

STATES OF JERSEY

OFFICIAL REPORT

WEDNESDAY, 14th SEPTEMBER 2011

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[9:30]

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

PUBLIC BUSINESS – resumption

1. Draft Annual Business Plan 2012 (P.123/2011): eighth amendment (P.123/2011 Amd.(8))

The Bailiff:

We continue the debate upon paragraph (a) of the proposition and the amendments to it and we come next to the amendment number 8 lodged by Deputy Southern and I will ask the Greffier to read the amendment.

The Greffier of the States:

Paragraph (a). After the words “withdrawn from the consolidated fund in 2012” insert the words “except that the total net revenue expenditure shall be increased by £7 million by reinstating this amount in Central Pay Provision in respect of staff terms and conditions and the net revenue expenditure of the Treasury and Resources Department (Provision for Restructuring Costs) shall be reduced by an equivalent sum in 2012.”

Senator A. Breckon:

Sir, I would like to declare an interest in that my other half works in the public sector and I believe it might be considered a direct pecuniary interest; not that she is going to give me the money, but ...

The Bailiff:

Very well.

Deputy G.P. Southern of St. Helier:

Sir, can you explain why that is a direct pecuniary interest? I think we might enter the ...

The Bailiff:

Your partner is employed in the public sector.

Senator A. Breckon:

At a fairly senior level; therefore, this is to reinstate the monies and terms and conditions for public sector employees.

The Bailiff:

Well, there is clearly a financial interest. Greffier, have we had to consider this one before? The proposition itself merely reinstates the amount. It will, of course, be for negotiations then to see what happens. So I think probably it is not direct, Senator. It is certainly financial and you should declare it, but if you wish to stay and vote I think you are entitled to. It is up to you.

Deputy I.J. Gorst of St. Clement:

Sir, could I make the same declaration? However, I do concur with your ruling that it is direct but it is shared by a large group of individuals and, therefore, I will not be withdrawing.

Deputy J.B. Fox of St. Helier:

Likewise, Sir.

Deputy R.C. Duhamel of St. Saviour:

Sir, I think I should declare an indirect interest as well.

The Bailiff:

A similar interest. Yes, thank you.

1.1 Deputy G.P. Southern:

Are there any more for any more? I would request that you examine that ruling later, Sir, because I think that sets for me - and I have been here 9 years - a precedent, otherwise we will never end up talking about any form of payment to our public sector. I declare that I have no direct or indirect pecuniary in this. My wife, who used to work for the States, has retired. So, loins girded and a smile on my face, back into battle. What have we got here? What we have got here is a restriction on the ability of the States Employment Board to negotiate and to negotiate honestly and honourably and in good faith. What we have is £7 million, potentially, for a 2 per cent pay rise in the pot, and we also have an expressed wish, a figure, that says: "But at the same time we are going to take £7 million next year from terms and conditions." Effectively, any negotiator for the States is going into the negotiations with their hands tied. We have not seen yet what the bids for a pay rise this year will be but we know what will happen if, as in 2009, we impose a pay freeze. The danger is that that will become the outcome. Not only that, but the possibility of negotiating £7 million worth of reductions to terms and conditions is extremely unlikely as well. The reality is that far from the starting point being: "We are quite happy with a reduction in our terms and conditions," public sector workers will be looking for an improvement in their terms and conditions and certainly an improvement if the pay offer is any way behind the cost of living rises we have seen recently. That is the reality. It is all very well to put figures down on a spreadsheet and say: "This is what we are going to do and this is policy" but we have to judge that against reality. Now, why do I say that? Well, I say that because it is startlingly obvious that the 2 largest pay groups in the public sector, the health workers: £126 million for the pay bill, and the teachers, Education Department: £81 million for the pay bill, make up by far the majority of the total pay bill and let us look at their terms and conditions. What happened last time we imposed a pay freeze and they said: "That is not satisfactory. We are looking for improvement in our other conditions"? What the teachers did was to threaten to ballot for a strike action, which resulted in their being relieved of lunchtime duties. That is just being organised now, still not organised but is due to start in January. A low offer for a pay rise or no pay rise will result, in any case, in their examining their terms and conditions. That process, too, is already happening because one of the terms was: "We will negotiate and talk about our terms and conditions as a result of you imposing of you [us] imposing a pay freeze on this body of workers." The result is that what they found is that terms and conditions fairly reasonably with the U.K. (United Kingdom) with one exception: a substantially worse maternity leave provision for teachers and indeed for all public sector workers. I keep repeating this; when we come to be looking at recruitment and retention, those sorts of factors matter. Far from meekly accepting a reduction in their terms and conditions in return for a 2 per cent pay rise, or *vice versa*, teachers in particular ... because the Tribal investigation, as the one single startling factor found out, the maternity provision is far worse in Jersey than in the U.K. and that affects the number of teachers prepared to come here, inevitably.

[9:45]

A similar argument applies to the nurses. The nurses, far from looking to say: "Reduce our terms and conditions; do not give us a pay rise" are lobbying hard for a pay rise and certainly, in terms of recruitment and retention, the Minister for Health and Social Services knows that she has got a problem. If she were to make substantial differences between the U.K. and Jersey in terms and conditions for nurses and doctors and other health allied professions then there would be no one coming here and they, too, will be pressing for increased maternity benefit. Then you look at the timescale. I am very pleased that the Council of Ministers, in their comments, have included the Tribal review on terms and conditions and what you have to look at there is all the pretty colours and take out the longer-term, which is doing awful things to the Pension Fund, and the longer-term: "New single harmonised pay spine for manuals, integrate U.K. pay scales for jobs which have direct a U.K. counterpart and [here we are again, we mentioned it yesterday] transfer U.K. terms and conditions." Not an easy thing to do and needs substantial extra work. Messing around with a pension, it says: "Professional actuarial advice required." It is not going to happen tomorrow. That

is somewhere in the next 5 years if we are lucky, 10 years probably in reality. It is not happening next year and that longer-term implement: "To be implemented beyond 2013". It is not going to happen in 2012. Then you look at the medium-term: "Medium-term impact is in place by the end of 2013." Not 2012; not easy to do either. "Reduce sickness pay scheme." That is a nice one; medium-term though. "Freeze annual award: could be done instantly." Could be done instantly. It is the single element that does not require negotiation and there is the key word "negotiation". All of these proposals have to be negotiated with the single exception, because we have done it before: the imposition of a pay freeze. If we do that this time, a second time - 2009, 2012 - what do you think we are going to see? It is not a threat. A happy workforce prepared to go round saying: "Oh, hunky-dory, everything is fine. My standard of living is not going down. I can afford exactly what I did 3 years, 4 years ago. It is not affecting me." That is not going to happen. You will see a very disenchanted and angry workforce prepared to do what it can to try and maintain its standard of living and that is the reality. So in timescale a lot of the factors cannot be done for next year. So where are we going to be? Where are we going to be? Who is left? The uniform branches: something like £40 million on their pay bill. Shall we substantially change their terms and conditions? How easy will that be? Can we do that next year? I doubt it very much. Where else shall we be then? Transport and Technical Services: £20 million pay bill. Can we squeeze £7 million out of that in terms and conditions? Again, I doubt it very much. Where are we getting this money from? The reality is that it is not achievable. As the Council of Ministers say themselves: "It is hoped that negotiations would be successful on some of the proposals." So with these extremely difficult, sensitive proposals, it is hoped that we will be successful and we will get an outcome. So the question is do we cross our fingers and say: "This is the projection; we can take that £7 million out and we will successfully negotiate that and everything will be fine"? No, we cannot. I am saying what we should do is take out that £7 million and allow the Council of Ministers, when they have completed their negotiations, to say: "This is how far we got. So we put the money and, therefore, the Minister for Treasury and Resources can move between heads of expenditure appropriately. At least that way we shall go into negotiations, and there will be serious, prolonged and heavyweight negotiations, with honesty and honourably and in good faith saying: "We have not set a target but we would like to." That is the issue we should be doing and not tying the hands of our negotiators. I think what we are proposing lacks good faith and should be avoided if we possibly can.

The Bailiff:

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

1.1.1 Senator P.F.C. Ozouf:

Staff costs represent 50 per cent of gross States expenditure and if this Assembly is to deliver on its commitment, which we as an Assembly have made, to deliver savings of £65 million in terms of our spending we simply have to look at the most important budget item in our spending and that is of terms and conditions and the cost of employing people. More than that, I will argue that the States must take a lead as the largest employer in the Island in terms of wage settlement. When we started the Comprehensive Spending Review a number of independent reviews were set up for a number of the big spending departments and, importantly, on terms and conditions and I would like to restate my thanks Mr. Tony O'Neill from Sandpiper who chaired the independent review that assisted with the Comprehensive Spending Review that looked at the terms and conditions from States employment across the board. Members should be perhaps reminded of the conclusions of that report, which are set out in the Council of Ministers' comment, which set out that there was, over time, a possibility of making savings and efficiencies of approximately £27 million on terms and conditions which excluded pensions. This Assembly is not the right place to negotiate wage settlements. I think that we have all learned lessons in relation to the chicken and egg in terms of whether or not the budget should be set first or negotiations first. There has been a long history of a disconnect between wage settlements, negotiation and the budget that is available. In my view, it is

very clear that one should set a budget and negotiations should then continue. It is absolutely appropriate for appropriate individuals, properly qualified, employed by the States, to negotiate with individual staff groups, because certainly there are going to be differences in different staff groups in terms of their different requirements, in terms of the evolution of the competitive issue, the availability of staff, the particular terms and conditions. I would remind Members that the States Employment Board has made determinations to increase pay; to reorganise the pay scales of, for example, paramedics in the last couple of years where there was a clear issue in terms of recruitment of paramedics and a particular need to look at the pay scales in order to attract the highest qualified paramedics. Indeed the negotiations with that pay group successfully reorganised the management structure, increased pay but, I think - I have not got the figures in front of me - did not include an overall increase in terms of the costs. That is a good example of a pay group negotiating with the appropriate staff individuals in H.R. (Human Resources) and getting the right and fair solution. Clearly there are also, as this business plan recognises, issues in relation to nurses' pay but these issues should not be the subject of political negotiations in this Assembly. The wage year is now January to December and that is the reason why the negotiation with union groups by our officials has been commencing over the last few days and will continue over the coming weeks. The wage bill of the States does need to be contained. If we do not contain it we will not deliver on our savings targets, but there are a number of ways that that can be achieved as the Tribal report indicates that there are a number of issues that do need to be tackled: simplified grading systems, dealing with the whole issue of allowances which do need to be looked at in some areas of our pay group, quite apart from the reorganisation of the whole structure of the employment nature of different departments as clearly is evident and has clearly been successful in terms of paramedics. It is clear that the ultimate objective of saving £14 million over the 2 years - this is the first tranche of the £14 million - should be achieved and can be achieved without a universal pay freeze, which would be inappropriate for some of the sectors. So I believe that the public believe that we should be remunerating our public sector employees who, in the vast majority of cases, work diligently and hard to provide the public with good levels of services. The public believe that pay should be fair, it should be transparent and it should be competitive. There are difficult times in the whole issue of pay and remuneration, not only in Jersey but across Europe, and the States simply have to take a lead as the largest employer in the Island. There is an issue in relation to settlement within a budget and this Assembly does need to set an appropriate budget in order that our officials can deal with that negotiation. If one takes on board the recommendations of the Tribal report, it is appropriate to be targeting a reduction of £7 million this year. In fact some representations to the Council of Ministers and to me, in consulting on the Comprehensive Spending Review, have said we have not gone far enough in relation to the Tribal recommendations. I believe that the £7 million is an appropriate and a fair amount in order to target in the first year. So, for those reasons, I would argue that £7 million is an appropriate and achievable target and leaves an appropriate balance, a significant balance, of terms and conditions budget available. The other problem with this amendment is the source of funding which is, again, targeted as the restructuring figure. If we simply spend the restructuring figure we will not deliver on the re-organisation and the modernisation of the public sector. I would remind Members that I am grateful and that we are grateful for the support of Members in having set up a restructuring provision previously under an Article 11(8) request in order to put forward a voluntary redundancy programme, which has allowed a number of departments to reorganise their structures and to reduce, I think, approximately 138 posts without cutting front line services and making the public sector more efficient. The restructuring provision is there in order to do just that. It cannot be used on a repeated basis in order to fund a year-on-year increase in the public sector pay bill. It simply will run out after 2 years and we will not have the money in order to do that. The restructuring provision is a crucial element of delivering the £65 million and, whatever the arguments in terms of increased spending, that must be funded by an area of expenditure which is not the restructuring provision. We cannot simply use the restructuring provision to increase services or increase expenditure on a year-on-year figure. So there are 2 compelling reasons why this amendment

should be rejected. We must maintain the restructuring provision and we simply have to deliver some reform on terms and conditions in a fair but a properly negotiated way over the coming months if we are to deliver our savings targets.

1.1.2 Deputy M. Tadier of St. Brelade:

I am going to make essentially 2 speeches in one. The first one is going to be a token speech to the Assembly because I know that most Constables, Ministers and Assistant Ministers will no doubt be fully equipped with their affirmative heads as usual. I will make a second speech to the public and, in particular, to the public sector, the private sector workers and union members, but they can also listen to the first part as well.

[10:00]

Now, one has to admire Deputy Southern's tenacity to stand up here year in, year out and fight the cause of what he must think now and again is a losing battle. But, of course, Deputy Southern, myself and other supporters of workers in Jersey know that this is simply the beginning; the first battle of a very long and drawn-out process that will be happening in the next few years as we see civil unrest in the Island as pay is reduced, as conditions are imposed against the will of workers, while the greedy capitalists of the Island go on to make more and more to feather their own nests at the expense of those who are least able to pay. But that is the Island we have and we are where we are. We will be going where the current Council of Ministers take us, is probably the better expression. Now, let us pick up a few points reading through the comments of the Council of Ministers and, before we do that, let us comment on one aspect that Senator Ozouf has just mentioned. He tries to say this is a chicken and egg situation, almost in the sense that you could flip a coin and it does not matter whether you decide the budget first or whether you have negotiations first. So he completely tries to dismiss the argument that Deputy Southern has quite correctly made, because it is of fundamental importance whether you set the budget first, whether you reduce the budget by £7 million then go into negotiations, or if you go into open and frank discussions and then you hear what the unions say, you hear what the workers say and the other representative groups of workers and then you come to a clear consensus rather than being predetermined in advance. It is interesting, if we read paragraph 4 of the comments, towards the end it says: "There is a clear process to be followed and the formal discussions will provide the opportunity for constructive dialogue with all pay groups." Now, these are the comments of the Council of Ministers but clearly it is not much of a process if we are already going into it saying: "There is £7 million reduction whatever happens and then, if you do not like it, well, we are going to have to change the business plan because the budget is not there." It simply is not a fair and level playing field. Now, let me qualify this again. I will say that, of course, I am not one of those who believe that the Civil Service must and has to remain as it is. Of course there are fundamental changes, I think, that need to be made and I can give some examples of that. For example, I think it is quite correct that we look at the pay increments. When we were on Scrutiny for Home Affairs we looked at the police pay and certainly it does need a bit more research, but we were quite astounded that there were so many different levels of incremental pay increases over the years which just seem, for one, to need simplification and it is an administrative nightmare. I think also it is an area which we can save in. Of course, we know that we can save money by not giving away golden handshakes to people who do not deserve them; when they have either been fired or have to leave in suspicious circumstances only for the public not to be told where that money is being spent. So, of course, there are reforms that need to be made but I do not think we can go into this process with it being predetermined and there are other things which are completely unacceptable. For example, if we look down the list, we talk about reduction in overtime, which may sound like a good idea to States Members. But how many people in the past and currently still rely on overtime to pay the bills and to pay their mortgages? I certainly know the older generation - my parents, for example, and their contemporaries - would just rely on overtime to make ends meet, to pay the bills, to pay for clothes for children and to pay their mortgages so that they can own their own

homes as well. So we cannot be naïve and think that by reducing the amount allotted to terms and conditions, which is essentially pay because it ends up in the pockets of our very hard-working public sector workers, it is not going to have consequences. The Senator and the Minister for Treasury and Resources went on to say, as is said in the comments, that the States must take a strong lead to the rest of the Island on pay increases and remuneration, and I absolutely agree with that. We must take a strong lead and say: “Yes, we should be paying a fair and living wage to our workers.” Now, we cannot compare public sector work and private sector work because they are completely different. The public sector does not run for profit. We have an ethos that we pay our workers a fair wage and we have an ethos that they should not be dependent on the States for income support, et cetera. We should be paying them enough to be able to live independently so that they do not become dependent. Now, the private sector, which does run for profit and therefore needs an element of Marxist exploitation in order to extract that profit from the workers; of course, they cannot pay the same wages as the States because they have to extract a profit for those at the top who are doing less work for more pay. So, of course, we cannot compare; it is chalk and cheese. So let us not forget that. I am always worried when we hear this new “Blairite” Conservative talk of restructuring and modernisation when what we mean is taking a razor to the public sector and, in fact, butchering it so that they can only effectively be replaced by jobs from the private sector. So I am sceptical about this. This is just the beginning. But now I will speak to the public. I would implore ...

The Bailiff:

Well, Deputy, I am sorry. The purpose of parliamentary democracy is to address Members of the Assembly.

Deputy M. Tadier:

Okay, Sir. I will address Members of the Assembly. I would encourage all Members of this Assembly to join the union. It is imperative for the weeks, months and years ahead that, because we are all workers, we must not let ourselves be divided. Whether we are working as we are in the public sector or those of us who also have private sector jobs, we must stand united. I would encourage everybody in this Assembly to go out and join the union, if they have not joined already, because they will need the protection of the union. We must not let ourselves be divided as an Assembly between the usual rifts that may occur and we know that the current Council of Ministers will be trying to divide us as workers between those in the private sector and the public sector. So I would ask that all Members of this Assembly stand firm and that there should not be allowed to be division between those of us who experience less favourable conditions and who have to perhaps stay after work and do extra hours without pay and those who have got a reasonable expectation, because they know how the system has worked in the past, that their labour be honoured. Incidentally - I will just throw it in - I heard a comment yesterday from the Minister for Treasury and Resources that he was grateful for all the extra hours that the members at the Treasury were doing. He said that they went beyond the call of duty and I interpret that, as a union member, as saying that they were doing lots of unpaid work and having to stay over hours of their contract and not necessarily being remunerated or given time of in lieu. So what I would say to them is that if the Minister for Treasury and Resources asks you to do that again, if he asks you to stay on and do work when you are not getting paid for it, just work to rule. I would say just go home at 5.00 p.m., clock off, and then if he wants you to come in and do more work, make sure you get paid at least double-time and get some time in lieu for it.

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

We are again here, as Senator Ozouf says, discussing the minute details of things that probably - well, no, I will not say “probably” - he tells us started with the pay negotiations and the unions and their representatives on 5th September, in their comments, and Deputy Southern says there have been no meetings. Whichever one I believe, I will say that it is much, much too late because we are

having to debate this now. Now, if I read the comments on page 2 where the comments say: "It is acknowledged that different pay groups have very different pressures on them and it will be recognised in negotiations", that gives you some comfort. But I will start on page 4: "Pay and grading: honour the 2 per cent pay award agreed for 2011." Now, how many times do I have to stand up in this Assembly and say: "Two per cent of £60,000, £70,000, £80,000, £100,000 is well nice to have; 2 per cent of £10,000, £12,000, £15,000 will not cover your rent increase this year"? Now, there is a total flaw there that has not been tackled. It will not be tackled because who is tackling it? The people on the £100,000 and over; these are the people dictating. The bullet point: "New staff: introduce market-related pay structures for all new staff", to me, I read: "Minimum wage." I cannot read it any other way, except, again, for your civil servants. Now, this is very frightening: "Migrate to U.K. pay scales for jobs which have direct U.K. counterparts, teaching, fire and police." It says "examples". I am hoping that does not mean nurses and doctors. We do have a problem recruiting. This is all up in the air. Again, I go back to the change to the premium of time and a half for weekdays for manual workers and civil servants to 1.33 and 1.5 for Sundays. Again, it is a completely different amount of money depending on what your starting point is; again, all grouped together: "Develop an allowance rate on overtime, call-out and standby which applies to all pay groups" I do agree that some of our structures across the board are archaic. People do get called out or do not get called out or are on standby who do earn a lot of money but this does not tackle it. Then the sick pay; for years and years and years manual workers have got 3 months and 3 months non-paid and civil servants have got 6 months and 6 months. They agreed to tackle this and then harmonise it by giving 4 months and 4 months to everybody. Now, manual workers who are on a low pay could probably get their benefits uprated on the 3 months and it does not really make that much difference to them. But why then go for civil servants - because it will affect them if they are on 3 months full pay and 3 months sick pay - to 4 months? There is no explanation in here why you are giving people on higher earnings more money for longer? It is totally flawed. I think it is a hard one because if we go with Deputy Southern we put the £7 million there for the renegotiations and I think we need it. If we agree not to go with Deputy Southern we automatically say what is in this brief paper is going to be right. I think there are some very frightening things in here. I cannot read it any other way. I would have really, really liked to have heard from the pay groups who it was going to affect. Senator Ozouf gives the explanation that because we now pay January ... well, I thought the pay may not be but the tax year has always been January to December. These negotiations should have started, much more effort should have been done with S.E.B. (States Employment Board) and not just S.E.B. I mean, all due respect to politicians in this House who are all on S.E.B., they are not negotiators. They do note the intricacies of the pay scales and what is in the Black Book and what the civil servants ... but I will probably support Deputy Southern because, as I have just said, the starting point is fundamentally flawed when you keep talking about percentages of pay and percentages in overtime because your bottom line is what you will get times the percentage. Now, if that is nothing you get nothing. If it is a small amount you get a small amount. If you are on a very large salary, which we know a lot of people are and we do not agree ... we do not know what some of them are doing. We do not know. There is a big wad of money for the restructuring, which I totally agree with, but will we get it right this time? In my book, not when we are starting with the same flawed argument that we give our workers 2 per cent across the board. It should be performance-related. It should be a different scale and, I am sorry, if you are earning £100,000 and you have not performed, you have not saved money in your department in the last 2 years, you get nothing; you get nothing at all. This is flawed. So I think Deputy Southern's argument just about being: "Oh, we need to put this back into ... we are taking it away from certain people", be very careful because there is some frightening reading in this little bit of comment. But do remember who is doing the high negotiations on this: highly-paid civil servants with a few, probably, outside negotiators, because we seem to be getting outside negotiators for everything because we probably are paying very good money for people who would appear not to be up to the job because, as I say, there has not been one round of conversations.

[10:15]

If they have from 5th September I do not know; nobody has spoken to me out there on the street. But we are protecting the higher paid. Whatever way you go for this amendment, remember you are protecting the higher paid and the Council of Ministers' comments reiterate this all the way through everything they are proposing to do. So even I have just talked myself into supporting Deputy Southern on this one because I cannot take this away on these really, really frightening estimates that appear in the appendix of the Council of Ministers' minutes.

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

I am not going to speak in the same vein as my colleague Deputy Monty Red from St. Brelade. I am going to speak with an S.E.B. hat on in an endeavour to convince Members who I am sure will be aware that there is a need to address the pay and conditions of our public service. The initial meetings have taken place with Prospect last Monday, as was alluded to before, and with Unite on 14th September; which is today in fact, is it not? So that is taking place now and those with the medical staff, teachers, uniformed services, et cetera, will be taking place in coming weeks. I think it is important; we have to learn from the process of 2 years ago, I think, which we would all agree got into a right pickle because we tried to debate wage negotiations in this Chamber, which, as absolutely was demonstrated, was the wrong place to do it. From an S.E.B. point of view, we have tried to learn from that and change the process so that we can deal with it in a proper and reasonable way and keep people informed. Now, initial meetings will focus on the need to modernise the public sector and review employees' terms and conditions and I do not think anybody argues with that. We are certainly intending to work in partnership with all recognised representatives to produce a set of proposals by the end of this year. So what is the purpose of these talks? We are trying to make sure we create an affordable and sustainable system which supports job security. That, to me, is one of the essential planks of our negotiations. People are concerned whether they have got a job and that is the important thing in this climate. We need to create equal status and parity of pay between civil servants and manual workers. We need to avoid this 'them and us' business which is just causing an enormous amount of difficulty. We need to pay market rates for the jobs. We need to pay appropriate allowances. We need to rationalise other allowances into core terms and conditions across all the pay groups. We need to improve the way we plan and organise our work and we need to enhance our service through improved performance. We need to remove barriers to progression across the States of Jersey. We need to allow people to progress should they so wish and demonstrate the ability to do so. We need to improve the opportunity for self-development. We need to enable more flexible job roles. So we are really trying to modernise those terms and conditions and this is what we are focused on. We need to reward employees, all employees, if they are prepared to show the ability to perform, but we have to maintain the total pay bill at the end of December 2011 level until December 2013 and we need to devise a way to do that. We need to link pay to market rates for the jobs, as I said before. It is absolutely essential. One of the important things, of course, is securing long-term employment for existing employees. That is what people want to hear. They want to know they have got a job. We need to introduce effective performance management and performance-related rewards systems. We want to implement new terms and conditions for new starters and people moving to a higher grade in the summer of 2012. We anticipate moving existing employees to new terms and conditions the following winter. As I pointed out before, we are keen to work collaboratively in partnership with all trade unions and staff representatives. A number of working groups will run alongside formal talks in order to keep up momentum and provide adequate opportunity for debate and resolution of key issues and concerns and there will be issues and concerns. I have no doubt about that at all. So, as I pointed out earlier, regular meetings with Unite and Prospect are scheduled and meetings with the other pay groups will also take place regularly over the period. We started this consultation and negotiations with the representatives and changes will not be made until discussions are concluded. So we look forward to input from the States employees. We need to move this forward, I do not think any of us have got any doubt about that, and we feel this is the

proper way to do it. I do not think Deputy Southern's approach by trying to interfere in the pay negotiations is the right way forward. I think the proposed terms, which S.E.B. is following at the moment, is the correct way and I cannot support this amendment.

Deputy M. Tadier:

May I ask a point of clarification of the last speaker? On 2 occasions the speaker mentioned that we must pay market rates. Does the Minister mean at both ends of the scale? So is he simply saying at the bottom end we must pay market rates or does he also mean to the people at the top, we should also be paying what the market would be paying those?

The Connétable of St. Brelade:

I think it is quite clear that we must be paying market rates and that applies all across the bands.

Deputy M. Tadier:

Because when the Minister says that he must know - and this is a question that, for example ...

The Bailiff:

It does not sound like a point of clarification at the moment. It sounds like an opportunity to make a point, Deputy.

Deputy M. Tadier:

The question I am asking is does he mean that the multiplier effect between the lowest paid and the highest paid, which is significantly less, for example, to the order of 10 in the public sector but to the order of 100 in the market sector, should we be following that as well?

The Bailiff:

Well, I do not consider that a point of clarification. It is simply making a point. Now, does any other Member wish to speak?

