just beyond any doubt then we can confirm that the Chief Minister has no plans whatsoever to hold a reshuffle at the beginning of next year: yes or no?

**The Bailiff:**

I think the Americans in taking depositions would say asked and answered and ask the judge to rule that out of order. I think that has been answered by the Chief Minister.

### **5.8 Deputy M. Tadier:**

Did the question specifically talk about whether she has full confidence in her Minister for D.f.I. (Department for Infrastructure)? Could she confirm that she has full confidence in the current Minister for D.f.I.?

**Deputy K.L. Moore:**

I have said that I fully respect each and every member of the Council of Ministers and I believe that they all are dedicated public servants.

**The Bailiff:**

That in fact brings ...

**Deputy M. Tadier:**

I will leave it there, Sir. Thank you.

**The Bailiff:**

There was not a choice about that, Deputy, because we have come to the end of the time for questions for the Chief Minister.

**6. Urgent Oral Question**

**The Bailiff:**

We now have an urgent oral question to be asked by Deputy Southern of the Chief Minister. I will allow the same nominal time that I would allow for ordinary questions, approximately between 9 and 10 minutes for questions.

**6.1 Deputy G.P. Southern of the Chief Minister regarding the register of beneficial ownership (UOQ.4/2023)**

I apologise to Members for the late call on this particular issue. Further to the recent House of Commons debate led by Dame Margaret Hodge M.P. (Member of Parliament), has there been any renewed pressure on the Chief Minister to follow through with the commitment to publish a public register of beneficial ownership and what is the current position of the Government in relation to such a register?

**Deputy K.L. Moore (The Chief Minister):**

The content of debates in Westminster are a matter for the U.K. Parliament, just as the content of debates in this Assembly are a matter for us. We are aware, however, that during the debate last week some inaccurate comments were made about Jersey and the other Crown Dependencies, including the suggestion that the U.K. Parliament is able to legislate for us in this area. That is not the case and we have reiterated this fact to our colleagues in the United Kingdom. We will continue to engage to ensure that points of inaccuracy that arose in the debate are addressed. There have been discussions with the U.K. Government for some time on the subject of increasing access to Jersey's register of beneficial ownership. In 2019 the Crown Dependencies made a commitment to move towards public registers in a staged manner, conditional upon progress towards open access taking place in the E.U. (European Union). In 2022 the European Court of Justice issued a landmark ruling recognising the serious breaches of privacy and human rights that public registers may entail. As a consequence, many E.U. registers have suspended public access. The Crown Dependencies are carefully considering our position concerning the judgment and believe that continuing with public registers would cause serious breaches of our own privacy and human rights laws. With Guernsey and the Isle of Man we are at an advanced stage of agreeing a revised commitment around the public transparency of our register and we intend to publish a statement later this week, along with the revised commitment.

**6.1.1 Deputy G.P. Southern:**

If the U.K. wishes to seek leadership on this issue, public registers, it cannot be taken seriously as a world leader on financial transparency. It does not do more and it is not seen to do more to stop

Overseas Territories and Crown Dependencies like ours being used as havens for individuals to evade their obligations. Does the Minister agree?

**Deputy K.L. Moore:**

I do not. I think the Deputy's question shows a level of misunderstanding on his part and I think perhaps we should propose some briefings to him, as we do to others elsewhere. We have for decades had a register of beneficial ownership that is vetted and verified. It has been held out as a shining example to other nations of how to put together such a register. It is something that we are proud of and it is a matter for the U.K. Parliament how they wish to manage their own affairs.

**6.1.2 Deputy S.Y. Mézec:**

Jersey's register of beneficial ownership, as we know, is of substantially better quality than the register that the United Kingdom has in terms of the accuracy of its information on it. I have seen some commentary on this issue in the U.K. about trying to widen the scope of access to that register, if not making it fully public at this stage and see where that goes but to allow for some access to it for investigative journalists when they have a case to look at it if they are doing work that is clearly in the public interest. Is that something that is being considered as at least a step forward to improving the accessibility for non-government institutions that are acting in the public interest?

**Deputy K.L. Moore:**

I thank the Deputy for demonstrating his understanding of our position and I thank him for that. As I have mentioned earlier, the E.C.J. judgment has given rise to our consideration of the matter, particularly in and around legitimate interests. As I said earlier, I will be making a statement later in the week, I hope, to update Members.

**6.1.3 Deputy S.Y. Mézec:**

I am not 100 per cent clear on the specific issue that I asked, which was about access to that register for non-government or non-law enforcement agencies, such as investigative journalists, many whom we know have expertise in this area and want to unearth issues where they think harmful tax practices are occurring through U.K. Overseas Territories and Crown Dependencies. If the Minister is saying at this point that she does not want the register to be made fully public because of those concerns, will she at least say that she wants to improve accessibility to it when there is a public interest case from a non-government entity?

**Deputy K.L. Moore:**

I believe that is exactly what I said in my previous answer when I talked about legitimate interest. I look forward to updating Members later in the week.

**6.1.4 Deputy L.J. Farnham:**

My question has been partially asked and answered but the comments, as quoted by Deputy Southern, were made by a Labour Back-Bencher. How are the Government's current discussions with the U.K. Government proceeding on the matter, given the fact that Jersey works very closely with the U.K. Government in relation to those comments made by the Labour Back-Bencher?

**Deputy K.L. Moore:**

Sorry, I am not aware of the Labour Back-Bencher's comments that the Deputy is referring to.

**Deputy L.J. Farnham:**

The comments of Margaret Hodge M.P., as referred to in Deputy Southern's question.

**The Bailiff:**

Deputy Southern's question, Chief Minister, was a quotation from Margaret Hodge M.P. in part and that was one which he spring-boarded his question to you. Deputy Farnham is saying in the light of that, how is our Government working with the U.K. Government? Is that correct?

**Deputy L.J. Farnham:**

That is correct, Sir. To simplify the question: are the U.K. Government aligned with the comments of the Labour Back-Bencher or are we having more productive discussions with them?

**Deputy K.L. Moore:**

Sorry, I am struggling to hear the Deputy somewhat from this end of the room. I am not sure whether there is an issue with his microphone. I do not believe that the U.K. Government would be aligned with a Labour Back-Bencher.

[12:00]

**The Bailiff:**

I think the second part of the question, that was the first part, was: are the discussions between our Government and the United Kingdom Government more productive?

**Deputy K.L. Moore:**

Yes. We always maintain productive communications with the U.K. Government, whoever they might be.

**6.1.5 Deputy M. Tadier:**

It is to follow up on the question by Deputy Mézec about legitimate interest from, for example, outside journalists. If an outside journalist were, for example, to want to look at the affairs of, let us say, a Russian oligarch who is directly or indirectly connected to Vladimir Putin, who use Jersey to put his money in, how would the public interest in that matter be decided, given the fact that the public interest from a Jersey perspective or certainly from the Jersey Government's perspective might be different to the public interest of that of the U.K. or even Russia?

**Deputy K.L. Moore:**

The Deputy's question, I think, identifies how technical this area can be and it will need of course very careful consideration to set out a framework within which a legitimate interest can be defined and/or agreed. That is something that we will be briefing Members about later in the week and we will continue to make progress in this area, so that we are comfortable with the position that is arrived at. As I have said previously, we have been working with Guernsey and the Isle of Man to consider this important area. The Deputy of course also refers to potential subjects who might fall into our sanctions regime. Of course we have been very active as a Government in meeting those requirements and being the good global citizens that we are.

**6.1.6 Deputy P.M. Bailhache:**

Is the Chief Minister aware of an interesting article in the latest issue of the *Jersey and Guernsey Law Review* on this very topic? If not, would she like to read it?

**Deputy K.L. Moore:**

I thank the Deputy for the question. I had not seen that article and I would be most grateful if it could be shared with myself and my colleagues.

**The Bailiff:**

Supplemental question to that, Deputy Bailhache? In fact that now brings the time available for the urgent question to an end. You have a final supplementary, Deputy Southern. Yes, sorry, I ...

**Deputy G.P. Southern:**

I thought you were going to skip past me.

**The Bailiff:**

I was slightly getting confused as to where we were on your ...

**6.1.7 Deputy G.P. Southern:**

With the lightness of Tinkerbell. Public registers can also help to restore public faith in a tax system by helping to expose high levels of aggressive tax avoidance and evasion we know takes place. In the long-term, public registers can contribute to creating a fairer and less lopsided tax system. Does the Minister agree?

**Deputy K.L. Moore:**

I think my answer has made it quite clear that the European Court of Justice's judgment identified the need to protect the identities of the person. As this Assembly, we have created an Office of the Information Commissioner because we understand that people's personal information is something that should receive a level of protection. We do not, as an Assembly, I am sure wish to make the children of people targets for kidnap or worse simply because of who their parents may or may not be and any perceived wealth that they may or may not have.

**The Bailiff:**

Very well. That ends the urgent oral question. There is nothing under J and K.

**PUBLIC BUSINESS**

**7. Reduction of Lodging Period**

**The Bailiff:**

We come on to Public Business. But before we start Public Business a decision needs to be made about whether to reduce the minimum lodging period in respect of a matter on the Order Paper, the Appointment of the Commissioner for Children and Young People, P.96. Chief Minister, do you wish to make the application or the proposition under Standing Order 26(7) that the lodging period be reduced to allow this matter to be debated at this sitting?

**7.1 Deputy K.L. Moore:**

I would be grateful if the Assembly would agree to lifting this lodging period so that the appropriate action could be put into place and that we may progress with the choice of Dr. Carmel Corrigan as the new Children's Commissioner.

**The Bailiff:**

Is that proposition seconded? **[Seconded]** Does any Member wish to speak on the proposition? Those in favour, kindly show. The appel is called for. I invite Members to return to their seats. The vote is on whether or not the question of the Appointment of the Commissioner for Children and Young People, P.96, can be debated at this session? I ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The proposition has been adopted: 44 votes pour, no votes contre and no abstentions.

<b>POUR: 44</b>		<b>CONTRE: 0</b>		<b>ABSTAIN: 0</b>
Connétable of St. Helier				
Connétable of St. Brelade				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Connétable of Grouville				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Saviour				
Deputy G.P. Southern				
Deputy C.F. Labey				
Deputy M. Tadier				
Deputy S.G. Luce				
Deputy L.M.C. Doublet				
Deputy S.M. Ahier				
Deputy R.J. Ward				
Deputy C.S. Alves				
Deputy I. Gardiner				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy S.Y. Mézec				
Deputy P.F.C. Ozouf				
Deputy Sir P.M. Bailhache				
Deputy B.B.de S.V.M. Porée				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy M.R. Scott				
Deputy J. Renouf				
Deputy C.D. Curtis				
Deputy L.V. Feltham				
Deputy R.E. Binet				
Deputy H.L. Jeune				
Deputy M.E. Millar				

Deputy A. Howell				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy R.S. Kovacs				
Deputy A.F. Curtis				
Deputy K.M. Wilson				
Deputy L.K.F. Stephenson				
Deputy M.B. Andrews				

Chief Minister, you, I think, would like this proposition to be dealt with as the first item of Public Business.

**Deputy K.L. Moore:**

I would, Sir, please. Thank you.

**The Bailiff:**

You make that proposition, is the proposition seconded? **[Seconded]** Does any Member wish to speak on the proposition? Those in favour, kindly show. Those against? That proposition is adopted and, accordingly, we will now deal with that as the first item of Public Business.

**8. Appointment of the Commissioner for Children and Young People (P.96/2023)**

**The Bailiff:**

This is the Appointment of the Commissioner for Children and Young People, P.96, lodged by the Chief Minister. The main responder is the chair of the Corporate Services Scrutiny Panel. According with paragraph 4(4) of the Schedule to the Commissioner for Children and Young People (Jersey) Law 2019, this must be conducted in camera and this will happen once the proposition has been read and the Assembly will then return to the public session for the purpose of the vote. I ask the Greffier to read the proposition.

**The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion, in accordance with the provisions of Article 4 of the Schedule to the Commissioner for Children and Young People (Jersey) Law 2019, to approve the recommendation of the Chief Minister and the President of the Scrutiny Liaison Committee to appoint, for a period of 6 years, Dr. Carmel Corrigan to the office of Commissioner for Children and Young People.

**The Bailiff:**

I, therefore, ask the Assembly be cleared, anyone in the public gallery should leave the Assembly now.

**[Debate proceeded in camera]**

**The Bailiff:**

Therefore, we now move into public session. The broadcasting can recommence and any members of the public who wish to come into the public gallery can come into the public gallery. We are now in open session and I will put the matter to the vote and ask the Greffier to open the voting and Members to record their votes. If Members have had the opportunity of casting their votes, then I

ask the Greffier to close the voting. The proposition has been adopted: 42 votes pour, no votes contre. 2 abstentions.

<b>POUR: 42</b>		<b>CONTRE: 0</b>		<b>ABSTAIN: 2</b>
Connétable of St. Helier				Deputy M. Tadier
Connétable of St. Brelade				Deputy Sir P.M. Bailhache
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Connétable of Grouville				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Saviour				
Deputy G.P. Southern				
Deputy S.G. Luce				
Deputy L.M.C. Doublet				
Deputy K.F. Morel				
Deputy S.M. Ahier				
Deputy R.J. Ward				
Deputy C.S. Alves				
Deputy I. Gardiner				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy S.Y. Mézec				
Deputy P.F.C. Ozouf				
Deputy T.A. Coles				
Deputy B.B.de S.V.M. Porée				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy M.R. Scott				
Deputy J. Renouf				
Deputy C.D. Curtis				
Deputy L.V. Feltham				
Deputy R.E. Binet				
Deputy H.L. Jeune				



Deputy M.E. Millar				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy R.S. Kovacs				
Deputy A.F. Curtis				
Deputy K.M. Wilson				
Deputy L.K.F. Stephenson				
Deputy M.B. Andrews				

**The Deputy Greffier of the States:**

The Members who abstained: Deputies Tadier and Bailhache.

**The Bailiff:**

Very well. We now move on to the next item of public business which is the draft Government Plan.

**Deputy R.J. Ward:**

I was not quite sure when to raise this but I had Written Question 481. I have only just received it; it is quite difficult because we are getting written questions ... but I really do not believe the first part of it has been answered: (a), (b), (c) and (d) have, but in the text at the top it asks for a total spend and that total spend is not given. I have tried to calculate it but there is no way I can calculate it without knowing the number of days that people were employed. So, I just wondered if I could ask you to consider Written Question 481.

**The Bailiff:**

Written question 481?

**Deputy R.J. Ward:**

Yes.

**The Bailiff:**

Well, there have been no written questions for this session.

**Deputy R.J. Ward:**

Well I am aware that I have only just received the answer.

**The Bailiff:**

It is from the last session?

**Deputy R.J. Ward:**

Yes.

**The Bailiff:**

Well, Deputy, because the answers are starting to come in today, in fact, they are coming in for the January sitting, so I will look at it in the intervening period but I may not give you an answer before tomorrow or indeed the day after. That is 481? Yes, very well.

## **9. Proposed Government Plan 2024-2027 (P.72/2023)**

### **The Bailiff:**

We now move on to the Government Plan. I am going to of course ask the Greffier to read the proposition but, Chief Minister, my understanding is that a number of amendments have been accepted by the Council of Ministers?

### **Deputy K.L. Moore:**

That is right, Sir, I think 9.

### **The Bailiff:**

You would wish to have the proposition read as amended by those amendments that have been accepted?

### **Deputy K.L. Moore:**

That is right. Would you like me to list which ones or ...

### **The Bailiff:**

Well, if Members have the running order in front of them, they are listed at the first paragraph of the running order, and it is a matter for Members of course whether the proposition is read as amended by those amendments accepted by the Council of Ministers, and we then come on to deal with those in dispute, or alternatively we will proceed a different way. I think it might be helpful to clarify that before the adjournment so that we know where we are when we come to deal with the debate itself. Are Members content that we take the proposition as amended by the amendments that the Council of Ministers have accepted? Very well. Well then, I will not take a vote on that; that quite clearly has been accepted. We have 10 minutes left. I suspect the Greffier can read the proposition in 10 minutes. So formally the first item to debate is the Government Plan 2024-2027, P.72, lodged by the Council of Ministers. I ask the Greffier to read the proposition. The main responder is the chair of the Corporate Services Scrutiny Panel. Greffier.

### **The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion to receive the Government Plan 2024-2027 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2024 as set out in Appendix 2 - Summary Table 1 to the Report, which is inclusive of the proposed taxation and Impôt Duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law, except that total estimate for 2024 Impôt Duties shall be decreased by £2.7 million by freezing the Impôt Duties for Fuel, with the relevant figures in Appendix 2 - Summary Table 1 updated in line with the following table, and subsequent figures updated accordingly; (b) to refer to their Act dated 30th September 2016 and to approve the application of existing resources for work on the development of “user pays” charges in relation to all aspects of waste, including commercial and domestic liquid and solid waste; (c) to approve the proposed Changes to Approval for financing/borrowing for 2024, as shown in Appendix 2 - Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9(2)(c) of the Law, of up to those revised approvals; (d) to approve the extension of the use of the existing Revolving Credit Facility to include the provision of funds that would otherwise be implemented through bank overdraft or bank overdraft facilities under Article 26(1)(a) of the Law, should they be needed, subject to the limits outlined in that Article; (e) to approve the transfers from one States fund to another for 2024 of up to and including the amounts set in Appendix 2 - Summary Table 3 in line with Article 9(2)(b) of the Law; (f) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2024 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st

December 2023 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2024; (g) to approve each major project that is to be started or continued in 2024 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report; (h) to approve the proposed amount to be appropriated from the Consolidated Fund for 2024, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 - Summary Tables 5(i) and (ii) of the Report except that, to accommodate a drop in States income caused by freezing the Impôt Duties for fuel (a) the Head of Expenditure for the Central Reserve shall be reduced by £1,350,000; (b) the Head of Expenditure for the Cabinet Office shall be reduced by £932,000 and (c) the Head of Expenditure for the Economic Development, Tourism, Sport and Culture shall be reduced by £418,000 and in Summary Table 5(i) the Head of Expenditure for Customer and Local Services should be increased by £600,000 to enable a non-statutory scheme to be set up to provide financial support to eligible families that include a child with a life-limiting condition, a life-threatening condition, or a complex healthcare need with a decrease of £600,000 to the Central Reserve Head of Expenditure; (i) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2024 in line with Article 9(2)(h) of the Law and set out in Appendix 2 - Summary Table 6 to the Report; (j) to approve the proposed amount to be appropriated from each States trading operation's trading fund for 2024 for each Head of Expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 - Summary Table 7 to the Report; (k) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2024 as set out in Appendix 2 - Summary Table 8 to the Report; (l) to commit to the annual publication of a report, in alignment with the Building a Safer Community Framework, to provide updates on the progress made in implementing the recommendations of the report of the Taskforce on Violence Against Women and Girls and the impact they have had on preventing violence against women and girls and improving gender equality in Jersey, and include the publication of a timeline of the Government of Jersey's work programme on these areas for the following year; (m) to agree that the annual report specified in paragraph (l) must identify how measures outlined in the relevant Government Plan apply to improving gender equality in Jersey, with a focus on establishing an intersectional approach to all future strategies and other work by the Government of Jersey to address Violence Against Women and Girls, as outlined in Recommendation 2 of the report by the Taskforce on Violence Against Women and Girls; and (n) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2024-2027, as set out at Appendix 3 to the report, except that in the section "Improving access to housing" on page 9 there should be inserted a fifth bullet point with the words: "We will develop a scheme to encourage and incentivise right-sizing, to be presented to the States Assembly before 31st May 2024, with the financial implications forming part of the Government Plan 2025-2028." On page 10, after the words "especially our most vulnerable, can thrive" should be inserted a new bullet point: "We will review feasibility options for expanding Early Years nursery provision and childcare support to benefit all children in Jersey from 9 months to 3 years-old, with a report detailing any action plan from the Government to be presented to the States Assembly before 1st September 2024, and any financial implications forming part of the Government Plan 2025-2028." On page 66, after the words "urgency and readiness of projects in year" there should be inserted the following new paragraph: "The funding of at least of £4.705 million (approved in the Government Plan 2020-2023 and Government Plan 2021-2024) for the Le Rocquier School and community sports facilities will be reviewed with the intent that the project is reprioritised, in order to improve access to sports facilities in the east of the Island." On page 87 there should be inserted the words: "Additional funding of up to £1 million per year will be allocated to support the provision of hosiery dressings and wound dressings to those with a clinical need. The new scheme will be set up as soon as practicable and will provide products at no cost to the end user" and Table 44 on page 87 updated accordingly, to reflect the increased expenditure forecast. On page 90 after the words

“benefits for many years to come” there should be inserted a new paragraph as follows: “Funds have been allocated for 2024 to enable a non-statutory scheme to be set up to provide financial support to eligible families that include a child with a life-limiting condition, a life-threatening condition, or a complex healthcare need. During 2024 the Government will bring forward legislation to provide for a permanent scheme for future years.” On page 93, after the words “that could deliver the additional funding required”, there should be inserted the following words: “This will include investigation of the introduction of an appropriate carbon tax or charge relating to the operation of private aircraft.” On page 112 under the subheading New Rules for Pensions the words “£10,000” should be substituted with “£15,000”.

## **LUNCHEON ADJOURNMENT PROPOSED**

### **The Bailiff:**

The Assembly stands adjourned until 2.15 p.m. when the Chief Minister will propose the Government Plan.

[12:43]

## **LUNCHEON ADJOURNMENT**

[14:16]

### **The Bailiff:**

Having read the proposition before the adjournment obviously the Deputy Greffier has had to go away for a rest and so we now proceed to move the proposition.

### **9.1 Deputy K.L. Moore (The Chief Minister):**

In a world of instability and within an ever-changing and uncertain global context, this Government Plan serves as a prudent and solid base for the Island. When we look elsewhere we see countries and jurisdictions who are having to raise taxes to pay for services or make cuts to services or both. We see many of our neighbours and friends across the world funding their everyday services through borrowing and debt. We are in a strong position here but we cannot and we will not take that position for granted. The outlook for our economy is positive and our public finances are robust but we are operating within numerous negative macro-economic pressures which we must be conscious of at all times. This is a funded, balanced and targeted Government Plan. It aims to assist Jersey families with meeting their priorities and their ambitions for the future. It is a Government Plan that is on the side of hard-working Islanders. This Government Plan is prudent in how it raises and allocates public money and ensures we are making the most efficient use of that money, of taxpayers’ money, prioritising areas where government support is needed most within our community. It continues to support Islanders through the tax system, helping with the cost of living and supporting our ambition for Jersey to remain a competitive, low-tax jurisdiction. It supports first-time buyers into home ownership as we continue to focus on the housing crisis we inherited in a sustainable and appropriate manner. It invests sensibly in our public services with more money for health, education and our Island infrastructure. It supports sectors across the economy, both traditional and emerging, because this is a Government Plan that looks to both the immediate and the long-term future, an approach which has been the foundation of Jersey’s success. Hopefully by now Members are used to hearing me say that my ambition is for Jersey to be a community where everyone can thrive. I have not stopped saying it since I came into office and I will not stop. It summarises my ambition for Jersey and for everyone who lives here. For Jersey to be a place where people can thrive requires us to create opportunity, to provide Islanders with a platform to utilise and develop their talents, to be there when they need our help and to be an enabler to innovation. The Government Plan is another step on that journey and it builds on this Council of Ministers’ commitment to the well-being and prosperity of our whole Island community. This plan builds on the foundations laid out in our mini-Budget last autumn and in the previous Government Plan to support Islanders through the cost-of-

living crisis, keeping money in their pockets and keeping taxes down. To continue that support we are once again raising tax thresholds meaning that Islanders can earn more money before they start paying tax. For individuals they will pay no tax on their first £20,000 of income. The threshold for married couples and civil partners increases to £32,050 and for second earners to £7,950. We are a Government that recognises and values the importance of the family, so we are also raising the child allowance to £3,700 and increasing additional child allowances to £5,550, childcare tax relief to £7,600 and higher childcare relief to £19,700. These threshold increases are a natural decision for Ministers reflecting our philosophy and our policy that individuals and families know best how to spend their own money and should be supported as far as possible to do so but again we do not take it for granted that we are able to act and support Islanders in this way. In other jurisdictions, thresholds have remained frozen for several years and not all Governments have the head room to continue ensuring that they can rise year on year. It is because of our strong fiscal position that we are able to support Islanders in this way. In 2023 we froze road fuel duty and alcohol duty, supporting Islanders and businesses. For next year we proposed an inflation increase for road fuel duty and below inflation increases for alcohol duties. The Government Plan process allows a good amount of time for review, scrutiny and amendment. The Government always seeks to engage with that process openly and to accept recommendations and amendments where we can and where we believe that they are affordable and consistent with our objectives. Ministers are grateful for the amendment by the Economic and International Affairs Panel in respect of road fuel duty and alcohol duty. Inflation remains high at 10.1 per cent for quarter 3 and Islanders are still finding it expensive at the pumps. Fuel prices affect everyone in some way. We have therefore accepted the amendment of the panel to freeze road fuel duty for a further year, something which I know has genuinely pleased the Minister for Treasury and Resources in particular, and I am sure this move will be welcomed more broadly by road users across the Island. In respect of alcohol duty we are proposing an amendment to the panel's amendment to freeze the duty and have sought to meet at the halfway house with a 4.5 per cent increase. The Minister for Sustainable Economic Development has been a consistent voice for the hospitality sector around the Council of Ministers' table, arguing for lower duty increases in order to support hospitality businesses. We also need to have regard for the health impacts of alcohol consumption and the relatively high level of drinking in Jersey, something that we must not hide away from. We therefore believe that our approach to alcohol duty reflects the economical and societal realities we are facing and meets the overall interests of Islanders. We are grateful to the Economic and International Affairs Panel for encouraging us to have a rethink on these duty increases and for showing the benefit of Scrutiny when it acts as a critical friend. Working together, our plan reflects a Government and an Assembly that is on the side of hard-working Islanders, helping individuals and families through these turbulent and difficult global economic times. We know that housing remains a high priority for Islanders and solving the crisis is the key to unlocking many of the solutions to the challenges that we face. Housing remains a key part of our government programme and one of our main areas of focus. It is not an issue that is easy to address. We are criticised in some quarters for not doing enough and criticised in others for taking action that has allegedly stifled the market. Global conditions are also of course having an impact notably on the feasibility of borrowing. A balance is therefore required and a sensible approach is needed. There are no easy answers and actions usually have knock-on consequences. We are trying to ensure that our actions have the right consequences for working families. That is why we are reinvigorating the assisted purchase scheme to make home ownership a reality for a greater number of first-time buyers in these tough times. We are also investing in our surface water and foul sewage drainage network, both necessary as part of our need to deliver more homes. This plan provides an initial £15.6 million for the project in 2024 and 2025, and we are increasing the first-time buyers stamp duty threshold to £700,000, easing the financial burden of getting on to the property ladder. As I have mentioned, this plan invests both now and for the future. Ministers are determined to address the challenges we are facing in health, in recruitment and retention, the delivery of care and the facilities in which our health staff work. We have not, and we will not, shy away from the ongoing challenges we face. We

know that health spending needs to be controlled so that more money goes into the front line. That is why the turnaround team have been tasked with delivering a financial recovery plan that will deliver £25 million of efficiencies by 2025, not cuts, but redirecting money that is currently being wasted due to poor recruitment processes, to inefficient processes and channelling that back into front line services that benefit patients. In the meantime, we are demonstrating that we will stand by our hard-working front line staff and ensure that Islanders can continue to access the services they need. Health spending in this Government Plan is up by £38 million to £287 million with funding provided as well to meet the financial structural deficits while the financial recovery plan is achieved. We are also continuing our work to deliver the new healthcare facilities we desperately need, taking a phased approach to spread the financial risk and maximise the benefit to our local economy. Similarly, the Government Plan provides more investment across various critical public services. This is money for Mont à L'Abbé School, Le Squez Youth Club and for the additional specialist children's homes. The education reform programme will continue to support improved services for all children and young people and the free school meals project will be expanded. We are also maintaining the 1 per cent commitment for spending on the arts, heritage and culture, including funding the renovation of the Opera House. Importantly, the Government Plan supports our economy at a time when many businesses are still battling the ongoing impacts caused by global instability and rising costs. Following the agreement of P.74 we are providing an additional £3 million of support to the agriculture and fishing industries and making £10 million available to the Agricultural Loans Fund. These industries are not only important economically, they are a way of life for a great many Islanders and shape the community and the environment which we all enjoy. We are also proposing tax incentives to encourage greater innovation and technology-based enterprises through investing in the Impact Jersey scheme. Ministers, and I know many Back-Benchers, are proud of our economic sectors and who we are as an Island. The Government will continue to stand by the economy to support it and promote it both locally and internationally. I reference that our current spending is all funded and not based on debt. This is a good position to be in, borrowing of course part of how a Government should support its programme of investment. This Government is committed to keeping borrowing down, having been in the enviable position to have repaid our COVID debt. Borrowing can be a tool for delivering improvements to the public realm and public infrastructure projects which is why this plan seeks an additional £52 million of borrowing for the new healthcare facilities. Further borrowing will of course be required for our new healthcare facilities, although I remain confident that by adopting a phased approach we will proceed only with those projects once we are certain that they are affordable but we must not forget the roots of our success as a stable, well-run and historically prudent jurisdiction. This is a hard-earned reputation which will not be assisted by runaway levels of debt caused by profligate spending. It is important that some control is exercised and under this Government and this Minister for Treasury and Resources, prudence and value for money are back in play. This takes me to the ongoing value of our States funds. The Strategic Reserve currently holds just over £1 billion and is forecast to have a value of just over £1.2 billion at the end of this plan. The Social Security Reserve Fund currently holds £2 billion which is forecast to increase to £2.5 billion by the end of the plan.

[14:30]

In total the value of States funds stand at £3.5 billion in 2024 and are forecast to increase to £4 billion by 2027. While we must all recognise that these are forecasts in uncertain times, Islanders can nevertheless be reassured by these healthy figures and the ongoing sound management of our investments and assets over the long term which set Jersey aside as a jurisdiction of stability. Our policy of cutting taxes for the majority of Islanders, investing in public services and starting to deliver on health, education and housing will only be possible on an ongoing basis if we deliver value for money for Islanders. That is why all Ministers are committed to delivering value for money in our public services, striving for continuous improvement, delivering tangible efficiencies and improving productivity. It is a programme that aims to deliver £40 million of efficiencies by 2026, that is £40

million in a budget which is now over £1 billion. This is eminently achievable and provides money which we can reinvest where it is needed most. We also recognise the need to prioritise our programme of works so we are focusing on what matters most to the public. It is easy to take on more and more work and add evermore ambitions to our list of priorities but that does not necessarily help Islanders in resolving the main challenges that they are facing on a daily basis. This prioritisation is not about cutting services, it is about being truly focused and more efficient in our work. As I have said before, the States does not necessarily need fewer people, it just needs more people delivering more of what matters to the public and that is what this plan delivers. I have already touched on one of the amendments which we are accepting and where we are proposing meeting the panel halfway on duty changes. We have accepted or reached agreement on a number of amendments and the plan is being proposed accordingly and has been. Our aim is always to work with Back-Benchers where possible. We are, however, opposing a number of amendments that we believe are not in the best interests overall of Islanders. Some amendments seek to alter the nature of our tax system which is based on the principles of being low, broad, simple and fair and clearly the Government cannot accept proposals that undermine a longstanding core pillar of our success. We are not a Government that wants to increase taxes. We also oppose these proposals which seek to extend the perception that we can continue providing more and more services for free. Government does not provide anything for free, it is always funded one way or another by taxpayers' money. We cannot continue to support incremental blanket extensions of free services without proper means testing. If there is a case for certain services to be provided for free at the point of use, then that needs to be considered in whole with proper consultation and a balanced consideration of the benefits and the costs. The current bite-and-hold approach needs to end. The great thing about democracy here in Jersey is that the Government is not a majority so we need to make our arguments and convince Back-Benchers to support our approach. That is what we will do throughout the debates and I look forward to a good-spirited and robust discussion. The decisions we make this week will largely shape our course for the next 12 months and beyond. I am sure by Friday we will retain the strong base from which we can deliver our public services and be able to support Islanders through the next year. Read by the Deputy Greffier, I move the proposition. **[Approbation]**

**The Bailiff:**

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

**9.2 Proposed Government Plan 2024-2027 (P.72/2023): seventeenth amendment (P.72/2023 Amd.(17)) - Limit Rent-a-room tax exemption to households with a mortgage**

**The Bailiff:**

The first item to consider by way of amendment is the seventeenth amendment brought by Deputy Alves and I ask the Greffier to read the amendment.

**The Greffier of the States:**

After the words "Article 9(2)(a) of the Law" insert the words " , except that Personal Income Tax for 2024 should be increased by £160,000 to reflect the restriction of the 'rent-a-room' income tax relief to only those households servicing a mortgage on their main residence".

**9.2.1 Deputy C.S. Alves of St. Helier Central:**

This amendment is simple and seeks to offer a much more targeted and fair approach to the current rent-a-room tax relief and raise revenue by making it only claimable by those who have a mortgage. The Council of Ministers are correct in their comments when they state that this amendment will currently only do this until 2026 when the mortgage income tax relief will no longer be available. When I realised that the Government were doing nothing to support mortgage payers directly who have been among some of the hardest hit by the recent significant rises in the cost of living, I did look at freezing the current mortgage income tax reliefs in order to support mortgage payers.

Unfortunately, I was unable to find sufficient funding or an alternative revenue-raising mechanism to cover the cost of freezing the mortgage interest relief for one year. One of the original points of the introduction of this rent-a-room relief was to increase the housing stock. However, a simple look online you can see that there are a large number of homes and self-contained units to rent, some of which are advertised at significantly less than the £10,000 annual relief. Prior to the rent-a-room relief of £10,000, those renting a room out of their home already benefited from a flat rate deduction of 25 per cent for “sleeping only arrangements” and 50 per cent reduction for a “meals supplied arrangement”. If this amendment is adopted, those without mortgages would still benefit from this deduction before being charged 20 per cent on the remainder of their income. This means that instead of being charged the full 20 per cent on the income received from renting out a room they would only be charged a maximum of 15 per cent. Revenue raised from this amendment could be better directed into more supported strategies for those who are struggling with housing costs. Finally, the Council of Ministers have stated in their comments that research undertaken in November 2023 shows a range of rooms to rent at a monthly cost of £600 to £680 but they have not included any detail on where this research has come from or how it was conducted, which suggests that this is an unsubstantiated claim. Ultimately this is a matter of principle. The current relief disproportionately benefits those who need it the least. If Members want to support initiatives that are targeted at and support those that need it the most, then Members should support this amendment. I make the amendment.

**The Bailiff:**

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

**9.2.2 Deputy B. Ward:**

Rent-a-room was introduced in January 2023. This is a tax incentive aimed at encouraging homeowners to let out a room in their house provided that - and I want to reiterate the provisions - the total gross income does not exceed £10,000, the room is not rented to a family member, the room is in the homeowner’s main residence and is not a self-contained unit and the lodger is over the age of 18 or placed in a room by appropriate organisations if they are under 18 on the assurances there has been the necessary safeguarding checks. Those are the principles. The Deputy for St. Helier Central only wants this scheme to apply to people who have a mortgage but does not go deep enough, in my view, of an explanation. The Deputy goes on further: “It could be argued that tax relief on lodging income up to £10,000 could encourage those who offer a room to rent to increase the prices.” Where is the evidence for this and how many? The market sets the prices. If there is plenty of availability then prices will remain low. We are guided by the Deputy to look at a simple online search which shows abundance of properties for rent available, as she just described earlier. Even if this were true it seems very unlikely that anyone would want to put up their rent just to get the most out of tax relief. If there is lots of availability and a homeowner bumps up the rent, then a lodger will simply move somewhere else that is cheaper. This is the law of supply and demand. On the point about housing costs being the single biggest contributor to driving up R.P.I. I would point to the following section from the Minister for Housing and Communities, Deputy Warr’s White Paper from April this year and see page 33. The rent-a-room scheme is a way to help people off the streets, away from sofa surfing, away from precarious living conditions, for example, if there is a violent partner or poor-quality accommodation, or even in the hospitality, I believe, this rent-a-room scheme is being used and, therefore, any limiting to that scheme is standing in the way of that aim. This suggestion is a counterproductive measure in helping the less well-off in society. Surely the policy should apply to any homeowner regardless of whether they have a mortgage or not. There are plenty of people who inherit a property and consequently do not have a mortgage or those who have worked hard all their lives and repaid their mortgages and now need a bit of cash and perhaps a bit of company. A lot of people are property rich but cash poor and may want to rent out a room to supplement their old-age pension. Why put barriers in the way? These homeowners should be encouraged. I am saddened that this amendment has been brought to basically stop those who do not have a mortgage,



as it has been stated, as they have no housing costs apart from utilities and upkeep - I find that a very sweeping statement - and from benefiting from a room tax relief. I feel that the amendment is ill-thought-out and makes assumptions that people who do not have a mortgage do not have the same expenses of people who do have a mortgage. This rent-a-room scheme is open to all homeowners who fulfil the criteria, as I alluded to earlier, and wish to use this facility. It was introduced based on the 2021 census that found around one quarter of households were under-occupying their accommodation and that this initiative is designed to encourage those empty rooms to be used. Please reject this seventeenth amendment as presented and I thank you, Sir, and the Members for listening.