1.1.5 The Very Reverend R.F. Key, B.A., The Dean of Jersey:

I just rise to ask for clarity of thinking from Members in all of this area of pay and negotiations. For some Members the market is the governing factor so that determining pay is simply taking the supply of labour and the demand curve and seeing where that meets and that is what the rate is. It was an airline boss - I will not mention which one - who, when asked by a stewardess why their pay rates were so low, replied: "Because I can replace you from the supermarket checkout any time I want to." I am not suggesting that anybody in this Chamber would take that view but it is there. But it is not simply the boss' side of the negotiating thing that have a responsibility for this. If you have seen that wonderful film *Made in Dagenham*, you will know that, historically, male-led unions kept female rates of pay artificially low for many years. So both sides bear some responsibility in this. The fact is that we do not let the market decide all the way across. I speak as somebody who has just had a pay freeze for 2 years, so I do not have an axe to grind particularly, but if I might say to Members that we could fill the Chamber with 50-odd people who would do the job for nothing. So we could say the market would decide it was zero. I am not suggesting that would be right. I believe it would be profoundly wrong, but we could take that view. So I am simply asking that when we come to make all our pay negotiations decisions - and I make no comment on what I would do on this particular one - we need to think clearly rather than simply in a doctrinaire way on either side or the other. Secondly, to ask that we bear in mind that for the person in the street perception is everything and sometimes we are perceived to, rightly, make sure that we get the best value from most of us: ordinary politicians, Deans, dustmen, taxi drivers, whatever. But sometimes we appear to pay very large sums of money to a very few people because we say that is what we need to bring in the best brain for this particular job. That may well be right and I have absolutely no problem with paying vast sums of money to people who do very specialist jobs, but I do want, transparently, to see whether that has worked out; so that if we pay somebody

£250,000 to undertake a particular job I would love at the end of that year to say: “Do you know, we paid him or her £250,000 but they made savings of £5 million” or: “We paid them £250,000 but they have raised the bar in their school, their college, their department so that the value is much greater than it ever was before.” That way we can counter the perception, which has been expressed in this Chamber, that there is one rule for those lower down and another rule for those higher up the pay scales. So it is simply to say: Please, can we have rather more than simply doctrinaire stuff on other side?” Can we realise that the market alone does not deliver what we want, it is market plus fairness, and can we address the perception issue that it is one law for some and another law for others?

1.1.6 Deputy R.G. Le Hérisier of St. Saviour:

Very quickly, in fact the Dean has taken the words out of my mouth. I think one of the issues with negotiation is the context and do people feel, with all the inevitable drama and theatre that surrounds labour negotiations, that there is equity in the way in which the process has been handled and, as the Dean quite rightly said, that means at the top of the system and the bottom. There is no doubt, for example in Britain, that the rates paid, particularly in the commercial sector, to senior executives has spiralled totally out of control and the ratio gap has itself also spiralled totally out of control. It has become impossible to prove that these people are worth the money, particularly when you see executives depart after a year with millions of pounds in share options which they apparently negotiated. We have seen that in our public service. Although it looks to be a “miserabilist” kind of argument that I have been pursuing, that is why I believed the high pay policy mindlessly pursued at the top of the service has led us into a *cul-de-sac* because what it has done is enabled us to employ lots of people at fantastic salaries. They have always been imported because there is utter hypocrisy at the top of this organisation in terms of development of local staff. They have always been imported and they have always been brought in on the basis that there will be stupendously good performance. Now, I know they have collided with our political system. It is a micro-management political system and it is not easy, as a senior civil servant, to work in this culture in this environment. I know that. But these are meant to be sharp-minded people who can cope with these situations, who can ride the rough parts and have worked in highly-political environments. So they cannot be entirely excused. But what it has done is it has embedded a culture that we expect a lot and, quite frankly, I have to extend the Dean’s argument to say it has not brought the results. It has brought a lot of resentment. It has brought a lot of inequality in the Civil Service and, although I am not sure I am going to agree with Deputy Southern’s proposition, I do agree with Deputy Martin’s point in the sense that you have got to be much more differential in your negotiation, and blanket 2 per cents and so forth do not work. But, of course, there is a collision, I have to say. It is a slightly different point. I noticed yesterday Deputy Southern poured contempt on people, like Senator Ozouf, who said the conditions in Lerwick are quite different to the conditions in London, for example, and British unions are absolutely wed to the holy grail of national bargaining. It is well known. If you work in Northern Ireland where, for example, housing costs are much less expensive than they are in the southeast of England on national public sector pay scales you do very well. You do very well. But the unions resist differential bargaining because they feel it will undermine their national power. So it leads to illogical situations where the people in parts of the country like Northern Ireland who are in the public service, quite frankly, do very, very well because major parts of their budget, even with the London allowance for example, are nowhere near the kind of burdens that people in the southeast have to bear. So I would like to see from the unions much more flexibility, quite frankly. I think Deputy Martin is right but surely, as good fighting unions, they are not just going to accept the Tribal report.

[10:30]

But, by the same token, they have got to be fleet of foot. They have not got to be doctrinaire. They have not got to say: “Five per cent for everyone.” I would like to see, as I said yesterday with

nurses, for example, much more emphasis - because I have had complaints on this and it may be not the total solution - on housing provision for them because when people come over from the U.K., having kept a house there in the innocent belief that selling their house there will immediately allow them to buy a Jersey one. Well, if they are in London it might, but elsewhere they are in deep, deep hock, as we know. So I would like to see special programmes to help them to deal with this massive differential in housing costs once they realise what they have got themselves into. So I do not take the gloomy view and I believe a lot will depend, and I rely very much on our Back-Bencher colleagues, the Constable of St. Lawrence and Deputy De Sousa. I hope that at least at the policy level, even though they, themselves, cannot - and maybe they will speak,- they cannot interfere with day-to-day negotiation. I hope at the policy level they are fighting these issues. I know they are but I hope they will fight them even more. The differential in pay between the top levels of our service where things have gone totally out of control, where there is not the demonstration that there was promise of better performance in many cases. But, I think the trade unions have got to wake up, they have got to realise, and we all know the painful reawakening that occurred in Britain after the Thatcher years when we saw the collapse of companies like Leyland and we saw a couple of decades of, quite frankly, suicidal and self-destructive industrial relations. They have got to realise that they have got to be more fleet of foot and that often the solutions to these things have got to be more innovative. They have got to be innovative and the brothers just have not got to say, sometimes supported by the sisters, post-Dagenham, they have not got to say: "5 per cent for everybody, 5 per cent it will be." There has got to be more flexibility and they have got to fight, as they are talking about, oddly enough, in their congress in London this week. They have got to fight in a more flexible fashion.

1.1.7 Deputy T.M. Pitman of St. Helier:

There might be a few diverse points I have been trying to cross out, points that other people have made but it is always nice to start with a joke and Senator Ozouf did, he told us about the independent assessment completed by a businessman from Sandpiper. It must have been about as independent as the Withers Report, I would suggest. But I have to ask is this the same Minister for Treasury and Resources who was only yesterday resisting Deputy Southern's attempts to ensure that the Statistics Unit had all the information that they needed and wanted to do proper comparisons with the U.K.? That does not seem very logical to me but then this Council of Ministers do seem to be able to change what they have said just like George Orwell, 1984. Difficult times, says the Minister for Treasury and Resources and, of course, many of us have all wept tears of sympathy with those top civil servants given £500,000 payouts when they should have been sacked. But I am afraid when it comes to difficult times this Council of Ministers still cannot be strong enough to sack those people. It is fine for a road sweeper but: "Oh no, let us hide behind contracts. Let us give the boys a nice big payout. Let us not tell the truth that they have actually done one awful, totally unacceptable job and sack them. Let us pay them a nice big fortune", the price of a house that most of these people will never be able to afford, thanks to the policies of the Council of Ministers. So I think the Minister for Treasury and Resources has to take it on board that when he is coming up with things like this it is going to cause upset and discord because it just is not consistent, as Deputy Martin said. Two per cent on a minimum wage that does not make a great deal of difference to getting by but it is an absolutely luxury if you are being paid £200,000 a year. It is fine. The unions, of course, must be fleet of foot as Deputy Le Hérissier says, but negotiations are a 2-way street. It needs give and take on both sides. I used to be a negotiator for staff and that is what negotiations are about. You sat down; you did not sit down with one side having already decided what was going to happen. Ultimately, what you came out with, normally, and for the best was not everything that the management side wanted, it was not everything that the staff wanted, it was something in the middle but it was generally acceptable and workable and fair and that is the important word. I do not think that is a word the Council of Minister understands I am afraid. Of course, all savings such as this are futile so long as we have Ministers for Treasury and Resources like this one and the last one who have wasted far bigger

sums with their incompetence on things like the incinerator contract and police stations. But to be fair to Senator Ozouf, certainly, I mean people should not be surprised, he is a proponent of a 2-tier society. He believes in the survival of the greediest, that is where Jersey is going. Maybe, if this election does not change things, we will be past the point of no return. Most democracies, it seems to me - and I do follow international politics, sad person that I am - they are trying to move forward to a fairer society. Jersey seems to be taking us back to the times of Dickens. "A strong lead", the Minister for Treasury and Resources says, well would that not include trying to do something about this over-the-top cost of food in the Island, of housing in the Island. You know, as I say, we have got an election soon. I read one of the establishment party candidate's manifestos; it is very relevant to this, understanding that social housing is an extreme fallback position in exceptional circumstances. What planet do these people come from? The Minister for Treasury and Resources is supporting this person in my own district. What planet do these people come from? Yes, it is a real person, Mary O'Keefe-Burgher. The Hay system. There are things wrongs with the Hay system. I will tell you what is wrong with it, having been a negotiator in the past; it is that those at the top can manipulate it. So they decide: "Yes, I really do need a couple more assistants just to file the paper clips, appoint them, and push their grade up." Meanwhile Joe Bloggs, down on the shop floor, can barely afford to eat. Where is that going to be tackled with this strong leadership from the Minister for Treasury and Resources? Now, as Deputy Le Hérissier and I know, Ha-Joon Chang points out that over-the-top salaries for top civil servants and directors do not guarantee and lead to improved, more efficient, delivery of services. It is just a system that has evolved so that the rich can get richer and power for the more powerful. Deputy Southern is talking about something fundamental, you sit down and you negotiate, you do not have preconceived ideas. Well, you may have them but you cannot force them on people; that is what negotiation is all about. The first shot, this is the first shot, not of a battle, of a war I would suggest because this Island is heading straight into abyss with these policies. One thing I really thank from this week is that Senator Ozouf has proven why he will never be Chief Minister and nor should he ever be. Minimum wage, how many of us can really say that we know what it is like to be on minimum wage. I have got lots of constituents like that and I really think some of the comments in this House are absolutely glib; they have no understanding of what it is like in Jersey. So when you hear that rubbish, like in that manifesto, the Government is not run on a business model. Yes, we have got to make money but the idea should be how much more do you need than enough. We look after our people, we do not reward scroungers but then we should not be rewarding tax dodgers at the top. How do union members feel when they see this and then we are giving one per cent tax to people who make £100 million profits. It is morally bankrupt, it is sick. It is disgusting and I will continue to raise it and that is an issue worth taking to the U.K. Government. It is absolutely deplorable. Deputy Southern, credit to him, he keeps fighting this. I will keep fighting it, Deputy Tadier will and others. I say to Deputy Tadier on a more optimistic note, he should not worry about members of the right not wanting to join unions because I think, Oswald Mosley was a member of a union, was he not? Sadly, British Union of Fascists. Is that the way we want this Island to go? This Island belongs to everyone and everyone is entitled to a fair day's pay for a fair day's work. If they do not do that then get rid of them and that should be no different whether you are at the bottom or at the top. Unfortunately, under this Council of Ministers we have just seen rolling over to have your tummy tickled when someone threatens to sue us. Yes, we need an election and we need a new Council of Minister and we can put an end to these redundant, malicious, revolting, despicable and deeply flawed policies that Senator Ozouf continues to trot out based on his ideology, nothing to do with reality, nothing to do with doing the best for all Islanders and that is just not good enough. Frankly, to take up on Deputy Tadier's tone, if the people just accept this at the next election then I am afraid we deserve what we get.

Connétable D.W. Mezbourian of St. Lawrence:

May I ask for a point of clarification please because the Deputy just made a reference to the Council of Ministers rolling over when they were threatened to be sued. I do not know what he is referring to there. I wonder if he could clarify that.

Deputy T.M. Pitman:

I had it on very good authority for the Constable that a certain very senior civil servant who has just been given a lovely big amount of money to go and do his gardening, threatened to sue if he did not get it. Of course, as I am told, rolled over, tummy tickled.

1.1.8 Deputy T.A. Vallois of St. Saviour:

I am, in a way, grateful for Deputy Southern bringing this amendment because it has raised a few questions in my mind, particularly surrounding ... of course Members will know that I have had quite a concern over the central contingency that has been set up by the Minister for Treasury and Resources. Looking at what is put here, and I am hoping that the Chief Minister might speak on this to clarify some points that I have, because in my view, and I think it has been made many times now with Ministerial government, this Assembly, all we are good for is agreeing the bottom line. At this point £778 million will be agreed, if so, as net Revenue Department expenditure allocation for 2012. Now within the central pay provision in the central contingencies it shows £7,325,800, terms and conditions savings target is £7 million. The question I have to ask is that if the money is not there, does that mean, therefore, that the negotiations will not take place and what right does the States Employment Board have in not being able to take negotiations with staff? Because in my view it is only fair that employees have a right to negotiate their terms of contact whether that be for more money or less money or more overtime, less overtime or whatever it may be because it is 2 sides of the coin. We have employees there to produce a service which we require as a government in order to provide a public service for the people of this Island who pay taxes in order to fund that service. In any business you will have people who will try to assume that they can work the absolute minimum that they have to in order to receive the pay they get but also on the other coin ...

The Bailiff:

I am sorry, we have just become inquorate. I will ask the usher to summon back Members. Very well, we are now quorate so please continue, Deputy.

Deputy T.A. Vallois:

I find it quite appalling that people cannot be in the Chamber on a Business Plan debate. On the other side of the coin you will also have numbers of employees in any business, shape or form, whether it is the public sector, financial services or anything who will work extremely hard, more than what is ever asked of them, all the hours that God sends, you know, wasting ... not wasting time but ...

The Bailiff:

All the hours that are sent.

Deputy T.A. Vallois:

Sorry. All the hours that are available within the allotted time that life gives you. **[Laughter]** Sorry. But these people have families as well and I have always been of the view that we do not live to work, we work to live. People in the public, well many of the people in the public sector I have come across, are very, very passionate about what they do and they do try really hard no matter how much they get criticised by politicians or by members of the public. The problem I think that Deputy Le Hérisier made was about the transparency point of view. That is our issue. That is our problem with all this.

[10:45]

But I think the biggest question that comes out of this is that if negotiations are going to continue with the States Employment Board and employees of the public services then the £7 million that is identified within the central pay provision but is then taken out with the terms and conditions savings target. If the negotiations go ahead and say, for example, that we have to pay more money in terms of the terms and conditions; so say, for example, out of the terms and conditions review or the negotiations that are held, there is an extra £3 million produced from that negotiation with employees. Will that mean that this baseline that we are agreeing, or might agree this week, will actually increase and, if so, how? Because as I understand it Article 11(8) is no longer there. As I understand it the £22,485,000 that has been identified as essential reserve and restructuring costs have already been allocated by the Minister for Treasury and Resources as per conversations with the Council of Ministers. So, I would really like some clarification on this because unfortunately, I mean not unfortunately, but in my view the negotiations should go ahead. It should be natural practice. It should only be right for that to happen. If I have to agree on a Business Plan for next year when I know that there is a possibility that that baseline is going to increase I do not want to be a part of that. So therefore I would have to agree to Deputy Southern's amendment to allow those negotiations to take place because I think it is wrong for this States Assembly, as they have done in the past, to agree a baseline and it consistently go above that. I have been of that view all along so I would really like some clarification, especially from the Chief Minister.

Deputy M. Tadier:

May I ask a point of order? It relates to the use of the word which was forbidden. Is it not correct that there must be a differentiation between using the word in a blasphemous sense and using it in a ... So, for example, when Deputy Vallois said: "All the hours God sent", my question would be if God did not send the hours, who did send them and it must be okay to say "God given" or God ... No seriously, "a godsend" because the principle of the States ...

The Bailiff:

I agree, Deputy, that the use of word "God" depends entirely on the context. In some context, where it is used in a sense akin to some form of swear word or something like that then it is unacceptable but, of course, reference to the word "God" in a normal context is perfectly acceptable and one has to make a judgment call on each occasion. Does anyone else wish to speak?

1.1.9 Deputy J.G. Reed of St. Ouen:

I would like to start by saying something that I think that very few people have and it is the fact that we acknowledge the efforts and the work undertaken by all our States employees in delivering the public services that we all come to expect. But I also think that whether it is a union's employees or indeed the employer that we all recognise, that it is high time that we review the terms and conditions and the pay structure that is currently in place because we have already heard in the debate today that it is, in many respects, no longer fit for purpose. In fact, how can we justify 21 separate pay groups within a 6,500 individual workforce that takes 2 years for negotiations to be completed with all the staff and the resulting fact that increases otherwise are not addressed in the appropriate time limit. I want to see a reward or a pay structure being put in place that rewards individuals for the work that they do, that encourages them to go the extra mile, that recognises whether the individual, whether he is a person that sweeps the road or indeed the Chief Executive of the States, appropriately. That is the question that the current pay structure that we currently have needs reviewing. As the Minister for Education, Sport and Culture I am not directly involved in pay negotiations with staff because that is the responsibility of the States Employment Board but I am well aware of the concerns raised by teachers and others who provide the services that my department is responsible for. They want a review. I recognise and I pick up the point that Deputy Southern made earlier that, yes, targets have been set and it is right that we set targets but equally negotiations, proper and meaningful negotiations, need to be undertaken. Timescale is important but - and it is a big "but" - they need, also, to acknowledge the ability to conduct the negotiations

appropriately. I know this has already been recognised by the States Employment Board and there is an expectation that that will be undertaken. So rather than being negative about this particular proposal I think we need to see it as an opportunity and I hope it will be considered in that light.

1.1.10 Senator T.A. Le Sueur:

In my opening speech yesterday morning I said I had 2 objectives in this Business Plan. One was to deliver the £65 million worth of savings between 2011 and 2013 and the other was to modernise the way that we do things. We have, perhaps, focused this morning, to a greater extent, on the £65 million than on the modernisation bit but I really wanted to stress the importance of having an organisation and a workforce fit for purpose for the 21st century. As far as the £65 million is concerned and the £7 million element in respect of terms and conditions, that strikes me as being something which ought to be within our grasp. The review carried out not by a leading businessman but by an independent firm of consultants and reviewed by an independent body, including businessmen, and States Members and others, indicated that over time something in the order of £25 million to £30 million could be achieved in respect of terms and conditions. What this year is looking for is the first £7 million of that. Members, I think, understand that the first parts of savings are often relatively easy to deliver; as you get towards the end they become more difficult. So I have no doubt that with goodwill on both sides we can deliver the £7 million worth of savings on terms and conditions. I say goodwill on both sides because we have to be flexible just as much as employee groups have to be flexible and certainly, the States Employment Board, of which I am chairman, recognises that fact. When we reviewed our policy position on terms and conditions, earlier in this year, we acknowledged that a one-size-fits-all solution is not the answer. There will need to be variations across the piece. We will need to be imaginative and it may well be that some higher paid groups have a different situation from those in lower paid. That is a matter for negotiation with employee representatives. I have to say that those are starting and they need to be ongoing. Deputy Southern, in his opening comments, suggested that what everyone is looking for is improvements in terms and conditions. Yes, but I am not sure whether his understanding of improvement in terms and conditions means more benefits or simply changing and modernising the way we do things. He talked about recruitment and retention and that is uppermost in States Employment Board Members' minds but recruitment and retention requires staff who expect to work in a good environment. If they are working in a 19th century environment under 19th century conditions, or even 20th century conditions, they will say: "This is not a modern environment. This is an outdated organisation for which I am working. I do not want to work for them." We want to make sure that there is a workplace in which employees feel valued, feel respected and their contribution is welcomed. In short, Deputy Southern seems to want to have the opposite of what I want. I want a 'can do' culture. I suspect Deputy Southern wants a "cannot do" and "will not do" culture. I am sorry about that because unless we have a willingness to talk, if we insist on being set in our old ways we are never going to succeed. Deputy Martin suggests that maybe we were starting this too late. No, we are starting it once we have assessed the size of the problem. Members of the States Employment Board, in particular, will be aware of just how large and how complex the current States organisational structure is and until we understand that then we cannot really start to solve it. So it is important that you do the groundwork first before you go shooting off in all directions. So I make no apology for starting late and I make no apology for saying that we need to engage in ongoing constructive dialogue - constructive, not confrontational - to a policy which is set, not by negotiators, but set by the States Employment Board. The negotiators carry out their negotiations within the terms of that policy but it is the States Employment Board that sets the policy. Deputy Le Hérisser suggested that there might need to be more flexibility in terms of things like housing and so on and, yes, the States Employment Board agrees with that point of view. Indeed, we have quite a wide cross-section of membership on the States Employment Board and we have constructive discussions on how we can work for the interests of the staff and of the people of Jersey. He says that the unions have to wake up. Most unions have woken up. Most of the discussions we have are constructive. Most accept, understand, the reality of the environment

in which we work and work constructively together. I hope that we can all do that and equally that we, as States Members and our representatives, also accept the need to think constructively and positively. Deputy Vallois asks about whether we should be setting a bottom line and what happens if we exceed it. I have no wish to exceed that bottom line. The proposition before us today sets a bottom line and I believe that we can and must work within that bottom line. Might that mean that we have to dip into a restructuring pot or find some other pot in order to make sure that we do sit within that constraint, that necessary constraint, if they are going to provide the balanced budgets that we want? I believe that with goodwill we can do that but if we start, as Deputy Southern would want to do, right now by saying: "Abandon the £7 million and simply take it out of the restructuring pot", how are we going to modernise our service? Where would the money then come from? So, really, if we are going to stick dogmatically to what we have done for the last 20 years we are never going to modernise. I suppose to that extent you would need a restructuring pot, but is that the way forward? I certainly hope not. What we want to have is to encourage and to retain good staff. From the States Employment Board point of view we want to make sure that they are all appropriately paid. If there are changes that need to be made in things such as pay assessment and evaluation that is part of the States Employment Board's policy.

[11:00]

This is a 2-way situation. It is one which we should all be working together in our common interests. This proposition simply leaves us in the Dark Ages and I urge Members to reject it.

1.1.11 Deputy D.J.A. Wimberley of St. Mary:

I am so glad to follow the Chief Minister. Well, we were told that this was about modernising. We have not been modernising for the last 20 years, we have just been sitting still. But of course we have been modernising all the time and I will show one example of that in a minute. He used the word "outdated" and suggested we should get into the 21st century and the workforce is "valued" and we need a ... sorry, I am waiting to see if we are quorate.

The Bailiff:

I think we are quorate, yes. Yes, please carry on, Deputy.

The Deputy of St. Mary:

False alarm. It is only pay and conditions for all our staff. That was ironic, by the way. Then we had the ...

The Bailiff:

No, we are not, I beg your pardon. Yes, usher, please ask Members to come back. It is unsatisfactory. Very well, we are now quorate. I must say that this is an important debate. The Business Plan is one of the most important debates the States makes. It is not a good example if the States keeps going inquorate during such a debate. Please, continue, Deputy.

The Deputy of St. Mary:

I thank the Chair for those words. We are talking about £7 million whether it is on or off the table. Later on we will be talking about £15 million on or off the table for 2013 and if we cannot make more than 29 people in here then that says something about the States. But anyway, to return to what the Chief Minister said. Then the final expression he came up with was a 'can do' culture. Now what that has to do with this amendment? I am not quite sure but he was painting this picture that somehow this is all wrong and the States Employment Board, what the Board is proposing or what the, sorry, the Ministers are proposing is all right but it is just words; modernise, outdated, 'can do' culture. The one thing he did say that struck me as having a modicum of conviction in it, or modicum of sense, was he talked about how we had to lay groundwork and we had to change the culture. The Deputy of St. Ouen rightly mentioned the amazing number of pay scales and grades and so on. Clearly, rationalisation is necessary and Deputy Le Hérissier pointed out earlier the

complications inherent in that. It is difficult and it does require, (a) quite a lot of time, and (b) goodwill. I would suggest that both are lacking. If it is true, as the proposer said, and I am not sure whether there has been much talk in this debate so far about that, but if it is true what the proposer says that negotiations have barely started then where is the timing to introduce these large changes in culture to introduce the rationalisation that the Ministers say that we need and which we may indeed need. So there is a real issue around the timing, and the Chief Minister rightly said that to do the groundwork, to change the culture, will take time but he did not draw the conclusion that this is a bit of a rush in comparison to the timescale that is needed to do what needs to be done. The other thing is goodwill. Well, I do not know, I am sure the proposer, in summing up, will address the issue of goodwill but it seems to be quite a big ingredient, does it not? Goodwill; do the staff really feel valued or do they get the message that the public sector does not really matter, that we would rather, as the Chairman of Corporate Services is fond of saying, the money was in peoples' pockets. That there is something, somehow, inferior about spending in the public sector as compared to private spending. That is the ideology of our ruling group so that spills over into this aspect of goodwill. We hear quite often - or occasionally, when it suits - Ministers praising the dedication of their staff and rightly so, and rightly so. But I just wonder how deep that goes and what the general underlying feeling around this issue is. I think that is part what we are talking about. I think that is part of what we are talking about. I will just read out a short extract from the Jersey Appointments Commission, if I can find it. Jersey Appointments Commission, no, I cannot find it, sorry. But in their latest annual report they talk about the atmosphere of hostility around the public sector as having an impact on recruitment of top people. Do you want to work for this organisation? The suggestion implicit in their report was: "We are making it difficult for ourselves", because of the attitudes that there are in many parts of this Chamber around the public sector, seen as a whole. So that is my opening remarks about what the Chief Minister said. The second point I want to make is much shorter. The Planning Applications Panel has, on occasion, abstained when issues have arisen around particular planning applications like, for instance, Plémont. I seem to remember that in the Plémont debate, brought by the good Constable of St. Ouen who, I think, will not be with us after November if I am right, but he brought a proposition about Plémont and I am fairly sure that I remember rightly that the P.A.P. (Planning Applications Panel) excused themselves from voting. Yet, in the Island Plan debate when Senator Le Gresley brought the proposition about the Coastal National Park to include the Plémont site in the holiday camp site and all the field down to the road and so on, into the Coastal National Park the P.A.P. did not excuse themselves. I think I am right in saying that. So there is a slight ...

Deputy J.M. Maçon of St. Saviour:

If the Deputy would give way?

The Deputy of St. Mary:

I would.

Deputy J.M. Maçon:

Yes, I believe the reason why many of the Planning Applications Panel members felt that they had to excuse themselves was at the time, during the St. Ouen's debate, there was a current live application that was going before the panel and therefore they excused themselves, when it came to the Island Plan that was not the situation.

The Deputy of St. Mary:

I thank the Member for that clarification and I think that is a very good example of why giving way is helpful. I do find it odd when others sometimes do not, but that is in parenthesis because that has cleared the picture. It has explained the situation and it leads straight to my point also about the S.E.B., would they abstain. They have a live negotiation going on. This is an imposition of a certain angle on to that negotiation and I just raise that question and I hope that a members or

members of the S.E.B. could ... and I see the Minister for Treasury and Resources shaking his head of course, but whether they would like to clarify what that situation is. Maybe it is legitimate for them to vote on a proposition such as this, maybe it is not, but I would think that the thinking around that should be put into the public domain. I am sure they must have thought about it. Now, the third point I wanted to make was about the public sector and their dedication. People have said already, some people, some members of the public sector do not work so hard. Clearly in an organisation of 6,000 or 7,000 workers some will be clock-watching. They will be doing the job but basically: "When can I go home?" and others are working beyond the call of duty. They are working over hours, they are dedicated to the Island and people mentioned, and I think rightly, the head of Statistics Unit, he is home-grown and so he feels an attachment to the Island and to his job serving the public. I just want to give 2 examples of what the public sector ... because I think this is extremely relevant to what the proposer is suggesting. We are talking about taking money off the table, we are talking about not even anywhere near inflation being on the table, if you like. I come to that the end because I am not quite sure what the situation is with the £7 million, now it is there and now it is not. But going back to our staff and just 2 examples of the situation in a couple of our services and this is from the annual report of Jersey Probation and this is the chairman's remarks. The Jurat in question is not known as a firebrand. He is, you know, if you like to use that language, he is a member of the establishment but this is what he ...

The Bailiff:

Any members of the Jurats I would say are independent members of the court.