### **9.2.3 Deputy M. Tadier:**

I do not think we are here to debate whether or not renting a room out is a good or bad thing, and we have heard from the unofficial spokesperson for Government, who is not a Member of Government, to lead the charge against this amendment in Deputy Ward. I also presume that there will be an opportunity for Members to express interests if they have rooms that they are renting out either permanently or presumably part time in the summer to students because I think they are also captured by that tax break. I do not have that but it is certainly something I might consider in the future and I would declare that of course were that the case. Let me say on record that I know the value of renting a room. When I lived in Berlin as a student I rented a room on the outskirts of Berlin from a very nice German lady with the added bonus that she only spoke German and Russian, and because I did not speak any Russian we were obliged to communicate in German and that was the exact point. She did not need any tax incentive to rent a room out to me. She had an incentive, it was called “the rent that I paid her”. The rent that I paid her was her incentive, and she might have also liked the company, and I was quite happy to pay what I thought was a reasonable rent. I was happy for her company and to be able to communicate with her in German and sometimes cook with her, although she did not like the smell of garlic for some strange reason which was: “Oh, *Knoblauch, das riecht so.*” But I do not think German is an official language of the Assembly so I will desist from speaking in that too much less it brings back bad memories. Now why I am making that point is that I think there are already people in our community who rent out rooms and there are people who are tenants and lodgers in such our houses and they were already there before this Government brought in this so-called tax incentive. The bottom line is that we have absolutely no idea, first of all, why this was brought in really and, secondly, we do not know how effective this tax break to people who already own property is. I can fully understand why Deputy Alves might seek to put a carve-out for those with mortgages and it does need an explanation, I think. I think she has touched on it already and may have to do so again in the summing up. It is probably because in the current market there may be people out there who have taken out a mortgage, either predicated on the fact that they cannot quite afford the monthly payments. Therefore they would rent a room out, which is perfectly legitimate, and I think something that Government is indeed encouraging, or that they have been caught in a situation where they have got a sudden increase in their mortgage because of the recent interest rate hikes and rather than being forced to sell they need the extra income, and all of that can happen without government intervention.

[14:45]

What I would say is that if the Government wants to help anyone out there who might be finding it difficult to rent a room and if they want to provide a tax break to somebody, do it to the tenant not to the landlord. They are the ones who could do with £10,000 extra of tax incentive. The current system we have of course gives an allowance to everybody whether they own property or they do not. So it stands to reason if we are going to be going back on this project about rent-a-room but we do not apply it across the board, there is a differential, is there not? If you own a property which has been in your family for generations and you have never had to pay for or the mortgage was paid off many years ago, you clearly do not have the same overheads that somebody who has got a current mortgage, perhaps one that has just been taken out, has. So I think it is quite clear that this is a very well, not just well-intentioned, but a very well-thought-out and well-targeted amendment where Deputy Alves

has consulted, I think, with people about what the implications might be, what the unintended consequences might be for those with a mortgage. I think what she has brought here is something that we could and I think should all support. The other point is that it raises revenue and goodness knows do we not need some revenue? It may not be all the revenue for the concessions that this Government have made but they have made millions of pounds of concessions to Back-Benchers because, let us face it, earlier on in the debate they would struggle to get their Government Plan through even with support from their own Ministers if they had not conceded to the multi-million pounds of extra spending that they will be making which has not been costed. So at least this is a cost savings that we can make and we ask the Assembly to support that.

#### **9.2.4 Deputy D. Warr:**

I appreciate Deputy Ward, who is not a Member of the Government, who is a Back-Bencher, and I think Back-Benchers are entitled to be seen as independent. They do not need to be smeared as the Deputy seems to be intent on doing.

#### **Deputy M. Tadier:**

I do take that back. I am sorry, I did not mean to smear the Deputy and refer to her as a Member of the Government.

#### **Deputy D. Warr:**

The rent-a-room scheme means it is a much better use. One of the policies of this Government is how do we get more effective use of the built environment that we have around this Island? It is really, really important. One point I would back up the Deputy with: Deputy Ward said 25 per cent of homes are under-occupied; it is 45 per cent, so a significantly higher figure. Not only that but it also offers temporary, as the point has already been made, low-cost accommodation that particularly suits people working here in seasonal roles. For instance, St. Brelade's College students use these opportunities significantly. Rent-a-room, therefore, tackles affordability and makes use of the other government policy under-occupied homes that we have. The mortgage interest rate relief ends in 2025 and I recognise that Deputy Alves also recognises this fact. This means that rent-a-room would not exist if the amendment were to be accepted. This amendment also ... and I think it is really important to remember this, and again referenced by Deputy Ward, about elderly Islanders who have maybe paid off their mortgage, require an extra income, they can just about survive on the income provided by Government and they would like a little extra in their pocket so they can have a better quality of life, why should we be discriminating against those individuals? I think it is appalling. We recognise that some of the poorest people in our society today are those who own their own homes and are pensioners and this is an attempt to discriminate against them, and I think that is appalling. The property search, I would just add, that the Deputy refers to in her amendment, is not relevant to the rent-a-room scheme. A student here for the summer is perhaps not looking to rent a 2-bedroom apartment for a year, they are just simply looking to temporarily find some cheap accommodation in the form of a space.

#### **9.2.5 Deputy M.R. Scott:**

I just wanted to point out something to my fellow Deputy Tadier in respect of some of the constituents that we have. Some of them have purchased houses under former schemes by Government to assist them in buying those houses and they are not particularly rich. To some extent they do need to take into account whether they are made liable to tax and whether it is going to affect things like income support and other things. I think one has to be very careful about making assumptions in respect of property owners, so to this extent I find myself inclining more towards Government.

#### **9.2.6 Deputy S.Y. Mézec:**

I do truly wonder whether the Government realises how out of touch it comes across when they have Ministers like the Minister for Housing and Communities speaking in the way he did in that previous

debate to suggesting that pensioner homeowners were among the poorest people in society. If he looks at statistics I think he will find it is pensioner social renters that are among some of the poorest in our society. Those are people who would never benefit from this kind of thing but his Government wants to prioritise tax breaks for people making money from renting property but the Residential Tenancy Law, no, that will get delayed. That will get delayed, and it just shows where his priorities are. I think the rent-a-room scheme is a complete mess and shows the wrong priorities because it offers tax breaks for people to apparently incentivise them, as if making money was not enough to incentivise them. I said at the time that I considered that to be poor value for money for taxpayers. I still consider that to be the case but if one thing could possibly be done to mitigate that and at least focus some of that incentive on people with mortgages, some of whom will have suffered from interest rates going up and who would benefit I think quite objectively more by targeting this than having it untargeted, then I think that is a worthy thing to do. There already are incentives that those who own their homes outright can benefit from, as Deputy Alves explained, to do with what they provide as a wider part of the service than just giving them a rule. Having an extra one on top of that I think really is taking the mickey. It is not a good use of public money and we ought to be focusing on where we can make the most positive impact and it is not to provide tax breaks for people who do not need them.

### **9.2.7 Deputy R.J. Ward:**

I also had real issues over the rent-a-room scheme for a number of reasons. First of all, the simplistic approach of the Government that simply by having this and having the stats from some sort of untargeted information as to how many homes are under-occupied, not knowing what type of under-occupation it is, for example, and then by introducing a subsidy, which is what this is, a rent subsidy in the form of a tax relief, that suddenly we would in some way solve the problem of many people's housings and insecurity, but what this does is it means people leave ... if it does work, and we have absolutely no evidence that it is working. We have absolutely no information on it. We are just continuing to spend money in this way in an untargeted ... and let us think about that. If someone was to come along and say: "I want to spend this money but it is not targeted in any way. We do not know who is going to use it. We do not have the data on it. We have only just got some form of landlord licensing system. We do not have any laws which will want to be updated because they are being delayed and delayed and delayed." If a Back-Bencher brought that they would not have a chance. However, what we have got is a system that is giving away money, hopefully ... we do not know how much is spent. This money might not be given away because it might not be working. This is a revenue-raising proposition from Deputy Alves simply because she has recognised that there is a need among some people with rent-a-room, and if there is an incentive to work it will be if you have a mortgage and therefore you will get a tax relief on that part of what you are doing because it helps you. But it does not target anybody else in that way apart from giving extra income where we do not even know if it is needed. One of the problems that we have in this is not simply ... I will give you some examples. When we talked about this originally we heard the argument about St. Brelade's College. I know a few people who rent to students from St. Brelade's College and their comments to me were: "To be quite frank, I have always rented to St. Brelade's College and I always will because it is a great thing to do in the summer and we make some money out of it. I do not need this tax incentive at all; however, I will take it." Now is that really the way this Government wants to be prudent with our money, with taxpayers' money, as we keep saying? Is that really the way to do it? "You do not really need it but have it anyway because you are in a good position." Later on we are going to be asked to make salami-sliced cuts from every single budget across the Government and £160,000 is more than the cut to home affairs. It is a large proportion of the amount of money in education and children. It is just under half the amount of money that will come from health in order to fund a sector of our economy that is desperately in need. If that is the economics that this Government is going to bring forward to this Assembly, we really are in trouble. So let us take the first opportunity that we can to end that type of nonsense, have a prudent thought-about, intelligent

approach to a system that is not working - well we do not know if it is working - and let us make that change so it becomes more targeted, more appropriate to what we want to do and effectively a better spend of taxpayers' money. I urge you to intelligently support this amendment.

#### **9.2.8 Deputy K.F. Morel:**

There are just a few inconsistencies in the arguments coming forward that I felt I needed to address. Deputy Ward has just said no evidence; there is no evidence to show the scheme is working. I may be wrong here, but I believe this scheme has been in place for less than a year. That is why there is no evidence because we have not had an income tax year to see how many people are claiming this on their income tax forms. So there is no evidence because the scheme has not been in place long enough to know whether it works or not, which means that the argument that: "Oh, there is no evidence; therefore, we should stop it" falls away. Because we need to see this in action for more than one year in order to see whether it works or not. I also wanted to point out that I was just looking for the actual statistics, but I know Deputy Warr was talking about pensioner households without a mortgage or, sorry, pensioner households who without a mortgage are ... they are a very high category of people in low income. They absolutely are, and I know that I think it was Deputy Mézec who tried to throw that back at Deputy Warr, but it is true. Pensioners without a mortgage but who own the home, possibly because, one, they paid it off earlier in their life or they have inherited it later in their life, but they are on a state-only pension and that is the only income they have, they struggle. They struggle as much as anyone and this scheme is absolutely devised in order to help incentivise them to rent out a room, get something of a tax break on it. So it is not a case of only people in rental accommodation are the ones struggling. That is not correct. If Deputy Mézec wishes to represent people on lower incomes in this Island, then he needs to look beyond the property ownership and whether or not someone owns a property or not. Because their ability to cope with the day-to-day costs of living in this Island are not defined by them owning or not owning a property. So I quite simply want to say we do not have evidence that this is working; we do not have evidence that this is not working. The evidence in the report that Deputy Alves puts has nothing about whether this scheme works or does not work. There is absolutely nothing in there which tells you whether this scheme does or does not work. So this is not a well-thought-through proposition. This is a reactionary proposition, in my opinion, that is just aimed at really saying: "We do not like people owning property." That is what it is designed, I believe, to do and, therefore, people who do own property and can use it to better the Island by freeing up more accommodation, by having an incentive to free up more accommodation, I believe that is what the Government should be doing. We have a really simple tax system. It does not, therefore, allow for many levers, is the word we often use, to be used, but this is one of the ways that we can try and encourage people who own a property to rent out a room to provide accommodation for other people when we know that there is a need for accommodation. So I really do ask the Assembly at the very least let us have one more year of this to see what the figures are at the end of it, because then we will have some evidence one way or the other. But we do not have that evidence at the moment and as a result I do not believe Deputy Alves' proposition stands at all and I would urge the Assembly to reject it.

#### **9.2.9 Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter:**

I will be brief because I believe that my colleagues here to my physical right were against the introduction of rent-a-room in last year's Government Plan. They have been quite clear on that.

[15:00]

Although the mover of the proposition is clearly indicating that she is wishing to see it targeted in a way which I do not think works, but we will come on to that, the reality is that the way that the amendment is drafted it would be a decision today to stop rent-a-room allowance because of the timing of the mechanism to which it is attached and the information that the department would have. This is talking about individuals with mortgages. After 2026 there will be no requirement to say on

your tax return that you have a mortgage and, therefore, that would mean that the department was not able to give this relief in that regard. The reality is, as Deputy Barbara Ward - be careful to give Christian name as well - quite eloquently again explained, why rent-a-room was a tax incentive mechanism that she came knocking on my door to explore right in the very early days of this Government. We did the work. We have had positive feedback from hospitality and from St. Brelade's College. It may not be that everybody that takes a student from St. Brelade's College feels the same but we had consultations ... what is the word? So we were lobbied by them to say that they were finding it more and more difficult to get people to rent rooms to students. So I think that this is a very small but important part of helping us deal with some of the housing problems that we have and it also deals with this really important idea that drives a cohesive community. So older members of our community who might have spare rooms can feel a financial benefit and also a tax benefit from renting out that room and we are creating the sort of community that we would like to see created elsewhere as well. So for those reasons I hope that Members do not reverse the decision that they made last year. I, as I say, am lobbied to say that this is working and we should continue to let it work so that we can then gather the statistical evidence, which again my colleagues here to my right wish, rightly, to see but we can only see once it has been in operation for a number of years. So that is my position.

#### **9.2.10 Deputy J. Renouf:**

Deputy Morel and Deputy Gorst have made some of the points that I wish to make, but there is one point I would like to pick up that Deputy ... some of the Reform Jersey Deputies have made, which is the idea that the incentive should be the rent, which sounds fair enough. But the problem is we have massive under-occupation and we have a housing shortage. Therefore, whether or not the incentive should be the rent or not, the 2 things are not matching up at the moment. We have a gap. We have a lot of rooms that are empty and people are not using them in a way that they potentially could. So it seems to me we want to encourage more of that and the point of an incentive is to try and test out whether there is an extra financial positive benefit that would encourage more people to do that. As Deputy Morel said, we do not yet know whether that is working but we should certainly give it a chance to find out because it is such a potentially big win. We are dealing with the reality, not the theory. The reality is that not enough people who could potentially rent out a property are doing ... rent out rooms, rather, are doing so and this is a good chance to try and increase that number. I think we should keep the incentive in place to allow that to play out.

#### **9.2.11 Deputy L.V. Feltham:**

I will keep this brief. I just wanted to take the opportunity, following the Minister for Treasury and Resources' speech, to remind Members what we have previously heard from the Minister for Treasury and Resources. Because the Minister for Treasury and Resources suggested that he would be undertaking some kind of assessment of the current rent-a-room tax relief, whereas he has previously told us in answers to written questions that the Government does not routinely undertake policy evaluations of longstanding tax allowances and reliefs. Further, he is not minded to embark on the labour-intensive exercise to catalogue and evaluate all of the existing personal and business allowances. Such allowances and reliefs are uncontrolled expenditure. Further, the idea that the Treasury will be ascertaining some level of whether this has worked or not via collecting data, it is my understanding - and perhaps Deputy Alves in her summing up can clarify this - that currently people renting out rooms do not have to specifically claim this relief. So there is nothing in the data being collected currently by the Tax Department to ascertain whether or not this has worked effectively as an incentive. Because when people fill out their tax form all they need to do is put in the income that they are getting from renting a room. So they may not even know that they are going to get this relief. They do not have to ask for it. Also, one of the other things that I would like to ask Deputy Alves to address in her summing up was the assertion made by the Minister for Treasury and Resources that when the mortgage interest relief comes to an end, by us adopting this amendment

now that would automatically bring rent-a-room to an end because there would be no way of telling who has a mortgage and who has not. Well, I have a simple solution to that. Why not change the tax form to enable them to collect that information? So those are the points I would like to make. Personally, I would like to see more evidence that before we have any expenditure, not just uncontrolled expenditure like such a tax relief, I need to see evidence that it is working. To date we have not seen any evidence that this expenditure provides good value for money and good outcomes for the people of the Island. So I urge you to support this amendment.

**The Bailiff:**

Does any other Member wish to speak on the amendment? If no other Member wishes to speak, I close the debate and call upon Deputy Alves to respond.

**9.2.12 Deputy C.S. Alves:**

I would like to thank everybody for their contributions. I do want to make it very clear that I do not wish to discriminate against the poorest in our society. I never have and I never will. However, if somebody is asset rich and cash poor they do have the option to release equity or to downsize, and I was glad to hear that Deputy Coles' incentive to downsize was approved by this Government. So I am not going to pick out any particular speakers and I am not going to repeat people's contributions in this debate. I am just going to address some themes that were brought up. One of the questions I was asked was why mortgage payers, and I think it is quite obvious that the sudden increase in mortgage rates has really put some people on edge. Mortgages payers have had mortgage interest relief and this has been eroded away year after year. When I first applied for my mortgage, I was asked if I would consider renting out one of the rooms in my home and that, if so, this could be taken into account as an additional income and would help me with my mortgage application. I am not sure if that is still the case or not, but that was the case some 10 years or so. With regards to evidence, Deputy Morel is correct that there has not been a full year of this so there is a lack of evidence, but there was also a lack of evidence when the scheme was introduced in the first place. I may not have physical evidence, but I do have members of the public telling me themselves that they have seen lodging prices, when they have been a lodger in a home, increased and that is why I brought this amendment. I make a point to be responsive to my constituents and try to alleviate what I can. To suggest that I do not like people owning their property outright is ludicrous. I would love for everybody to be able to own their own property outright. This is why I play the lottery every Christmas. So I think Deputy Feltham addressed Deputy Gorst's comments around the rent-a-room falling away, and also I believe that it is correct that there is not an option to ask for the relief to be applied on the income tax return. However, I will also say this. Deputy Gorst suggested that the rent-a-room would fall away after 2026. However, the Minister did not approach me or talk to me at all about this or propose an amendment to my amendment. Ultimately, this amendment does not stop people from renting out a room in their home if they wish to. It simply asks them to pay a maximum rate of 15 per cent on that income. That is all. So, like I said in my speech, it is up to the Assembly whether they wish to support incentives that are targeted or not. So I urge the Assembly to support this and I maintain the amendment and ask for the appel.

**The Bailiff:**

The appel is called for. I invite Members to return to their seats. The vote is on amendment 17. I ask the Greffier to open the voting and Members to vote. If Members have had the opportunity of casting their vote, I ask the Greffier to close the voting. The amendment has been defeated: 10 votes pour, 36 votes contre, no abstentions.