The Deputy of St. Mary:

They are independent members of the courts. Yes, I take that point because there is a range of views and backgrounds within the Jurats. His role as chairman of the Probation Service is obviously to make sure that the service can run and do the job that we have asked it to do. Here is what he says: "The enactment of the Sex Offenders (Jersey) Law in January 2011 is another development which will give the Probation Service yet further administrative and management problems to be addressed and will place even more strain on already stretched services. While some new resources have been made available the Comprehensive Spending Review is having, and will continue to have, a heavy impact on the efficiency and innovation that has been the hallmark of the Service." I seem to have a memory of the head of our Probation Service talking at national conferences and spreading a good name for Jersey because of the quality of what they do and we are looked up to in this area; that was in parenthesis that was not in the foreword of the good Jurat. "As a result of its competencies even greater workloads are taken on by a dedicated team who already work beyond reasonable limits." I am starting to crack-up because I am tired and it is easier to crack-up when you are tired but the fact is that is what the Jurat is saying. "A dedicated team who already work beyond reasonable limits", and this is a high danger area. We are talking about saving people from re-offending. We are talking about putting people back on the right path. "While it is fair to say that there is now a better political understanding of the wide range of work that the Probation Service does and its value to the community that does not detract from the difficulty of motivating and retaining staff in an atmosphere of financial uncertainty." That says it all in a sense. That is what this debate is about and exactly the same is the case at Environment. In the submissions to the Scrutiny Panel Review into protecting our marine environment, the official submissions of the Department of Planning and Environment, there is a section headed "Resources of Environmental Protection", resources of environment protection. Executive summary, this is a public document because I copied it from the Scrutiny website. Executive summary, first bullet point: "The budget and manpower of environmental protection is stretched." Second point: "Environmental protection frequently reviews and prioritises activity to account for incoming work and to provide the best level of protection possible for the environment." So this idea that we have not been modernising, we do not look at our services, we just carry on and somehow do things that do not need doing anymore. Here it is, part of the working practice of the department; it has to be

part of it because they keep getting new jobs all the time when we legislate: “They frequently review and prioritise activity.” Fourth bullet point: “The high workload is a constraint on officers updating themselves on best practice elsewhere.” They do not have time to keep up with their C.P.D. (Continuous Professional Development), their continuing professional development. He goes on, the executive summary: “Manpower and budget resources in environmental protection are extremely stretched. They have not increased over recent years and have not benefited from a recent assessment of the resources.”

[11:15]

So that is the other way round, never mind about taking money off the table; are there sufficient resources, do we recruit enough, could we recruit given this scenario? “Have not benefited from a recent assessment of the resources.” Then under “constraints” and this shows the pressure that our workforce works under: “Only one officer is available to administer the Waste Management (Jersey) Law. The work and remit is extensive and necessitates issuing waste management licences in order to derive the licence income. The under-resourcing in this area has led to reduced forecasts in income.” So it goes. Then the last line: “The duty rota”, this is the call-outs, the emergency, the reactive element and, of course, all sorts can happen in environmental protection with releases to the sea, people burning plastic in fields and so on. “The duty rota puts additional unscheduled pressure on daily workloads of officers who may be required to attend pollution incidents at short notice at any time.” So those are the conditions in 2 of the departments, which I just happen to be a little bit familiar with. I wonder if that story is not repeated elsewhere. I still remember, and it is so vivid in my mind, a story told to me by my late father who was, as people know, Director of Education. His president was one of the politicians who I have the greatest of respect for among what are referred to as the giants of the past, if you like. I cannot mention him by name, can I? But I hope people ...

The Bailiff:

Yes you can.

The Deputy of St. Mary:

I can. So it is John Le Marquand who has now passed away, about a year ago, I think. I remember my father telling me about how they were walking through the typing pool - typing pool, gosh - at Pier Road, so that takes you back a bit, does it not? Anyway, it was just a little office, open plan office, with 2 or 3 people doing the general administration. The President, when they got to my dad's office saying: “Well, you know, so-and-so was not working. What was that about? They were having a little chat or something.” My dad had to point out that: “Maybe they had just been typing for an hour, maybe they were on to the next hour and maybe they needed just to stop a little bit, you know, and that that is part of work, going and making yourself a coffee every now and again.” Of course, I remembered that the former President of Education ran the chicken farms of the Island and the phrase came to my mind: “Battery chickens.” I often use the image of hamsters but how do we conceive of the work we are asking people to do? Do they have time to reflect, to update, to be better at their job, to talk with each other, to avoid mistakes, or is it hamsters on a wheel? So I think that is relevant to the background to what we are talking about. Finally, the proposer's amendment, and I would like him to clarify this or maybe he mentioned it, I apologise for being a little bit late this morning. I was listening to a fair bit of what he said downstairs, keeping my cold to myself, if you like. But he says in his report that the Council of Ministers are asking us to vote on and accept a proposition, that is the Business Plan, that takes £7 million off the negotiating table. Now that is the first question I want to ask, which I think is an echo of what Deputy Vallois said. I am not clear about this £7 million off the table and yet the £7 million is still there, it seems to me. When I went over the Business Plan, I am not clear about whether it is there or whether it is not there so I hope for clarification on that. Maybe he covered it in his opening speech in which case I apologise. The second thing is he goes on to say, Deputy Southern:

“£7 million represents a 2 per cent offer when inflation is running at 5 per cent.” I would like him to clarify that. Again, he may have covered that in his opening remarks but I would just like to be clear about the status of that 5 per cent. I just want Members to remember what the background to this is and what our workers do for us across the board.

The Connétable of St. Brelade:

May I ask for a point of clarification from the Chair with regard to a comment the Deputy made earlier. He suggested that he thought it might be inappropriate for members of S.E.B. to vote in this debate. The S.E.B. has not been involved with negotiations personally, albeit the H.R. staff have been. So, can I ask for your views on that please?

The Bailiff:

Well, it is a matter for Members. I cannot see any reason why they should not.

1.1.12 Senator F. du H. Le Gresley:

When Deputy Vallois spoke she alarmed me slightly. I probably spent the last 20 minutes looking through the Business Plan all over again. The Deputy of St. Mary has raised the same point. What are we trying to do with this amendment? I would suggest that unfortunately Deputy Southern has got his amendment wrong. What he should have said, what he should have asked, is for the £7 million to be balanced by a reduction in the Treasury and Resources Department provision for Central Reserves because that is where the £7 million is sitting waiting for the outcome of negotiations. I may be corrected by somebody but that is certainly my understanding because if you look at the provision for Central Reserves in Table A, the figure is £12,485,000. Now, we are told that restructuring costs are not to do with pay and provisions but only for restructuring. So somewhere in the Treasury and Resources budget he has this money set aside for whatever is the outcome of negotiations. I would refer Members to page 29, which is not mentioned in Deputy Southern’s report at all. Page 29 refers to the pay awards and under “terms and conditions review” it says: “The £7 million required saving is currently held centrally within the allocation to the Treasury and Resources Department until the detailed allocations to departments are negotiated.” So my understanding is that within the £12,485,000 of provision for Central Reserves, there is money there for a £7 million negotiation with the different pay groups. So the money is there as far as I can see. So if Deputy Southern had asked for that Central Reserves provision to be switched back, if you like, and not shown as a C.S.R. saving we would be, perhaps, showing a provision for pay awards, which may or may not be used in its entirety. So if Members are concerned, like I was, after Deputy Vallois spoke, that we are adding another £7 million back with Deputy Southern’s proposition. I would say that the money is already there within the Treasury and Resources Department’s allocations, the Central Reserve. My only other comment is I really think that there has been some, in my opinion, rather bad speeches this morning because we got carried away with the unions and the employers and the capitalists, et cetera. I really feel that we missed a beat as States Members when we accepted a pay rise ourselves. Now, I can put my hand on heart and say: “I did not take that pay rise”, because I believe we have to show leadership. How can we possibly say to our employees that they cannot have a pay rise when we, ourselves, took a pay rise? So I think it is all about leadership and if you have ever been an employer - and I have been an employer - you set the standard. If you take pay rises, if you take profits and then you do not look after your staff, you pay the price; you will not keep your staff happy. So we should have set the leadership irrespective of whether it was a separate board set up independently, we should have shown leadership, we should not have taken the money, I did not take the money and that is where we went wrong.

The Deputy of St. Mary:

Can I ask for a point of clarification of the previous speaker? He says that there is £7 million remaining unallocated in the Central Reserves, but does he not agree that on pages 30 and 31 there

is whole list of things that are going to be covered by that which do not include the pay award and that the Senator is double-counting? I just want to be clear because this is the nub of it, is it not, whether that £7 million is there or not? On the reading of pages 30 and 31 it is not there but would the Senator like to comment on that?

Senator F. du H. Le Gresley:

I would suggest that the Assistant Minister for Treasury and Resources has not spoken yet and he is an accountant so perhaps he can clarify for the benefit of all Members.

The Bailiff:

Does any other Member wish to speak? Very well, then I call upon Deputy Southern to reply.

1.1.13 Deputy G.P. Southern:

Can I just ask the Chair, before I do so? Senator Le Gresley seemed to imply there was something technically wrong with the amendment. Is that the case or ...

The Bailiff:

Not so far as the Chair and the Greffier are aware but we are not accountants so we cannot advise you on what the effect of this is.

Deputy G.P. Southern:

Fine then, I shall proceed as if all is okay, which I believe it to be following the advice of the Greffe. I will start with the Deputy of St. Mary because it is always good to start with his eminent good sense and his sensitivity. He mentioned, enormously, there is strain on services in 2 examples and said: "We have to ask whether this has been repeated elsewhere." I suspect it is. All over the public service people are being put under inordinate strain to keep the service going and to review their activities and make sure they are being efficient. The heavy impact of C.S.R. is, I believe, slowly grinding down staff morale such that motivation is difficult to come by and a feeling of being valued certainly is worn away. He mentioned the goodwill that the Chief Minister had just previously talked to. The Chief Minister mentioned the word "goodwill", I think, 3 times and he suggested there had to be goodwill on both sides. Well, I can tell him that goodwill on behalf of our employees was lost in 2009 when, at the last minute, this Council of Ministers arbitrarily imposed a pay freeze, at the last minute, and goodwill went out of the window. We have to try and build goodwill again. The fact is that if you go into a set of negotiations with apparently £7 million, potentially, for a pay rise on one side and £7 million somewhere else in the documents, which is to be taken away from terms and conditions and saved, then you are not negotiating in an honourable and honest manner. Since we are on it let us consider this situation. What is pay about? Pay is about incentivising our employees to get the best out of them. What about the argument that incentivises the Council of Minister and the Minister for Treasury and Resources to do their best? To those of you who like the free market and market forces then consider it. If we do not take £7 million off the table, if we say to the Minister for Treasury and Resources: "We take it out of your reserves, it is up to you to negotiate to your utmost and make sure that you can make savings and when you have done that then you can put your money back in your pot." Then what better motivation is there, incentive for the Minister, for the Council of Ministers, to do their best and to squeeze that £7 million legitimately in hard negotiation out of our employees, or our employees' representatives? Absolutely that is the motivation. To sit back and to say: "No, we are going in to negotiate." The reality of delivering that, as I tried to point out, is not there so we may well have, at the end of 2012, a situation where we fail to deliver on our own targets that we have set.

[11:30]

We talked about taking a lead and taking a lead should be taking a lead to show that we are, indeed, a good and honourable employer and we will negotiate in good faith. The recipe without this

amendment is one that says: “We are going into the negotiation with our hands behind our back tied, there is no room to move. We have heard much, much of those 2 weasel words that have often been repeated time and time again - they have lost all currency nowadays - the Blairite words, particularly of modernisation. Modernisation seems to mean the modernisation ... and what was the other one used by the Constable of St. Clement? No, St. Brelade. There he is. “We must pay the market rates for the job.” So modernise with market rates; modernise in this particular case means reduce. Market rates means lower, it means drag down the public sector to their poorly regulated levels open for the private sector. That is what it means. It means reduce and lower. Then the Constable of St. Brelade was saying: “The problem is we must not interfere with the negotiations.” It is not interfering with the negotiations. The interference that took place from this House previously was the decision of the Minister for Treasury and Resources then in 2009 to completely interfere with the negotiation process, to abandon it. That is what happened. That is the interference. This just sets the framework for proper negotiations, and one has to ask why the S.E.B. have not recommended, for example, a 5 per cent pay rise to nurses in senior and specialist grades, which was recommended by the 2 reviews that they have done of recruitment and retention in the past year, and the fact is that too is already in the pot, and certainly nurses are feeling as if their motivation and the respect shown by this body is certainly at an all-time low. Now, one of the factors that we mentioned earlier in the debate was this thing about transferring U.K. terms and conditions over here, U.K. practice over here. The fact is that without a proper survey, as we were talking yesterday, of what is the cost of living in Jersey compared to the U.K., that sort of practice would be impossible to do, because you cannot show the case. Now, that is yesterday’s argument and that is already gone. It will be back again. We will be debating that again in the future. But the reality is what happens is that we place arbitrary reviews. For example, what we are talking about is the case commissioned of the Hassell Blampied body, which made a review which was absolutely ludicrous and did not stand scrutiny of comparison between pay rates, U.K., Jersey, private, public in all sectors and was an absolute nonsense, but the Minister for Treasury and Resources, the Council of Ministers take that review, because they have not commissioned and will not commission their own Statistics Department to do it. We heard again the phrase that: “Oh, hang on, a pay freeze would be inappropriate” said the Minister for Treasury and Resources. Absolutely, but the fact is the way the current Business Plan is structured, if he fails to deliver these cuts in terms and conditions, then some form of pay freeze for some people is the inevitable consequence in order to meet this particular budget. The flexibility should not be on that table. It should be within the budget internally, it should be in the Minister for Treasury and Resources’ funding to make sure he gets the best outcome from it. So once again, I urge Members to consider the structure of the Annual Business Plan and say: “What does this reflect in the terms of the way in which we are coming to the negotiating table and the target for 2012?” which I believe is very difficult to achieve and is likely to be missed in any other format. I recommend that the Chamber vote for this amendment and I call the appel.

The Bailiff:

The appel is called for.

Deputy P.J. Rondel of St. John:

Can I declare an interest, that 3 of my offspring work for the States and it would be unfair to vote on this.

The Bailiff:

Very well. The appel is called for then in relation to the amendment lodged by Deputy Southern. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 12		CONTRE: 33		ABSTAIN: 0
Connétable of St. Helier		Senator T.A. Le Sueur		
Deputy J.A. Martin (H)		Senator P.F. Routier		

Deputy G.P. Southern (H)		Senator P.F.C. Ozouf		
Deputy P.V.F. Le Claire (H)		Senator T.J. Le Main		
Deputy S. Pitman (H)		Senator F.E. Cohen		
Deputy K.C. Lewis (S)		Senator S.C. Ferguson		
Deputy M. Tadier (B)		Senator A.J.H. Maclean		
Deputy of St. Mary		Senator B.I. Le Marquand		
Deputy T.M. Pitman (H)		Senator F.du H. Le Gresley		
Deputy T.A. Vallois (S)		Connétable of St. Ouen		
Deputy M.R. Higgins (H)		Connétable of Trinity		
Deputy D.J. De Sousa (H)		Connétable of St. Brelade		
		Connétable of St. Saviour		
		Connétable of St. Clement		
		Connétable of St. Lawrence		
		Connétable of St. Mary		
		Deputy R.C. Duhamel (S)		
		Deputy of St. Martin		
		Deputy R.G. Le Hérisier (S)		
		Deputy J.B. Fox (H)		
		Deputy of St. Ouen		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy I.J. Gorst (C)		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		
		Deputy J.M. Maçon (S)		

1.2 Draft Annual Business Plan 2012 (P.123/2011) - paragraph (a) as amended

The Bailiff:

Very well, that completes the amendments, so before we move to paragraph (b), does any Member wish to speak on paragraph (a), as amended? Senator Breckon.

1.2.1 Senator A. Breckon:

What is contained in paragraph (a), it says there - when I find it - it talks about what is on page 69, I think, on table A on page 69. In there is gross expenditure allocation of very nearly £780 million. Now, I think there was a very real danger there - I do not want this debate to go on for days - but no Minister is standing up and saying: "I have got this money and this is what I am going to do with it." Nobody stood up and justified it. We have had some part challenge, as it were, to various bits of it and suggestions of other things, but there is a terrific amount of money that is going through here, through this House today, on a process that I believe is fundamentally flawed. This document was lodged in July and people have gone fishing or whatever they have done, and no Scrutiny Chairman stood up and said ... although I will say Deputy Southern has. Another one has, that I have seen, and said: "Well, I might have some issues with bits of this" or whatever else. So it has had no scrutiny by anybody. The other thing I did do, sad as it may be, I was trying to sort out some papers in the office the other day, and I found a box, and in the box were business plans going back through many years - it was quite a big box - to 2005 and I can tell Members, I thought: "Well, let us have a look. I will take a department and I will just copy what they say" and I can tell

Members what has been said in the document today is very much the same, to the bullet point, as what was said 6 or 7 years ago, objectives and all this sort of thing. It is very, very much the same. So the question is who is kidding who here? We have heard people say: "Oh, wait until the Business Plan." Well, where are Members prepared for this and what are they going to do about it? Is anybody going to challenge any of these matters, is any Minister going to say: "Well, I need all this money, because this is what I am doing"? Where is the policy underneath? Then we got a budget that follows it. Again, if Members will look what we are going to propose today, we are going to agree to give the budget the wherewithal to do this, to do what we are going to vote on today. If Members vote for this, then they should be aware of all these things, because I do not see any Ministers prepared with any notes to jump up and say: "Well, yes, my budget is this. I need every penny, because service delivery, we are working in essential areas." I do not see that, and I do not see any challenges to it. So the Chief Minister said at the start how he had been involved with a number of debates over the years, but if he looks back, if he looks back to see, I have got one here, I have the one which I had tagged the bundle, and I went through one department and I hooked-out what they had said. This is one from 2010, 2011 and it is substantially the same as what we have got for 2012. The bullet points are the same or very similar, and I hooked-out one department - I will not say which one - and I photocopied from about 5 or 6 Business Plans and it is the same stuff, the targets, the objectives, the sunny days, you know, the good summers and all that, they are all there, but there is no substance to it, and all the difference is the money. That is the only difference. What we are voting today is the money. Now, I think it would be disappointing, as I say, we do not want to encourage 6 days of debate, but some Minister surely should be able to stand up - Health, Education, Social Security - and say: "That is what I need the money for" because we are in danger of a very substantial amount and policies that sit under it going through on the nod because nobody has really bothered. Nobody has really bothered. Ministers are making an assumption, because as I say, most of this is cut and paste, so who would take the time to go through it? Scrutiny Panels obviously have not. Ministers are under an assumption that there is a lot of stuff here nobody will ever look at that. So where are we with this? Now, the previous Chief Minister said yesterday: "The Strategic Plan and the Business Plan, the processes are flawed. We will look at it and see what we do." But again, these things are virtually cast in stone now. It has to be done at a certain time. The budget has to be done at a certain time, and one follows the other, and I would ask Members to be aware of that and if they are going to vote to support that, then they should be able to put their hands on their heart and say: "Yes, I agree with this or with most of it, and that is why I am doing that." If you have any doubt, if Members have any doubts or have any challenges, then they should vote against it. Where are we then? Well, that might be a good question if enough of us did that, because that is exactly what I am going to do, because I am not comfortable with this at all. The way it is presented, the way we have got it, we have had a big debate, as it were, I would say, about amendments, but that has taken yet the interest and the action away from what we should be discussing, and Ministers, it used to happen before with Budget debates, every Minister used to ... or then Committee President used to get up and say: "I propose the Budget for whatever else" and everybody said: "Do we really need another fire engine? What is wrong with the other one? What is this money for?" and he could ... sad as it may be, remember this, you could amend a Budget on the hoof and it used to get people on their mettle who were up to their portfolio. I do not see that today. I think there is a very, very sad assumption that this is just going through: "That is the Business Plan, yes. People have got elections, there are all sorts of other things on the go. Let us just get out of here." But it is more important than that and I would ask Members to bear that in mind, because it is a substantial document, but if you go back, if Members go back and have a look, you will see it is the same document and there is documentary evidence to support that; it is not my opinion, it is true. I think that is sad for this House, it is sad for the way that we are approving this money and I can see the Minister for Social Security nodding. In here is the £6.1 million that has come out of a fund to go to Health, you know, so is somebody going to stand up and say: "Well, yes, yes, this is all going to good use." Who is going to do anything about this? I do not see anybody doing that, individual Ministers or anybody else

going to challenge any of this, and for me, this is a sad day that we have got to, and it needs changing, because many of us - let us not forget that - were not involved with the preparation of this, apart from the fact if we read last year's, we need not bother, we will just have the numbers, which would have been a bit different. So with that, I am going to oppose paragraph (a) for the reasons that I have said. I do not believe the process is right and I do not think this House is treating it with the respect it deserves and that includes Ministers, who are just going to sit here, I think, and say nothing.

1.2.2 The Deputy of St. John:

I would like to thank the previous speaker for opening up the area that has concerned me yet again this year. How can we accept taking £6.131 million from the Health Insurance Fund to help bail-out taxpayers? It is a private fund that belongs to the people who have paid Social Security contributions, not to the Exchequer, to be used to bail-out ill thought-out schemes of the Treasury Department. All money that is in the Business Plan that is to be spent should come out of taxes, not out of the Health Fund.

[11:45]

Last year, this House passed a similar amount of £6.13 million from the Health Fund and we were told that the same amount would be taken this year. Remember over the last few months, we have put in place that people will have to work until 67, as the Social Security money is due to run out, or have you all forgotten that? If the Health Fund, which is a private fund, is awash with cash, then this money should be moved to other areas within Social Security, not pass it to the Treasury to be spent on hedging funds for the euro over the Energy from Waste Plant, or as we have seen this week, the Police Headquarters fiasco and the like. What must happen is for this House to have a debate on the funding of G.P.s (General Practitioners), et cetera, before any money is allowed to be transferred from the Health Fund, yes, as I say, a private fund which belongs to all those people, including the Chair and all those Members in this room who have paid Social Security. It is not a fund to be raided by the Tax Department ... sorry, the Treasury Department at a whim. At the end of last year's debate, I asked the Privy Council to review the legality of the actions of the States in raiding the Health Insurance Fund. As yet, and only 5 minutes ago I have just received an email from the Clerk at the Privy Council - I checked to see how far that had got - I have just received an email to the effect that he is making inquiries to see where it is in the order of things. Therefore, that money cannot have been transferred from the Social Security - and the Minister is nodding, so that is correct - to the taxman. So you have managed for a year without it, so you obviously did not need it for 2011. So if you could manage last year, you can obviously manage this year. I was expecting some time during the year to have had a debate brought by Social Security on moving this across and we could have debated it in this Chamber without having the pressure of a Business Plan, not in its entirety, because if it had, it would have been moved across. I am totally against moving any money out of Social Security, any money whatsoever, given that we are telling people they have got to work to 67 or older. Who knows what is around the corner in the next 3 years? Who knows? Members must examine their own conscience in this, but I cannot support this. Part (a) of this proposition I believe is flawed. I could have brought an amendment, but I presume I would have lost that amendment, but I prefer to vote against this now, to send a message - and we should all vote against this - to the Treasury that they cannot act in a lackadaisical way in presenting things to the House. If the Privy Council have not made a decision on last year's figure, then I cannot see why we are going ahead and putting that figure in for this coming year. I think it is a bad way of running a business. We should have waited for a decision from Privy Council before going for this particular amount. I am sending a message to the Chief Minister, because it is his proposition, that I am very unhappy because of this figure being in there. I am not going to mention other areas of the Business Plan, but that is an area that I am very unhappy about. The Social Security Fund is a private fund and Members must remember that. It is a fund that belongs only to the people who have ... it is somebody's hearing aid. As I have already said, it is a fund

that belongs to the people who have paid into it, and it should not be used as part of any budget proposals. I will not say more than that. Others may decide to pick up from where I have left off on this one, but we must send a message to the Treasury and to the Chief Minister that we are not prepared to take money out of a fund that in the future ... well, that is happening, that we are seeing people who are going to have to work until 67. This money could have been transferred across, and I will not say any more than that.

1.2.3 The Deputy of St. Mary:

I saw the people's lights on as well. Yes, I wanted to make just one major point, really, about the user pays issue and when that is appropriate and when it is not and I think there is a certain lack of clarity, and it is quite a big strategic issue. In the Business Plan, we see that the gross revenue expenditure for the States this year - next year, sorry, 2012 - is proposed to be £780 million gross. That is overall public expenditure on revenue, but the net revenue expenditure is £656 million, and departments have an income of £122 million. That is quite a big slice of the gross expenditure and I just did a quick look through the charges that different departments are raising. Where does this £122 million come from? I think some we can all agree, fine, that is legitimate income for the States, not an issue, not a problem, nothing to argue about, but in other areas I have misgivings, and I think we should be a little bit careful when we head for the door called user pays: "We can make some money out of this. We can just charge people, and that will have an effect on the service, it will have an effect on access to the service, on people's behaviour on the choices they make, but that is what we have got to do." I think there is a lack of rigour and clarity around this issue, and I will just list some of the charges that we make that I think are completely legitimate and I am sure... well, I think Members will probably agree. Planning applications: there are fees charged because the argument for that is that the benefit goes to the person or company making the application, so therefore it is legitimate for Government to make a charge. Rents: well, you pay rent for the property you live in. Law Officers: then it becomes ... no, T.T.S. (Transport and Technical Services) waste charges, £10.3 million. I would assume that that means their dumping charges at La Collette and so on and the T.T.S. charge for that, although £10 million is a lot, so maybe the Minister could clarify that. But on the basis that it is charges for using up the space at La Collette, which then has to be replaced at great expense to the taxpayer, then that is what that charge is, although it seems quite high and I would welcome a bit of clarification on that. There is also something under T.T.S. called ... and now I come to the ones that perhaps need some clarification or some elucidation. Law Officers, £1.6 million. What are the Law Officers doing that brings an income in of £1.6 million? Municipals in T.T.S., £3.6 million. These things are not spelt out in the Business Plan, not even a note, so you think: "Oh, what is that?" Health and Social Services, £22 million, income of £22 million. So I had a quick look at the breakdown of that: inpatients, £4 million; theatres, £1.2 million; women and children, £1.3 million; clinical support, £3 million; children's services, £367,000; therapy services, £267,000; public health strategies. We make money out of public health strategies to the tune of £342,000. What is it? What are we charging for? How is it that we are making an income out of women and children and public health strategies? I think there is an issue here. It is an issue of principle around whether we should be charging a service when it is used, as it were, to that particular individual. If it is something that is an act of God, if you like, if somebody has an accident or falls ill, is it right to say: "Oh well, that will cost you"? I just think that we have not worked out when it is right to charge and when it is not. Some of these I do not recollect a user pays proposition coming to the States, which I understood was the legal situation, that if you introduce a new user pays charge, it has to come to the States. A lot of these Health and Social Services ones I frankly do not quite understand. Then within education, music service, instrumental music service generates an income, according to the business plan, of £264,000 a year. Do we want to encourage our young people to take up music or do we not, or do we put that little hurdle in the way at the point of entry, a charge? A charge, and thereby making a difference between those can afford it, it does not matter, it is only £1 a month, £1 a week, whatever, or do we say: "It is open. We want you to do this. This is there for you to

enjoy. This is there to improve your life.” £2.8 million for further education. Now, I know that further education courses are charged, but there is an issue of lifelong learning, of whether we want, really want, to encourage that or not and whether we have got the balance right between sport, which often seems to get a huge amount of support from us here in the States, and other forms of education and life-enhancing things where we seem to be more ambivalent and bring out the user pays gun much more quickly. So I think what I am saying is firstly I would like some explanations on one or 2 of those things that I have mentioned, but the other thing is to ask that question, that strategic question: “When is it appropriate for the Government to charge and when is it not?” With that, I am reminded of what Gordon Brown - who does not always get it right, far from it, and he has certainly got the handling the U.K. economy for 10 years slightly wrong, as we are seeing with the banking crisis - but he did say about the funding of the health service that it is cheaper and more efficient to just fund it out of taxation, just have a progressive system of taxation, get the money in and fund the service. Now, you then have problems of feather-bedding, you have problems, you have a monopoly provider, you have to bear-down on costs, you have to make sure that people are not taking advantage of that situation, but that is the most efficient way and if you go the way of an insurance model, there is a completely different cost. There is a profit in there, because people ... the private sectors get involved and they charge for the privilege of having your health sorted, and we know that the United States’ health system is the most expensive in the world by miles, because they have a daft system of funding. Yet when we go down this road of user pays, user pays, user pays, and I would have said this yesterday, when I would have moved the one remaining amendment that I had not withdrawn anyway to the education proposals on the music service: is it right to means test, is it right to throw up these hurdles or is it simpler and better and cheaper and more equitable to simply let the tax system do the work of getting the money in that we need to provide these services? So I just wanted to leave those thoughts with Members.