<b>POUR: 10</b>	<b>CONTRE: 36</b>	<b>ABSTAIN: 0</b>
Deputy G.P. Southern	Connétable of St. Helier	
Deputy M. Tadier	Connétable of St. Brelade	

Deputy R.J. Ward	Connétable of Trinity		
Deputy C.S. Alves	Connétable of St. Peter		
Deputy S.Y. Mézec	Connétable of St. John		
Deputy T.A. Coles	Connétable of St. Clement		
Deputy B.B.de S.V.M. Porée	Connétable of Grouville		
Deputy C.D. Curtis	Connétable of St. Ouen		
Deputy L.V. Feltham	Connétable of St. Mary		
Deputy R.S. Kovacs	Connétable of St. Saviour		
	Deputy C.F. Labey		
	Deputy S.G. Luce		
	Deputy L.M.C. Doublet		
	Deputy K.F. Morel		
	Deputy M.R. Le Hagarat		
	Deputy S.M. Ahier		
	Deputy I. Gardiner		
	Deputy I.J. Gorst		
	Deputy L.J. Farnham		
	Deputy K.L. Moore		
	Deputy P.F.C. Ozouf		
	Deputy D.J. Warr		
	Deputy H.M. Miles		
	Deputy M.R. Scott		
	Deputy J. Renouf		
	Deputy R.E. Binet		
	Deputy H.L. Jeune		
	Deputy M.E. Millar		
	Deputy A. Howell		
	Deputy T.J.A. Binet		
	Deputy M.R. Ferey		
	Deputy A.F. Curtis		
	Deputy B. Ward		
	Deputy K.M. Wilson		
	Deputy L.K.F. Stephenson		
	Deputy M.B. Andrews		

**The Greffier of the States:**

Those voting pour: Deputies Southern, Tadier, Ward, Alves, Mézec, Coles, Porée, Curtis, Feltham and Kovacs.

**Deputy R.J. Ward:**

May I just raise a slight issue of the number of comments that are coming through that are late? As somebody who has had questions refused because they were a minute late because my auto send did not work, we either have rules or we do not. There are so many that just seem to be coming through and saying they are late because there simply was not time to respond. As a Back-Bencher, we do not have the support that the Government has. The Government knew the Government Plan was going. They knew about all of the amendments way in advance. I think I just want to voice my concern over late comments being received again.

**The Bailiff:**

The Standing Orders, as you know, provide, Deputy, that when comments come in, if they are late they must have an explanation as to why they have come in late. My understanding from the Greffier is that comments that have come in late do have that explanation in them. It is a point that you are entitled to make but I am not sure it is something that causes any interruption in the debate or anything of that nature.

**Deputy R.J. Ward:**

Sorry, just to say, Sir, the comments did seem to say that they were late because Government did not have time to write them and it just strikes me as a strange issue.

**The Bailiff:**

I think that is a matter that if there is an issue where that is concerned it is a matter for P.P.C. to take forward. We must proceed with the debate.

**9.3 Proposed Government Plan 2024-2027 (P.72/2023): second amendment (P.72/2023 Amd.(2)) - Removal of RegTech super-deduction****The Bailiff:**

The next amendment is that brought by Deputy Andrews. It is the second amendment and I ask the Greffier to read the amendment.

**The Greffier of the States:**

Paragraph (a) - After the words “Article 9(2)(a) of the Law” insert the words - “, except that in Summary Table 1, the 2024 estimate for Corporate Income Tax should be increased by £200,000”. Paragraph (l) - After the words “Appendix 3 to the Report” insert the words - “, except that on pages 40 and 41 the paragraph entitled ‘Regulatory Technology (RegTech) Super-Deduction’ should be deleted”.

**9.3.1 Deputy M.B. Andrews:**

When I was reading the Government Plan, it was important in my role as a non-Executive Member that I was looking to be objective and instructive, and if I thought there was any prospective policies that were proposed that were in need of improvement or potentially rescindment, that I ought to take the steps by lodging an amendment, and that is exactly what I have done. Now, the RegTech super-tax deduction of 150 per cent will allow corporations to apply 15 pence tax credit on each pound that is spent on technology. Now, currently firms are permitted to claim 10 pence on £1 of spend in technology, so there will be an additional 5 pence.

[15:15]



The Minister and the Council of Ministers are aware that there will be a £200,000 loss in revenue, corporate tax revenue, and I would just like to bring Members' attention to some of the statements that have been made in regard to the incentives that will be applied on the corporations who then make those investments in technology. Because it is quoted here that if this amendment is accepted, this runs a risk of Jersey falling behind in the adoption of regulatory-compliant technology. Those are the words that are mentioned in the comments paper, but I am sorry, that is not the truth. Corporations pay 10 per cent corporate tax; 10 per cent. The whole purpose of Jersey having low taxation is to allow corporations to have more profits, more profits so they can reinvest all of their monies into technologies. So there is no need to apply a new measure, a new incentive, that will also be used essentially as an avoidance measure of tax to some extent. It is also of concern to me because in the comments paper it was mentioned that corporate taxation provides half of government revenues when in actual fact I have received a written response to my question about corporate taxation as a percentage of government revenue and for the last 5 years corporate taxation has been less than 10 per cent. So there is an inconsistency in terms of what the comments paper is saying and then the response I received in my written question just before. I just find that peculiar and there should really be a consistent approach because it is about facts that we ought to be speaking about here. So I do not understand why there is that discrepancy. In the comments paper it was alluded to that there is a capital allowance of up to 25 per cent. It was not explained, though, that this can be reduced when equipment is discharged or sold, so the percentage is much lower in many instances where there is a 25 per cent capital allowance. I just think that has to be made very clear for Members of the Assembly. Now, this is a tax incentive that is being proposed in very difficult economic circumstances where we are seeing double digit inflation. We are seeing households struggle. We are seeing firms struggle due to rising input costs. Now what we do see is an expansionary policy that, okay, yes, is worthwhile in terms of saying that the incentive is there to try and generate additional investment in technology, but we also have to understand here firms are investing anyway. They do not need to be applied with a new tax incentive because RegTech is something that many corporations are investing in. It is a natural process; it is happening. Even when I was reading a labour market study of the O.E.C.D. (Organisation for Economic Co-operation and Development) in July, RegTech was mentioned and corporations mainly are investing in RegTech. It is more to complement human labour, it is not to eradicate jobs. In fact, we will see more people being upskilled and reskilled but job roles will change. So this whole argument, this counterargument, that has been used that applying tax credits on investment in technology will incentivise firms to invest in RegTech to improve productivity alone I believe to be absolutely nonsensical because firms will naturally be taking decisions to remain relevant in the marketplace without any need for economic policy such as this to be implemented. So I am happy to bring the proposal before the Assembly.

**The Bailiff:**

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

**9.3.2 Deputy L.J. Farnham:**

The amendment is well made but I am not sure I can support it as a former proponent in investment in the economy. This is, I understand, a pilot scheme, a 2-year pilot scheme, to measure the impact and the economic return on it. I think sometimes you have to speculate to accumulate and if this is even partially successful I think we stand to ... despite giving a generous tax incentive on investment, the aim is - and I am sure the Minister for Treasury and Resources will correct me, or someone, if I am wrong - to generate strong investment in technology and provide an increased return in corporation tax to set the foundations down. So that is my current position. Like I say, the amendment was well made but at this stage, unless there is something, some other evidence, that jumps up to prove to the opposite, I think I am unable to support it on this occasion.

### **9.3.3 Deputy M.R. Scott:**

I note this amendment has not been brought by the Corporate Services Scrutiny Panel, who also have a job in scrutinising the Government Plan. There was a suggestion that the reason why the finance industry has the 10 per cent rate, and that is to give it more profits to invest in technology, of course, that is not the only reason. To attract investment in companies based in Jersey as a location is another reason. The Economic and International Affairs Panel did also have a look at this and we did receive submissions, which minded us not to make any amendment to the proposal. There is one which basically ... I can read you one from the Jersey trust company association saying it is most welcome: "Looking at the figure showing that £450,000, this figure appears to be on the low side and we believe this should be revisited." I will leave the Minister for Treasury and Resources to respond to that maybe. But generally what we have also heard is it is not to eradicate labour at all. No, it is, as the Government has said in its comments, to free up human resources, of which all sectors are desperately short at the moment, so that they can be applied more productively towards our economy. So I will not be supporting this amendment.

### **9.3.4 Deputy K.F. Morel:**

Yes, I speak in a similar vein to Deputy Scott and Deputy Farnham. I think it is really important to understand that ... I mentioned earlier today the *Barriers to Business* report that Jersey Business published last week. Of course, and perhaps unsurprisingly to many in the Assembly, that report pointed to processes within government as one of the things that businesses find difficult to negotiate and navigate and slows them down and costs money. But equally processes within businesses can do exactly the same thing. While Deputy Andrews talks about a low tax rate, which is correct - financial services companies that pay tax pay 10 per cent tax - we also need those companies to look at themselves and look at where they can improve their processes because there is a reality throughout Jersey's economy that over the last 17 years, or 15 to 16 years, Jersey's economy has not performed in the way that we need it to perform. That in overall G.V.A. terms also goes for the financial services sector. One of the ways we can encourage greater performance, greater productivity in the financial services sector, is for them to automate processes as much as they possibly can to reduce the length of processes. Of course, when you are a financial services company in almost any area of financial services, you are constantly doing Know Your Client procedures. You are constantly undertaking them for other companies that need to understand their clients as well. You are constantly checking the source of funds. These are really onerous processes that take a long time. The idea that we incentivise businesses in the financial services sector to focus on that particular area of regulatory process I think is a fine one because it is one in which we can gain a competitive advantage. All of these regulations that the financial services sector works within are similar regulations in many other financial services sectors around the world. But if we want to maintain our leading position, then we need to be at the cutting edge and we need to be pushing forward, really incentivising growth in productivity, and process automation is absolutely one of those areas. So one of the downsides to having, as I said earlier, a simple tax regime and particularly a low and simple tax regime is that you do not have many levers to pull on. It is entirely normal for Governments to use tax deductions in this way to incentivise behaviour either at the citizen level or at the corporate level, it does not matter which. All Governments use tax as a way to incentivise certain behaviours. That is exactly what the rent-a-room is about. This is also what this regulatory super-deduction is about. I think it really is necessary. It is a way of saying to the financial services sector: "Please, we really want you to look at this area. We believe in this area you can start gaining a competitive advantage and we will back you in doing that as a Government by giving you this deduction." It would then be quite right and follow that if this works that we could do a very similar sort of deduction for other areas of the business sector which are taxed, such as large retailers, such as the utilities, who are all taxed at 20 per cent. This is an area in which we can use one of the tools we have to incentivise better performance within our business sectors and, therefore, get Jersey on that path to greater economic growth which we know we need to get on to in order to deal with the challenges that healthcare and

social care costs are going to give us over the next 15 years. So I strongly urge Members to reject this amendment.

### **9.3.5 Deputy M. Tadier:**

Part of me is tempted to say would the Deputy not prefer for this to wait a year to see and let this particular amendment bed in and then see if we have evidence, but maybe not. Maybe he can get to the dizzy heights of 11 votes for this amendment today. There are a couple of bits in the report that I am interested in. One is his comment that he thinks that Jersey finance service businesses are taxed at a diminutive rate - so he says that and I think he said it in his speech as well - of 10 per cent. What does he think that the tax rate for a financial services company should be if 10 is diminutive? Very much the implication in his opening speech was that they do not pay enough tax, so I am not saying I agree or disagree with that but I would be interested to know what his thoughts are on that. I suppose my question here is: am I missing something? Surely, again, the incentive here is every business who wants to maintain its "competitiveness" - is that right, "competitiveness"? **[Interruption]** Competitiveness, yes, let us go with that. I am sure you can say both, but you have to be able to pronounce them. So competitiveness in the market, it is within their interests to do that, is it not? It is not just an issue of RegTech. Any company needs to make sure that it is keeping up to date with a whole host of the latest technologies, the latest best practices, which may or may not be related to tech. So it is interesting that there is this additional Government red tape on top of it, positive red tape if we can call it that, but it is red tape nonetheless. Because the default position, of course, should be one of a free market, should it not? Let markets compete. Let businesses compete among themselves. The point I was going to make is that they only pay tax on their profits so, of course, any money that they spend and reinvest in their businesses, whether that be in RegTech or in a new air-conditioning unit or in training for their staff, they do not pay tax on that. So I do not see why there is necessarily this need for the extra lever, if you like, in that, although the Government clearly thinks it is. I think it is difficult with this one because we have a Deputy who is happy to support unproven expenditure from this Government but he also seems to be picking and choosing when he wants to call the Government out on it. So at least the Government is being consistent and at least Reform Jersey are being consistent, but maybe that is a little bit harsh on the Deputy and he can explain his position a little bit more in summing up because I am always fascinated by Members' underlying philosophical and political positions in these areas.

[15:30]

### **9.3.6 Deputy I.J. Gorst:**

Yes, I must confess to having an enjoyable meeting with the Deputy - I think it was on Friday - and we came down to what I think were really political differences about how businesses should either be supported and what we should expect of them in an economy. Those conversations are always interesting, or I find them so. Where I, of course, do not agree with the Deputy's proposal to remove this incentive is that he says it is incredibly generous or generous, and we heard that in his opening speech, and that it is unnecessary or not necessary. Well, Members will have heard his opening speech: 150 per cent super-deduction sounds incredibly generous and, of course, with something like this we are wanting to encourage companies to avail themselves of it. What that means in reality is an additional 5 pence in the pound, which I do not think is overly generous. What we have found historically is that companies that might qualify for this could, indeed, be investing around £100,000 per annum on this sort of technology. We have done a survey to look at this. So that means their tax bill is reduced by about £5,000, which in the scale of corporate tax is not that great. In questioning during other sessions, of course - and Deputy Feltham was critical of me earlier - I made it very clear that the rent-a-room scheme is a new scheme that this Government has started and that we would gather data and do some of the analysis work going forward. This scheme is a pilot scheme which will be in place for 2 years, and we will gather that data and be able to give good statistical evidence of how it has worked or not. I fundamentally believe that it will work and I have been speaking to

other sectors of the economy and they have been interested in understanding if something in due course could be rolled out to them to support them with the bureaucratic burden. This Assembly rightly has added a compliance bureaucratic burden across the financial services industry for many a decade to meet with the highest international standards, so that has put great pressure on recruitment around compliance and regulatory staff, who now are personally liable in many of these areas. It is only right that we then as a Government seek to, yes, deal with the population issues, yes, partly also trying to mitigate ongoing stress in the housing situation, by the use of technology. It has to be core to our economic success going forward and it really is at the heart of the Sustainable Economic Development future economy programme, the use of harnessing technology to undertake jobs so that we as an economy can move into the higher value-add jobs for individuals in our community and thereby increase productivity as well. So it is not overly generous and it is necessary. It is necessary for those very broad reasons, but it is also necessary in the way that our financial services sector operates. On the one hand we can say that we tax at a reasonably low level, although it is internationally competitive. We have a very clear headline rate that is the rate of tax which is paid. Other international finance centres do not have that clear headline rate and the effective rate that some of these companies pay is much lower than the headline rate. It is fair to say that Jersey financial services companies know that they must invest in RegTech but many are waiting to follow the lead of their head offices or peers in larger finance centres. The super-deduction incentivises them to act sooner rather than later to cement their position at the leading edge of industry, and that is important because a lot of our businesses now are global in nature and they have offices around the globe. They are looking to see where they might test in the first instance this type of technology. If we have these incentives in place, firms have already written to me and said this is one of the tipping points that they will then invest in this technology in Jersey. But let us be clear. Their office in Singapore, their office in Delaware, their office in Luxembourg, they are also fighting to be at the forefront of technology. It is why we need modern office spaces. It is why we need to encourage investment in technology to keep Jersey and its financial services productive and successful into the future. I think it is certainly worth doing this pilot programme. Businesses have been speaking to Government and to previous Ministers for Economic Development for as long as we can remember saying: “Why can you not think about incentives to help us digitise?” This is a step in that direction. The other point just in closing my comments I just wanted to ... I think the Deputy had misread the comments because, of course, he is right to say corporate tax is 10 per cent of our overall tax, but the comment says this. If I read the sentence to put it in context, a little bit tedious but forgive me: “The forward-looking outlook should be compared to a counterfactual where Jersey’s finance industry [so it is not corporate tax, it is Jersey’s finance industry] falls behind on modernisation and we lose the competitive edge of our key industry.” It is our key industry, the finance industry, which is responsible for 40 per cent of gross value added and half of all tax revenues. Not corporate tax revenues, half of all tax revenues, so that is corporate tax revenue, it is the individuals employed in that sector’s income tax and it is their I.S.E. (international services entity) fees. So I really do ask Members to reject this proposition and to allow myself to work with the Minister for Sustainable Economic Development and the Assistant Chief Minister with responsibility for financial services to make this work.

### **9.3.7 Deputy C.D. Curtis:**

Like Deputy Andrews, on first reading of the Government Plan I was concerned about the super-deduction tax incentive on RegTech for finance companies. It is a great idea to support business and especially finance and their regulatory responsibilities, even though they will most likely invest in RegTech regardless of any incentive. But there did not appear to be any controls or risk management. So I contacted Deputy Gorst to ask for a meeting to discuss it. I did not get that meeting. However, I did meet with 2 of the officers and Deputy Feltham joined me at that meeting, who also had concerns about this tax incentive. Having discovered that there were no caps in place, I drafted amendment 4 to cap the amount that could be lost to the Island, to shorten the time of the review, and to limit it to on-Island providers. My amendment was lodged nearly 4 weeks ago. There was no response from

the Government, no response that is until Thursday afternoon last week, with a phone call from Deputy Gorst expressing concern about one part of the amendment. I explained that I would withdraw that part if it really was impractical and I would research it further. Later that afternoon comments were published objecting to all 3 parts of the amendment. The reason I mention this now is because it is not possible to research and respond to potentially practical concerns raised by Government when we are only given one working day to do so. I complained to Deputy Gorst that he could have responded with these concerns at any point during the last 4 weeks. By only allowing one working day before the debate means that some concerns raised by Back-Benchers will most likely fall away, and that is poor government. As a side point, I was also disappointed to hear the admission by the Minister for Sustainable Economic Development that he has not considered the implications on Jersey's main business finance and on our digital sector of RegTech incentives. So following these last-minute comments I withdrew my amendment and now I find I must support Deputy Andrews' amendment to remove the RegTech super-deduction entirely. That is disappointing because I support incentives to business, as do my colleagues, but not incentives without limits. The Council of Ministers' own comments paper describes this incentive, and I quote: "as a key measure to support innovation and enterprise in Jersey." Well, we only have to look at past endeavours by Government to support innovation and enterprise; the Jersey Innovation Fund, for example. One of my companies was the first recipient of a loan from this fund and we paid back the loan with interest on time. Some other recipients did not, including one business which had no real connections to Jersey, subsequently disappeared from Jersey and had been handed around half a million pounds. I contributed to the damning report on the management of the Jersey Innovation Fund and I can tell States Members it was very badly run. The Comptroller and Auditor General report highlighted serious shortcomings of oversight and governance. So I have no confidence that any business incentives, super-deductions or otherwise run by Government will be managed well. There is evidence to the contrary. Will this RegTech super-deduction end up costing us millions? The Treasury's estimate is that it will cost us £200,000 next year, but there is no cap on the fiscal impact. There could be a loss of many millions in 2025 with no review having been undertaken. At this time when Jersey residents are struggling with the cost-of-living crisis and when Government is asking us to make department cuts in their amendment 33, this is not a good time to give away our potential revenue in what would be, going on past experience, a poorly managed procedure. For these reasons I urge States Members to vote in favour of Deputy Andrews' amendment to remove the RegTech super-deduction.