1.2.4 Deputy I.J. Gorst:

I am sorry not to be following my Assistant Minister, because she will be contradicting me shortly, but there we are. Perhaps I could start by thanking the Deputy of St. John for his most thoughtful intervention with the Privy Council. He takes a contrary view. I just wanted to once again ... so this is probably the third time now that I have had to set the record straight in regard to some of his comments, as Members do not need reminding, this issue was first raised in last year’s Business Plan, and I think it was Senator Ferguson that drew specific attention to it at that point.

[12:00]

I have subsequently lodged an amendment to the Health Insurance Fund, which would give effect to the 2 transfers. That was absolutely clear and it was overwhelmingly supported by the Assembly with at least 2 notable exceptions - there might have been a couple more as well - so let us be clear that it was absolutely clear what we were doing. I must also reiterate that it has nothing to do with the Social Security Fund, nor the pension, nor the social security contribution. The contribution that we all make to the Social Security Department is split into 2. It had an element of Social Security and an element of a Health Insurance Fund contribution, split of course between employees and employers. The Health Insurance Fund contribution goes into the ring fenced Health Insurance Fund. The social security contribution goes towards paying for current pensions and into the Social Security Reserve Fund. They are completely separate, they are collected at the same time, but they are under separate laws, separate legislation and they are completely separate. The proposal that this Assembly agreed was that there would be a transfer this year of just over £6 million, and this Business Plan makes an assumption that the Assembly will again approve a transfer of £6 million. I obviously am not able to bring forward at this point the second transfer, because the change to the actual law, which would then allow me to bring that by regulation, is still awaiting approval at Privy Council, as the Deputy of St. John made absolutely clear. He and I, however, have a slight difference of opinion on why that law has not necessarily yet received Privy Council approval. I know it is quite flattering to think that perhaps it is because of the Deputy of

St. John's intervention. However, it is my understanding that it has just got tied-down in the slightly lengthier process that we seem to be - I use this word advisedly - enjoying in relation to how quickly pieces of Channel Islands legislation are able to get approval from the Ministry of Justice and therefore get on to the Privy Council agenda. Let us hope it is as I see it and not as the Deputy of St. John sees it. So one thing that has slightly confused me about the Deputy's speech was that we should not use this, the money from the Health Insurance Fund, to go to Health, but he would be quite happy for us to use it for another purpose, which was not its intended purpose either, and that is perhaps to put it into the Social Security Fund itself, rather than keeping it separate. I would say that in actual fact that is even more removed from the initial intended purposes of the Health Insurance Fund. The Health Insurance Fund collects those contributions to help with the cost of primary care and pharmaceutical visits or requirements in the community setting. My proposal, and that agreed by the Council of Ministers, was that for a short period of time, that money could be used to help offset the costs which the Health Department currently incurs in delivering primary care type services through the hospital. I believe that that was appropriate and I still believe that it was appropriate and I hope that Members will not vote against this Business Plan because of the inference that there will be another request for that transfer to take place in due course. I must say that it probably will not be me that is bringing forward that request, so I wish whoever is the next Minister the best of luck in bringing forward that transfer. We, as an Assembly, are called to make difficult decisions. There has been a lot of speculation, a lot of talk, a lot of questions in this Assembly over the years about the Health Department and whether in all areas it is fit for purpose. I think we recognise that it is not. We recognise that there are new procedures which we would want to fund. We recognise that the costs of drugs are increasing. We recognise that healthcare across the world is changing and that we need to now start to deliver an improved healthcare provision to our community, and we are going to see increased costs in the medium and long term, and I would ask that Members put behind us the difficulties that we have encountered in the past. We have to now start to work together with our colleagues in the Health Department and see a vision going forward of excellent healthcare provided at the most appropriate point in our community. I believe that that is going to be a lot more provision out in the community. We will need to find extra money to provide for the hospital and for that healthcare in the community, and we cannot avoid these issues any longer, and it is incumbent upon us as an Assembly to start to work together to not ... yes, where things need to change say that they need to change and help the Health Department with that change, but not to be constantly looking for conspiracies, not to be constantly criticising, but together moving forward in the best interests of the health of every member of our community. That is, to put it quite clearly, going to require at least these 2 transfers of £6 million from the Health Insurance Fund. It is going to require us to look at a new funding mechanism for Health in general, and here I pick up on the Deputy of St. Mary, who said that it should be simply tax funded, and he quotes the previous U.K. Prime Minister. I think if we look around the rest of Europe, we see that it does not have to be tax-funded, but it could be from a Government-based compulsory insurance scheme. So I think we just have to be very careful in pigeon-holing ourselves into one specific way of funding the future needs of health, but I think that we could say that a Government-based compulsory insurance scheme would also be a workable alternative. So I ask that Members do not vote against this Business Plan for this one whole area, because we know that a lot of work is being done. The Health Department has done a lot of work, we are doing a lot of work with G.P.s. Perhaps we are not quite where we need to be yet, but we are absolutely committed to work going forward and not going back to the way that things used to be in the relationship between departments and primary care and the hospital and other health providers on the Island. We cannot go back. We must continue to move forward. I leave the comments there about the health insurance, and I just wanted to pick up a little bit with regard to what Senator Breckon said in regard to the Business Plan. He is absolutely right. The services which most departments provide are provided day in, day out, month in, month out, year in, year out, and that is absolutely right. We need a hospital, we need schools, we need social provision for the most disadvantaged in our community. He should not be surprised that the

Business Plan looks very similar year in, year out. My Business Plan is probably one of those that does look similar. Having said that, we are now starting to get to grips with the ageing population. We will have the change in income support in my Business Plan and we have the continuing amendments to the employment law, so it is absolutely right, that is what we are doing. We are providing services which are to the benefit of our community, and I for one make no apology for doing that. Other Members are now telling me to wind up; at least charitably I hope that is what they are telling me to say. So I will do that, but it should not be a surprise to us. We are providing services which our community wants and needs and are in their best interest.

1.2.5 Deputy A.E. Jeune:

Basically, I rise to follow on more so from what the Deputy of St. John said. The Health Insurance Fund component of the contributions people make to the Social Security Department is a ring fenced fund, and it is ring fenced for a specific purpose, and I am not going to speak at length, as I probably did when we discussed the required change to the law earlier this year.

The Bailiff:

Deputy, I do not want to stop you, but are you going to add any new information to that which the Minister, Deputy Gorst, has just given on this very topic?

Deputy A.E. Jeune:

Well, probably another side to it, Sir.

The Bailiff:

Very well. Do not let me stop you then. I just wanted to make sure you just were not going to give the same response to the Deputy.

Deputy A.E. Jeune:

No. The point is, we cannot lose sight of what is happening with this. Now, this Assembly democratically agreed the change to that law, and we have to remember that. We do not want to keep recycling the same arguments and the same propositions all the time, but what is very clear at the time we discussed that was that certain criteria would have to be met by the Health Department before these monies could be moved, and this fund cannot be used, this £6 million-something times 2 cannot be moved to go to the Health Department simply to bail them out. While I have every confidence in the Minister for Social Security that we have today in that he would ensure that all that criteria was delivered, however, next year I do not know who will be there. The one reassurance I do have at this stage is that the Deputy of St. John will be back on the other side of this Assembly as a Connétable and I hope and pray that he continues to keep his very, very careful eye on this.

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

It is important that we do not make any speeches that are considered to be election speeches at this time, because as pointed out by the Chief Minister, this is an election period, and in actual fact, most Members, including Deputy Gorst, say we should not be in here at all at this time, so I do congratulate the Deputy on his extensive speech, and I would like to go over some points that I felt really hit home for me: "To get them moving forwards for the best interests of our community, absolutely committed to going forwards, not backwards, getting to grips with the ageing population, delivery for our health, we need schools, we need hospitals, we need social policies for the most vulnerable, we are providing services for the benefit of our community." So no, we cannot sit next week, because it would be deemed to be unfair on those candidates standing in the election, but this week, during the Business Plan - which is the Council of Ministers' Business Plan - we can listen to them bleating on about how they are getting to grips with everything, when in reality, as pointed out by Senator Breckon, they have cut and pasted last year's Business Plan from the one before, and I am going to cut and paste my support for this Business Plan, as I vote

against it and this part of it. The Chief Minister said, you know, all of these contributions are possibly ... or amendments are possibly electioneering and I think that is unfortunate. He seemed to become aware of the elections when he came to town and saw a poster last week, and in fact, to back that up, if it was not such a surprise for most Members, because obviously in many Parishes there were not elections, if you look at it, we would not really be sitting here about to debate P1.53 because we all missed the fact - and me included - that unless we adopt P.153, this Assembly is going to elect the next Chief Minister.

[12:15]

So obviously the elections came as a surprise to us all. What does not come as a surprise to us all, I am sure, is the fact that we will be cajoled into supporting these usual motherhood and apple pie plans, but once they are agreed and the message has been spun out to the media - and thank goodness the media is now becoming more and more aware of the fact that most of this is spin - they will revert back to their bunkers, divvy-up the money among their departments and cut and paste it as they see fit, and if it does not meet their requirements, they will just huddle together and dish it out to each other unless the Deputy of St. John gets involved. The money flushes around departments and it flushes around the Ministries. The Business Plan as identified by Senator Breckon is fundamentally flawed and I would suggest anybody supporting it has really got a difficult argument to make in the - oh, that is right - the elections. I forgot about those. We could not support Deputy Southern's £60,000 for an analysis of the United Kingdom's spend. In fact, my learned friend Deputy Duhamel, who always takes the bigger picture into view, started to argue about the price of fish during that debate and said: "Is the price of fish the same in Lowestoft as it is in Liverpool?" Well I do not know but I certainly do know that the minimum wage is pretty much the same in Southampton as it is in Solihull along with the pensions that people receive. So I think a U.K. analysis is absolutely correct and if it was not correct then I would not have received this email confirming what I thought from the Head of the Statistics Unit yesterday: "Thank you very much. Average house prices in Jersey in quarter 2 2011 were £437,000; the average in the U.K. was £204,000." So we use U.K. averages to benchmark housing prices and we say in business plans like this that we do not have £60,000 to do a study, a body of work that would give us a real picture in relation to everything we do because that is not the best use of funds. In fact, so weak was their argument the comments of the Council of Ministers drag their arguments from the Policy Unit from 2002. As usual I am trying to capture people's attention in my speech and I am having a difficult job with the Deputy of St. Mary who is engaging with the people behind him. I value his intellect and I do wish that he would occasionally just focus on what I am trying to get across because perhaps he could join in with his analysis and put it across in a better way than I can. Guernsey recently committed to the news their findings of their study in relation to the United Kingdom. They identified that the average cost of living in Guernsey was 25 per cent more expensive than in the United Kingdom and 50 per cent more expensive for pensioners. I am getting on my bandwagon here - here I go - boom, boom, ba-boom, boom, boom. I am on the bandwagon, 50 per cent more expensive for pensioners and we do not want to do that work. That is why we do not want to do the work because we would find out probably the same thing; in and around the same thing and perhaps we might even find out that it is worse. Then we would really have to start to look at what we are doing to support the community rather than just £100,000 to support the third sector. What is that support worker going to do? Possibly dish out a limited amount of money to those charities that are in more need today than they have ever been because their budgets have been hard-pressed by the overall recession, fighting to get monies from every department because those departments have less money themselves. I think the principle that was made by Senator Shenton yesterday was absolutely right. We are too ill-informed and too out of touch to make the decisions in relation to £100,000 so therefore how on earth can we possibly be informed enough to make a judgment about this Business Plan? We just cannot. We just rubber-stamp this and I cannot rubber-stamp stuff. Unfortunately, Senator Shenton is leaving politics and I thought that he would have been able to succeed where others have failed. I do not have the ability to do it.

I will be honest, I do not have the ability to do it, to sort out the process that is wrong in these plans. I was hoping that in his term of 6 years he would have done it. He said that when he is gone he hoped somebody else will be able to do this. He pointed out that shortly his department will be coming forward with the fact that these £65 million of savings are nothing to do with savings at all; they are new income streams. Now that would be an interesting report. But in the meantime we are going to support this, support these proposals and support all of these in-depth mechanisms and charges and user-pay services with no real understanding about the economics, the understanding about where we are going forward in the next 12 months and how this is impacting upon ordinary people. All we know is that the average house price is over £200,000 more than in the United Kingdom. That is a heck of a whack. So when the Housing Department goes off and starts to conduct a fair market rent review so that it can bump up the rents of those in the Housing Department's lists and then take those up with the Housing Trust, I would argue, as I have argued before, Housing should not be making an analysis of this market because it is not a housing market, it is an investment market. You cannot get a fair housing market identification from this market because this market has never lost money, except for the first time in 30 years at the beginning of the quarter. The first time it lost money. As I said before, nothing has tracked like that. I think gold is possibly the only thing that is doing as well, silver is about to take a bite and the only thing that is left is buy property in Jersey. So thank you for the extensive speech, Deputy Gorst. I too, like you, abhor the fact that we are using this time during an election to basically run the banners up. I will not be supporting this and I hope other Members will not be either.

1.2.7 Senator P.F.C. Ozouf:

Democracy is alive and well in this Assembly listening to the Assistant Minister and the Minister for Social Security, and so I am going to miss the Deputy of St. John sitting wherever I end up sitting. I am going to certainly miss him opposite me and be able to respond to his significant challenges because he does like to wind the Senatorial and Ministerial benches up. But I need to say to him, as the Minister for Social Security has said, we have to be absolutely honest about the real problems that we have with Health and Health spending. It is the biggest political challenge that we have in terms of our spending. We have for too long failed to tackle it and we have to be honest about that. Senator Perchard - he is not here - really started the process of raising the debate at the Council of Ministers in terms of the spending issues. The Minister that followed, the Deputy of Trinity, has continued and her department has done extremely well in bringing these issues to public attention, bringing them to the attention of the Council of Ministers and tackling what are very serious issues in terms of healthcare funding. The Deputy of St. John is right in the sense that the options paper contained in the Green Paper focuses on the future of community-based services. He is right almost to be arguing the future for community-based services which will be delivered to a great extent within the G.P. world. So he is right in saying that we should be keeping G.P. and the primary healthcare funding available because it is only the careful and judicious use of that money that is going to prevent us from the significant pressures in terms of the ageing society and in terms of secondary care. There is going to need to be more money, both in terms of primary care and secondary care. We are going to have to manage this whole issue by strengthening primary healthcare and we are going to have to find very substantial monies for refurbishing or perhaps rebuilding the General Hospital, quite apart from dealing with the rest of the Health estate, and I see him nodding. Faced with the challenges today that this Assembly is dealing with that perhaps were not dealt with in the past, we really have no alternative but to look at a temporary use of the Health Insurance Fund in order for the primary healthcare services that are delivered at the hospital to be paid for by that fund. I stand by the proposals that have been made. They are the right proposals but the Deputy of St. John is also right for the future in terms of secondary care and that we are going to have to find a funding mechanism. The Health Insurance Fund, we are currently working on the funding issues from the Green Paper and we are going to be coming forward with proposals to not only deliver the future of healthcare but to fund it too. Senator Breckon said that this Business Plan was a cut and paste job. Well I need to say to Senator Breckon that the last 12

months have seen the biggest root and branch review of States spending certainly since I have been sitting on this side of the House and certainly I think since I have sat in the States. Of course today is not the day where Members and Ministers are going to stand up and justify every single item of their expenditure. That is unrealistic. We have been through a process, months of work, months of detailed examination, by departments, by Ministers, by independent people of C.S.R. that have looked at the C.S.R. and we have come forward with the proposals today. They were of course announced before the summer break and the summer break was the period of time where a number of Members have asked questions about the spending proposals. I have answered numerous emails about individual spending items and the challenge has been over the last months... it has been significant and Members have obviously had a chance to amend. This is the end of the process and I do not think it is quite fair, if I may say, to characterise this as almost simply the day in which we justify every penny because the work has already been done. I would like to thank Corporate Services for the work that they have done in the ongoing reviews of C.S.R. and the thoughtful and provocative questions that they have made. This Business Plan part (a) is also as a result of a States decision last year, which was to deliver savings and to improve on the savings target, so a lot of the work has already been done. The outlook for 2012 is going to be certainly perhaps more tricky than the outlook that we were hoping was going to be the case a number of months ago. Financial turmoil is continuing and the next few weeks are certainly going to change the political landscape in Europe which does affect us and is going to affect our decisions in 2012. The decisions that are going to be taken in Europe are going to change Europe for ever. There is absolutely no doubt at all about it. Economies around the world are making decisions on spending and working out the extent to which they should be spending, the extent to which they should be dealing with deficits and the extent that they should be resolving their deficit problems with taxes. Global institutions like the I.M.F. (International Monetary Fund) are warning governments that they need conviction and urgency to deal with the real solution of the global problem, which is restoring the economy to economic growth. Now our spending proposals for 2012 have been the subject of external review by the F.P.P. (Fiscal Policy Panel) and I would like to thank the F.P.P. for their work. I think their words in July ahead of the summer turmoil were quite prophetic. They did say that the economy was going to recover but it was going to be fragile and it was going to be drawn out and they are right. That is certainly the picture that we are going to see throughout 2012. Therefore, the spending proposals for 2012 are appropriate, as this Assembly debated last year, and I thank Members for making those sensible decisions in terms of the balance between tax and spending. We can move in 2012 with a degree of confidence. We have the right policies in terms of tax and spending and we have significant reserves in order to deal with any further problems should they arise. I am watching with a careful eye on issues such as the construction industry to see whether or not there is going to be a case to bringing forward some capital spending in order to inject further life into the construction sector, which is so important if the economic situation arises. With these spending plans we do have some latitude in order to do that. The debate conclusion could have been that this is simply a debate about savings and savings are an important part of this. The savings proposals are going to continue right the way through next year and I would like to take this opportunity of thanking the staff from the whole of the public sector for continuing to come forward with proposals and ideas of how we can deliver services more efficiently. Over 500 suggestions have been made already from staff in the Comprehensive Spending Review and we have now got hundreds of suggestions, literally individual ideas, from the Value Jersey initiative. I want to give the public some degree of confidence that we are looking and we are delivering on our spending proposals, and indeed on our targets, to reduce spending and to deliver savings more effectively. We are in a strong position and that strong position allows us to make the positive decisions that are before us in terms of increased spending, not only in Health, but in areas such as training and other areas. These are going to put us in a good position in terms of also not only cutting spending but improving services too.

[12:30]

I would also want to say in the conclusion of part (a) that the estimates ... and Senator Le Gresley is right to draw our attention to the page in the Business Plan which set out the contingencies and he is right about the remarks that he made about the £7 million contingency, et cetera. These spending proposals will, I hope, see an end also to the need for the Treasury if certain circumstances do happen to come forward with further spending requests under Article 11(8) requests because we do have built into these estimates in part (a) reserves and contingencies which will allow us in order to deal with the unexpected which inevitably happen. That should give the public a greater degree of confidence in terms of the spending limits that we are going to set. We now have proper contingencies in place and quite apart from the fact that we have restructuring amounts of money in place, with the decision of the Code Group yesterday in relation to Zero/Ten, I think that these spending proposals and our determination to spend wisely and to start to grow the economy can take a higher level of optimism than in the past. It has been an incredibly difficult period to deal with over the last couple of years but these proposals for spending in part (a) are sensible, they are wise, they are prudent but they also reflect the public need to improve services in certain areas and I hope Members support them.

1.2.8 Deputy A.E. Pryke of Trinity:

I just do not know where to begin to answer some of the questions that have been raised. I hope all the Assembly agrees that we have and will need to continue to have a Health and Social Services fit for purpose as we go forward. I know at times I have taken the Minister for Treasury and Resources to task occasionally when he just mentions Health because we are a Health and Social Services Department. That is where I think people forget that we are not just the hospital. It is social services and, as Deputy Le Claire brings up from time to time, social services are important: the nursing homes, the district nurses, the Children's Service, the Special Needs Service and I could go on and on and on. But all these cost money to staff and run and that is where I start with the pressures within Health and Social Services. I will not go on about the Health Insurance Fund because I know Deputy Gorst has, and with Deputy Jeune we will never see eye to eye on that. But let me reassure her, and also Deputy Rondel too, that that money when it is approved by the Privy Council will go towards the community provisions because Health and Social Services do provide community services. Whether it is right or wrong that we do it, that is how history has developed over the years. I think that is one of the important things that needs to be changed as we go forward with the Green Paper and the White Paper. Regarding the debate with the G.P.s we need to have an open and honest debate with the G.P.s but also more importantly the debate of how Health and Social Services need to move forward. I will not go into the issues of the Green Paper because I hope all States Members have responded to that, and the White Paper will come out in due course. But let me tell you, I can just itemise a few pressures within Health and Social Services. The cost of drugs: it rises about 10 per cent each year above the rate of inflation. That is just stopping still. There are more medical treatments coming out. Medicine does not stop developing, new cancer treatments come on the market. Obviously patients and their families wish to have that and quite rightly we need to deliver it but it comes at a significant cost and one that we have to do. Also, there are areas that we should be doing and hopefully will be doing. Screening programmes which are important - the colorectal screening process - that is important and we need to do it. One of the main areas that we have managed to do this year is the Emergency Admissions Unit. Again, to run a new 16-bay unit for emergency admissions has been a great step forward but it comes at a cost. Just to answer a question from the Deputy of St. Mary about the income, I think he can find the income on page 57. But just to run a couple of things there: we get income obviously from private patient services; we do charge for some X-rays; within public health are family planning clinics and part of the care that patients receive in St. Saviour's Hospital is paid for. As you would expect we get income from overseas visitors. If I did not charge for that I think there would be an outcry for that. We get income from catering registration and inspections. Also, do not forget the crematorium comes under Health and Social Services so obviously we get an income from that. As regarding our Business Plan there are new initiatives and the main one will be taking the Green

Paper over the next years. This is vital if we are to address our ageing population. I make no excuse of mentioning again that it is an issue we all as an Island have to address and, more importantly, how we are going to address the funding stream of it. I will leave it there. Thank you.

Deputy G.P. Southern:

Could I seek a point of clarification from the Minister? I apologise, I may have missed it earlier in her speech. Has she guaranteed that the resources and staffing for the Williamson recommendations remain in place and are not deferred in this Business Plan?

The Deputy of Trinity:

Yes, they have not been deferred; there are still a couple of positions. They are either in the process of recruiting or just about to recruit as the chair of the J.C.P.C. (Jersey Child Protection Committee) highlighted in his report. But I think they are just about out for recruitment.

Deputy A.E. Jeune:

A further point of clarity, if I may? The Minister for Health and Social Services when she was speaking about her community health services that the department has historically provided, can she clarify that they are in fact taxpayer-funded from the Treasury and that the monies they have been receiving for that are not going to be returned to the Treasury when they ask for the monies from the Health Insurance Fund? Thank you.

The Deputy of Trinity:

By “historically funded”, I meant that that is the way they have always been developed. The Health Insurance Fund is there for community projects.

Deputy A.E. Jeune:

But the monies will not go back to Treasury?

The Deputy of Trinity:

Also we will spend them. The grants that we give to Family Nursing Services is in the region of £9 million.

1.2.9 The Connétable of St. Brelade:

If I just may respond to comments from Senator Breckon earlier on with regard to questions ...

The Bailiff:

The Connétable of St. Ouen has given way to the Connétable of St. Brelade. **[Interruption]**

The Connétable of St. Brelade:

Sorry, I do apologise. Senator Breckon has questioned the issue that he was unable to ask questions and I would say from the point of view of my department we are more than happy to answer any questions from any Member but we have not had any. So whether the Senator has only just picked up his Business Plan or what, I do not know, but I would emphasise the point that we are keen to respond to any concerns that any Member has and in a fully open and transparent manner. Now with regard to questions put or suggested by the Deputy of St. Mary whereby he questioned income from various areas of my department, I just would clarify briefly that in terms of waste charges the income arises from various areas from electricity generated, tipping fees, tanker connection charges and such like, the Service Level Agreement with Harbours and re-charge of the workshop to other T.T.S. areas. With regard to the cleaning in Parks and Gardens Department, the Municipals Department, it is generally the re-charging to other States departments and mostly E.S.C. (Education, Sport and Culture) and Housing. I hope that answers the Deputy's questions. Thank you very much.

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

I just rise briefly to also address a point which Senator Breckon made. He questioned whether we should be voting in favour of a plan which is very similar to the plan of previous years. I, in fact, am much more comfortable to support a plan which mirrors previous years than a plan which would come to this House giving us a totally different direction. Because I have not heard or experienced during my time in the House any amendment come to this House which would support a total change of direction for this Government. So the fact that it does mirror previous years is, in my opinion, something which gives me confidence to support it.

1.2.11 Deputy G.P. Southern:

Members will obviously not be surprised, given the amendments that I have brought, that I consider I will not be supporting this part of the Business Plan. Not only do I believe that the Health and Social Services section is completely abhorrent in that it is merely a wish list with no meat on any bone at all, and not only do I consider that it is a recipe rather than for goodwill being shown in negotiations into the future on pay and conditions, but rather a recipe for conflict and, I would say, conflagration - but I do not mean that - but certainly for conflict and strife. I think it is a recipe for disaster. But I turn briefly to areas for which I have no responsibility in Scrutiny and just at random almost - and I am sure if I look elsewhere I can find similar issues - pick on the Minister for Economic Development who has on the same page got a decrease in funding for the Consumer Affairs Trading Standards area of £20,000, the decrease due to reduction in non-staff costs and the Jersey Consumer Council grants. I ask at this time of escalating prices and the cost of living going through the roof, is the Consumer Council really suffering a £20,000 chop in its support and if so why? Especially when on the very line below that on page 27 there is a £200,000 increase in funding for the finance sector where it says: "Largely due to an increase in the core grant to J.F.L. (Jersey Finance Limited) to include stimulus funding for a third office at £257,000 and transfer of budget from the C.M.D. (Chief Minister's Department)." So £200,000 to Finance; £20,000 off Consumer Affairs Trading Standards and then finally at the bottom I question the commitment of the Minister for Economic Development to diversification when I see on Rural Support another £100,000 being taken off there. Now this is an argument we had last year when we had, I think, a much more healthy and detailed examination of this Annual Business Plan. This year it has not happened. But if for no other reason than those 3 sets of figures I could not possibly be supporting this because it does not tie-in with most of the strategic aims of this particular Council of Ministers as outlined; was it 3 years ago? It seems longer. But they seem to have lost sight of what they are trying to do and all we are talking about here is chop, chop, chop except for Finance.

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

The adjournment is proposed then. Before we do may I notify Members that they will find the Deputy of St. Mary has lodged an addendum to his 14th amendment which should be on Members' desks.

[12:45]

Connétable J. Gallichan of St. Mary:

I wonder if I could just rise in response to that notification. I just have to say as Chairman of P.P.C. (Privileges and Procedures Committee) in an Assembly where we have striven to hold the Ministers to account for not presenting things at the very last moment, where I have presented amendments to Standing Orders which have changed lodging periods and imposed restrictions on comments, I find it discourteous to Members to have a 25-page addendum deposited in the middle of a day when we could easily debate. I would like to make that point. I just feel that presentation of documents like this at the last minute is something that we have striven to avoid and I think it cannot go on unnoticed.

The Deputy of St. Mary:

May I respond to that? I think it is only right that I respond. It is not an addendum in the normal ... it is an addendum, but it is not a thing that I would expect any Member to have read beforehand. What it is, is it is a list of quotations and sources and graphs, which I will be taking people through, it is a resource for the debate and should be seen as such, and it is not something that I expect anyone to read in advance, except possibly Ministers who might want to go away and query the figures, and I do apologise obviously for it being late, I have been struggling with a foul cold and I have done my best, but it is basically, if you like, a handout for a debate, rather than a presentation of an argument in the normal sense of a report. I hope that explains things.

Senator S.C. Ferguson:

Which part of amendment 14 are we talking about?

The Bailiff:

The bit that we are still to debate, which is the whole of amendment 14.

Senator S.C. Ferguson:

One small piece at the end?

The Bailiff:

Yes, that is what we are going to debate.

Senator S.C. Ferguson:

Thank you, Sir.

The Bailiff:

If I may just say from the Chair, obviously I have not had a chance to see exactly what this is, but clearly the normal principle should be a proposer should put all the material he wants to use in his report. I think to flood Members at the last moment is not desirable, but ultimately it is a matter for Members. Very well, we will adjourn until 2.15 p.m.

[12:47]

LUNCHEON ADJOURNMENT

[14:15]

The Bailiff:

We are not quorate. Usher, summon Members, otherwise we will call the appel. Very well, I see next the Deputy of St. Ouen.

1.2.12 The Deputy of St. Ouen:

In answer to a couple of questions raised by Deputy Wimberley, first of all the Instrumental Music Service. The income that is presently generated from this service is through a contribution from the 2 States fee-paying schools and obviously the proposal that has now been agreed is that a small charge will be levied for certain of the services provided so that it will allow the service to be extended and include perhaps more instruments. With regards the higher education and tertiary income; that is mainly derived from levying some of the costs to cover the courses that are provided to adults that are attending at the college, both during the day and in the evening. I would just like to make a couple of general comments. I think all Ministers would agree that the Comprehensive Spending Review, which has been a major piece of work, has been extremely challenging, and our thanks should go to, not only our department officers, but equally all the staff across the services as well as all the organisations that have been involved in the process. I, for my part, have robustly defended the services of my department, and indeed the targets set by the Council of Ministers and this Assembly of a 10 per cent reduction, as people know, has been difficult to achieve. The one thing I need to point out is that the work that was undertaken to identify those proposals has been

extremely robust and, as such, no one should be under the impression that alternative savings if the value of some of those proposals can be achieved. I must say, I also look forward to the opportunities that I believe the recent consultation that is taking place on the future of education will help not only to determine the shape of the service to come, but equally help to better identify the funds that are required for it. Thank you.

The Bailiff:

Does any other Member wish to speak? Very well, then ... Deputy Martin, so sorry.

1.2.13 Deputy J.A. Martin:

Yes, Sir, I will be brief. I thank Senator Breckon for pointing out that the majority of the Business Plan has been cut and pasted, except that the figures have increased and some have obviously decreased. I stand to say, even that, what he has pointed out, and although I supported some of the amendments, especially I am still very unhappy about the terms and conditions, the structure of the way the States ... the way that States employees are going to go into negotiations, I will be the bigger person and am going to support the Business Plan. It may be of interest to States Members, myself and the likes of Deputy Southern have been on many, many the wrong end, or the losing end, of debates, and felt very passionately, I could go into a number, but then I would have been accused of electioneering, but never have I gone off-Island to complain to the Privy Council, and I do not know whether the version of the Deputy of St. John is right or the Minister for Social Security, but I would imagine that they are getting quite fed up with us when we have Islanders petitioning the Privy Council and now States Members, because they are aggrieved with a decision that was made democratically in this House. If me and Deputy Southern had been doing this for the last 11 years we could walk our way across on top of the letters to the U.K. Privy Council, but we do not do that. But we are where we are. What I am saying is, there are lots of things that do need sorting out, I think next year when we get into the 3-year plan people in Scrutiny, if there is still Scrutiny around, really need to lock that one down and have a look to see where money is going, we need a different approach. But at the end of the day I supported a lot of amendments that were lost, but the overall is we are where we are, we have nothing else. It might be a protest vote if I voted against it, but really I do not think that would get me anywhere and it certainly would not move the Island forward. So that is really all I have to say, but I wish the new Council well and the Treasury and everyone else with the negotiations, it would seem to me, with one hand stuck either both of ... one hand tied-up behind both sides' backs, but I agree and I have spoken to a couple of Ministers outside, there does need to be reform, but I will only, when this comes back, and when we hear about the negotiation, unfortunately it will not come back, to have the courage of your convictions, I will see that the Deputy of St. John is voting against the plan, where Deputy Jeune still cannot agree with £6.1 million being transferred next year but is going to however vote for it, so we are where we are, as they say. But the money will go across to Health, it is needed, it was collected for that, I do not care who you ask out there, they know the money is for the Health, and Health Insurance Fund, and I wish the Deputy of St. John would either sit down with the Minister for Social Security and see where this pot of money does go, because it is completely ring fenced, as he says, people who are waiting for health at the hospital do not care where the money comes from, they want their appointment, they want their treatment, and if we can deliver it out in the community that money will go to fund it. I am not only ... may not be keeping a beady eye on it, but I will be keeping a beady eye on it for as long as I can. I know the money ... I do not need convincing, we keep hearing about health and people waiting longer and longer, and the money is collected. You can put it under one umbrella, you can call it income tax, you can call it all health insurance, you can call it for needs in your old age, or it is money that is coming out of people's wages every week and they want to know that it is going to the right place, and the majority of people know health is the right place. So, as I said, having even supported many of the amendments that were lost, I am afraid I am in the position where I cannot not go against this because there is no alternative, so I will grudgingly support this plan this year. Thank you, Sir.

1.2.14 Senator S.C. Ferguson:

Senator Breckon said that everything was identical; well I can assure him that it is not. About 3 years ago, I brought in an amendment to add as an objective to the Chief Minister's Department to bring in a suggestion scheme, it has been lost from the objectives, so I would be pleased to know whether these are all in place. Also, I brought in an amendment to require grants to be included in the accounts, and also that they should all be published, just put up on the web, with certain *de minimis* limits, and that seems to have disappeared from the objectives of the Minister for Treasury and Resources. So it may not be here, but I shall be bringing it back in due course.

1.2.15 Deputy R.G. Le Hérissier:

Just 2 points. I totally agree with Deputy Martin, I think ... I do find it very odd that the Deputy of St. John, as a true patriot, runs to daddy when the House does not go his way, I find that incredibly odd. We should be mature enough, or we should be aiming to be mature enough, to sort out these differences. We are big people, we lose some and we win some. On the second issue, Scrutiny; Senator Breckon gave a very gloomy picture. This has been looked at numerous times. The reason that it is left to each panel is that the panels did not wish to be put into a position of examining things and, by almost giving their consent, they were supporting Council of Ministers' propositions. They have no problem in reporting upon the key policies that form part of a Ministerial portfolio, and it is part of their job, although some have more difficulty than others, it is part of their job to continuously report upon those major policies; policies which then end up as the building blocks of the plan. So they have been working on it, but the difficult position, which led to a lot of them pulling back, was simply they were faced with a position where they could not make more meaningful comments and they would be in a political position where they were either having or having not to support the policies, and they did not wish to be put in that political position, so there has been a lot of discussion on the chairmen about this. The only panel it was felt could make what you might call legitimate comments about the plan was Corporate Services, which could comment on the priorities, on whether more money should have been put here, more money should have been put there, whether the way that the finances were building up was not ... was going to lead to trouble or not trouble, as the case may be; those kinds of broad, almost in some respects emerging trend issues, and Corporate Services have in fact commented on that. That is why the panels, or a lot of them, have not commented in an individual sense, they have commented historically upon the policies that now form part of it.

1.2.16 Deputy T.A. Vallois:

I see this Business Plan as a transitional move to the medium-term financial plan that we have agreed as a House for the 3-year cash limits, and, in my own personal view, I think that is a way forward, and a good way for this Island to go. My concern lying around, and the Treasury Department know fully well where my concerns lie, and that is with the Central Reserves, and I have been to see them with regards to the Central Reserves on 10th August this year, and discussed the area. All Members will know that I have provided them with the guidelines that I was provided with from the Treasurer and the C.S.R. team as to how the central contingency for 2011, which we agreed last year, was contained and procedures met. Within that, I think Members would be willing to know before they go ahead and agree or disagree with paragraph (a) was last year we had £14,862,000 for a contingency fund; this year we will be agreeing £22,485,000 as a contingency fund, as a central resource for the Treasury Department, whereby, if Members have read those guidelines, it will require a business case to go to Treasury if further funds are required and, in my own view, it should be treated extremely strictly by whoever the following Minister for Treasury and Resources is, everything that goes through that fund should be open, transparent, and as shown why and whether it is going to the right resources and why it was prioritised in that way. This year, out of those funds, since the start of 2011 there has only been one allocation approved of £500,000, leaving a current balance of £8,362,000; that was as of 25th August - that was the Central Reserve, sorry. The restructuring provision: since the start of 2011 there have been 10 allocations approved,

amounting to £5.6 million, therefore leaving a balance of £0.3 million. So that is our invest-to-save area. The only point I am pointing this out is that openness and transparency in the way that contingency fund is being used this year, and I think it is appropriate for Members to realise how that has been used up until 25th August 2011. I am slightly disappointed that the Minister for Treasury and Resources has not brought forward the guidelines procedures to the States Assembly or for us to see before we go ahead with the Business Plan, because that was what we requested of him last year, and he took an undertaking to do so. I have been advised that they will not be done until the end of this month by the department. I have been told that the guidelines that I have issued to States Members, the forthcoming guidelines will be based on those that I have passed around to Members, so hopefully that gives some Members some reassurance.

[14:30]

Again, the concern I had with regards to Deputy Southern's amendment was the £7 million and it confused me a little bit, I was talking with the Deputy behind me with regards to how that was being allocated and it became slightly confusing around that area, and it was never stated by any Ministers that in fact there was confirmation that the restructuring provision would be used if need to be, if the terms and conditions review ... if there was any problems with the terms and conditions review going forward. We have had that reassurance from the Minister for Treasury and Resources during this debate, so I am reassured by that, and seeming, as I see this Business Plan as a transition to a medium-term financial plan, which is going to I hope improve financial management within the States and allow departments to run their services more efficiently and more effectively for the public. I have to agree with Deputy Martin. I do agree with this reluctantly, but I will be keeping a watchful eye on the central contingency fund going forward. Thank you.

1.2.17 Deputy M.R. Higgins of St. Helier:

I have sat through the Business Plan, very much like the Strategic Plan, and thought what a charade. The whole thing is just an exercise in effectively the Council of Ministers, who have come up with these formulations, to have it rubber-stamped by this House. Many of the proposals that have been put forward I do not find acceptable, and I just think the whole process again, we have said it before, needs to be looked at. Because we also know that whatever we say Ministers are going to do as they like, they are going to move money between budget heads and consenting Ministers are going to move money between their own departments and it is just a wasteful exercise. Someone was saying earlier that it would have been far better if it was ... I believe in the past, I do not know how it was done in the past, but if each Minister had to come before this House and set out the Business Plan for their department and each one of us could examine it, question it, it would be a far better process, but rather than lose it in all the detail, the figures, and all the rest of it. So I think this is a totally wasted exercise and I do not think anyone in the House is particularly wiser or the public would be any wiser and it has done any real good. I would also like to say, I wonder how many Ministers are going to be in place to implement their business plans, and I am not just talking about the election, we know how many Ministers like to move on, they come up with all the ideas and then, as soon as the chickens are coming home to roost, or the debris is starting to be noticed, they move on leaving someone else to pick up the pieces. I was listening to Senator Cohen, for example, on the radio, talking about he was not responsible for the Radisson; he was not responsible for Plémont - well who was? Who was the previous Minister for Planning and Environment, was that Senator Ozouf, or who? I would like to see who was responsible for these decisions. So, it is going to be a game of musical chairs, Ministers will move on, and all the things that people have been talking about and are afraid are going to happen will arise and everyone will be blaming the predecessor: "I am not responsible", but we will all be picking up the pieces. So, finally, I would just like to say, I think we have just wasted an awful lot of time, why do we not just simply recognise that this is a Business Plan of the Council of Ministers and why do they not just say: "This is our plan", and we hold them to account for it, rather than all this sort of wasted effort. Thank you.

1.2.18 Deputy M. Tadier:

I was prompted to speak by Senator Breckon, who I think was the first one to talk in this section, and he talked about the flawed process and I think the process is flawed for several reasons and it is very interesting that Deputy Higgins spoke of rubber-stamping, because essentially this is what we are doing here. We do not have any reasonable alternative, or that is at least how most Members will feel, because what happens if we do not pass the Business Plan? Have we ever been in a situation where a Business Plan does not get passed? If that is the case, we have to ask the fundamental question, what is the point in having a debate if essentially we cannot vote against it or there is no alternative? So the question of what are the alternatives is an important one, we can bring alternatives and amend, tweak things slightly, but it is like when you try and polish an object, which is inherently matt, you cannot get it to shine no matter how much you polish it because the matt will always remain. So there is an issue then, as we have seen, it is very unlikely that any Back-Bench propositions, which try and moderate the Business Plan, get passed anyway, because the Council of Ministers and their loyalists always have an inherent majority it would seem. The next thing I want to do is try and appeal to the speakers, Deputy Martin and Deputy Vallois, who spoke well, they spoke with some interesting points, and I can understand part of their frustration. But we do not simply have to endorse this Business Plan, even though we have grave concerns about it. Certainly they might be grave or slight concerns, in the same way that, if you are on a boat heading towards the iceberg on the Titanic, you do not have to say: "Well, this is the only course we have chosen, I do not really like the fact that we are going to hit this iceberg, I am slightly uncomfortable with it, but it is the only boat we have, so I suppose I will go along with it, but I will be keeping a very close eye on you, Captain, and I am making sure that, when you hit the iceberg, maybe I will say, 'I told you so'." I would want to be grabbing the steering wheel from the Captain or jumping off the boat, perhaps into the cold water, taking my chances, or getting a lifeboat and doing that; so I would say to the 2 Deputies, who I appreciate are between a rock and an iceberg perhaps, that they have a stark choice, they can either say that this Business Plan goes out with their endorsement and their name on it, or it can go out, and it will get passed, without their names on it, and the public will be there to see how they have voted. But I am also here to challenge ... issue a challenge to the would-be opposition in the Assembly, because it is of course very easy to sit here and make amendments or to make criticisms or to stand here even, but the problem is ... and of course it is an inherent problem of the system we do not have any party politics, but I think the opposition need to get together around some key policy objectives. They need to also build their own Business Plan, their own budget, put that to the public, either the policies or the Business Plan, and present an alternative fully-costed alternative Business Plan to the States so that we can have a real choice. So, instead of just amending, we amend the whole Business Plan and present it as one document, which is consistent and which has an inherent ideological logic to it, which is hopefully endorsed by the public. This brings us back to the ... perhaps the last problem in this area is that no one in this Chamber has a political ... certainly an ideological mandate to be here and no Council of Ministers has an ideological mandate because the public have not voted on an ideology, they have not voted on left, right, centrist, small, big, society, or what was the neologism yesterday? The little big society. It sounds like Little and Large who are running the show, which is a very strange way to do business in the Island. We do not know what the public think, we are being told that the public want these cuts that we are putting forward; that the public think we are spending too much, and certainly I am sure the public are angry about genuine waste in the system, but there are also other lobby groups and other interest groups who quite rightly want more money and more funding in areas. We can cite a few, like Oakwell in my own Parish, which provides great service for the whole Island to do with respite, which is basically suffering from a shortage of bed space, which is to do with problems in other areas. We know that there are other area groups, and like last night I was visiting a housing ... some residents in housing in St. Brelade with Deputy Shona Pitman in fact, who was initially contacted, they are living in mouldy and damp conditions, which you can smell as soon as you go into the house. We know that

there is a lack of 2-bedroom houses and 3-bedroom houses in our housing stock, which needs more money going into it, rather than less money, which means we need to be spending more money on social housing provision rather than less and depending on the private sector, which unfortunately cannot provide cheap and affordable accommodation for our own Islanders. So certainly there is money to be saved, but that money I would suggest needs to be redistributed, and this idea that on a net basis that we are spending too much money as a Government simply has not been proven and has not been ... does not stand up to scrutiny. So I would encourage those Members who have not got their amendments through, who do not agree with the ethos and the direction that this Council of Ministers are taking us in, to vote against. It is quite a simple option and stark option that we have, this Business Plan can go out with your name on it if you are a fully signed-up member of the black and white party then clearly you will want to endorse this Business Plan. If you are not of course you may want to not endorse this Business Plan. I for one certainly will not be because the inherent ideologies behind it are taking us in the completely wrong direction, the bankrupt policies, which have basically led Jersey to this point that we are at, where we have young people, families, who cannot afford to buy housing, we have failed to attack the issues and grasp the nettle to do with housing, to do with social provision, to do with employment in the Island, and I hope that the next House will seriously put vested interests aside and that it will be able to make real headway on these pressing issues. But certainly this Business Plan, although there are some positive aspects in it, do not address these issues.

The Bailiff:

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

1.2.19 Senator T.A. Le Sueur:

I would just like to begin with a correction to a misapprehension in one or 2 Members' minds that I was accusing them of electioneering. I have my speech in front of me and I said: "We are on course and must not allow ourselves to be deflected by pursuing fleeting promises or jumping on an electioneering bandwagon. The future of the Island is too serious for us to get side-tracked." I was not referring to any particular Member in that respect, I was hoping that we could focus on doing what is right for the Island in the long term. I am grateful to Members who have spoken over the last day and a half to reiterate those comments. Now, the first speaker after the amendments was Senator Breckon who raised an issue echoed by a few subsequent speakers that the Business Plan process is not ideal, and I think that has been a criticism ever since the Business Plan was first put forward. I can recall Business Plans of a few years ago, which used to stretch into the second week of debate, because we spent most of the first week debating the very objectives, which some Members would like to see us debating this week, and I recall at an earlier meeting with the Corporate Services Scrutiny Panel an agreement that this was not the best use of our time and resources. As a result, we put forward what we thought was an improvement by having a considerable amount of detail in an annex for Members to have a look at and to debate what most people wanted to talk about, which was the amount of money we spend in any given year. That, we thought, was progress, but of course progress is satisfactory to some people and is going in the wrong direction for other people. But what I would say is that there is considerable detail in the Business Plan and the appendix and for those who still do not find enough detail in that then Ministers and departments are always willing to explain and give further details. So Senator Breckon asks: "Are these procedures set in stone?" and the short answer to that is no, not only are they not set in stone, but they will change next year. As Deputy Vallois rightly pointed out, from next year we move to a process of a medium-term financial plan. A medium-term financial plan, which should be based on policies agreed earlier in the year, and a strategic plan. If that Business Plan does not follow the strategy set out in the Strategic Plan, then it is up to Scrutiny Panels - all Scrutiny Panels and all Members - to hold those Ministers to account and say: "Look, in the Strategic Plan you undertook to do this, that and the other. In your Business Plan you are doing this and the other, but you are not doing that." Then hold those Ministers to account. So there is a

process, which can be applied, if Members work it through. So, to those who say: "I am going to not support this Business Plan as a protest vote," they need to be quite clear what they are protesting against; are they protesting against the system, the amount of money, or the way in which the Business Plan is presented, because otherwise no one is really going to understand what they are meaning. I do point out to those people minded to vote against this Business Plan that if we do not pass this Business Plan, as other people have said, the consequence is that there is no money next year to pay any department, any staff, any services or anything. It is hardly a way.

[14:45]

So I accept that, to that extent, some people may say: "Well we have no choice but to agree this Business Plan." I would say: "Not exactly, there is no choice but to agree 'a' Business Plan." It is the right of any Member to bring amendments to change that Business Plan, and there have been amendments in the past, which have succeeded, and there may still be amendments today, which have and will succeed, but that is the right of Members and at the end of the day it is the decision of the majority in this Chamber, which decides the way we go forward. So when Deputy Tadier says: "I do not want my name put to this Business Plan" we do not put individual names to the Business Plan, the plan, which is either approved or rejected by the States as a body, and I hope ... I am sure that it will be accepted by the States as a body, I would like to think unanimously, because we have had the chance to debate the amendments, and, having democratically decided not to accept those amendments, we have to accept the consequences. The Deputy of St. Mary, who is not here, questions amount of money being spent on user pays and suggests that with £122 million worth of revenue there must be a considerable amount of user pays. Well of course user pays is a generic term covering a variety of activities and the revenue allocation, the income allocation in the Business Plan covers a variety of activities. As the Minister for Health and Social Services says, a lot of the work in hospital for private patients is recoverable, it includes all the rents from social housing, it includes a variety of other income from one source or another. But I would point Members to page 174 of the annex where, of our £65 million proposed savings, only £4.3 million of that comes from user pays proposals, less than 10 per cent. For those user pays proposals, if they are for new areas, they do indeed require States approval. Now, there are some Members who complain that this Business Plan is very similar to last year's in the way money is spent. Others have pointed out that it differs in some respects from last year's. It is in fact that both those are, at the same time, correct. The majority of spending will continue from year to year, be it on teachers or nurses or policemen or anything else, but there will be changes and there have been changes, and there will continue to be changes in the future. What we will have in the future of course is a much clearer framework that will have a 3-year plan within which we have to operate, and that, while in some ways is constraining, also allows flexibility between one year and the next. I think, of the other speakers, they really reiterated points I have raised there already, and I do not necessarily need to go through individual comments, but I would just say to Senator Ferguson, who raised 2 very interesting and valid points, the first about suggestions. It was the Minister for Treasury and Resources I think earlier this morning who said that in connection with the proposed savings and Value Jersey, we have had something like 500 suggestions from members of the public and 200 suggestions from staff within the States. I think that is the right way around. But, either way, it does mean that there have been a significant number of suggestions, all of which are being followed up, and all of which will be reported on. It was indeed Senator Ferguson's idea, so I thank Senator Ferguson for that, as indeed for her other idea about showing publicly grants to private charities and other organisations. She complains that is no longer in the Minister for Treasury and Resources' objectives, and the reason it is no longer an objective is because it is now there, published in the States annual accounts, the job is done, the grants are detailed there for all those concerned. So I thank her again for that suggestion. Deputy Vallois rightly indicates that, having set up this contingency fund, these very necessary contingencies, if we are going to have a 3-year medium-term financial plan there has to be clear rules and guidelines for the application of that money. Yes, we do need to publish them, and we do need to hold Ministers to account to ensure that those

guidelines are followed and that money is not misused. It is not a help-yourself buffet, and I am sure that we will be anxious to ensure that it is not, because I hope that Ministers in the future, just like Ministers today, are anxious to save money and not just spend it for the sake of spending it. So, to those who think that this process is flawed and there is no real alternative, I say, yes, there is. Indeed, Deputy Tadier suggested that the Council of Ministers has an in-built majority. I am not going to say: "If only", but that is a proposition for Senator Shenton later. But he may have noticed that in some of the votes in the last day or 2, not even all the Council of Ministers necessarily voted in the same direction, let alone their Assistant Ministers, and that is to some extent a healthy expression of the freedom within which all of us speak within this Chamber. But when the vote goes against us, we accept the fact that is maybe unfortunate, maybe the other 40 or so are misguided, but they will learn. But that is the democratic process, it is one that I think we should value, and it enables us to have a Business Plan and debate amendments and come up at the end of the day with the right solution. I believe that so far we have come up with the right solution, particularly as far as part (a) is concerned, and I maintain the proposition to set a budget for 2012 in the sums set out in part (a).

The Bailiff:

The appel is asked for then in relation to paragraph (a) of the Business Plan. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 37		CONTRE: 8		ABSTAIN: 0
Senator T.A. Le Sueur		Senator A. Breckon		
Senator P.F. Routier		Deputy G.P. Southern (H)		
Senator P.F.C. Ozouf		Deputy P.V.F. Le Claire (H)		
Senator T.J. Le Main		Deputy S. Pitman (H)		
Senator F.E. Cohen		Deputy of St. John		
Senator S.C. Ferguson		Deputy M. Tadier (B)		
Senator A.J.H. Maclean		Deputy T.M. Pitman (H)		
Senator B.I. Le Marquand		Deputy M.R. Higgins (H)		
Senator F. du H. Le Gresley				
Connétable of St. Ouen				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy A.E. Jeune (B)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				

Deputy T.A. Vallois (S)				
Deputy A.K.F. Green (H)				
Deputy D.J. De Sousa (H)				
Deputy J.M. Maçon (S)				

1.3. Draft Annual Business Plan 2012 (P.123/2011) - paragraph (b)

The Bailiff:

Very well. Then we move to paragraph (b) and I will ask the Greffier to read out paragraph (b).

The Greffier of the States:

Paragraph (b). To approve the summary set out in Summary Table B, page 70, being the estimated income and expenditure and estimated minimum contribution, if any, that each States trading operation is to make to the States consolidated fund in 2012.

1.3.1 Senator T.A. Le Sueur (The Chief Minister):

The Public Finances Law makes provision for the States to run trading operations and 4 activities currently fall within these definitions. Under the Economic Development Department, there is the operation of Jersey Airport and of Jersey Harbours, while under T.T.S. there is Jersey Car Parking and Jersey Fleet Management. The principles for the trading operations is the same as it is for Ministerial departments, except that approval for expenditure is for withdrawal from the individual trading funds rather than from the consolidated fund. There is a summary on page 70 of the Business Plan of what is proposed for 2012 for those 4 areas and the detailed submissions can be found in page 135 of the annex to the Business Plan. I propose part (b).

The Bailiff:

Is that Seconded? **[Seconded]** Does any Member wish to speak on paragraph (b)? Senator Breckon.

1.3.2 Senator A. Breckon:

Just a point, it is not necessarily for the Chief Minister, I do not think he did mention that the airport and the harbour falls under Economic Development, but it is an issue of which I know that the airport are keen to raise money on things that do not have necessarily anything to do with aircraft, such as parking the car. Some people have approached me who were very, very angry about the increase from 60 pence to 70 pence and I know obviously all of the £28.5 million was not raised from the car park, but I would question the Minister for Economic Development and ask him where this increase fits into any strategy about inflation, about economic growth, or anything else, because it is contrary, and they are in a monopoly position, something the J.C.R.A. (Jersey Competition Regulatory Authority) might like to have a look at, and they put their charges up out of step with everything else, and to add insult to injury for me, includes G.S.T. (Goods and Services Tax) for parking the car. So I would, as I say, it is not necessarily a question for the Chief Minister, but I would like the Minister for Economic Development to answer if he thinks it is a good idea to increase charges by whatever it is, 16-17 per cent, when people believe they are paying enough already, and in some cases they do not have any choice.

1.3.3 Deputy M.R. Higgins:

I would like to follow up from Senator Breckon and also ask the Minister for Economic Development to explain the forecasts for the major structural deficit that the airport is facing, why it is facing that deficit, and how he sees them being able to get themselves out of it, so I would like far more detail from the Minister for Economic Development.

1.3.4 Senator F. du H. Le Gresley:

I think I am on the same track as Deputy Higgins. In the Summary Table B, in the second table, we see for Jersey Airport loan repayments of £2.3 million, and also in page 139 of the annex we see that finance costs at Jersey Airport are reducing by £140,000 for 2012. I am aware that there are a couple of loans that were taken out by Jersey Airport some years ago, and I would just like to ask, when will those loans finally be repaid and does the Jersey Airport, or the Assistant Minister responsible for Jersey Airport, propose to borrow again for any further infrastructure improvements at the airport?