#### **The Bailiff:**

Does any other Member wish to speak on the amendment? If no other Member wishes to speak, I close the debate and call on Deputy Andrews to respond.

#### **9.3.8 Deputy M.B. Andrews:**

I would just like to say thank you to all of the Members who have contributed to this debate, those in support and those who oppose me. I think it is a very worthwhile debate to be had and I am very pleased that I have brought this amendment before the Assembly. Now, I think in regard to the tax incentive itself, we need to be aware that with technology investments corporations are already receiving a tax credit. So if, say, a firm invests £100,000, they can claim £10,000 as a tax credit. But this new super-tax deduction measure will increase that to £15,000 so there will be a £5,000 increase as a tax credit that will not be going to the Treasury. I think that in itself during the current economic climate is not a prudent move. We ought to obviously support financial services and tax credits ought to be applied where necessary, but I also need to bring to Members' attention what the Fiscal Policy Panel had to say in their recent report. They were saying the need for the public sector to be in a surplus because what we have been doing has been spending too much. We have been neglecting our reserves and also now we are giving tax breaks to corporations. That £200,000 - and potentially it could be more in respect of tax revenue loss - is not going to be coming into the Treasury. I think

that is a great shame because what we are seeing is a lack of vision and directive here in terms of managing public finances more prudently. Because we are spending too much in too many different areas, and I have to also question the method of spend as well. Now we are looking at, say, the Stabilisation Fund, that has only got about £600,000 left in it and at one point it had about £50 million in about 2020. So tax measures where you are seeing supply-side policies being introduced during the current economic climate I do not believe to be acceptable. I think Deputy Catherine Curtis made a very good speech. She mentioned some of the concerns that I had in terms of she mentioned that there should be a cap that potentially could be introduced because there is this tax loophole, unfortunately.

[15:45]

I know there will be a counterargument by those who oppose this amendment who would say: “But do not forget, technology will drive economic productivity. It will increase tax revenues.” Now, if that is the case, is there really any need to increase this tax credit when firms are already making the relative investments anyway? I do not believe there is a need for this super-tax deduction to be in place at 150 per cent. It is already in place at 10 per cent of spend and it should be kept that way. But what we are doing here is we are seeing too many policies where it is this tax credit-based initiative and it is across a number of areas. It is being proposed in this Government Plan and then we are losing prospective revenue when, as I say, we also need to be generating a surplus. We need to be cutting back on government expenditure and we need to be making transfers to the Stabilisation Fund and the Strategic Reserve Fund. I do not really see that happening in this Government Plan, apart from speculative plans where we are seeing if any additional income or underspends are seen, then such transfers will be made to the Stabilisation Fund. I just think that is absolutely imprudent and really what we should have seen is costed transfers being made in the Government Plan itself. So I am happy to call for the appel and we can have this vote.

**The Bailiff:**

Thank you very much, Deputy. The appel is called for. I invite Members to return to their seats. I ask the Greffier to open the voting. If Members have had the opportunity of casting their vote, then I ask the Greffier to close the voting. The amendment has been defeated: 11 votes pour, 35 votes contre, no abstentions.

<b>POUR: 11</b>		<b>CONTRE: 35</b>		<b>ABSTAIN: 0</b>
Deputy G.P. Southern		Connétable of St. Helier		
Deputy M. Tadier		Connétable of St. Brelade		
Deputy R.J. Ward		Connétable of Trinity		
Deputy C.S. Alves		Connétable of St. Peter		
Deputy S.Y. Mézec		Connétable of St. John		
Deputy T.A. Coles		Connétable of St. Martin		
Deputy B.B.de S.V.M. Porée		Connétable of St. Clement		
Deputy C.D. Curtis		Connétable of Grouville		
Deputy L.V. Feltham		Connétable of St. Ouen		
Deputy R.S. Kovacs		Connétable of St. Mary		
Deputy M.B. Andrews		Connétable of St. Saviour		
		Deputy C.F. Labey		
		Deputy S.G. Luce		

	Deputy L.M.C. Doublet		
	Deputy K.F. Morel		
	Deputy M.R. Le Hegarat		
	Deputy S.M. Ahier		
	Deputy I.J. Gorst		
	Deputy L.J. Farnham		
	Deputy K.L. Moore		
	Deputy Sir P.M. Bailhache		
	Deputy D.J. Warr		
	Deputy H.M. Miles		
	Deputy M.R. Scott		
	Deputy J. Renouf		
	Deputy R.E. Binet		
	Deputy H.L. Jeune		
	Deputy M.E. Millar		
	Deputy A. Howell		
	Deputy T.J.A. Binet		
	Deputy M.R. Ferey		
	Deputy A.F. Curtis		
	Deputy B. Ward		
	Deputy K.M. Wilson		
	Deputy L.K.F. Stephenson		

**9.4 Proposed Government Plan 2024-2027 (P.72/2023): twenty-second amendment (P.72/2023 Amd. 22)) - Abolition of interest tax relief for landlords**

**The Bailiff:**

The next amendment is amendment 22 brought by Deputy Mézec and I ask the Greffier to read the amendment.

**The Greffier of the States:**

After the words “Article 9(2)(a) of the Law” insert the words – “, except that in Summary Table 1 there should be inserted a new line below “Corporate Income Tax” entitled “Interest Tax Relief (letting properties only)” with a figure of £1.9 million to be placed in the column for the 2026 Estimate, to include funds generated from the abolition of interest tax relief on mortgages for letting properties”.

**Deputy I.J. Gorst:**

Sir, I wonder if landlords maybe just do need to make a declaration in advance of this particular amendment. I suspect that it is a declaration that should be made but is not sufficiently close or is shared with a potential large number of other people.

**The Bailiff:**

I think that is probably right, Deputy Gorst. It would be appropriate, I think, for anyone to declare if they are a landlord in this particular sense, but I do not think it will disqualify anyone from either speaking or voting.

**Deputy K.L. Moore:**

Sir, I make the declaration.

**Deputy K.F. Morel:**

May I suggest we just do it by pressing the buttons on our machines and then that can be read out if that is what ...

**The Bailiff:**

Yes. If people could leave their lights on until the Greffier has been able to note the position.

**Deputy M. Tadier:**

Can you clarify the definition? It is whether one is a landlord or one's spouse is a landlord, is that right?

**The Bailiff:**

Yes, it extends to a spouse as well.

**Deputy S.Y. Mézec:**

I am sorry to over-complicate things but, of course, what I am proposing does not affect all landlords. It would only affect landlords who have mortgages who currently benefit from interest tax reliefs. If they own them outright or inherited them, et cetera, that would not be a conflict of interest.

**The Bailiff:**

Thank you for that, Deputy, and, of course, that must be right. I think it is open to individuals who are not covered by this not to make a declaration but it is not going to stop anyone from speaking or voting. So I think if we just take it like that. Has everyone who wishes to make a declaration got their light on? Greffier, have we noted ...?

**Deputy M. Tadier:**

I think Deputy Mézec's point is valid. I need to make a declaration that I think my spouse is in that exact situation. It will not stop me from supporting the amendment but I think ... I cannot see why landlords who own their properties outright would need to declare an interest.

**The Bailiff:**

I think that must be ...

**Deputy P.F.C. Ozouf of St. Saviour:**

Due to a bereavement in my family I am not sure which category I am in, so through an abundance of caution I am putting my light on.

**Deputy M. Tadier:**

That said - sorry to interrupt - obviously any landlord could be in a position where the situation might change and they may need to remortgage so ...

**The Bailiff:**

I think the position is that as I have already indicated it does not disqualify anyone from either speaking or voting on the matter. People have made a declaration that they may or may not be within



the category and I think that is probably sufficient for the purposes of the record. We have that record taken?

**The Greffier of the States:**

I have 13 names. Do you want me to read them out? For the purpose of the records, declarations have been made by Deputies Moore, Morel, Labey, Rose Binet, Jeune, Gorst, Luce, Ozouf, Tadier, the Connétables of St. Helier and Grouville, Deputy Howell and the Connétable of St. Mary, and also Deputy Tom Binet.

**9.4.1 Deputy S.Y. Mézec:**

I think in proposing this amendment I can be relatively brief because in all honesty I think it is the debate on the amendment to this amendment that more of the arguments I think will need to come out there. The purpose of this amendment is to secure a commitment that interest tax relief for mortgages on letting properties will no longer be available from the year 2026. In the amendment lodged by the Government, in the very first sentence of their report, they say, and I will get the exact wording out: “The Council of Ministers is sympathetic to this amendment” and I think there is a reason why they are sympathetic. It is because they know it is the right thing to do. It is right for 2 reasons. The first is the issue of principle that interest payments on a mortgage for a letting property is quite clearly not a business expense in what you might consider to be a legitimate business expense to deduct from your tax. It is not like paying to fix a leaky roof. It is not like paying to install a new kitchen. If you are paying interest on a mortgage, that is simply part of the cost of acquiring a capital asset. It is not the cost of providing a service from that asset. The second reason is the issue of fairness, which is that from 2026 mortgage interest tax relief for homeowners is being abolished. We have been on that road now for several years and it will be complete by the end of next year and that particular tax relief will no longer exist. There is quite obviously an unfairness in saying a tax relief that existed previously to provide some support for those buying their homes to live in will be abolished but those who are buying a surplus of homes from which to run a business and make money from should continue to have that tax relief. That I think to most reasonable-thinking people is quite clearly unfair and I will say that I have had feedback from people who themselves have mortgages for letting properties who recognise this as an unfairness for them to be able to have it on that property but not the one that they actually live in as their main home. So there clearly is a double standard and I do not know if it was some kind of discrepancy or loophole at the time that mortgage interest tax relief was proposed for abolition. I think that started in 2015. I do not know if that was simply an oversight that it was not extended to these properties, but I think we are in a situation now to recognise that there clearly is an unfairness and a disalignment of the principle in providing a tax relief for the cost of acquiring a capital asset which is not an actual business expense, that there is something wrong here and we ought to resolve it. The estimates that I have received from the Tax Department are that from 2026 they would guess that this would raise an additional revenue of £1.9 million, so when we are having conversations later about value-for-money savings, there is a good and fair revenue-raising option that would help alleviate some of that pressure. The other benefit to timing it in this way to give at least a little bit of notice to those investors is that - and I say this bearing in mind the round of questioning we had earlier today - in theory at least we should have a new Residential Tenancy Law in place by then, which will provide a better framework to protect tenants from no fault evictions and unfair rent increases. So being in that situation by then, that will hopefully mitigate any unintended consequences that would otherwise arise from this. So it will not be a surprise to Members that I will oppose the amendment that they have lodged to this amendment on the basis that it is classic kicking the can down the road and subjecting a decision to outsourcing by another body really rather than make now of the basis of principle and the basis of fairness; something many people are, quite frankly, fed up of. In any event, it would prolong the unfairness that will exist at that point between people with mortgages for investment properties versus those with mortgages for the homes that they live in. I presume that will be a particularly contentious part

of this debate, so I will reserve my remarks for that amendment. I simply say that I propose this on the basis of those 2 reasons that it is the right thing to do and I am not the least bit surprised that the Council of Ministers are sympathetic to it, because frankly there is not a good argument against it. I make the amendment.

**The Bailiff:**

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

**9.5 Proposed Government Plan 2024-2027 (P.72/2023): twenty-second amendment (P.72/2023 Amd.(22)) – amendment (P.72/2023 Amd.(22).Amd) - Abolition of interest tax relief for landlords**

**The Bailiff:**

Now there is an amendment to the amendment, proposed by the Council of Ministers. I ask the Greffier to read that amendment.

**The Greffier of the States:**

Substitute the words “2026” with “2027”, and after the words “letting properties” insert the words – “, subject to the outcome of the Fiscal Policy Panel’s review of Jersey’s housing market which will be published in 2024, a full consultation process and consideration of the timing and cumulative impact upon Jersey’s housing market.”

**9.5.1 Deputy I.J. Gorst (The Minister for Treasury and Resources - rapporteur):**

Yes, I think I am responding. I am moving this amendment. I understand what Deputy Mézec was saying in his opening remarks, that we are sympathetic and understand the points that he has made and therefore did not wish to oppose the amendment, because we are not poles apart. What he describes as kicking into the long grass for us is appropriate understanding of the implications and having a proper process in place. Therefore, our main disagreement is one of timing. If the amendment is adopted unamended, we cannot know, as I have said, what the impact on the housing market will be. We can say that that is not important and of no relevance, but if we look back at the housing market over the last 12 months, soon before Christmas last year, when this Assembly introduced the additional 3 per cent on stamp duty for buy-to-lets, the market had already started to change. What we have seen during the course of the year in that particular sector of the market is one that can only be described as stagnation. Of course, we had some off-the-plan purchases to whom that charge applied under the law. That decision last year shows that simply making a decision, yes it was previously brought forward by the Scrutiny Panel and then it was brought here, shows that because of the volatility or fragility of the housing market as we currently see it, doing this change in an appropriate way after full consideration of the facts is the right thing to do. We know that there is evidence and, as we have seen, in our own housing market and from elsewhere, that suggests there is a risk that landlords may simply pass on the increase to their tenants.

[16:00]

The other reason is that Members will know that the chief economic adviser has asked the Fiscal Policy Panel, independent economists, to review the housing market. The outcome of that review is due to be published in 2024. It will consider the recent changes and events on the private rental market; increases to the Bank of England base rate; the higher rates of stamp duty for buy-to-lets and second homes, as I have just mentioned; the White Paper proposing to modernising the Residential Tenancy Law; and new regulations that will be implemented in May 2024. The Council of Ministers believes that the cumulative effect of those changes should be understood and that it would be imprudent to make further changes without understanding their impact. There is also concern that the amendment in its current form lacks the detail needed to accept it, and particularly there are concerns about the impact on the commercial property market. Ministers, as I say, do understand the

point and issue raised in Deputy Mézec's amendment, but believe that this amendment will mean that we can ensure that any potential unforeseen difficulties in what is already an extremely difficult market can be avoided. Therefore, I propose the amendment.

### **The Bailiff:**

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

### **9.5.2 Deputy S.Y. Mézec:**

As I said in my speech before the amendment itself, I oppose this amendment to the amendment. The reason primarily is because of the double standard that it represents and how out of kilter it is with what is meant to be the Government's supposed area of relentless focus on Jersey's housing crisis. So relentless is that focus that we will outsource something to an independent panel; we will subject our decisions to the outcome of that review; and, in any event, we will delay it by a year. Wow, some response to a crisis. The Government knows that the position now is morally indefensible to say to people who own their own homes: "We are taking this tax relief away from you, despite interest rates going up, but if you are an investor wanting to come in and get a buy-to-let property, to own a surplus of homes so you can make money from it, no, we could not possibly think about taking away that tax relief for you until we have outsourced that decision and kicked the can down the road." When an amendment comes through that adds in the words "subject to", Members should know that that means deciding nothing; it means that the decision will be made another time, not now. For those who support what I am proposing in principle but want to err on the side of caution and defer to some independent review and consultation process and vote in favour of this amendment, they would be aligning themselves in the vote with those who actively do not want to see this unfair tax relief abolished. They would be siding with those who disagree with those who hopefully agree with on the basis of those principles of fairness that I raised in my opening remarks. This amendment does kick things into the long grass; that is how Deputy Gorst termed it. I said kicking the can down the road. Same thing, but slightly different versions; either or will do. In accepting this amendment in the midst of a housing crisis, we say to people of Jersey that we will perpetuate an unfair discrepancy in the tax reliefs we offer to people on the homes they buy, prioritising those who buy more homes than they need to live in, so they can make money out of it, at the expense of those who are seeing their mortgage interest tax relief for the homes that they live in and will be working hard to acquire and pay off, that is quite fine to be abolished. We do not need to do any more work on that, they can lose that. However, if we are talking about it for investors: "Oh no, we could not possibly. That has to be subject to review and subject to consultation." There is a double-standard there which I seriously ask Members to consider. The prioritisation it shows is one that I suspect would not be very welcome at all. We received a circular this morning asking Members to vote against the amendment that I have proposed. My favourite part in it asking us to vote against it is right at the start where it refers to the background to highlight why it is so important that this cannot go ahead now. It says: "Landlords are already suffering from Government intervention in the housing market through (a), (b), (c), (d) and (e)." I will go into what those are. The hilarious thing about this is that they cite 5 things that have not happened. It says: "Landlords are already suffering from Government intervention in the housing market through a recently passed landlord licencing." It does not come into force until May next year, so nobody is suffering from that. "They are already suffering from proposed rent controls." What rent controls? We do not have any. "They are already suffering from proposed open-ended tenancies." We do not have any. "They are already suffering from proposed increased red tape and administration in the Minister for Housing and Communities' White Paper." A White Paper which, as of yet, has not been implemented and so has caused no suffering. Lastly: "Landlords are already suffering from the proposed energy efficiency measures under the Carbon Neutral Roadmap." Again, this is something that has not been implemented. This alleged suffering is entirely fictional. Where there is suffering are those homeowners who are seeing their tax relief disappear by the end of next year. That will be gone for

ever. I voted against doing that, but we are where we are. If you want to purchase investment properties to rent out that tax relief will still exist for you, which is clearly unfair. By having it come into force in 2026, rather than straight away next year, that gives time for that new Residential Tenancy Law to be in place, to protect tenants from no-fault evictions or unfair rent practices. Even by aligning with the loss of mortgage interest tax relief, you still give that time period for people to adjust and to protect those who apparently the Government is worried would suffer as a result of this. We have a severe housing crisis. Delaying any implementation of action on it in order to outsource our decision-making to independent bodies does not give the signal that it is as relentless a priority as we are told that it is. I ask Members if you think that it is unfair to take away a tax relief from one group of people but keep it for the people who arguably need it less then do not fall for these tactics of stopping the Assembly from making a decision on it and instead subjecting it to a process that is completely beyond the control of Members of those Assembly. It is kicking it into the long grass or kicking the can down the road. The public would not be pleased with us taking that when the situation is so dire. I ask Members to vote against this amendment to the amendment.

### **9.5.3 Deputy M.R. Scott:**

I have sympathy with Deputy Mézec's argument about Government's amendment. I do not particularly feel comfortable with suggestions that we agree to part of his amendment subject to the outcome of the Fiscal Policy Panel's review of Jersey's housing market. I am not even sure what "outcome" means in this situation. Hearing him speak, it seemed that much of this is about an issue of fairness and consistency. Maybe the trouble is that we are already going in what perhaps is the wrong direction. There was one thing that Deputy Mézec mentioned when he was talking about businesses and the extent to which they get relief with the acquisition of capital assets. It prompted me - if I could maybe ask the Attorney General now if he knows the answer - of whether if a business acquires trading premises they get any relief on the interest that they might pay for the borrowing for that?