1.3.5 Deputy P.V.F. Le Claire:

The next part of the debate gives us all an opportunity to talk to death any issues over airports, harbours, parking, or anything else in this region; fleet management. So here is a great opportunity to electioneer if you want to. Just to talk about why I am not supporting this either, because it is not that I do not agree with the fact that, as the Chief Minister says, we are moving forwards and sometimes we win some and sometimes we lose some, it is the very small ones that break the will of the 7 or 8 that normally vote, and the others that vote reluctantly. When you see millions of pounds, hundreds of millions of pounds of expenditure and charges in a Business Plan, we are rolling out the economic growth strategy and I remarked to one of the people at the meeting that was put on, I found it ironic that this is the time that they choose to roll out such a huge strategy during an election, but also the fact that normally, if anybody comes to me with an idea for a business plan and it involves anything to do with the States, I immediately tell them to go and rewrite it, because they will encounter complete inertia, and I normally countenance against any business plan that involves the States. This one has the States written all over it, in fact it has it written on the front of it, so I am not supporting it, and I do not think that means that I am not willing to support a lot of what people are doing or Ministers are trying to achieve, it is because I just do not accept the fact that we can make any real analysis without some of the small concessions that the Ministers could have given us, especially in relation to the U.K. comparison. I went to go and see the ex-Chief Minister - Jersey's first Chief Minister, Senator Frank Walker - who gave me a very good briefing in relation to the Shadow Harbours and Airports work, and, as I said in the debate when we approved it, I absolutely do have faith in the value for money that we are getting, even though we were all surprised a little bit as to the fact that we are getting paid some small remuneration, it is extremely good value for money when you look at the kinds of people that are on board and the kind of money they could make if they were doing their own businesses. So I am personally quite grateful for that and I think it will help us. But the level of problem - and Deputy Higgins appreciates this, I am about to appreciate it, or at least if I remain within the Assembly and on the Economic Affairs Scrutiny Panel, then I am about to appreciate the problem, but the ex Chief Minister told me that - while Harbours is operating well and improving, the airport needs something in the region of £200 million worth of expenditure to sort itself out.

[15:00]

That is, you know, £200 million: where are we going to get that from? So, if that is the level of the problems at the airports, and if Deputy Higgins has an inkling of an understanding about that, then I would be keen to understand the intricacies of that. I hope to be able to understand it in the future. But certainly that was the report I received from ex-Senator Walker, Jersey's first Chief Minister, who is on the Shadow Board: the Harbours are in a good position, they are well run and they are in a better position than we thought, according to him, but the airport again and again and again, we hear time and time, I have heard for the last 10 years, needs another £10 million, needs another £20 million, needs another £30 million, needs another ... so they still need another £200 million. I do not know what is going on at the airport, I do not know what the problems are, but those are the reasons why, while I would like to understand it better, I am not going to support hundreds of millions of pounds of expenditure on the back of a couple of sides of A4 when they will not even commit to £60,000 to do a U.K. analysis.

Deputy R.G. Le Hérisier:

I wonder if the previous speaker, on a point of clarification, could tell us, re the £200 million, is this immediately needed; what is the timespan; and what are the key items embraced within that £200 million?

Senator A.J.H. Maclean:

Perhaps I could help the previous speaker on that; as a matter of fact, the figure is nearer to £100 million and it is through to 2023 and there is still quite a considerable amount of work being undertaken to look at those sums.

Deputy P.V.F. Le Claire:

If I could respond to the question that was put to me, and also I appreciate the Minister for Economic Development is informing us of £100 million, I am just merely relating what I was told, and that is in the context that I was told, in order to move the airport into a position where we could incorporate and move it forwards, they are looking in the region of somewhere of £200 million. Now this is the man who was Jersey's ex-Chief Minister, who was speaking to me, who is on the Shadow Advisory Board; those were the numbers that he gave me; those are the numbers that I took onboard, those are the numbers I am reporting, and I am saying today that in the long term, whether it is £100 million, as identified now by the Minister for Economic Development, or £200 million, it is still big numbers, and we still do not have £50,000 to do an analysis for the U.K., so, no, you do not have my vote.

The Bailiff:

Senator Maclean, I think you intervened there; we cannot really have you making 2 speeches, so if you want to speak in this debate I think you ought to carry on now.

Senator A.J.H. Maclean

That was not intended as a speech, I was just trying to be helpful, a point of clarification.

The Bailiff:

I am sure that most Members who stand up to speak believe they are being helpful.

Senator A.J.H. Maclean

I am sure that is right.

The Bailiff:

Perhaps you had better carry on nevertheless.

Senator A.J.H. Maclean

A number of points have been raised, but clearly there are probably other Members to come, and on the understanding that I will not be able to speak again, I did feel that I would hold back a little bit. Clearly, Sir, you will choose to rule on this, but, if you wish me to speak or make some comments now, based on what has been said to date, I am happy to do so, but equally it might be more useful to ...

The Bailiff:

Perhaps on this occasion we will leave you a bit, but Members may only speak once. Senator Routier.

1.3.6 Senator P.F. Routier:

I may be able to cover some of the points, which Members are asking the Minister to cover, so he will be able to pick up on the things that I miss out on. The first point that was raised was by Senator Breckon regarding the car parking charges, they were 60 pence for I think it was nearly 3 years, and there has been G.S.T. put on top of the current charges, there needs to be G.S.T. paid on

car parking, as it is with the current scratch cards, which are administered by Transport and Technological Services. The charge currently for car parking with the scratch cards is 69 pence; unfortunately the ticket machines at the airport only work in multiples of 10 pence, so we had little option but to go to that 70pence charge. So I know it seems like a ... well it is a 16 per cent increase from 60 pence to 70 pence, but it was over a longer period and also we were having to pay the G.S.T. ...

The Bailiff:

Sorry, one moment, Senator. There has been a considerable amount of background talking throughout this debate and I have already had a note from one Member who says that Member is finding difficulty in hearing. It is courteous to listen to Members, rather than talk among yourselves, so please may we give all speakers the attention they deserve.

Senator P.F. Routier:

Thank you, Sir, I appreciate that. Certainly, I think the increase in the car parking charges have been justified. One has to remember that all the charges around the airport, whether it be for car parking or for airport dues, which are not related to ... have to balance the overall costs of the running of the airport. So you need to take ... if the car parking charges are kept in line, it means that then perhaps the landing fees do not have to go up either, so there is a balancing act to be carried out. I think it was Deputy Higgins who highlighted the dire financial position that the airport is in at the present time, there are ... certainly, the structure needs to be changed, and the Shadow Board, which I have to say are really working extremely well and looking at things in depth, they are now looking at the way we can get out of this situation. But certainly the long-term issue with regard to funding the capital issues needs to be reviewed, especially in the light that it was last year the States decided that they would no longer be prepared to pay for capital works at the airport. We used to get £16 million a year from within the capital fund, but this body, the Assembly, has decided that is no longer the case, the trading fund has to fund everything at the airport now, so that is a big, big chunk. Also, another reason is we are now reflecting depreciation in the accounts, so that also ... which was never done before, so now that depreciation is shown in our accounts, it does show a true picture of the need to change the way that we operate. Senator Le Gresley asked about the loans, which are outstanding. I am afraid I do not have the exact dates of when the loans do finish, but it is relatively soon, within a matter of a couple of years, and we will no longer have that burden to refund that. I think those are the main points, which people have raised. It is quite right that the airport does need to restructure and, as I say, the ... and as far as the Harbours are concerned, the Harbours Department is financially in a far better position than the airport is, and the Shadow Board are helping to restructure things and hopefully we will be able to... the Shadow Board will be able to come forward with recommendations to how we can fund the necessary capital things that are required to be done at the airport, because some of them are regulatory matters, which need to be put in place, and whether ... there was a question about whether we would borrow in the future. That may be the case; that may need to be an option we need to look at, but until all of the capital requirements are looked at thoroughly by the Board, and recommendations are made to myself and to the Minister about what capital things need to ... definitely need to be carried out, there is not going to be nice-to-haves. It is going to be all what is necessary, whether it be regulatory or anything structural. But I hope that answers the Members' questions and I can assure them that we are doing our very, very best to get the finances of the harbours and the airports in good state.

Deputy R.G. Le Hérisier:

On a point of clarification, I wonder if the Assistant Minister could explain why have we come to this situation; it is not at all clear. We seem to have jumped from a benign situation to one of crisis, according to his description.

Senator P.F. Routier:

Well no, what it is, is the States, this body has decided £16 million for a start is no longer going to be available to the airport, so there was a rolling programme of works and building-up a trading fund for when there was any major thing that came along, so that has created a financial problem, and also depreciation was never put into the accounts previously, and we are now reflecting depreciation. Those 2 are the real major things.

The Deputy of St. Mary:

Can I ask a further point of clarification arising from just what the Minister said, you said £16million is no longer available for a rolling programme; was that £16 million a year or was that £16 million a single payment?

Senator P.F. Routier:

Yes, from memory it was £4 million a year, it was £16 million that was available to us, we were told that we were going to have £4 million per for 4 years, making a total of £16 million, and that is no longer available to us/

1.3.7 The Deputy of St. Mary:

Just on this very point about borrowing; in the rest of our dealings, when it is not our trading committees or trading operations, we set our faces against borrowing. I know the Minister for Treasury and Resources, I think, is on record recently as weakening his stance on this, or changing his stance a bit and saying: “Well maybe we might need to borrow”. But it seems curious to me, and I hope maybe the Minister was held back, and I think rightly so, can maybe comment on this for the Council of Ministers, it just bothers me that we have one rule for the trading operations, which I believe is the correct rule, it is what every business in the world does, they borrow in order to invest, in order to buy bikes, in order to hire them, in order to get the money back, I have done it myself, and it is perfectly normal and that is the way of the world, if you have something real to borrow the money for. For some reason, when it comes to energy efficiency, we do not borrow to invest in order to save, in order to get the money back, and I just do not understand this *décollage*, this gap between the way we act on this Summary Table B and the way we fund our trading operations or we have hived-it off so they can do this, and yet within the Government itself, within our own operations, when we are faced with exactly the same situations that we could invest to bring in income or savings, we seem to have a problem with it. Thank you.

1.3.8 Senator A.J.H. Maclean

I am just going to hopefully cover a few of the points raised and hopefully create or offer Members some clarification on some of the points. Just for Senator Breckon, with regard to the car parking fees, he is right, it is a high percentage increase, but I think, as Senator Routier has already pointed out, the denominations of 10 pence mean that increase can only happen in those denominations. There has not been an increase for a number of years and we have given an undertaking that there will be no further increase for another 3 years. It is not an ideal system and in due course the mechanisms used, the machines for car parking up at the airport are going to change and hopefully will allow more flexibility. The concept and idea is clearly cost recovery, not to have massive one-off hits for one particular year. So hopefully that smoothing effect will work. The concerns raised by a number of Members, quite rightly, about what appears to be dire straits for the finances at Jersey Airport, I think if I can just put some clarity. A lot of work has been done around the airport and the finances of the airport. That has been driven, Members have asked, I think Deputy Le Hérisser asked, why we are suddenly in this dire position. The position was there before; it just was not clearly identified, simply because of the way in which the States accounts used to operate. It is only in recent years we have moved to G.A.A.P. (Generally Accepted Accounting Principles) accounting to depreciate assets, but more importantly for the airport, which has a high level of highly costly infrastructure that needs to be replaced. It was only in 1997 that the trading fund was set up, prior to that from the income and expenditure at the airport, all profit as it was purely on an

income and expenditure basis was returned to the centre. It was returned to Treasury to be used in other departments for all good causes, general taxation and so on. Nothing was set aside for replacing, for example, runways, which cost £15 million to £20 million, and hard-standing and all the other expensive infrastructure that an airport needs. Since 1997 a trading fund has been put in place and money has been retained in that to undertake a lot of this work. Unfortunately, quite an amount of the infrastructure was not replaced for 20 to 30 years or more.

[15:15]

So the work that has been done to assess the true financial position of the airport has identified just in excess of £100 million of expenditure that will need to be funded between the current date and 2023. That work is ongoing at the moment. It is not complete and it is not and should not be read as a figure set in stone, but I do believe we are in a much stronger position now in terms of understanding how we deal with the airport and, for that matter, the harbour at face value is in a better position, but there are nevertheless, many issues. For example, we have the Coastguard, which appears in the harbours accounts at the moment. There are not very many places that do that. That would simply come out of general taxation. In a sense, the way in which we account for the harbour one might argue, and the Coastguard within it, is not necessarily as transparent and open as it should be. There are other examples I could give with regard to outlying harbours, for example. Quite an amount of work was done and funds were spent on St. Catherine's, about £4 million or £5 million if I remember correctly, which again indirectly, although the Treasury had to meet the gap, it is a liability technically of the Harbours Department, as is St. Aubin, as is Gorey, and so on. There is no revenue sources of note that can offset that capital sum and one could argue it is an Island issue, it is a heritage issue. There are all these factors that need to be considered with the harbours and the airport, as I said, without going into any further detail and straying off track. But what I can say is that the appointment of a high quality board, the expertise that exists within that board, the structure that it is bringing and the governance that it is beginning to help to advise on is helping to flesh-out these issues and give us the opportunity of a medium to long-term plan to address these serious matters. I would also say that the appointment of the Group Chief Executive in a similar vein is working extremely well in terms of bringing together both ports. There are, in fact, as one would imagine - I am sure Members can appreciate - a number of functions that occur across both boards which can be brought together to make us more efficient and more effective. I will be making a statement with regard to the airport and the harbours as it happens, hopefully within the next day or so, so Members will have an opportunity to hear a little bit more about what the plans are for dealing with these issues and for the harbours and airport as we move forward.

Deputy P.V.F. Le Claire:

Could I ask the speaker to give way? It seems interesting that in the middle of this debate the Minister chooses to announce to us that in a day and a half, when we have already been told that we should not be announcing any major policies because of the election, that he is going to tell us all about what is happening at the airport, where we have just uncovered there is £100 million of financial costs. Could he just elaborate a little bit rather than us having to wait a day and a half, because this is the time that we should be able to challenge what is being done and not in a day and a half when the debate is over.

Senator A.J.H. Maclean:

First of all, I would say to the Deputy that I do not think he has just uncovered the £100 million. I have been mentioning £100 million plus for a number of years as a funding gap that the airport has had, so there is nothing new in that. With regard to the statement, I have a statement which is prepared which I do wish to give. Quite rightly, I was advised by the Greffe that that should not interrupt the Business Plan and I think that is correct. I will be hoping to make it as soon as the Business Plan is completed. I think at that stage it would be appropriate to deal with that particular matter. Certainly, it is not a new policy that is being announced. It is merely updating Members as

in the past I promised I would when it was appropriate to do so. The fact that it is an election is, if I may say so, irrelevant to what I am going to say and I hope the Deputy will appreciate that when he hears what it is, in fact, that I will be saying. I do not think there is anything else I need to add. The only other comment, I think it was Senator Le Gresley, if I remember correctly, was asking about borrowings. Yes, there have been borrowings that have been utilised at the airport in the past. I would not count in or out the possibility in the future of borrowings. I think we need to be open-minded when dealing with trading entities, commercial entities such as these, and I think we quite simply need to consider the matter on the commercial merits as and when they are brought forward.

The Deputy of St. Mary:

May I just ask a point of clarification? The Minister did not answer my question, which was not about whether the trading entities should borrow, because clearly they do and they will. My question was does that principle not extend and what do the Council of Members think, and he in particular, about that principle applying to the rest of government expenditure where invest to generate can exist with energy efficiency?

Senator A.J.H. Maclean:

This would be a personal comment and in very general terms. The principle, if one has the ability to pay back any borrowings, is that, yes, one should look at it. It should not be discounted, but it would be a shift in policy direction, as I say. It is a personal view that I am expressing. I am sure the Chief Minister when he comes to sum up will give his view. But that is all I would like to say on that matter.

Deputy M.R. Higgins:

Again, just a point of clarification of the Minister. Can he just assure us that there is nothing in that statement that will affect our decision on how we may vote on part (b)? I am just saying there is nothing in your statement that will affect what we are going to do in terms of voting on part (b)?

Senator A.J.H. Maclean:

Nothing whatsoever in the statement. The statement is merely a courtesy. It is to update Members. I have said in the past that I would come back and update Members at a particular point. We have now reached that point and that is exactly the purpose of the statement.

1.3.9 Senator P.F.C. Ozouf:

Very briefly, if I may just build on the remarks of a couple of Members and the Minister for Economic Development, there have been lessons. In this part of the Business Plan debate we used to approve the trading accounts for Jersey Telecom and Jersey Post. We have incorporated those entities and we have certainly learnt lessons of how businesses should be run on business lines. The harbours and the airport are businesses. They do not fit very well in the traditional model of public finances and the way we allocate public finance. I am not against borrowing. This is not really the time to talk about this. I am not against borrowing; I am only against borrowing to effectively pay for services that have no income stream. I am not against investment where there is a return, and these entities have returns and they can be freed from some of the traditional strictures of public sector finance. I am very aware of the challenges of the harbours and airport. I am fully briefed. I have been kept informed right the way through, as has the Treasury, of the ongoing issues in relation to the harbours. There is nothing new in any of the statements that have been made today, they are all clear. We have had debates in relation to the removal of the below-ground works. I know that Economic Development were not delighted about that, but I have to say that everything that I have seen gives me confidence that these entities can be run effectively under new lines, under new arrangements, with the strength of governance arrangements under the direction of what I hope will eventually not be a shadow board but will be a board. I am confident that these entities can be self-funding. We need to direct public money into the areas of frontline services, in

health and education, not in relation to businesses. They have to be encouraged. They have to be supported to be standalone entities. They are important utilities. They are important service providers for business in the Island, but they must be self-funding, and we are creating a structure in which that can happen and it will happen. I have every confidence that both entities can do it and I wish them well in their endeavours in 2012.

Deputy M.R. Higgins:

Can I seek clarification from the last speaker? When he says new entities, new structures, is he talking about privatisation or is he talking about incorporation? Will he please be specific on what his plans are for these essential facilities for the Island?

Senator P.F.C. Ozouf:

Nothing has been suggested that they should be sold off. It is just the way in which they are run and in what structure they are run. That is the point. They are separate issues. We are dealing with trading accounts here. There are other models for trading accounts which can enable these entities to be run more effectively, having access to private finance, et cetera.

The Bailiff:

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

1.3.10 Senator T.A. Le Sueur:

Comments seem to have been focused largely on the airport and I am grateful to Senator Routier for dealing with the question from Senator Breckon about car parking. Senator Le Gresley, and indeed to a certain extent Deputy Higgins, was asking when the loans outstanding would be repaid and whether there was any intention of further borrowing. The loan on the departures hall is due for repayment in 2012; that is next year. The loan on the Alpha taxiway is due for repayment by 2015. There have been various comments about capital expenditure in the context of this proposition. I point out to Members that part (b) of this Business Plan deals with the revenue expenditure of the trading operations. We will deal with the capital expenditure in part (d) later on hopefully this afternoon. Nonetheless, the issue of capital expenditure and borrowing has been raised and to a certain extent they are linked. The reason why it was felt that the States should no longer fund capital expenditure on the airport was twofold. Firstly, that as a trading entity it ought to be able to show and demonstrate a commercial approach and that its revenue should be enough to service its borrowing. That is one reason why I applaud the work of the shadow board for harbours and airport and I am pleased that Deputy Le Claire also acknowledges that that shadow board does good work. But as I say, the purpose of that is to ensure that there are funds available to repay borrowing. The Deputy of St. Mary asks what the States' policy on borrowing is. Certainly, speaking for myself when I was Minister for Treasury and Resources and a policy which I believe is still in force, is that any request for borrowing from an external source will be considered provided there is a clear source of funding to repay the borrowing. Because unless we know how we are going to pay money back we should not be paying it back in the first place. But a commercial operation should regard that as second nature that they should be building the cost of repaying any borrowing into any commercial decision they make. If we are going to constitute the harbours and the airport as commercial entities, then they should be adopting those same strictures and I am sure the shadow board would be doing that. There is a point to be made about the extent to which anything like this can be simply a stand alone commercial operation because, as the Minister says, in terms of things like the harbours, commercially would the harbours want to operate a Coastguard service? Would the harbours as a trading operation want to maintain a breakwater in St. Catherine's from which it generates very little revenue? So one has to be ...

The Bailiff:

I am sorry, Senator, there is again background talking which is making it very difficult for some Members to hear. I must ask Members, please, if you are going to communicate with your neighbour whisper very quietly but do not talk.

Senator T.A. Le Sueur:

There needs to be an acceptance that while in principle the harbours and the airport should run on commercial principles, we as a States are also asking them to do things which are not necessarily commercial and in those particular cases then we as the States ought to accept responsibility for them as, indeed, was the case with St. Catherine’s breakwater and more recently with St. Aubin. To return to this part of the proposition, which as I say deals with revenue expenditure, I think that is very clear and straightforward. Deputy Le Claire set some hares running by talking about capital expenditure of £100 million or more and I would remind him that that is not expenditure to be incurred next year, I am pleased to say. Indeed, if he looks at part (d), which we will be looking at and debating later on this afternoon, the total capital expenditure for Jersey Airport for 2012, 2013 and 2014 totals less than £3 million, something which should be within the grasp of the States airport trading fund providing they operate on commercial lines. What this part of the proposition does is to set out the situation in respect of the 4 trading operations, to demonstrate that they all have positive balances on their trading funds, as indeed I would expect, and to ask Members to take note of them. I maintain part (b).

The Bailiff:

The appel is asked for in relation to paragraph (b) of the proposition. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 39		CONTRE: 4		ABSTAIN: 0
Senator T.A. Le Sueur		Deputy G.P. Southern (H)		
Senator P.F. Routier		Deputy P.V.F. Le Claire (H)		
Senator P.F.C. Ozouf		Deputy of St. John		
Senator T.J. Le Main		Deputy T.M. Pitman (H)		
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.H. Maclean				
Senator B.I. Le Marquand				
Senator F.du H. Le Gresley				
Connétable of St. Ouen				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy of St. Ouen				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				

Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D.J. De Sousa (H)				
Deputy J.M. Maçon (S)				

[15:30]

1.4 Draft Annual Business Plan 2012 (P.123/2011) - paragraph (c)

The Bailiff:

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

The Greffier of the States:

Paragraph (c). To approve each of the capital projects in the recommended programme of capital projects for each States funded body for 2012, as set out in Summary Table C, page 71, that requires £35,814,000 to be withdrawn from the consolidated fund.

1.4.1 Senator T.A. Le Sueur (The Chief Minister):

As Members know, capital expenditure takes a while to plan and that is why in December last year the States approved an in principle capital programme for 2012 and 2013. The Council of Ministers is now proposing today a capital programme for 2012, indeed to 2014, broadly within the allocations approved last December. The review that we carried out for 2012 and 2013 has allowed some reprioritisation and that is detailed in section 9 of the Business Plan report. In particular, the Health and Social Services projects have been reviewed and the proposed programme now reflects the current priority schemes within that department. I am pleased to say that the Council of Ministers is also proposing within the 2012 programme to include funding to T.T.S. for the Phillips Street shaft. I am pleased that the Deputy of St. John is back in the Chamber because no doubt he will listen with interest to that particular point. That has been possible due to the funding return to the consolidated fund from the underspend on the fiscal stimulus. The Council of Ministers is also pleased to be able to support the Minister for Treasury and Resources in respect of his amendment for Clinique Pinel at Rosewood House, which has always been regarded as a high priority but for which we never seemed to find the funding previously. That has now been found and I am pleased that that allows the Clinique Pinel work to take place. That has arisen really because fortunately the pandemic flu did not use up all the money we allocated for that, and that can be used to offset it. The overall allocation between 2012 and 2014 ...

The Bailiff:

Senator Le Main and Senator Routier, I have already had to invite Members twice ... **[Interruption]** He had no option but to listen to it. Very well, talking across a gangway is even worse than talking to a next-door neighbour.

Senator S.C. Ferguson:

Are we going to institute a system of fines? **[Laughter]**

Deputy P.V.F. Le Claire:

Hang ‘em, Sir, hang ‘em. **[Laughter]**

The Bailiff:

It may yet come to that.

Senator T.A. Le Sueur:

Over the period 2012 to 2014 we are proposing almost £110 million worth of capital expenditure, but for the year 2012, which is what we are looking at at the present time, the Council of Ministers is proposing allocation totalling £35,814,000 to be withdrawn from the consolidated fund in 2012 in accordance with the list set out on page 71 in the Business Plan document and which also is detailed in the annex. I propose part (c) of the proposition.

1.5 Draft Annual Business Plan 2012 (P.123/2011): tenth amendment (P.123/2011 Amd.(10))

The Bailiff:

Is that seconded? **[Seconded]** Does any Member wish to speak on paragraph (c)? Oh, there is an amendment, yes. I beg your pardon. There is an amendment number 10, lodged by the Minister for Treasury and Resources. The Greffier will read the amendment.

The Greffier of the States:

Page 2, paragraph (c). After the words “withdrawn from the consolidated fund” insert the words “except that the total amount in Table C for Clinique Pinel refurbishment in 2012 shall be increased from £1,100,000 to £2,868,000 with an increase in the amount to be withdrawn from the consolidated fund from £35,814,000 to £37,582,000.”

1.5.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

There is no particular reason why the Minister for Treasury and Resources is putting this proposition. The Business Plan is a dual role of both the Treasury and the Chief Minister and it was decided that I lodge this amendment, but it is with, of course, the full support of Members. I know that in this debate there has been some criticism about the fact that the Council of Ministers sometimes has the ability to spend underspends and I know that this Assembly wants to make decisions in relation to some of the underspend areas. This is indeed, I hope, to be demonstrated as one such example. There has been an underspend in relation to pandemic flu. This is returned to the consolidated fund. The explanation of that is set out in the report for Members’ information. Suffice it to say that the consolidated fund is in a £2 million better state than was included in the draft 2012 Business Plan. Therefore, there is some latitude to look at a further extension of the capital programme. Members will know that Clinique Pinel provides assessment and treatment for people over the age of 65 who suffer from mental illness. The current facilities, as many Members will know, are not conducive to modern mental health standards in terms of caring. There are limited bathing facilities. There are no showers and there are dormitory-style bedrooms. The extent of the individuals who present with problems at Clinique Pinel mean that they are often in a confused state and sometimes there can be instances of hostility between individual patients. Frankly, the current standard of accommodation is not conducive for their appropriate care. The Minister for Health and Social Services and I visited both Clinique Pinel and Rosewood House almost at the start of her term and my term. When we saw the facilities, much as other Members have seen the facilities in recent years, we were fairly shocked at the deterioration of what are already facilities that would not be built today in the way in which they have been. There are numerous sites within the hospital requiring attention because of the lack of attention across a number of issues within Health over a number of years, and we pretty well decided there and then that politics means that you can make a difference and we needed to find a solution. While there have been requests for improvements in the St. Saviour Hospital facilities in the past, they had not come to any specific request. We came forward with a solution for Rosewood House, the 52-bed unit for long-term care, for the fiscal stimulus plan. Fiscal stimulus money was awarded and there is an improvement made in Rosewood House. Both the Minister and I have been to see the improvements in Rosewood House and it has made a real difference for the lives of the individuals that live there, for the staff and also families. We were hoping that the fiscal stimulus money could

have also been able to be applied to some aspects of Clinique Pinel, but such was the scale of safety work in terms of particularly a sprinkler system that the fiscal stimulus allocation was used in its entirety for Rosewood House. While there was an amount of £1.1 million already identified in the capital programme for basic refurbishment work at Clinique Pinel, the Minister for Health and Social Services and her Chief Executive made representations, and they were absolutely right, that we needed to do more to Clinique Pinel than simply put in place the sprinkler systems and fire doors and bringing up to those standards. We needed to do more. We needed to put in place an assessment unit that had single bedrooms. I know the Minister for Health and Social Services wants to do that across the hospital and she is not wrong. That is an issue that we are going to have to tackle, but certainly we need to do it with Clinique Pinel. We also need to put in place investments that will mean that some, not all I am afraid but some, of the rooms will have en suite facilities. There is also going to be some breakout areas for the different patients and the different types of assessment that is required there. There are going to be improvements as a result of this additional nearly £1.8 million, which will make a meaningful difference to the lives of the patients, the staff and the families that work in there. I am going to look forward, I hope, to going and seeing the work as we have seen the work at Rosewood House. This has been complicated because Rosewood House and Clinique Pinel are people's homes and the improvements require that there is a space needs to be provided elsewhere for the residents of these units to live while the refurbishment works are under way. That has happened in relation to Overdale. Overdale was refurbished. Patients from Rosewood House were moved into Overdale. Rosewood House was then improved, refurbished. The patients have moved back to Rosewood House. We now have that space for the patients at Clinique Pinel while the changes are made so that this work can carry on. There has been a long history of requests for improvements in mental health services. This perhaps was regarded as a Cinderella service, I am sad to say, and I am sure the Minister for Health and Social Services will agree with that. Improvements are now under way. There is a long-term requirement of effectively rebuilding much of the health estate, and this is no different. Frankly, this could not wait any more for investment and improvement. This has been long awaited. Patients have waited too long for this, but this investment will make a difference and I hope that the Assembly will support it.