### **The Bailiff:**

It could be the Attorney would need to have notice of a question of that nature. Are you able to assist Attorney?

### **Mr. M.H. Temple K.C., H.M. Attorney General:**

The Deputy was kind enough to give me some notice; a few minutes notice anyway. I am looking at Article 106A of the Income Tax Law. That restricts relief for capital allowances to plant and machinery. Unless there is some technical guidance as to the meaning of plant and machinery, which I confess I am not aware of, the answer to the Deputy's question is: no, it would not be available.

### **Deputy M.R. Scott:**

Thank you. The more I hear this the more I feel it was unfair. I would have preferred mortgage relief had not been taken away. I prefer that businesses did have the ability to perhaps get some deduction for borrowing in terms of their own trading premises. If you did do that, you would need to perhaps think of some way that should they sell the property, just like with the property asset, that there is some sort of reimbursement there. The long and short of it is I am not keen on Government's amendment and I am not keen on Deputy Mézec's amendment either. There is a much better way of going about things altogether.

### **9.5.4 Deputy M. Tadier:**

Speaking specifically to the amendment, Deputy Mézec covered it largely and well in his response to the amendment from the Minister for Treasury and Resources. The first question that has to be asked is: why 2027? If we are in agreement, and I am not, but if Members want to vote for this, they have to ask why has this got to be done in 2027? The report coming back is next year, in 2024. It is not going to take Government that long to consider the report and then to implement it. It should be

at the very latest 2026, one would have thought. This would be consistent with the other changes that are coming in. The next point is there is nothing to guarantee that the Fiscal Panel will specifically report back on this kind of issue. It may be something that they do not touch on at all. The question therefore remains: why is the Government not applying this argument to all its positions to do with housing? The Government has told us that housing is an area of relentless focus and it has just brought in significant future regulation to do with licensing, which we know we got lobbied by the Landlord Association among others on that, who said: "Do not do this. It is going to hurt us." We looked at those arguments and have already passed that. The argument could easily have been made: "Let us not do anything until we have heard back from this report by the Fiscal Policy Panel on housing." That does not wash as an argument either. To reiterate in a slightly different way what Deputy Mézec said, so I am not repeating it. There is a strong argument, I would say, in the Jersey context for a tax on 2nd, 3rd, 4th, 5th, 10th, 50th, 100th homes in the Island. That tax could be incremental. It could be that if you have a second home, you pay X amount of tax on it. By the time you get to your 50th home you might pay 50 per cent tax on certain value, whether that is rateable or what the value of that home is, et cetera. That might be something that a future Assembly of Government wishes to get to grips with. We have the opposite situation where we have an incentive from the current Government to say: "We want you to buy second homes to rent out. We will give you a tax break if you do that." Which is the opposite of what most right-thinking people in wider society, whatever their economic situation might be, would instinctively think is the right thing to do. This is simply about deferring a decision which is a very simple political one about fairness and kicking down the street, not just until next year, not until the year after, not until 2026, but until 2027, because of this flimsy argument about wanting to hear back from a so-called independent report. I am afraid it does not wash with me.

#### **9.5.5 Deputy K.F. Morel:**

It is a shame that Deputy Mézec has not accepted the Government's amendment. That is because I do genuinely believe work needs to be done. One of the elements of the work that needs to be done is about businesses and capital allowances. While I did not note down exactly what Deputy Mézec said in his opening address, he did talk about businesses not having - I do apologise if I get this slightly wrong - but it is not right to give businesses relief on the capital that they invest. Of course, that is exactly what tax systems do through the world.

[16:15]

If a business takes out a loan to invest in capital, it could be a building business investing in a new piece of equipment, a new generator, let us say. If they borrow to buy that generator they can offset the interest from the loan in buying that generator against their tax payments. That is exactly why the rationale stands for having landlords, who in theory are businesses, offsetting their mortgage interest payments against their tax. It is exactly the same as works for the rest of the corporate tax system. He also pointed out that in the comments from the Council of Ministers, the Council of Ministers say they are sympathetic to this, which is a wonderful indication that they are saying: "Yes, we want to look at this, but we need to do it properly, because we need to make sure that if we move to a system where this interest deduction is not allowable, that it is very clearly focused only on landlords. How would that affect those few businesses which are multiple landlords? There are businesses where there business is being a landlord. They rent out scores of properties. Do we want it to affect them? Do we not want it to affect them? Should they be treated separately from someone like myself who is an individual with my wife, a couple, who have a couple of small properties that we rent out. How does the balance work there? What we have is the Council of Ministers, which has clearly indicated, as it says it has sympathy with the amendment that Deputy Mézec has lodged, so that is a real positive. Then it says: "Look, we need to make sure that we do this right. One of the ways of doing that is through the housing review by the Fiscal Policy Panel and also working through that slight entanglement of normal corporate practice of deducting interest against loans on your tax

payments.” It is the right thing to do. This is one of those areas where it feels like we are all swimming in the same direction. Let us do that and let us carry on doing it together and working on this together. The Council of Ministers’ amendment is only about a timeframe, it is not about saying no. It is not, as many people would say, a wrecking amendment. It is none of those things. I would strongly support the Council of Ministers’ amendment to the amendment. It is right to do this in a proper and diligent way.

#### **9.5.6 Connétable D. Johnson of St. Mary:**

I do have a lot of sympathy with Deputy Mézec’s argument. I was at one stage pondering even voting with him. What has not been mentioned thus far is the fact that loans are taken out by landlords not just to buy properties but to maintain them. We are in the throes of imposing on landlords or recognising that landlords may have serious repairs to carry out to their properties. I am concerned that if they do not have the facilities to do that they will be forced to sell, which may be good for the housing market in some respects, but not good for the letting market in others. I am veering toward supporting the amendment for that reason alone; that we perhaps need more time to work out the implications of the situation should the interest be withdrawn sooner rather than later.

#### **9.5.7 Deputy R.J. Ward:**

We have got to the stage where we hear this a lot: “We are okay with this, but we have to take some time, we have to have some consultation, we have to get some feedback from the Fiscal Policy Panel.” What occurs to me when this happens is the phrase: “Oh, come on.” We know what is happening here. We have seen it so many times and we hear from Ministers within the Government about: “Well there are consequences. Quick, quick, quick, find me some reasons so I can put an argument together to say this is the extreme position, it could affect somebody whose main business is owning property and renting out.” I am trying to stick away from the main debate and stick on the amendment. It is very difficult because of the way they are intrinsically linked. The intrinsic unfairness when we are removing tax relief from people who are buying their homes at the same time that a Government wants people to be more involved with buying their own homes and to have more opportunity, but not removing that from people who are investors who have 2 or 3 places to rent out. We have an income support system that will probably pay your rent for you as well at the same time. That is a handy system to have. Then you can claim your tax relief. That is an intrinsic unfairness that needs to be addressed. The amendment by Government seems to say we will wait until the report is published in 2024. Nothing will be acted on for 3 years. We will give another year for the consultation and everything to be sorted out and you still have a 2-year gap. That is in the next Assembly. That is going to cross Assemblies. That is, by definition, an amendment that is set out to do nothing. I would say to Members, going back to that phrase that occurred to me: “Oh, come on.” Really, what is this for? We cannot at one and the same time be saying to people who are desperately struggling with their mortgages for the homes that they live in, the only home that they have, that we are going to remove your tax relief while at the same time when people are investing and getting their mortgage paid, effectively, from rent, we will give tax relief for that as well, while our young people, and I am very directly influenced by this, perhaps I should declare it, because I have my children who are desperately trying to rent and paying a significant amount of their income every single month with yearly tenancies that are in no way secure while the landlord is getting tax relief. Whereas in my home, I am not going to get that tax relief on my mortgage, because I still have a mortgage and will do for I do not know how many years. That intrinsic unfairness cannot be kicked down the road. This Assembly is at real risk of doing nothing on the real issues that we face on this Island in the name of over-complex arguments that seem to want to say: “There are consequences that we do not know about therefore we cannot do anything at all.” The phrase “outsourced” has been used. This is what we are here for: to make these decisions in the way that we want our Island to be; about housing, about the way we give interest relief, and the way we do not. We cannot outsource that in the hope that something will come back and then we can say: “Someone else can make that decision.”

Government is here to make those decisions now. We have seen already today that plans are for not this year but next year and papers are being produced. All the time, I do not know about other Members, I get people coming up to me from my constituency and say: “What is happening now? What is going on?” This is another example of that. One of the unintended consequences may be that by giving interest relief to those who can invest and large investors who have that money to invest and get those mortgages, because once you get 2 or 3 homes you might be making money on those and you can invest in some more, you are artificially inflating the market for those who no longer have interest relief. However, we are going to wait 3 or 4 years for that, before we make any decision. It is going to be too late. It will be too late, because young people will be leaving this Island. Young people will not be able to buy anywhere in the next year or 2 or 3 years. Investors will and they will get the tax relief to do that and then young people will be paying most of their income in order to pay rent and carry on and get nowhere. We need to make some decisions now. Kicking this down the road is not a good decision. I urge Members to reject this amendment. If you believe that it is fair to carry on the way that we are and carry on with the division between those tax reliefs then debate that in the main unamended amendment and make your decision on that. What we are doing is classically taking away from the difficult decision now. We are here to make those difficult decisions. Let us be honest, if you think that interest relief should be removed for main homeowners then vote on the main amendment, but do not think you can get away with it by simply voting for an amendment that kicks it down the road. That is intrinsically wrong. I urge Members to reject the amendment to the amendment.

#### **9.5.8 Deputy D. Warr:**

This does stick in the throat, because I am having to say I agree with the spirit of the amendment. I do not often agree with Deputy Mézec, but there we go, there is a first for everything. We need to have regard to all that is happening at the moment in the housing market. We have to remember timing is everything. There was a recent court judgment on the 3 per cent stamp duty increase for second homes. That judgment referred to the lack of consultation for the sudden insertion of the 3 per cent increase and the unquantified impact it had on the market. This is an example of how an idea, a well-intentioned idea, can have consequences. I am personally looking forward to the Fiscal Policy Panel’s commentary. In answer to Deputy Tadier saying: “I am not sure if they will deal with tax”, Fiscal Policy Panel matters include tax, because it just so happens to be a fiscal policy. What I am concerned about here is the housing market review. We should absolutely await their expert observations before lobbying in a tax change that is going to affect housing in Jersey. We must take care with our decisions that are going to impact the housing market. We simply cannot afford to get it wrong. We must be measured about this. We must take the right approach at the right time. We cannot quantify the impact of the recent interest rate hikes. Removing relief right now worries me, because landlords are likely to pass on this increase. I am sure there will be a number of landlords out there whose mortgage is now or soon to be more expensive than the rental income they are able to attain. I emphasise that this is different to the phase out of interest relief for homeowners. Homeowners have known about the phase out of mortgage interest relief, but landlords have not. For some the interest relief will be a lifeline. This is not about protecting landlords’ investment choices; it is still about protecting the tenant. We do not want to see a mass exodus from the rental market, tenancies being ended earlier than they might have been. This is bad for tenants. These are people’s homes we are talking about. As I explained, I agree with the spirit of the amendment. We should absolutely take a serious look at tax relief, but now is not the right time to implement such a policy without fully understanding the risk to renters. I am sure Deputy Mézec may argue that had I brought in rent controls sooner then the proposal to remove the interest relief would not be a problem. Until my proposals are finalised, I cannot say for certain that we would be able to protect tenants from any shocks that may come from this change. Furthermore, rent controls or rent stabilisation measures, as I prefer to call them, will only be able to deal with existing tenancies. What about the inflationary impact for new tenancies? The Deputy may say that the Government is out of touch with the public,

but I would say the public expect us to take a measured approach. We will not pursue careless policy-making; the stakes are simply too high. In response to Deputy Ward's commentary about the Government are doing nothing, we are on the verge of launching our £10 million shared equity scheme, which will assist between 40 and 60 homeowners, plus assist a change to be unlocked. We have an Andium Homebuy scheme. We have a massive building programme on the way as well. This Government is helping to solve the housing crisis. I urge Members to support the Council of Ministers' amendment to amendment 22. I urge Members to support us in going away to do this properly.

**The Bailiff:**

Does any other Member wish to speak on the amendment to the amendment? If no other Member wishes to speak then I close the debate. I call upon Deputy Gorst to respond.

**9.5.9 Deputy I.J. Gorst:**

I am pleased to follow the Minister for Housing and Communities. I may not have started my comments in the way that he did. He made quite important points.

[16:30]

On the one hand this is portrayed as a straightforward levelling of the playing field between homeowners and landlords, but we should not forget that underneath all of this this is about tenants and the provision of properties for tenants and not doing anything which might raise unintentionally the rents that tenants are facing; something my colleagues here, sitting to my physical right, would wish to ensure. One speaker asked for an intervention from the Attorney General about what interest deductibility was available elsewhere within the system. Of course, the Attorney General rightly answered the question as it was phrased. However, that question could have been phrased in a totally different way, which Deputy Scott was alluding to, and would have had a totally different answer. A mortgage is a different instrument to a loan that a business who was in the business of owning properties might avail themselves of and the interest deductibility available to that would be different from one on a mortgage. That is another reason why it is absolutely right that even where we have an aligned interest, we do do it appropriately and we do do it properly. I have every confidence in this Fiscal Policy Panel. They will not dictate our policy, but they will provide good economic evidence, which again my colleagues to my physical right keep asking for. They are asking for further good economic data on any number of things. This is something where the Government has rightly asked those eminent economists to provide that information. The housing market that I encounter outside of these doors is one that is stagnant, which is seeing prices go down, and is seeing landlords remove themselves from the market. It is not the one that was intimated by the mover of the original proposition, where we were seeing an increasing number of landlords and an increasing number of buy-to-lets. Certainly the numbers from a tax perspective do not show that. They show that it has held reasonably steady. I stand here as the Minister, but if I were to swap my hat and put on the hat of the Deputy for St. Ouen, St. Mary and St. Peter, then nearly every Parish surgery we are having representations from landlords who are not sure what they are going to do in the coming years. We must take those representations seriously and we must listen to what they are telling us. Therefore, even though there might be a great deal of alignment, I would ask that Members support the Ministers' amendment to do this work properly. If I may beg the indulgence, that will mean Members voting in this instance with their "pour" buttons.

**The Bailiff:**

Do you call for the appel?

**Deputy I.J. Gorst:**

I do, Sir, thank you.



**The Bailiff:**

The appel is called for. I invite Members to return to their seats. The vote is on the amendment to the amendment. I ask the Greffier to open the voting. If Members have had the opportunity of casting their vote then I ask the Greffier to close the voting. The amendment has been adopted: 31 votes pour, 13 votes contre, no abstentions.

<b>POUR: 31</b>		<b>CONTRE: 13</b>		<b>ABSTAIN: 0</b>
Connétable of St. Helier		Deputy G.P. Southern		
Connétable of St. Brelade		Deputy M. Tadier		
Connétable of Trinity		Deputy S.G. Luce		
Connétable of St. Peter		Deputy R.J. Ward		
Connétable of St. John		Deputy C.S. Alves		
Connétable of St. Clement		Deputy S.Y. Mézec		
Connétable of Grouville		Deputy T.A. Coles		
Connétable of St. Ouen		Deputy B.B.de S.V.M. Porée		
Connétable of St. Mary		Deputy M.R. Scott		
Connétable of St. Saviour		Deputy C.D. Curtis		
Deputy L.M.C. Doublet		Deputy L.V. Feltham		
Deputy K.F. Morel		Deputy R.S. Kovacs		
Deputy M.R. Le Hegarat		Deputy M.B. Andrews		
Deputy S.M. Ahier				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy P.F.C. Ozouf				
Deputy Sir P.M. Bailhache				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy R.E. Binet				
Deputy H.L. Jeune				
Deputy M.E. Millar				
Deputy A. Howell				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy A.F. Curtis				
Deputy B. Ward				
Deputy K.M. Wilson				
Deputy L.K.F. Stephenson				

### **The Greffier of the States:**

Those voting contre: Deputies Southern, Tadier, Luce, Ward, Alves, Mézec, Coles, Porée, Scott, Curtis, Feltham and Kovacs.

### **9.6 Proposed Government Plan 2024-2027 (P.72/2023): twenty-second amendment (P.72/2023 Amd.(22)) - Abolition of interest tax relief for landlords - as amended**

#### **The Bailiff:**

We now return to the debate on the twenty-second amendment, as now amended. Does any other Member wish to speak on the amendment?

#### **9.6.1 Deputy M. Tadier:**

We will get the can rolling, I guess. The problem I have and take exception at is that we have Minister after Minister saying they are sympathetic to the underlying aim here then coming out with arguments against the underlying aim. They are saying there are good reasons not to implement the change in mortgage interest relief because it will put the price up of a tenancy for the tenants. I do not see how that is going to change. If that is the position that they believe is the case, having a review by the Fiscal Policy Panel is not going to change their underlying economic philosophies or politics, is it? I would like to hear them make an argument as to why we should be supporting this. It seems to me that with the amendment and with their arguments, why are we wasting time in an Assembly which does not support home ownership? This is the fundamental point. It is a strange situation to be in, because I was always taught, from a young age, watching politics, watching question time, is that it was an instinctively conservative position to support home ownership. That would make us all conservatives in the Reform Jersey Party. We heard Deputy Alves of St. Helier saying she wants more people to own their own homes. I want more people to own their own homes. There are good reasons for that. You get buy-in to the community. You get buy-in to the Island. You do not have to spend loads of money as a Government on income support, which never goes to the tenant, it goes to the landlord. The landlord says: "Why have I got this extra money in my pocket that Government has just given me? Maybe I should go out and buy another property with it. I only have 49 and I want to get to the 50th property." When you hear arguments that are very coherent and cogent from their own internal logics from the Deputy Chief Minister, who is also the Minister for Sustainable Economic Development saying: "It is a business expense. Being a landlord is like being any other business, so why would we get rid of a business expense which is perfectly legitimate for businesses to claim tax relief on their interest, because that is what they already do?" It seems that the starting position is not one of sympathy and saying: "This is quite a good proposition and we need to look into it." It is one of saying: "This proposition does not work anyway." That is why you cannot help feeling that this is genuinely an attempt to kick the can down the road or to kick the ball into the long grass. I am at a bit of a loss here, because clearly we have an opportunity here. If we genuinely want Islanders to stand on their own 2 feet, to be able to buy homes, we have to accept that there are finite number of homes in Jersey, notwithstanding the ones that might be built at some point. If Ministers can agree on what gets planning permission and what does not get planning permission, what sites are for hospitals and what sites are for housing. If they can finally agree to that and we get some more housing, we have to accept that if every 2nd, 3rd, 4th, 10th, 50th, 100th property that is owned in addition to a landlord's own property that they live in then those are homes that other people cannot own. It is simple mathematics. When we have policies here which actively incentivise landlordship and therefore tenancy, we immediately have that necessary contradiction. To have Ministers standing up and saying: "We are doing this for the benefit of tenants", there is no benefit of tenants here, because there is no understanding of basic politics and economics when it comes to the relationship between property and the individuals who own it or the individuals who rent in this Island. I will leave the comments there, Sir.