1.5.2 Deputy P.V.F. Le Claire:

Just a small declaration of not direct interest but my brother does work for a mental health organisation ... **[Interruption]** Senator Le Main said he thought I was a patient. I am daft, but I am not mad. I have a copy of a law that was given to me by a previous M.B.E. (Member of the Order of the British Empire) recipient, Mr. Frank Norman, who sadly has passed over now. It was titled and dated 1969. I asked the Attorney General recently, prior to a *J.E.P. (Jersey Evening Post)* article which featured my brother talking about the need to update the Mental Health Law and whether or not this was needed, and the Attorney General was going to look into the issue. But it did talk about mental disorders and addictions as a disorder, as does the law at the moment, and the fact that we have taken our eye off this significant issue for a very long time. This is one part of the Business Plan that I am going to get behind, and I am going to explain very briefly why. We have for years as politicians, especially when I was on the Health Committee, argued for secure facilities and more money for mental health issues. We certainly have had people committing acts of self-harm and harm to others that were not retained or detained in ways that they perhaps should have been in secure facilities. That has been ongoing for more than 10 years that I have been witness to it. Notably, without going into great detail, I have been approached recently by people who I was involved with in an association before, who have spoken about different laws and different methods of treating people in different countries. For example, where they try to take their own life, they are kept on watch for a period of months within those countries because they recognise that it is no good just giving them a couple of pills and telling them to get on with their lives and expecting that to be okay the next day. We certainly do need to do more. I congratulate Senator Ozouf and the Council of Ministers in putting the money forward for these issues. Unfortunately, in the previous

debate ... and this is where it gets a bit frustrating; people might argue that I am not being consistent in opposing this plan. What frustrates me is that we had an amendment by Senator Shenton to put more money into the addiction services, where mental health issues spring from, and we did not put £100,000 in there. So we are not investing to save. If we do not put the money up in the front-end, we are going to be paying in the back-end. My father was recently put into ... I am talking about the last 10 days. I am not going to go more specific because it might get too much of an identification for the ward and the individuals, but he was in hospital this last 10 days. One of the people that was in his ward in the hospital certainly should not have been necessarily in that ward. They went through 2 or 3 days with no sleep among the other patients because this person was obviously having mental health issues, not being able to sleep, walking up and down at night. When Senator Ozouf talks about single rooms and those facilities, it is not just for the care and provision of care for those with health that may be related to mental issues, but it is also for the health and care and welfare of the other patients in the surroundings where they find them integrating at the moment. This money that has been under-spent has been under-spent because of the impact that was not felt from the predicted swine flu epidemic.

[15:45]

That is good news, obviously, but there are indications surfacing now in the media that a more virulent strain of swine flu has been started in places like Thailand and the Far East. It may very well be within the next 18 months that we are back seeking more emergency money for a resurgence of a more resilient strain. If that is the case, and that is being reported in the media, then I am just flagging that at this time. We need to update the Mental Health Law. We need to know what is going on with that. We have needed for many years, as identified by Senator Ozouf, to have put this money in place. We did not. He was fairly shocked when he went to go and look at these things. I was fairly shocked when I went to go and look at them 10 years ago. We have never put enough money into these areas. I am supporting this, as I said, but I am certainly not satisfied overall with the investment that we put in the front-end to stop the money and the waste at the back-end. If we can do more to reduce mental health issues from the outset, then we will have less to pick up at the end. What is dramatically important to remember now, as we are being told and I have been educated about this from this Assembly, we are seeing the silver tsunami come down upon us so those of more senior years - Senator Le Main will bear me out here **[Laughter]** and maybe I need to be borne out - will be suffering from mental faculty difficulties.

1.5.3 Deputy R.G. Le Hérisier:

I did ask a question as to why this had become a priority and I had so naively assumed it was because the Minister for Treasury and Resources had visited and pronounced. I have no problem with that if people go round and they see problems. What does worry me is how the prioritisation takes place. It is described in the Minister's answer to my question, but it is a bit like the Vatican and waiting for the smoke. There are these various committees. I would have to raise the issue when the good Senator was there was he able to diverge slightly and walk across the road to the staff housing? Yes, I would like to get an assurance that there is some urgency being attached to that. It is the whole issue of how priorities are established, which in a way we cannot discuss now as to what Senator Breckon and myself discussed earlier. There are people all over the health estate saying that things are in appalling condition, we have ignored them for too many years, and it is good that this has moved up. But what about the other things that are buried there and people have complained for years? Obviously, if they have any sense, they would ensure that they lobby the right people and that the right people are offered tours and hopefully good results will emerge. I would like to hear where on the priority list staff housing rests.

1.5.4 Senator A. Breckon:

I was aware of some of this because I did visit. I did not visit officially in any capacity; I went with an old friend because her husband was in there. The first thing I would like to say is how

impressed I was by the staff coping really well in difficult circumstances. I know exactly what Senator Ozouf saw because I saw it. Probably like him, we did not make a fuss but obviously this is the right thing to do because there are some real challenges there, especially with dementia. I think Deputy Le Hérissier and Deputy Southern were involved. We did a Scrutiny review looking at some of the elderly services. We were criticised at the time, but we were waiting for *New Directions*, which of course never really appeared at all. They said: "What are you looking at?" We said: "Oh, we are looking at things, supposedly policies but nobody is doing them". Scrutiny perhaps was trying to give some policy lead here because, as I say, there are some tremendous challenges there. It is at times like this really we must applaud organisations like the Alzheimer's Society who do a great deal of work when people find themselves in these circumstances. With this, the Minister for Treasury and Resources has mentioned Rosewood House and the fiscal stimulus. We are now looking at Clinique Pinel and I have seen it, I know what it is about. It is about dormitories. There is not a shower in the place and it is difficult for people to remain, to keep their dignity, if they have to share a 6-bedded room with people that they have never met before in their lives. This just should not be happening. Unfortunately, that may be fairly graphic but that is where we are. Having said that, it concerns me on the one hand we are bragging how well the economy is doing, we have no debt, we have problems at the airport, and then Deputy Le Hérissier has just touched on things. We have a health portfolio of properties that have not been maintained. We have housing and other things where the roofs are put on with fiscal stimulus money. Rosewood House was done with that. I think we really need to re-evaluate where we are. This Business Plan, of course, does not do that but it does disturb me if capital projects, work that has been done, are being met in a sort of emergency fashion. I commend the Minister for Treasury and Resources for bringing this forward but, having said that, I think it has been pointed out by others there are other things that need to be done as well. So, I do not know what has happened at Property Holdings, but they are supposed to be looking at and evaluating the state of the property, the work that needs to be done, the landlord/tenant arrangements, all these sort of things. I have some sympathy with the Minister for Treasury and Resources. He cannot be doing everything everywhere. At the same time, these sorts of things need to emerge so that these situations do not happen. Because, as the Minister for Treasury and Resources will have found out, the Minister for Health and Social Services knows and other people have found, the people who are, let us say, affected the greatest by this are not going to be shouting about it. In the main, they are suffering in silence and we as a Government, through the health system and the rest of it, must pick these issues up and act upon them. I think this is an excellent amendment. It does the thing but I would say the caveat is that we need to look elsewhere. If we need to spend some money, then we will need to do that because we do have it stashed away and it might need to happen. It will generate some benefit for the economy and it is something that the next House needs to look at.

1.5.5 The Deputy of St. Mary:

The Minister for Treasury and Resources in introducing this amendment spoke of the lack of attention in health over a number of years to the situation at Clinique Pinel. Then he said that it had not come to a specific request. Then he said there had been a long history of requests, so I was not quite sure. The reason that I want to speak on this is to draw Members' attention to the fact that this is an example of where we push something off and push something off and push something off. Members may be aware of the fact that I asked a written question on Monday and the reply, in fact, is item 4, page 4, on my addendum if people want to refer to it. But this goes back to 2000. I asked for like a running account of what requests had been made with respect to Clinique Pinel and so on, what communications there had been about it. In 2000 there was a feasibility study of £20,000 to produce a bid for capital funding for 2005. Capital funding for 2005. So that was progressed, the feasibility study in 2000. In 2004, which is 4 years later, the committee of the day made a request to F. and E. (Finance and Economics) for funding in 2009. Already 4 years were just added on to the situation at Clinique Pinel, which was already of concern in 2000. Then in 2005 to 2009 there was a States of Jersey Resource Plan. That included Clinique Pinel to take place in 2009. So we

now have a date. We have funding, £4.5 million, for 2009. Then came the States of Jersey Business Plan in the following year. H. and S.S. (Health and Social Services) Committee - that must be wrong - deferred the Rosewood House and Clinique Pinel projects beyond 2010. You notice what has happened? 2000, 2005, 2009, beyond 2010. Then in 2009 I think a bouquet goes to the present Minister for Health and Social Services, because she invited the Minister for Treasury and Resources to see for himself and on the basis that it might be a suitable project for fiscal stimulus. Ah, we have a new pot. This is outside the normal process. We might be able at last to fix these issues. Indeed, she obtained the money for one of them. They could not both be done because of the need to decant the occupants, so they could not both be done. The fact is we have now done Rosewood House or it is in the process of being finished. So, that is the history. Now we read what is on the record and the Council of Ministers' comments to this amendment. On their comments, the fourth paragraph, it is a short comment: "If the requirement had been identified in time for the completion of the capital programme for the draft Annual Business Plan 2012 the funding for this project would have been included." If they had known ... if they had known. So, I just urge Members to ... obviously I shall support this overdue spend of taxpayers' money to ensure that our most vulnerable members of society ... and, let us face it, it could be one of us, it could be our relatives, could be our constituents, to protect their dignity as much as possible and give them the best possible deal in their unfortunate situation. So, clearly, I will be supporting this but I just ask Members to bear this story in mind when we come to look at the issue of our overall spending and our overall balance between tax and spending and private versus public expenditure in my amendment 14, which is coming up. Deputy Le Hérisier talked about the whole issue is how priorities are established. That is not the issue, with respect, Deputy. That is not the issue because you can take refuge behind this word "prioritise". You can prioritise until kingdom come, you can shuffle it about, and in the comments on the main proposition I will be showing how there has been some shuffling within the health budgets to get something done that is suddenly more urgent than something that was urgent so we shuffle the other thing off to later, as this has been shuffled off to later for a decade. Yes, indeed, we have to re-evaluate where we are.

1.5.6 Senator S.C. Ferguson:

The Deputy of St. Mary has taken a big swipe at Health over the last 10, 12 years.

The Deputy of St. Mary:

Will the Chairman give way? I am asking if you will give way, that is all.

Senator S.C. Ferguson:

Well, why not. [Laughter]

The Deputy of St. Mary:

Thank you very much, I appreciate that. I was not aware that I had taken a swipe at Health. I simply said that this thing had been ... they had asked for the money repeatedly and it had been put off and put off and put off and put off.

Senator S.C. Ferguson:

Yes, and if the Deputy had waited until I had finished my comments ... not always a good thing to sort of pre-empt, is it? In actual fact, Health has always been running to catch-up. There is a constant balancing act between making sure the theatres are right, doing this, doing that, doing the other, juggling. The windows which I mentioned, much to the chagrin of other Members, in the 2008 senatorial elections still need looking at. I had a look at them the other week. But basically, one of the problems has been when we set up, for instance, Jersey Property Holdings, it was meant that all the budgets for maintenance would be transferred so that departments could have their maintenance dealt with properly. Now, back in 2005 when it was first set up and I was on the shadow Public Accounts Committee, it was quite obvious the budgets were not transferred to J.P.H. (Jersey Property Holdings). This has continued, so we have had a dysfunctional system for doing

maintenance because the maintenance programme was not properly funded. So we have to get the system working properly.

[16:00]

The departments, as I say, maybe they would transfer staff, they would transfer anything and certainly the responsibilities to Property Holdings, but they did not transfer all the budgets. You will find comments about this in the P.A.C. report back in I think it was 2007, 2008, some time around then. On the other hand, I can support this measure because I do feel that our society does not treat oldies with the respect and affection that they deserve. We have these rather detracting comments, that sort of thing - the "silver tsunami". Come on, folks. If you will excuse me, it is all a bit condescending. Before you start getting quite so highfalutin about the silver tsunami, not all of us are silver.

Deputy M.R. Higgins:

Some of us are bald.

Senator S.C. Ferguson:

It is all my own. **[Laughter]** Please do not be quite so condescending. Certainly, yes, I support this measure.

Deputy R.G. Le Hérisier:

On a point of clarification, what windows is the Senator talking about?

The Bailiff:

I am not sure that we need to go there, do we, Deputy? **[Laughter]**

1.5.7 The Deputy of St. John:

Since coming into the House in 1994, I have been at pains in most debates to refer to our infrastructure, whether it be drains, whether it be maintenance of properties, hospitals and the like. Yes, the Deputy of St. Mary is 100 per cent right when he refers to the items like this building or other buildings having come before the various committees of the day and been identified and then the funding falls away. I can remember doing exactly the same thing for main drains. Get the money this year, it is voted in, couple of years later it falls. This goes on continually and we wait now until our back is against the wall - totally against the wall - and we are now rerunning the whole thing. I am looking over at the Minister for Transport and Technical Services. Three years ago when I returned to the House I was given the portfolio of Chairman of the Environment Scrutiny Panel. One of the files I was asked to look at or was given, this thick, was the liquid waste strategy. Where is it today? The Connétable of St. Saviour will tell you he was co-opted on to my panel and it is still sitting on our desk because things have not been progressed. It is all down to funding or the way we are doing things. We wait until our back is totally against the wall, whether it is the cedar fences which you have to wait until you have a major storm that the fences collapse before we are doing something. In all the good years we have had we did not look after the infrastructure. We all see the condition of our roads; lack of investment in the good years. Now in the bad years there is not the money to do what is required to be done. Running to catch-up, is that what they say? It is absolutely ludicrous. We have known for a long time that we are going to need new hospitals and the like because the hospitals we have ... well, the medical profession, the way they deal with things has changed considerably since the days when your father was there. Things move on. We should be looking at building new hospitals, not for 100 years, replace them, build them economically, build a hospital with a life of 50 years so all these superbugs you get you can leave behind and put a new building up adjacent to it. We should be looking forward in everything we do. Not 30 or 40 years after a building has been built, like we are talking at Clinique Pinel here. We have to totally renovate, yes, absolutely we have to renovate it. It would probably be cheaper to, in fact, floor it and rebuild it to what is required for 2012 and 2015, not try and fit a

quart into a pint pot as is going to happen, I am sure, because we are going to finish up with less room. Because if you are going to do everything that is required and have a room for each patient, you are going to need a bigger floor space. Really, we should be looking forward in the way we do things, not looking at renovating. When you are talking about the medical profession, we need to be looking forward continually 20 years, 30 years, and what are we going to need. We should be building a new hospital now and planning in 30 years' time for the next one 20 years after that. When I joined the Harbours and Airport Committee back at the end of last century, we had a programme that was put in place every 3 years. If nothing else - there would be something else, main drains - I can take the credit of convincing the committee of the day to put in place a 20 or 30-year programme. That, in fact, is what they do today. We know they have to spend tens or hundreds of millions of pounds on the airport over the life of the next 30 years or so, but there is a programme in place now for that to happen. We need to do exactly the same with Health and our other areas. We should not be just looking 3 or 4 years ahead, the life of this House. We have to put the building blocks in place 20 years down the road, 40 years down the road. That is what I would be expecting our current Minister for Health and Social Services, if she is re-elected into that position in a month's time or 2 months' time, to do. Whoever goes into Health, right, we have to have a programme 30, 40, 50 years down the road to make sure our health service and all the buildings that go with it are what is required for this Island. I am not going to speak any longer - I can see you moving around in your chair [**Laughter**] - but I think I have raised ...

The Bailiff:

You anticipated the intervention.

The Deputy of St. John:

Yes, I did.

1.5.8 The Deputy of Trinity:

I thank all Members who have spoken so far in support of this. If this is approved, then I can rest assured that the patients and their families will be overjoyed at the thought that Clinique Pinel will be improved. Also, I always stand up and I praise my staff because I do not think sometimes we ... sometimes we forget them. Despite the environment that they work in up at Clinique Pinel and, before the fiscal stimulus bid, Rosewood House, I think we should congratulate them because the care that they give [**Approbation**] is second to none, despite the environment that they work in. Thank you for the foot stamping because they do listen into sometimes States debates when they are not working and to know that they have your support does go a long way. I would also like to pay tribute to the Alzheimer's Association, who we have been working with closely with these plans. As has been said of Clinique Pinel, when I went up when I was first appointed as Minister I came away ashamed. Ashamed and - well, you can see it is emotional - and sad that in this day and age our loved ones are there in that environment and that we have let it happen. I have been working with the Minister for Treasury and Resources and with the staff to try and push it along. I am not going to go back as Deputy Wimberley gave the history lesson. What is history is history. I am not one for looking back. We need to look forward. We need to do something about it. How can we do it as swiftly as possible? The fiscal stimulus with Rosewood House has made a significant difference with the I think £2.1 million, something like that, and it has turned the lives of the patients there and the staff, and the families up there greatly appreciate it. We can make a difference with Clinique Pinel if we have the right sort of money. Any portfolio within Health is going to cost an awful lot of money because regulations change with infection control, sprinkler system, fire system, et cetera, and I am sure if you plan a building now by the time you get to it certain things will be out of date. That is just life. This will go a long way, but my main aim if I am back in this House, in this Assembly, in the next session is that we should press ahead and rebuild Clinique Pinel and Rosewood House up at Overdale. What it is going to achieve here is just a sticking plaster. It really, really is. By the time the plans are done and we get a new building

back, we are talking of another 5 to 8 years, but we must press ahead. The plans must go ahead. Deputy Le Hérisier mentioned about the staff accommodation. Yes, too, they are in bad condition and, yes, addressing that with Housing and to see ways of improving that and getting them off that site completely. It is a long way from the main hospital and community services. Sometimes it is a Cinderella and they do get forgotten. That is not right. Just talking about the hospital portfolio, the Minister for Treasury and Resources knows my wish list for a new hospital. I read recently of the first N.H.S. (National Health Service) hospital to be built with all single rooms in Tunbridge Wells. That is the first one in the U.K. and I would like to put that on my Christmas wish list. This is important. I thank all those who have supported Clinique Pinel because it really, really will make a tremendous difference. If we do approve it, we can think we have really, really done something good today. **[Approbation]**

1.5.9 Deputy J.A. Martin:

I will be brief because the Minister for Health and Social Services has said quite a lot of what I was going to say. I just want to reiterate that we have changed down at Social Services. We have the Director of Social Services now and we do have a forward plan. Yes, we are where we are with Clinique Pinel, but I will reiterate again that this is the last stop. People go from Silver Springs to the likes of Lakeside paying between £1,000 to £1,500 a week and then the States pick them up down at ... because these institutions or homes - let us say, nursing homes - will not take some residents back because their care is of such high need. Our staff deal with that and they deal with it very well in bad conditions. I will keep on fighting because I do not want anyone to be disenfranchised under the long-term care when they have paid in all their life and they might be just above that care level and then we look again and say we are not going to touch Clinique Pinel or Rosewood House. I would say it is encouraging to hear the words of the Deputy of St. John of planning for 30 or 40 years' time with Health in a portfolio when we cannot get £6 million out of him today when the needs of the health service has changed dramatically in his own words since he was a boy and probably I was a girl. Well, I think I was a girl. **[Laughter]** I was probably a girl, yes. **[Interruption]** Yes, I am, I am definitely booking my room. The other point, and I have heard it and the Minister did touch on it there, the accommodation for the staff, and I know the other Assistant Minister is absolutely adamant on this. Health, Education and all those who are employing staff should not be a landlord and certainly should not be a social landlord. They need to be discussing with Housing these places could be sold and then bought the whole site up at St. Saviour. But we have let people down over the years but again, we are now 6 years into Ministerial where nobody seems to still be talking. We have social housing; I know the waiting list is still going up for 3-bedroom houses and people are still receiving letters: "Would you like to buy a 3-bedroom house?"

[16:15]

It does not add up and these are the same people who would want to be living, if it was taken over by the Housing Department or Housing Trust or a trust, but it should not be Health because again, it will always be for ... How would you classify the staff or the ward? It would always be the staff that would lose. It does not work how it has been happening and I see the ex-President of Housing, Senator Le Main, agreeing with me. I think we really need to get our act together on this one. I did not mean to prolong the debate. Everyone seems to think it is a good idea but nobody obviously can stop having a dig because it has not been done sooner. As an ex-Chief Minister said: "We are where we are and let us get on with it and let us improve it for the patients, the staff" and, as the Minister says, everybody who has to deal with their families in Clinique Pinel and Rosewood House. Thank you.

1.5.10 Deputy M. Tadier:

Some of the questions have been answered I think; nonetheless I have still got a few questions that need to be asked. The first thing that struck me is, is this a nice to have or is it essential? I think

we all agree pretty much that this is essential work that needs to be carried out and it is long overdue. The question that arises therefore from that is that the reason that this is being put on the agenda now is because there has been an underspend and the money is available. The question following it again is, what would have happened if there had not been an underspend or if we had had the pandemic flu and we needed to spend that? We would not necessarily even know about this. The question is, where do our priorities lie with the staff and the patients who are apparently languishing in dire conditions, as we speak, currently have gone on languishing in those conditions simply because there was not the money from an underspend to fund that? The whole way we deal with the social issues and mental issues in Jersey but also to do with our financing, a bit of money could be magicked-up for something which, okay, we all agree is essential but it is the Minister who has got the power to do that. A Back-Bencher could come forward with something equally desirable but it will be said that it is a nice to have and not something that is essential. It does also make me question, is this fiscal stimulus or is it for the best interests of the staff and residents? Is it motivated by the benefits that it will give to the staff and the residents? Perhaps it is an element of both but I would like to know really which one is the underlying motivation there; and that is perhaps a rhetorical question. I think the question has been asked; I have spoken to the staff who work there and they have suggested questions, for example, is the upgrade going to be fit for the next 50 years? How long will it be fit for? I think the Minister for Health and Social Services has answered that. Again, that does give some worries to me. I know that this is going to be a sticking plaster. Not wanting to digress but having visited the housing block yesterday in St. Brelade; it is called Clos des Quennevais and they have done a very good job of refurbishing it; the parking was a mess, how they have completely done the outside but when you go inside the building it is still exactly as it was before. It reminds me of the parable of putting new wine in old wine skins, or perhaps it is the other way around. But the fact is that the living conditions of the people at Clos des Quennevais are not improved; it is simply we have polished something, as I said, which is normally matt and it looks nice on the outside but the inside is still not the case. I do have to question whether in the long term this is going to be a correct use of money when it would have been ideal if we could have just addressed the problem and had something which is fit for the long term and which has the flexibility to deal with the issues that we will be facing in the future. I have also got concerns about the main building. I am told that the main building of St. Saviour's Hospital, which is a magnificent building in itself, in the type of granite that is used; I think it is granity granite by the looks of it, it is blue but it is certainly very unique. It could be put to so much better use; at the moment it is only used by 12 admin staff which cannot be a good use of States money. What is the cost to keep 12 staff in a massive building like that because it cannot be used for other purposes? Also, the adults' admissions unit is not at the main building, it is outside the main building and so I think we do need to come forward with a coherent plan for that area. I am not making any suggestions about what should happen to the building. I think it should be preferably kept in States ownership and maybe look to make that building into States housing or to sell it off for poor housing in a housing trust. But it is a prime site and I think the resources that we have and the assets we have up there at the moment are not being used to the best of their abilities. I think that is all I have got to say. There was just one other question which was have the nurses, the users, been consulted on this? I would hope so; I hope they have been kept in the loop. But of course just to finish, I think that we have to commend again the great work that goes on at the hospital, not simply there but also at the A.P.U. (Acute Psychiatry Unit) admissions. It is probably to the credit of both the staff and the patients there that I have been invited along to a pool competition, the social events, which they hold and it is very difficult to tell which ones are the patients and which ones are the staff sometimes. That is, I think, a credit to both the staff and the patients themselves. Of course this needs to be supported but it does not mean that there are not fundamental questions which need to be asked both about the sites, both about the distribution of assets, the long term planning of mental health and that site in Jersey and also the approach we have about mental health going forward. Perhaps just to finish it, I think that we need to be moving forward in society to assist in whereby we are more accepting about mental health issues. I think

there is a big problem in society that if you have got pain with your back, if you have got other physical ailments you will have no hesitation to go and see a doctor but we are perhaps not very good at the preventative issues and the early interventions when it comes to mental health issues because there is a stigma in the Anglo-Saxon culture, certainly in British culture, which perhaps does not exist elsewhere in Europe and perhaps not to the same extent in America. Of course there is lots of work to be done. This is a good step in the right direction but we must also always be vigilant about the direction we are going in.

1.5.11 Deputy A.K.F. Green of St. Helier:

I am not going to talk too much but I would just like to very quickly pick up a couple of points that people have raised around some of the housing issues. But, first of all, talking directly about Clinique Pinel; I had a very simple rule when I was in the public sector and that was if it was not good enough for my family it was not good for anybody else's, so it is quite right that we do this. I think if we all stick to that rule in public life we will not go far wrong. I just wanted to pick up a couple of points that people have made on the housing in relation to the Public Health housing and the comment that Deputy Tadier made earlier about housing up at Les Quennevais. It is absolutely right that the housing of Health and other States departments that provide housing should come under one. That is going to be part of the Housing Transformation Programme and when I bring forward that and the plans for the common gateway, people need not be concerned that the staff will not be housed; there will be a criteria and we will do that within the gateway, so it is absolutely right that we do that. Part of that programme of course will be that we will get all our homes to the Better Homes standard. We have got quite a pool there now, over 80 per cent, but we will get all of them though to the U.K. Better Homes standard. Just picking up that point that Deputy Tadier made, I understand his frustration but the first rule about a house is to get it wind and watertight; we have done that in some areas and now we need to go back and do things like kitchens, heating and we have got some of that planned of course. But we are not talking about housing really but I had to pick up on those points. Thank you.

1.5.12 Deputy M.R. Higgins:

I will support this proposition but why is it that it takes a crisis, a scandal or a recession to rectify some of these projects? To my mind this illustrates the case for borrowing. Earlier we had Senator Maclean express a personal opinion that he would support borrowing for trading companies but not in general. If I remember correctly Senator Le Sueur said he could agree to borrowing where there was an identified income stream. However, this project, and I am sure there are many equally pressing projects and needs that have been neglected, need to be addressed now. Why is it that some Members still reject the concept of borrowing for dealing with these problems as no one is contemplating that we borrow to Greek, Italian, Portuguese, Spanish scales or is even suggesting that we do? There are projects that have been neglected for years which should be brought forward and dealt with and I think everybody will accept borrowing for those without an income stream. I think we just need to borrow enough to address the neglect of previous Assemblies and show that we at least are aware of these issues and are prepared to tackle them. Thank you.