### 9.6.2 Deputy M.R. Scott:

Like Deputy Tadier, I am very much supportive of the principle of fairness and keeping down the cost of living. I cannot support this amended proposition. I cannot support the concept of rent going up even more and the consequences that has and the knock-on effect for salaries for everything else that is a problem for our economy at the moment. As amended, this is chucking these decisions in the direction of the Fiscal Policy Panel. It might be reassuring to hear that there is confidence in the Fiscal Policy Panel, but again we are talking about an outcome, whatever that means. I personally have been monitoring some advice. The advice it is giving about reserves is very sound. It is worrying how they are being whittled down. The potential impact on things like the Island's credit rating, which is yet to be explore, but also there have been these constant forecasts in terms of what is going to happen with interest rates and they keep going up. That is going to have an impact on rents and mortgages too. So I am afraid I cannot support this amended proposition.

#### The Bailiff:

Does any other Member wish to speak on the proposition? If no other Member wishes to speak, then I close the debate and call upon Deputy Mézec to respond.

### 9.6.3 Deputy S.Y. Mézec:

Having lost the debate on the amendment to the amendment, which I am obviously disappointed by, I could respond with magnanimity but that is nowhere near as much fun. I am obviously extremely disappointed that the amendment has been accepted because it now means we are debating and voting on nothing. This requires literally nothing to happen as a consequence of it and the insertion of the words "subject to" mean that we are at the mercy of something completely different, which could go any way, it is anyone's best guess on it, and a decision will be made at a later date rather than now. So the amended proposition is now completely pointless. I suppose the only positive to take from it is that at least there are some words that can be cited that this moment in history happened in the future. But, depending on what that Fiscal Policy Panel says and whether the Government accepts it, which of course they do not have to, they have not accepted what they have said about speculative savings in the Government Plan, so why should we expect them to accept what they say on this either. Then it just means we have that debate again at a future date, but at least the public of Jersey can have it on record who supported doing nothing now and who supported doing something positive. So I suppose vote pour.

#### The Bailiff:

Did you call for the appel? The appel is called for. I invite Members to return to their seats. The vote is on the amendment number 22 as amended. I ask the Greffier to open the voting. If Members have had the opportunity of casting their vote, then I ask the Greffier to close the voting. The amendment has been adopted: 33 votes pour, 12 votes contre, no abstentions.

<b>POUR: 33</b>		<b>CONTRE: 12</b>		<b>ABSTAIN: 0</b>
Connétable of St. Helier		Connétable of St. Clement		
Connétable of St. Brelade		Connétable of Grouville		
Connétable of Trinity		Connétable of St. Ouen		
Connétable of St. Peter		Deputy S.G. Luce		
Connétable of St. John		Deputy L.J. Farnham		
Connétable of St. Mary		Deputy P.F.C. Ozouf		
Connétable of St. Saviour		Deputy M.R. Scott		
Deputy G.P. Southern		Deputy R.E. Binet		

Deputy M. Tadier		Deputy H.L. Jeune		
Deputy L.M.C. Doublet		Deputy A. Howell		
Deputy K.F. Morel		Deputy B. Ward		
Deputy M.R. Le Hegarat		Deputy K.M. Wilson		
Deputy S.M. Ahier				
Deputy R.J. Ward				
Deputy C.S. Alves				
Deputy I.J. Gorst				
Deputy K.L. Moore				
Deputy S.Y. Mézec				
Deputy Sir P.M. Bailhache				
Deputy T.A. Coles				
Deputy B.B.de S.V.M. Porée				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy J. Renouf				
Deputy C.D. Curtis				
Deputy L.V. Feltham				
Deputy M.E. Millar				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy R.S. Kovacs				
Deputy A.F. Curtis				
Deputy L.K.F. Stephenson				
Deputy M.B. Andrews				

**The Greffier of the States:**

Those voting contre: the Connétables of St. Clement, Grouville, and St. Ouen, Deputies Luce, Farnham, Ozouf, Scott, Rose Binet, Jeune, Howell, Barbara Ward, and Wilson.

**9.7 Proposed Government Plan 2024-2027 (P.72/2023): twenty-fifth amendment (P.72/2023 Amd.(25)) - Alcohol Duty**

**The Bailiff:**

The next item to be debated is the twenty-fifth amendment from the Economic and International Affairs Scrutiny Panel. I ask the Greffier to read the amendment.

**The Greffier of the States:**

Paragraph (a) - After the words “Article 9(2)(a) of the Law” insert the words - “, except that total estimate for 2024 Impôt Duties shall be decreased by £2,090,000 by freezing the Impôt Duties for Spirits, Wine, Cider and Beer, with the relevant figures in Appendix 2 - Summary Table 1 updated

in line with the following table, and subsequent figures updated accordingly. Paragraph (h) - After the words “of the Report” insert the words - “, except that, to accommodate a drop in States income caused by freezing the Impôt Duties for Spirits, Wine, Cider and Beer - (a) the Head of Expenditure for the Central Reserve shall be reduced by £1,045,000.

[16:45]

(b) The Head of Expenditure for the Cabinet Office shall be reduced by £721,000; and, (c) the Head of Expenditure for the Economic Development, Tourism, Sport and Culture shall be reduced by £324,000”. Paragraph (l) - After paragraph (k) insert the following new paragraph (l) - “(l) to agree that, from 2025, the hospitality sector should be supported through a separate lower Alcohol Duty rate, or receive a rebate or similar measure to mitigate any future increases in Alcohol Duty, and to direct the Minister for Treasury and Resources to bring forward the necessary legislative and administrative changes for debate by the Assembly during 2024; and” and redesignate the existing paragraph (l) as paragraph (m).

**Deputy A. Curtis of St. Clement:**

Could I take the chance to declare an interest?

**The Bailiff:**

Yes, certainly, Deputy.

**Deputy A. Curtis:**

Thank you. I run a vodka and gin distillery and therefore Impôt excise duties are part of our product, but I do not believe there is a direct financial benefit here for 2 reasons, which I can detail if Members want to know why I do not think it is direct.

**The Bailiff:**

You have declared that you have that interest. It is for you to declare if you feel there is a direct interest and if you do not then you have declared it and that is the position.

**Connétable M. O’D. Troy of St. Clement:**

Likewise, I am involved in hospitality.

**The Bailiff:**

Do you have a direct interest in the outcome of this debate?

**The Connétable of St. Clement:**

It is very vague, 4.5 per cent is not going to change my world.

**The Bailiff:**

I think, Deputy Farnham, you are in the same position?

**Deputy L.J. Farnham:**

Yes, likewise, I am, as I always do declare, I have an interest. I work currently as a consultant to a business that has a licensed premises. But I do not believe there is a direct pecuniary interest.

**The Bailiff:**

Working as a consultant is simply one consults on the business, it is not a direct financial interest in the imposition or otherwise.

**Deputy L.J. Farnham:**

That is correct.

**Deputy R.S. Kovacs:**

Similarly, I have a family business in hospitality.

**The Bailiff:**

Is there a direct financial interest in the outcome of this debate?

**Deputy R.S. Kovacs:**

No, similarly.

**The Bailiff:**

Very well. Yes, who is proposing the amendment?

**9.7.1 Deputy M.R. Scott (Chair, Economic and International Affairs Panel):**

The Economic and International Affairs Panel is. At this time of year, it is important to send the message that Islanders should drink responsibly. Whatever the time of year, and whatever service this Government wishes to deliver, I am sure the States Assembly agrees it is important that Government imposes taxes and duties within our community responsibly too. The Government Plan 2024 to 2027 originally proposed to increase alcohol duty by 8.9 per cent and fuel duty by 10.9 per cent at a time when many businesses still are trying to get back on track following the pandemic and are beleaguered by increasing costs. I thank the Council of Ministers for accepting the Economic and International Affairs Scrutiny Panel's amendment to freeze fuel duty. This amendment proposes to freeze alcohol duty in order to provide particular support particularly to the hospitality sector as well as the Island's economy more generally. While the panel thanks the Government for accepting in principle that it needs to restrain its desire to increase alcohol duty at the rate it originally proposed in the Government Plan, the panel does not consider now to be the time for half measures. Sorry. A blog produced by Government shows economic productivity shrinking in all sectors in real terms except in the parts of the finance industry that benefit from increased borrowing rates. The panel has received submissions that indicate an increase in alcohol duty will have detrimental impact upon the Island's economy, predominantly through placing an unacceptable burden upon the hospitality sector. States Members may well remember the poor weather we have had during the summer and even worse around the time of Storm Ciarán. Hospitality businesses still are trying to stabilise after the wrecking ball thrown by that as well as by the COVID pandemic, and they have particularly suffered during a year when the summer and autumn weather were poor for business. Too many of them are now operating with reduced hours owing to a lack of staff. That is affecting their ability to trade profitably too. Turning to part 3 of the panel's amendment, this proposes that the Minister for Treasury and Resources brings forward a means by which a separate alcohol duty rate or rebate could be provided to the hospitality sector in the future. Having discussed the topic with the Jersey Hospitality Association, the panel understands that the imposition of duty at the point of import or production has a compounding effect on the end price of the product. This leads to significant differences in the pricing of alcohol served on premises and off premises or bought in shops and impacts negatively upon the hospitality business and both local and visiting consumers. The panel is aware of the public health arguments for duties on alcohol and understands it to be Government of Jersey policy to increase them. Having considered the basis for Government's policy in this respect, the panel considers inadequate analysis has been carried out to establish an indisputable connection between raising alcohol duty in the Island and improvement of Islanders' health. Nor does there appear to have been a considered evaluation of the economic impact of increasing alcohol duty at this time and its consequential impact on Islanders' well-being. Further review of the policy is needed. Noting the Jersey Hospitality Association's views that any increase in alcohol duty will likely increase off-licence and duty-free sales, further pushing people to drink lower-quality products off-licence or duty-free products within unregulated environments. A point also raised by Randalls Jersey. Statistics produced by Government, to which Government itself have referred, need careful

examination as they appear to support this view. Binge drinking has remained constant over the last 7 years despite successive rises in alcohol duty and a significant reduction in imports of beers and spirits. The panel also heard from the Institute of Directors that the plan infers that duties on alcohol and fuel serve to address the health of Islanders and address environmental issues. While we recognise that these are understandable reasons, there has been little collaboration with industry to assess the impact on business. The Jersey Hospitality Association has expressed a concern that the Council of Ministers is not operating in a joined-up way. The panel is mindful alcohol duty has been frozen in the United Kingdom in its autumn budget with a Brexit pubs guarantee that duty on a pint of beer is always lower than in U.K. shops. This has been welcomed by the U.K.'s hospitality industry. Unfortunately, there is currently no mechanism in the way that alcohol duty currently is levied in Jersey that can support a distinction in the rates of duty imposed on alcohol to be consumed on premises or off premises other than possibly beer bought in kegs. Hospitality businesses rarely have the purchasing power of supermarkets and wholesalers and have the additional cost of leasing and running their establishments and paying serving and catering staff, as well as purchasing their supplies through intermediaries. All of this leads to there being a significant difference in the costs of consuming alcohol provided by hospitality businesses and buying it off-licence and duty-free. The Jersey Hospitality Association has submitted that, over the past 10 years, duty rises have increased in Jersey by 51.4 per cent over the last 10 years compared to 12 per cent in the U.K., making Jersey 37 per cent more expensive than in the U.K. Among the significant increases that the hospitality has had to endure when many businesses have yet to recover from the pandemic, 8.76 per cent inflation has increased prices generally. Condor has announced an 18.7 per cent increase in freight costs next year. The Jersey Hospitality Association has referred to the minimum wage having increased over 26 per cent since 2021, the knock-on effect on other wages, and that the industry also is set to see electricity go up by 12 per cent and water by 11 per cent from January too. Many of these increased costs are a general problem for the Island's economy, along with the challenges of seeking staff in an Island that is seeing depopulation owing to the cost of housing and living in the Island. Jersey's hospitality industry has experienced a number of high-profile business collapses recently. The connectivity that the Island has through its air and sea links is very much linked to its visitor numbers and the sustainability of the Island's hospitality industry offering. A more expensive offering by the hospitality industry also could negatively impact on other industries seeking to entertain clients or to attract staff. The United Kingdom, where alcohol duty now is frozen, is one of the many places with which our hospitality sector has to compete for visitor trade. It also is a key source of visitors to the Island who are familiar with most of the products sold in the Island and served here and who can easily compare prices with those in the U.K. The panel has heard from the Jersey Hospitality Association that Treasury informed them it had not done any modelling to examine the additional impact of the proposed duty rises on Jersey's hospitality industry. Nor is the panel aware of work to consider the contribution of increased duties to price inflation in the Island generally. Conversely, Government's substance abuse strategy needs to be reviewed in the light of local statistics to ensure the measures in it can be productive in curbing excessive alcohol consumption without harming the Island's hospitality industry and the wider economy unnecessarily. Government appears to be addicted to taking money out of the economy through the imposition of duties while having done little in the way of delivery in its promised value-for-money reviews. It is proposing to impose alcohol duty without fully considering the health of the hospitality sector, the potential health benefits of encouraging a culture of moderate alcohol consumption on regulated premises where excessive alcohol drinking can be discouraged, does not appear to have been adequately explored by Government along with alternative ways of imposing duty to encourage such an improved alcohol consumption culture. It is time for the Government to start changing patterns that risk encouraging a continued downward economic spiral in the absence of thorough analysis of the purported health benefits. I therefore urge States Members to accept the panel's amendment to freeze alcohol duty in its entirety and to direct the Minister for Treasury and Resources to bring forward changes to the way alcohol duty is charged to better support the hospitality industry.

**The Bailiff:**

Is the amendment seconded? [Seconded]

**9.8 Proposed Government Plan 2024-2027 (P.72/2023): twenty-fifth amendment (P.72/2023 Amd.(25)) - amendment (P.72/2023 Amd.(25).Amd) - Alcohol Duty**

**The Bailiff:**

There is an amendment to the amendment proposed by the Council of Ministers and I ask the Greffier to read that amendment.

**The Greffier of the States:**

In paragraph (1) - substitute the sum “£2,090,000” with “£1,033,000”, substitute the word “freezing” with “reducing”, delete the words “ and subsequent figures updated accordingly” and substitute the table as follows. In paragraph (2) - substitute the word “freezing” with “reducing”, substitute the sum “£1,045,000” with “£1,033,000” and delete the subsequent sub-paragraphs (b) and (c). In paragraph - (3) substitute the new paragraph (1) and with the following - “(1) to agree that the Government of Jersey should publish a broader review of alcohol policy and consider what additional support could be provided for the hospitality sector and the Island’s small spirits producers.”

**The Bailiff:**

Who is speaking on that?

**9.8.1 Deputy I.J. Gorst (The Minister for Treasury and Resources - rapporteur):**

The Council of Ministers fully appreciates the motivation behind the Scrutiny Panel’s amendment to freeze alcohol duty and the current challenges faced by the hospitality industry and they are well known and documented and acknowledged by all Ministers. This is, of course, when we first lodged the Government Plan, it was the main reason why we proposed increases to alcohol duty at 2 percentage points below the June R.P.I. figure of 10.9 per cent to get to 8.9 per cent. It is also of course why duty was frozen on alcohol in 2022.

[17:00]

But, as a Government, we are obliged to consider all aspects of a freeze to alcohol duty and not simply the financial implications for businesses, albeit they are important parts of our consideration. We know that this proposed freeze would be welcomed by our restaurant and pub traders but it unfortunately ignores the health consequences of the well-documented high levels of alcohol consumption across our community. The consistent advice from health officials is to increase the duty on alcohol at least in line with inflation to maintain its cost in real terms. Earlier this year, health officials published the Alcohol Profile 2022 providing evidence of the impact alcohol has on our community, our health system, and of course our justice system. Contrary to the assertions that we may hear during the course of this debate, and we have heard outside of this place from some Members, the evidence for the impact of price on alcohol consumption is extremely robust. Members will see from the footnote in the report to this amendment, which summarises 112 studies on the subject, and it is not possible, having reviewed that, to deny the link between price and consumption. I also wish to briefly emphasise the simplicity with which the current excise duty system is administered for both the Government and for businesses and to highlight the level of complication that will be introduced when a bespoke rate or rebate system is introduced. I say “will” and “when” because the department have committed, under the instruction of Ministers, to do that work. In advance of that work being undertaken, therefore, Ministers think a reduction to 4.5 per cent is a reasonable approach. We are prudent in our approach to finances and we are obliged of course to consider the effect of a freeze on public finances. The panel’s proposal, as they say, would cost £2.1 million and therefore, as I have said, Ministers have come to what they believe is an acceptable compromise position and proposes a duty increase of 4.5 per cent rather than the original 8.9 per cent,



which is below the relevant inflation figure of 10.9 per cent. This position balances public health, public finances, and costs to businesses. Therefore, I move the amendment to the amendment.

**The Bailiff:**

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

**9.8.2 Deputy M.R. Scott:**

I would like to thank the Council of Ministers for considering the Economic and International Affairs Scrutiny Panel's amendment to freeze alcohol duty. The amendment the Council of Ministers is proposing to the panel's amendment nevertheless seeks to increase alcohol duty by 4.5 per cent. In other words, a half measure. That the Council of Ministers has suggested as a compromise, enabling the Treasury to increase its revenue from alcohol consumption by £1 million while indicating the increase is a way of supporting the hospitality sector and curbing excessive alcohol consumption, which has proven health consequences. The Economic and International Affairs Panel does not seek to produce policy. If there is a conflict in economic and health policy it needs to be resolved responsibly. The panel has examined, on behalf of States Members, the evidence submitted to support both our amendment and the Council of Ministers' amendment. The economic risks and likely health benefits of accepting the Council of Ministers' amendment need to be considered by the States Assembly with due weight given to both. Hopefully this speech will explain why the panel has not accepted the Council of Ministers' amendment. Firstly, the panel does not wish to trivialise the health consequences of excessive drinking, nor do the hospitality representatives with whom we have spoken. It is important that the problem and the known concerns associated with alcohol consumption in Jersey are adequately addressed and appropriately managed. Without wishing to encroach on the work of the Health and Social Security Scrutiny Panel, the Economic and International Affairs Panel has considered the reports referenced in the report accompanying the Council of Ministers' amendment as well as Government's substance abuse strategy. It also has considered the statistics produced by Government in its alcohol profile of last year. In the limited time the panel has had to consider these reports, it has found evidence to suggest raising alcohol duty could be the wrong answer to the wrong question and one that could have lasting damage for the health of the Island's hospitality industry. The World Health Organisation's 2022 report and the 2009 report referenced by the Council of Ministers are not specific to the ongoing problem in Jersey of excessive alcohol consumption and could be considered as research on an international scale. They also focus more on pricing than the connection between alcohol duty rates and the impact on health issues. The pricing of alcohol and its effect on consumption is a complex issue. It should be remembered that in Jersey the pricing of alcohol is inflated by freight costs, already being seriously inflated, and relatively high business operating costs before duty further inflates alcohol pricing even more. One submission to the panel has pointed out Government's excise statistics show that dutiable beer imports into Jersey have dropped from 14 million litres in 1995 to just 8.3 million litres at the end of 2022, a decrease of 41 per cent. Dutiable spirits imports have also decreased from 360,000 litres to 168,000 litres in that time, a decrease close to 50 per cent. Despite this, the 2022 alcohol profile found that alcohol consumption in Jersey remains one of the highest of O.E.C.D. countries. One of its key findings was that in 2022 around a third of people in Jersey reported binge drinking at a frequency of monthly or more. This proportion was similar over the last 7 years. It goes on to state, this same report, that in the last 10 years the price of alcohol has risen by 35 per cent. This result suggests rises in alcohol pricing are not operating as a deterrent for people to stop drinking immoderately. The Council of Ministers does not appear to have investigated in depth the extent to which successive alcohol duty increases simply are increasing duty-free sales. Indeed, the Government allows the Ports of Jersey to profit from duty-free outlets to fund its own operations at the expense of the Island's hospitality and duty-paying retail industry. Furthermore, the World Health Organisation report, to which the Council of Ministers amendment also refers, points out that increases in taxation may not be distributed in onward pricing in a way that addresses the objectives

of policymakers. Quoting from that report: “The prices of cheaper alcohol preferred by heavier drinkers may increase by less than the prices of more expensive alcohol preferred by moderate drinkers. This means that moderate drinkers may be effectively being used by retailers to subsidise lowered prices or smaller price increases for heavier drinkers.” On the basis of the evidence provided to the panel, raising alcohol duty appears to blunt a tool for the purpose of achieving Government’s health outcomes. Work needs to be done to address this localised issue using the information reports and statistics that have been undertaken in Jersey to be sure of productivity in this area. In the meantime, raising alcohol duty risks compromising or damaging the Island’s economic productivity, particularly in the hospitality industry. At a time when the Government could be considering collaborating with the hospitality industry to help promote responsible drinking, the Jersey Hospitality Association has expressed the concern that the Government appears to be penalising hospitality businesses for still being in business rather than focusing on helping them to thrive. In this respect, the Council of Ministers has submitted their amendment would add just 2 pence to a standard pint of beer, glass of wine, or single pour of spirits. This does not take into account evidence supplied to the panel of a difference in pricing impact between duty on alcohol when sold in a supermarket and when served in a restaurant. In the case of a restaurant, the panel has heard that intermediaries in the supply chain charge in percentage terms on the supply of alcoholic products inclusive of duty. A restaurant does not have the advantage of size and volume of sales as has a supermarket. It also has to bear additional costs to serve the product. This leads to a compounding effect for a restaurant every time alcohol duty is raised. In paragraph (3) of its amendment, the Council of Ministers seeks to replace the panel’s proposal for a separate low alcohol rate for the hospitality sector with a proposal that it will publish a broader review of alcohol policy and consider what additional support could be provided for the hospitality sector and the Island’s small spirits producers. The panel accepts that the way in which alcohol duty currently is imposed in Jersey would cause difficulties, or at least challenges, I should say, in creating a bespoke rate for those in the hospitality industry. However, the current mechanism differs from the U.K. in terms of pricing and categories and there could be a case for making it more consistent with the mechanism that is used in the United Kingdom. The Government’s amendment has no end date for producing a broader review of alcohol policy and the additional support for the hospitality sector and the Island’s small spirits producers. It should not take an amendment to the Government Plan to initiate a broader review of the alcohol policy. In fact I am surprised, given the reports and the statistics that have been supplied to us by Government, that this has not happened already. The Minister for Sustainable Economic Development committed to publish a new visitors economy strategy ... sorry, sustainable economy, I should say, committed to publish a new visitor economy strategy in November, which the panel has yet to see. Also to review the tourism and licensing laws this year. The panel has not seen anything in this respect either. This does raise concerns whether the policies are being developed in silos and whether the problems identified by the Jersey Hospitality Association regarding the structure by which alcohol duty is imposed by Government at point of production, whether that might not have been addressed already. If so, the major concern expressed by the Jersey Hospitality is that the Council of Ministers is not operating in a joined-up way. Promising another consultation and another policy is likely to be as impactful for the hospitality industry than getting on with meaningful changes to ensure that alcohol duty does not create an excessive and unfair burden on its customer offering. I have requested that the Government take the vote on its amendment in parts so that this item is voted on separately should the Council of Ministers wish to continue with this part of the amendment. In conclusion, the hospitality industry is not looking for a half measure from Government to assist it. It is looking for a full measure. I encourage the States Assembly to support an outright freeze on alcohol duty while the Government produces the work anticipated by part 3 of the main proposition, therefore to reject the Government’s amendments and to support the panel’s amendment in its entirety.

[17:15]

**The Bailiff:**

Deputy Scott, which parts are you asking for to be voted on separately, all 3 paragraphs voted separately?

**Deputy M.R. Scott:**

This is a speech on the amendment by Government.

**The Bailiff:**

You have requested they vote on them separately. It is a matter for the Minister whether he will do so. But I am asking what your request is.

**Deputy M.R. Scott:**

It is that part 3 is.

**The Bailiff:**

So 1 and 2 taken together and then part 3 voted on separately.

**Deputy M.R. Scott:**

If the Minister ...

**The Bailiff:**

That will be a matter for the Minister of course when the time comes. Does any other Member wish to speak on the amendment to the amendment?

**9.8.3 Deputy S.Y. Mézec:**

I will speak very briefly on this but to say that I and my colleagues will be opposing the amendment to this amendment and supporting the amendment of the Scrutiny Panel, hopefully unamended. Members I think will have received correspondence from the Jersey Hospitality Association on this very subject. I have certainly made the effort to try to speak to them as much as I can to understand their positions and I am aware of the wider context as well that hospitality is facing in Jersey. I have not previously, in my years as a States Member, prioritised focusing on this issue because the raising of alcohol duty is something that we do debate pretty much every year and it is not one that I have ever gone out of my way to draw attention to or to raise amendments on. But I am making an exception this time because I am extremely concerned about the situation that the Hospitality Association finds that the Jersey hospitality industry finds itself in and that their Association so well elevates their concerns on. This is highlighted recently by some notable losses to the industry, in particular a nightclub announced that it would be closing in a few months' time, which I think for those who enjoy that kind of nightlife in Jersey is a much bigger disaster than people are letting on because of what lack of diversity it will leave in its place by not having that particular venture. And the association that speaks up for that industry has described a perfect storm of lots of issues that are hurting them right now; some of that includes work permit issues, which are obviously nothing to do with this specific debate. The pressure that they face for wage inflation for their workers and much of that inflation, let us not forget, is caused by the housing crisis and more and more workers struggling to make ends meet in those kind of jobs and so needing to be paid more, otherwise they just go somewhere else and we know hospitality and other industries are struggling with that too. Then to throw on top of that increase in alcohol duty, which will inevitably work its way to consumers who are seeing ever-growing costs. Members I think will probably get annoyed when I say this, but I remember my shock when I bought my first pint in Jersey for a fiver thinking what a rip-off it is. I am sure some Members can imagine their shock when it was much lower levels than that. There are places that I frequent now that I have been going to for nearly 15 years that you are looking at upwards of £6 for a pint and that is putting off people going out and enjoying themselves. It is making those

industries suffer. It is forcing some of them to consider their viability at all. I for one am very worried about what we risk losing if we put further pressure on that industry. How many really special bars and restaurants are there in Jersey that many of us have such happy memories of going to with friends and family, celebrating special occasions or what have you, places that really add to the vibrancy of, not just our economy, but our social lives as well. That would be a greater loss than you could quantify if they did go. So one notable nightclub is going. That is going to upset a lot of people who like that particular venue because of the type of music it provides that you do not necessarily get in other venues. That one in particular is 3 levels, therefore you have a choice even in that one, and not many other places provide for that. If we lose more of those kinds of ventures, I fear that we end up on a slippery slope where Jersey becomes a less-desirable place to live and work because of losing that vibrancy in our hospitality industry. I have to say, looking at the report for the Government's amendment to this, how quickly they go into it. It is the third sentence into their report where they refer to their measures apparently being more fiscally prudent than an across-the-board freeze, which does not take into consideration the known concerns associated with alcohol consumption in Jersey. I really do not think that argument is a done deal. That the way you want to solve greater alcohol dependency and substance use in Jersey is just by making it more expensive in our bars and restaurants. I simply do not buy that. In fact I think it can have severely harmful unintended consequences because the price at which you can purchase cheap and strong alcohol in off-licences is less than you can get it in a pub or a bar where at least you will have staff members keeping an eye on you or hopefully you will be with friends or family as well keeping an eye on you, as well as looking out for you. So I am not convinced that is a justifiable reason for increasing alcohol duty and would much prefer that, if we were to have an approach on dealing with people consuming alcohol at high levels that is clearly bad for their health, that we tackle that through a completely different strategy rather than simply pumping up the price of alcohol in bars and restaurants here, which makes it harder for people to go out to enjoy that. It is worse for our economy and also it affects our social lives where people are less likely to want to go out and enjoy those special occasions with people. Not to mention all the knock-on impacts that has on our arts and culture as well because of venues being more expensive for people to get drinks when they are enjoying some live music or another kind of event in hospitality venues here. So I would ask Members to reject the amendment from the Government, which attempts to portray itself as a compromise, but I think goes very quickly into a nonsensical argument on the health effects of the cost of alcohol that do not, I think, give consideration to the broader context on this. On this instance, to take heed of the words that we have had from the representatives of Jersey's Hospitality Association who are deeply concerned about the perfect storm that their industry is facing and hope that, if we can do at least something to support those businesses, that we will not lose any more of them when we have had in very recent weeks 2 very high-profile examples of ventures that are being lost, both local, both interesting and different compared to other ventures in that same industry. Because you do not know what you have got until it is gone and there may be more to follow otherwise. So I feel strongly that the States should reject the Government's amendment and support the panel's amendment unamended.

#### **9.8.4 The Connétable of St. Mary:**

A very brief one if I may. I thank the Minister for agreeing to take part 3 as a separate item but I wonder if he could clarify what he means by publishing a broader review of alcohol policy, what that entails. I say that in the context of the Economic Affairs Scrutiny Panel some years ago having conducted a very in-depth review of the licensing laws, which I suggest do need to be taken into account hand in hand with alcohol policy, as Deputy Mézec has mentioned. There are many points raised, which we raised, emphasising the social benefits of drinking in controlled environments rather than at home. Could he simply therefore advise whether, in referring to alcohol policy, he also has in mind whether licensing laws will come into the equation as they do not seem to be referred to in the Government Plan elsewhere.

#### **9.8.5 Deputy A. Curtis:**

Really I am here to speak in the capacity of Assistant Chief Minister with responsibility for Modernisation and Digital, as of course the unamended proposition significantly affects the budget of that department. I would urge Members to support the Council of Ministers' amendment to the amendment. It proposes a pragmatic near-term step to support the cost of alcohol alongside greater increased income tax thresholds, while not cutting the budget of departments that ultimately will deliver change that this Assembly wants to see. As Assistant Minister for Sustainable Economic Development though, I firmly do believe we need a rethink on alcohol tax policy, not least because there are hidden inequalities within those schemes. Members will find, if they price the per-unit alcohol of different category classes, there can be a threefold difference between classes. You might think, as one may think, that is somewhat discriminatory on drinking habits and preferences. But it is indeed impossible right now to differentiate between on and off trade, despite the fact that many of us would like to see a direction like that to support our hospitality industry. To achieve that change we will need to improve, upgrade, or replace our systems. The current system called C.A.E.S.A.R. (Customs and Excise System for the Administration of Revenue) used by Customs and Excise makes it, in essence, impossible to differentiate. Now I raise that because it will be much harder for us to make the rapid change that this Assembly wants to see to support the industry. Having spoken with the Jersey Hospitality Association who want to see far more radical plans than a freeze, it will be very hard to make that change if we cut the budget of Modernisation and Digital, which plays a design leadership and delivery role for digital systems across Government. Proposed cuts to the Cabinet Office are a repeated theme in amendments to this Government Plan. I feel perhaps, maybe, we need to do a better job of communicating the role and function of individual departments within this larger department. It is the work of Modernisation and Digital to serve other government departments, for example paying for licensing for operating systems, for email, for specialist software, for running data centres, for running the government website, for running the service desk, for hosting specific applications and the like. After all, a digital department does not serve itself. So we need to find a balance in this Government Plan while being ambitious for reform for the hospitality industry in 2024. For my part, we need a team in Modernisation and Digital ready to help and deliver this as well as other reforms that we expect to see to help benefit citizens, Islanders, and our wider economies in the near time.

#### **9.8.6 Deputy K.F. Morel:**

I am pleased to hear that Deputy Mézec has been speaking to the Jersey Hospitality Association. They are an organisation that I speak to on an extremely regular basis, almost daily very often, so I am highly aware of the difficulties that the hospitality sector is going through at the moment and will continue to go through for the whole of this year. It is going to be a very difficult year for hospitality. They are suffering, at the end of the day, from the long tail of COVID and that is a reality. Also Brexit, because again one of the difficulties we have in attracting people to the Island has been caused by the U.K. Government and their choice of how they chose to enable Brexit. But I want to focus, particularly after hearing from Deputy Alex Curtis just now, I really want to focus on the part 2 of the amendment, which is the bit where the panel in I do not believe its wisdom at all, the panel has chosen to say: "Take the money from here, take the money from there, take the money from there." So they want the Central Reserve, where they could have said the whole thing from the Central Reserve, but they chose not to. So that is £1.045 million. But then the Cabinet Office, they have decided, just because they do not like the idea of a Cabinet Office, they have decided that there should be £721,000 taken from there. Deputy Curtis has just very clearly explained why that will hinder the development of a new system of taxation on alcohol because we will have less money to spend on the digital systems that will be needed to bring in a system which has taxation on the on-trade and taxation on the off-trade, which I believe is where we really need to get to in order to do it properly. So the panel's own amendment makes it more difficult to achieve what the amendment wants to do. But then the bit that I am smarting from, which is the head of expenditure for the Economic Development, Tourism, Sport, and Culture, which does not exist anymore, shall be reduced by

£324,000. This is yet again another attack by the chair of the Economic and International Affairs Scrutiny Panel on investment in our economy. It is clear that the chair of the Economic and International Affairs Scrutiny Panel does not wish us to invest in the economy. I would like to put in context what Jersey does with regard to the economy and investment in the economy. Because, compared to other jurisdictions, we are a long way behind. Deputy Robert Ward's recent excellent proposition about the classification of the functions of Government, possibly one of the most boringly titled propositions, but one of the most important that we have seen over the past few years.

[17:30]

The report to his proposition from 2019, I am guessing it was 2019, was published at the end of November. One of the most interesting parts of that report is appendix 3 where it highlights and compares the investment that Jersey makes in different parts of the government with the investment made by similar or relevant jurisdictions. So it compares Jersey's expenditure to that of the U.K., France, Iceland, Ireland, and Luxembourg, obviously Iceland being similar size or as close as we can get within the O.E.C.D., 350,000 to 400,000 people there. Luxembourg being a similar small jurisdiction. But obviously the U.K. and France being close by and relevant. So, in terms of economics, the share of government expenditure the U.K. spent in 2021 on economics was 12 per cent. France was 11.6 per cent. Iceland, 12.2 per cent. Ireland, 12.6 per cent. Luxembourg, 12.6 per cent. That was the share of government expenditure put into investment in the economy so that they have thriving economies. Basically all around the 12 percent mark. Jersey, 6.8 per cent, almost half the amount. And that was a COVID year, so there was increased spending from Jersey into the economy. Now, with an overall budget for financial services and sustainable economic development of about £40 million, that is less than 4 per cent of government expenditure is invested in the economy. Yet the chair of the Economic and International Affairs Scrutiny Panel wishes to reduce it even more because she does not want to see investment in the economy in Jersey, in my view. This is borne out by other propositions that the chair has made I believe in her own name with regard to defunding other elements of investment in our economy, notably the visitor economy, sports, Jersey Business, and others. So that is why, in my view, the amendment that the Minister for Treasury and Resources has put forward is vastly better than the amendment that the Scrutiny Panel have put forward. Because it gives the freedom to the Minister for Treasury and Resources to choose where the money is taken from. It does not hold the hand of the Minister for Treasury and Resources and force him to do so, to take it from the economy budget. It gives a freedom around that. I am here because I want to champion Jersey's economy. I am here because we need to invest in our economy and I think it is such a shame that the 2 people on the Economic and International Affairs Scrutiny Panel feel that not investing in our economy is the way forward and that is how Jersey will end up doing more economically. Because it is not correct. It is deeply wrong that they think that way and there is no rationale behind it. So, for that reason, I suggest and ask Members to vote for the Government amendment here because then the Minister for Treasury and Resources will have full freedom as to where the money is taken and he will not necessarily just attack the economy budget in the way that the chair of the Economic and International Affairs Scrutiny Panel has.

**Deputy M.R. Scott:**

Could I just ask a question of the Attorney General please?

**The Bailiff:**

First of all will you stand up please, Deputy?

**Deputy M.R. Scott:**

Sorry.

**The Bailiff:**

I was at the point of inviting the adjournment but it may be that if you ask the question the Attorney can consider it overnight and advise the Assembly in the morning, it gives the Attorney more time. What is the question?

**Deputy M.R. Scott:**

Am I right in thinking that the Treasurer or the Minister for Treasury and Resources has got the right to adjust transfers, the proposed transfers in the Government Plan?

**The Bailiff:**

Does the Minister for Treasury and Resources have the right to adjust transfers in the proposed Government Plan, is the question. I imagine it is a matter of interpretation. It could be that the Minister could himself answer. Was that your question, Deputy?

**Deputy M.R. Scott:**

Yes.

**The Bailiff:**

Is the adjournment proposed? Before we adjourn, Deputy Ward, I have noted on the emails that someone has filed a revised answer to Written Question 481. I am therefore not going to do anything about it unless you tell me that it still does not meet the ...

**Deputy R.J. Ward:**

No, it has a total now, so thank you. I do not know how they did it but well done. Thank you.

**The Bailiff:**

Very well, the Assembly stands adjourned until 9.30 a.m. tomorrow morning.

**ADJOURNMENT**

[17:34]