1.5.13 Senator T.J. Le Main:

First of all I would like to apologise for a silly remark I made to Deputy Le Claire before. It really ...

Deputy P.V.F. Le Claire:

He does not need to apologise, Sir, that is fine; it is a joke, it is okay.

Senator T.J. Le Main:

No, no, it was a silly remark and I probably should not have said it. It could upset some people outside the Chamber and it was not meant in that way at all to you or to anybody else, but I would like to make it quite clear that I would like to say that I was sorry I said that throwaway remark. I

concur with a lot of what has been said by Members today but really I would like to try and focus on the role of the Minister. The Minister, whoever he or she may be, has a huge job of work to be done and there is no one anywhere possible that can maintain or keep an eye on all the areas of responsibility on the Health with a health budget of £200 million. I believe that the flaw we have got at the moment with Ministerial government would be that 2 Assistant Ministers is certainly not enough, in my view, for maintaining and improving the policies and the future direction of which the Minister for Health and Social Services would like to go. I can see now huge problems coming up with an ageing population that definitely needs some politician with a Minister for Health and Social Services to direct and co-ordinate the needs of elderly as people are getting older and a huge elderly population explosion coming over the years. The Deputy of St. Helier, Deputy Martin, is doing a brilliant job looking after the children's side of it and I know the finance side is being well looked after by the Deputy of St. Lawrence. But there are other areas and the mental health area is one that particularly concerns me but also, as I will say, the area of the elderly services. I believe that in the next session there should be a real look at this department. This department, under the very able leadership of the current Minister, is struggling to maintain and to keep an eye and to bring forward policies because they just cannot cope with the amount of work. My view is that there needs to be 5 or 6 Members; if I was the Minister for Health and Social Services I would seek 5 or 6 Members of this Assembly to sit as a board or as a committee to assist the Minister in directions and policies for the future. There is no question about it that 2 Assistant Ministers and a Minister will end up in the same boat with other parts of the business in years to come and we will just get nowhere. I have been saying for a long time, when I was Minister for Housing, I have certainly met with the Minister about taking over the portfolio of accommodation. Absolutely ludicrous; it is 3 years down the road, nothing has been done. We have got accommodation that Health have got which is poor, badly maintained and yet we have got a Housing Department of what I call very efficient housing officers who are willing to take over that portfolio, who are willing to have a portfolio of property available for nurses and essential employees within the health service and all those issues. We just cannot carry on seeing properties deteriorating and things happening like this. I am going to support very much this today but I urge the next Chief Minister, whoever he or she may be, and Members of this Assembly, that this is one area of the States business that needs a radical change for the good. By that I mean that we can really get to grips with all these areas of business. Years ago, when I sat on the Health Committee and I was Vice-President for a while, it was relatively a small business and I know that even in those days the mental health side had not been looked after and, well, they just did not look after people; it was neglected.

[16:30]

I can always remember going in with Senator Shenton who became the President and we walked into St. Saviour's Hospital and saw the wards and we saw people cheek to jowl with beds touching each other in wards. It was horrendous, absolutely horrendous and of course great strides have been made since then. But I do not believe that we are going to fulfil the ambitions of this Assembly, future Assemblies, without having some radical assistance given to the Minister for Health and Social Services, whoever he or she may be. It is really unless you go through the whole issues that a lifetime of having my wife, who has been working in elderly services and the elderly services has, of course, many facets of illnesses in there. I have an elderly mother going through quite a rough time at the moment and the issue is that these issues are very important to families. Really, when you see someone you have loved and lived all your life with and all of a sudden they deteriorate with all these serious illnesses, do not recognise their family and everything else about it; it really is serious. I urge this Assembly that next year the Chief Minister they really get to grips with Health. The Health one is the biggest problem going at the moment; it is in the future. Unless we do as I am suggesting, something down those lines, that you give some political responsibility for someone to assist the Minister on elderly services and concentrate on that policy, on mental health policies and services and property, you are never going to come out of this spiral that we are

in at the moment. We are just playing with it at the moment and I urge Members to support this. I know they are going to support this but really this is only a tip of the iceberg. There is a huge, huge amount of work and attention needed to everything surrounding the property portfolio and facilities of health. Jersey is blessed with wonderful staff. You will see how caring they are and you can go and see nurses in wards holding and kissing a patient and that sort of thing; the care is wonderful. I would like to personally thank publicly all the staff that work looking after people in this Island. Thank you.

The Deputy of St. Mary:

May I ask a point of clarification of the previous speaker? He recommended to the Assembly that there should be some sort of review of politicians to get a grip on health and progress matters; I wonder if he wants that review to be in parallel with the existing strategic review being carried out by KPMG with full public consultation or whether he thinks it should replace that review maybe? I am not sure he knows that that review is actually happening.

Senator T.J. Le Main:

Quite honestly I am not sure. The issue is that it would be a political decision and I believe that it is a political decision to appoint people to take part in that in the administering of the running of the department, so really I am not sure. All I can see that the way we are going at the moment, as it is structured at the moment with the lack of help to the Minister politically in various areas, it is not working.

1.5.14 Deputy J.A. Hilton of St. Helier:

Just very briefly. Most of what I wanted to say has been said before. I would just like to point out that on page 4 of the amendment that it does say: "This proposal will not bring the unit to the standard specified within the National Health Services States document inpatient facilities for older people but will significantly improve the environment for the projected 5 to 10 years the clinic now continues to provide inpatient services for the client group." The only point I wanted to make was when I first came into the States in 2002 one of the first things we discussed on the Home Affairs Committee was the relocation of the police station and, as everybody knows, 9 years later we are still waiting. The Minister for Health and Social Services, and I take my hat off to her because it was not until she came along and got this moving and got the money, even though we are all aware it is a decade too late at least she did something constructive and positive about that, so I do take my hat off to the current Minister for Health and Social Services. But my big concern is we have waited 9 years for a new police station, we are still waiting now and I know that we have a meeting set up on Friday and there is a group together to move this project on. But Members need to be aware that like the hospital currently the police station is failing in its duty to remanded prisoners in that the cell accommodation is way, way, way below standard. If Members did not pick that up last year, when an independent report was produced, they need to know that. I think the commitment has to come from the new Council of Ministers that they will make the hospital an absolute top-notch priority. It has just got to happen because if we are here in 10 years time still talking about the failing hospital, Clinique Pinel is still there... well, it would be absolutely awful. I just look towards the new Council of Ministers making this a top priority to deliver. Thank you.

The Greffier of the States (in the Chair):

If no other Member wishes to speak I call on the Minister to reply.

1.5.15 Senator P.F.C. Ozouf:

I am grateful for all Members that have supported it. I think it is almost beyond doubt that this is going to be approved so perhaps I do not need to say much and I will not be very long. But I do need to say just a couple of things; Deputy Le Claire raised the issue of pandemic flu and whether or not, if there was a further problem, having released the money for this whether or not there would be money. I would remind him that we now have a contingency. Deputy Vallois was

concerned about the draw-downs of that but we now have a contingency in place to deal with those issues in a way that we did not have in the past. So many Members have spoken about mental health issues; mental health issues affect a wide category of people, people with family problems, financial problems and of course dementia in older age. This is the only unit of its kind in the Island and it is important that it is of a suitable standard to deal with the whole cross-section of society. A couple of Members spoke and said the things that I was going to say in the summing-up, so I will not, about the importance of the third sector organisations that lobby on behalf of those individuals who cannot argue for themselves and sometimes even the families are in a position that they are either too busy, too stressed or too concerned to lobby. Mention has been made about Mind, the mental health charity, and also the Jersey Alzheimer's Association who, I have to say, has been a model of lobbying. If one wants to build capacity within the third sector and build a capacity of lobbying then Jersey Alzheimer's Association is an excellent example. I welcome all the lobbying that has been done and I would also give a plug to their World Alzheimer's Day, which is next Wednesday and an event that is at St. Saviour's Parish Hall, I think at 2.30 p.m., where some of the work for Jersey Alzheimers has been done. They have been responsible for bringing this to our attention to a great extent and they should be congratulated for that. Deputy Le Hérisier just raised very briefly, and it has been responded to, the issue of hospital staff accommodation. Yes, I have looked at it and I have looked at Queen's House too and there is a massive amount of work that needs to be done in these areas. We are taking too long. The Assistant Health Minister is absolutely right; we are taking too long in relation to capital projects and I am going to say this now and then I will not have to say it in the main debate; to the joyful response of the Deputy of St. John we now have, it is not finished yet but it is nearly finished, a 25-year capital programme. We now have the new Treasurer of the States who has been working with the strengthened capital project individual that has been put in the Treasury. We now have a 25-year plan dealing with airport, harbours, sea defences, roads, solid waste, housing, schools, drains, liquid waste that needs to be dealt with; we know how much it is going to cost, it is just a case of finding the money for it and of course the very significant massive amounts of work that needs to be done on health. It is enormous. It is going to be, without doubt, the top of the next Council of Ministers' agenda to formulate the plans of the White Paper, find out how we are going to fund it and we are going to have to use innovative funding methods. There is tomorrow an interesting debate at the I.O.D. (Institute of Directors) in relation to the use of P.P.P.s (Public-Private Partnerships) and P.F.I.s (Private Finance Initiatives). I am not against private sector finance. I am against the more expensive imprudent way of P.F.I.s but certainly if we are going to achieve some of the capital projects that we need to happen we are going to have to be innovative and no, we do not have to throw caution to the wind and break our borrowing rules; we can find ways of dealing with issues. I see Deputy Higgins, who I do not think I will ever say anything that he will agree with. He is shaking his head but we will have projects ... I am not giving way, Sir.

Deputy M.R. Higgins:

We are in agreement.

The Greffier of the States (in the Chair):

Deputy, he is not giving way.

Senator P.F.C. Ozouf:

I am not giving way. The Business Plan sometimes can be a negative plan and I know that this was only an amendment which is being brought forward because it was not prepared at the time of the Business Plan. There have been lessons in relation to capital prioritisation. Gone are the days where conferences used to happen up at the R.J.A. and H.S. with lots of noise and lots of projects. At the end of the day, if a request is not made by a department and maybe we need to build capacity in departments to make their requests, you cannot have a decision in the first place. You need to have a decision; sometimes it needs a bit of pushing. It needs a bit of pushing from a lobby group,

it needs pushing from the Minister and it needs a responsive Treasury in relation to being able to move quickly and the implementation vehicle that makes the project happen and there are other capital projects which we need to happen. There is one final thing I will say because I will not say it in the main capital project debate; if we get there I think it will probably be quite quick. There is an important issue. There have been a number of capital projects over a period of years that have been approved in this part of the debate and yet the money sits in the consolidated fund, allocated but not yet spent and that is a shame. The Police H.Q. (Headquarters) is one, there are others and as far the downturn in the economy is concerned I am looking for areas of expenditure which have been approved, which we can bring forward in order to stimulate construction. The fiscal stimulus plan has worked well; the earlier part of Rosewood House. The Minister and I went to go and visit Clarkson House 2 nights ago with Deputy Noel. We were incredibly impressed, incredibly impressed and I thank Members of this Assembly who made the decision in relation to fiscal stimulus because we saw a real life example of a fiscal stimulus project which is now going to make the lives of many people significantly better in the dying days of their life in some cases but also looking after people with cancer. That is what Hospice does and it is going to make a massive difference. This decision will make a massive difference to the people who are in Clinique Pinel and need to be looked after in Clinique Pinel for the next 5 to 6 years. We need to rebuild this completely but it will make a difference and I urge Members to support it and thank them for their support.

The Greffier of the States (in the Chair):

The appel is called for on the amendment and Members are in their seats. I will ask the Greffier to open the voting.

POUR: 43		CONTRE: 0		ABSTAIN: 0
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator F.E. Cohen				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.H. Maclean				
Senator B.I. Le Marquand				
Senator F. du H. Le Gresley				
Connétable of St. Ouen				
Connétable of Trinity				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				

Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D.J. De Sousa (H)				
Deputy J.M. Maçon (S)				

1.6 Draft Annual Business Plan 2012 (P.123/2011) - paragraph (c) as amended

The Greffier of the States (in the Chair):

The debate is resuming on paragraph (c). [Aside] This debate therefore resumes on paragraph (c) as amended by this amendment. Deputy Fox.

1.6.1 Deputy J.B. Fox:

There are just 2 areas that I want to cover: one is the police station relocation and the other one is the sewerage treatment works; but the police station relocation; I have got to query, Deputy Hilton has just referred to the police station. I keep seeing on television, when they talked about Lime Grove House, I took a picture of the police station as opposed to Police Headquarters and then I am hearing rumours that now Lime Grove House is not in existence they are talking about building a new building somewhere - which I do not know where - which includes the police station and Police Headquarters. What I am trying to clarify is that we have got £2 million here for 2012, £1 million for 2013 and £1 million for 2014 and because this is the fourth tranche for 2012, is there a necessity now for 2015, 2016, 2017 or whatever, does that make a difference because we are living on an Island, unlike a county or somewhere else like that, whether all emergency services cannot just nip across to the next country and borrow their equipment if something happens to their fire station, police station, ambulance station or whatever? There has to be some form of contingency plan in backup, et cetera, and in an island traditionally - and bear in mind I am 12 years out of date maybe - that the police station and the Police Headquarters should be really separate. The other thing is I live round the corner from the police station and the Police Headquarters and the fire station and the ambulance station.

[16:45]

I and the rest of the neighbourhood around the area ignore the klaxons because we are so used to it; it is like if you lived by an airport, train station or whatever. If I hear rumours - and I am not going to spread them here today - of where I think they are thinking of putting it, then that is going to affect the residential area tremendously, especially when you have got old folks homes and other things like that. That really needs to be thought of, where you keep your emergency vehicles and the noise that they can create. The only time we hear them is when they go out by the dozen because of a major incident. It is just a point that I want to make there and ask the question of what we are looking at now in this tranche and whether this is the last of the monies required to be able to do it because Deputy Hilton is right. In January 1971 I joined the police force and apart from one minor period of upgrade the cellblock was out of date then. In fact, on some nights you thought you were walking down into a sewer because the smell was so horrible. Things have not changed; when you have got a load of drunks that has come in it is not a pretty smell, to say the

very least, and they do not have toilets and various other things like you and me have, except for the female block and the more secure small block. That situation has been there ever since I joined the police force back in the early 1970s. In those days they were talking about having emergency services all together but in separate things utilising the office space, the canteens, et cetera, down on where the abattoir site was which has just been refurbished. That is how long they have been talking about emergency services and now we are talking about them again. That is why I am asking, what happens after 2014, if someone could give us an indication? As far as the sewerage treatment works secondary treatment upgrade, I notice that we go along to 2014 when there is a £3,100,000 tranche and bearing in mind that the residents and workforce around Bellozanne have been putting up with some horrific smells which, I am pleased to say, are diminishing rapidly with the amount of work that has been going on, nevertheless, they are still there. What I want to know is if this work will resolve, once and for all, the issues of the smells, et cetera, that emanate once this work is done and if not what else needs to be done to make this acceptable in this modern day and age? I think I will leave it there. There are a lot of other things that I could talk about but let us just concentrate on those 2 at this moment in time. Thank you.

1.6.2 Deputy G.P. Southern:

I wonder if the Minister for Housing or the Chief Minister, who is in charge of this procedure, would elucidate Members with the details of what is involved on page 171, where we are looking at the Housing Social Works Programme 2012 to 2014 where, in particular, it talks about: "The proceeds from the sale of a number of States rental homes, in addition to funding from the capital programme and the funds advanced from fiscal stimulus." I would have thought fiscal stimulus has been spent by now but can somebody give a breakdown of where these sources are on page 171, which are referred to back on page 160 which were passing as a Social Housing Programme funded from other sources?

1.6.3 Senator F. du H. Le Gresley:

I would just like to offer some thanks to the Minister for Treasury and Resources for keeping his promise that initial works of £500,000 for St. Martin's School will be provided in 2012, which was a promise he made to this Assembly when we discussed the budget last year and I would like to thank him for keeping that promise. However, what I would mainly like to refer to is the inference on page 48 of the report that we are going to soon be seeing a 20-year period capital requirement report which I understand, and I have spoken to the Minister for Treasury and Resources about this, that his department are working on and certainly all the discussions we have had today about capital expenditure, to me implies that this document is very urgently needed so that we are all aware of what is coming along in the future and how we can better plan for it. My request to the Chief Minister, who I think will be responding to this part of the debate, is that that particular document, when it does become available, is made available first to States Members as either a statement or a report rather than put in the public domain without States Members even knowing what is in it. I do get upset sometimes when the public in general seem to have information that we, as States Members, I feel should be given first so that if the Chief Minister is responding I would be grateful if he could confirm that that would be brought as a report to the States Members first. Thank you.

1.6.4 Deputy M.R. Higgins:

Table C refers to the police station refurbishment and refers to tranche 4; could whoever is responding, whether it be the Chief Minister or the Minister for Treasury and Resources, explain what were the amounts on tranches 1, 2 and 3, what they were spent on and if they were not spent is the money available for more pressing needs if the money is not going to be spent in 2011 or 2012? Following on from Deputy Fox, could that be put towards the sewerage works?

1.6.5 The Deputy of St. Mary:

First, I noticed under the Health capital allocations on page 71: “I.C.U. (Intensive Care Unit) infection control £2.5million; maternity theatre, patient safety, privacy and dignity £1.5 million; upgrade of main theatres’ infection control” and then a spread of spend over 3 years. All those of course were highlighted by our new hospital director as red button; they had to be put in. Then I looked first at page 51, which is the changes that the Council of Ministers are suggesting from previously agreed capital programme, and again under Health I noticed outpatient facilities infection control and capacity removed from the 2012 allocation: “As the project will now be funded by a transfer from previous allocations” and renal dialysis, which was also on the urgent list removed from the 2012 allocations. It will not figure; it does not appear on page 71. We are not approving it because it has been funded from a previous allocation. Being me I wrote to the Treasury and one of my questions was what was this previous allocation? The answer was as follows: “Funding was available within the Health and Social Services 2011 oncology extension and refurbishment project approved in the 2011 Business Plan and reallocated to the Health and Social Services priority projects for infection control for outpatient facilities and renal analysis” and then it says: “The allocations were approved by the Council of Ministers.” That is all fine and dandy but the point I want to make is that what we are seeing here is the exact thing that Deputy Le Hérisier was talking about; reprioritising. What the nice word “reprioritising” means is that something gets delayed and we are not going to delay that, we are going to delay that because that is more urgent than that because the hospital director tells us, which is fair enough. But my understanding was that the oncology situation at the hospital is pretty grave, that there is increasing footfall year on year into the Cancer Department and it was a matter of some urgency to upgrade that department, to improve the facilities, make the space available, increase the rota time and so on. It is funny, is it not? We have funded these things on the quiet; they are not even on page 71. We are not going to approve them because they are funded from something that we have not spent on something else. If we remember the debate we have just had about Clinique Pinel, what was that? It was a case of putting it to the back of the queue. I just hope that someone would like to comment on this little shuffling backwards of something that was urgent but it was not urgent enough.

1.6.6 Deputy A.K.F. Green:

I rise really to try and answer some of the queries raised by Deputy Southern. He is not here at the moment but P.6 that he asked about; I believe that was passed by this Assembly in 2007 and that was about selling-off a number of properties to fund investment. I have to say that some of that was sold and some of that money has been used for reinvestment. As a general principle I do not agree with selling housing that we have, particularly when we have got a waiting list. That said, there are some properties that do not fit our portfolio, that we would be better getting rid of and using that money to renovate the homes we have got and to provide new homes, so some of it will come from the sale of homes that are not suitable for our stock. The Deputy also rightly said that some of the money will come from fiscal stimulus and at the moment I just want to say that I am exploring other ways of funding it with the Minister for Treasury and Resources and that will come forward as part of the Housing Transformation Programme in the wider scheme. But at the moment we have got substantial monies for investment for this year which will improve the stock, particularly at places like at La Collette.

1.6.7 The Deputy of Trinity:

As the department is having a big tranche of money hopefully from the capital programme, I would just like to re-explain a couple of issues, and I will start with page 71 on the capital programme. Our intensive care is currently difficult with the health building fire regulations; that needs to be upgraded. This investment would improve infection control measures, increase space around the beds and provide hand basins and decontamination equipment. It will ensure a continued supply of power to medical equipment in the event of a power failure and improve fire segregation and create a fire escape. This is a good example of how regulations change over the years and especially like

space around beds and decontamination. On issues, it is all very well doing things in one area but the service carries on; intensive care has to happen. Medical intensive care, as you know they are all on one floor, has to happen. Therefore, before we can start any of that we have to move medical intensive care which will be moved, I think to the old Chevalier Ward, but that needs to be upgraded first before we can move it, so it is very much a round robin. Maternity theatre and Special Care Baby Unit are too small for infection control purposes. In addition, the theatre is designed in such a way that mothers who have just given birth have to be wheeled through a public area. This investment will create a modern fit-for-purpose maternity theatre and Special Care Baby Unit which will provide privacy and appropriate levels of infection control and also ensure that the maternity theatre can be used as a decant facility when work is being done on our main theatres. The next one there is upgrading our main theatres; the theatre ventilation system has reached the end of its life increasing risk of infections. In addition, 2 of our 4 theatres do not have air exchange and that is important now for orthopaedic surgery. I stress again theatres need to carry on so by doing the maternity theatre it will allow one theatre at a time to be upgraded. Going to the Deputy of St. Mary's point, and I give praise to the hospital director and his very hard-working team who have looked at the whole issue around improving the hospital within the budget allocated. He, along with the team, have sorted out a different way of upgrading the Oncology Unit which will have a very much of a knock-on effect with the Renal Unit.

[17:00]

The Renal Unit is being extended; it is a bit like a domino effect. By removing adult mental health outpatients out of the hospital we can therefore ... which I think they should be out of the hospital, that is why mental health patients need to come into the hospital on the third floor but it now can extend to the Mental Health Unit. We can move from Le Quesne Ward, put oncology into Le Quesne Ward, which is a lot more space than what they originally had and therefore paediatric outpatients can move to Oncology Unit which is a much safer place to have children's outpatients and this is done in a much more cost effective ... Sometimes reprioritising can be a good thing because it makes you stop, look again, is there a way of doing things more efficiently and better? This is a cross-point because this is one of the ways that it has achieved and we have achieved more for our bucks, which is a good thing. Thank you.

1.6.8 The Deputy of St. Ouen:

Just a couple of things; first of all, I think I will draw Members' attention to Summary Table C and just require you to look at the total proposed capital allocation that has been identified and then the net allocation below. I would just like to flag-up, if you like, and I think that the Minister for Treasury and Resources has also mentioned this but a warning to the new States Assembly. The capital allocations are unrealistic when we consider not only maintaining and renewing some of our property but equally providing for new facilities and also upgrading our present infrastructure, and this has to be considered. I have yet to see the new 20 or 25-year programme that the Minister for Treasury and Resources has spoken about but I am sure that that will need to fully recognise the cost and the requirements to maintain all of the States infrastructure throughout the Island, whether it is places like Clinique Pinel or indeed some of our school facilities. I am extremely grateful to see that the Council of Ministers supported a number of capital programmes including St. Martin's School and equally some essential work that needs to be undertaken before the 2015 Island Games and equally the improvements necessary to the Autism Support Unit at Haute Vallée School. However, it is only part of the story. What this does not tell you is that there are items that have been deferred or not allowed for, including the final phase of what will be a 20-year redevelopment of Grainville School; and the Les Quennevais School improvements, which were identified to be delivered in 2014, which have been deferred still further. We have issues with regards to Victoria College Prep and the need for improvements in that particular area. Finally, and I suppose more close to my heart at the moment, is Fort Regent and the relocation of the Sea Cadets to a more appropriate site. Only because we are in the process of finalising the Steering Group Report as we

have developed a cohesive and realistic plan for the Fort but it needs money. We need to find solutions to deal with the old swimming pool site. We need to look at how we provide and improve access. We need to have money to refurbish some of the interior of the Fort and unless that is provided for we will still continue talking about Fort Regent for the next 5 to 10 years. It is no criticism to the Council of Ministers, it is certainly no criticism to the Minister for Treasury and Resources but it needs to be said and it is a challenge, yes, but we need to address these matters. Thank you.

1.6.9 The Connétable of St. Brelade:

I just wanted to respond to a couple of points made by Deputy Fox earlier on regarding the Bellozanne sewerage works and really just to elaborate on the £3.1 million proposed capital spend in 2014. He expressed concern over odours; principally the work is being undergone at present as the main works to reduce odours and the removal of the digesters to the other side of the valley. The works surrounding that will dramatically reduce the odours that are being experienced by residents of Bellozanne. The secondary treatment works is in addition to the continuing work that needs to be done with the sewerage works, moving towards a better plant which we will eventually achieve. I cannot say with certainty with an elderly plant that we will make it odour-free by doing this work but it will certainly go a long way towards it.

The Greffier of the States (in the Chair):

Does any other Member wish to speak on paragraph (c)? Senator Ozouf. Would you prefer to say the amendment ...

1.6.10 Senator P.F.C. Ozouf:

I would not, but there are a number of points. It is a curious state of affairs that it is the Treasury that does most of the work on this and then the poor Chief Minister has to be the one to wrap it up, so I feel some obligation to answer some of the questions. In relation to the capital programme or the 25-year plan, Senator Le Gresley asked, yes, it will go to States Members first; the other Ministers have not seen it yet, it is work in progress. It is one of those issues which the Treasury will solve, as we have solved many issues in terms of better managing our public finances. I would say that capital is the last big area that we have got to look at and that is going to be completed and as soon as we have got something to show to Members. It is being done in advance of the Medium Term Financial Plan next year so that the States, when we agree 3-year cash limits, can have a capital project but if it can be done in the next few weeks then I will certainly do something about that. In relation to housing, a massive amount has been done on housing. The Housing Transformation Plan, which I am part of, is going to make an even bigger difference in terms of housing. Housing is one of those assets that does have an income stream which means that we can make an investment and we can be certain to repay it, and so that is a candidate for private sector funding. We have done some things in terms of housing trusts; there are things that we can do with our own stock that we can do that. In relation to Deputy Higgins' question about unallocated money, you can only spend money once. While the allocation is being made in theory - and we do sometimes reorganise some capital projects, that is done by Ministerial Decision between the Minister and the Treasury - there are published, Members know about them; normally if they are important we will draw Members attention to them. There have been some done in T.T.S. in the last year in relation to some capital projects that were not required. Unfortunately, we cannot reallocate the Police H.Q. Our problem is not cash; it is available money that you cannot spend twice, but I am looking at the capital programme and seeing whether there are things that we can bring forward in order to inject in the construction industry, as I have already said. We have got sound public finances and I would not want the message to go out in this part of the debate that somehow we have a crisis in relation to capital; we do not. We have a challenge and we can resolve it. If we are confident in our future, I believe more confident because of the resolution of Zero/Ten, we can invest because we know we are going to get the income stream from it. I am

confident that we are going to be able to deal with all of the issues in the capital programme going forward. Health is going to dominate it. We are going to need to be innovative. We are going to need to try and find other ways of funding issues but that should not be regarded as a crisis. We are going to be improving Jersey. We are going to be improving the infrastructure and we are going to be improving services and providing better homes for people in the large measure. I urge Members to support the capital programme for next year which is going to do an awful lot of good things.

Deputy M.R. Higgins:

Sir, can I ask a point of clarification of the last speaker? When he talked about private sector sources of funding for housing, will he consider borrowing? He has mentioned there is an income stream there. Let us get the houses built for people. If you are going to borrow it, borrow it.

Senator P.F.C. Ozouf:

I do not know quite how to deal with Deputy Higgins sometimes. I have never said I am against borrowing. Borrowing needs to have a source of repayment. If you do not have a source of repayment you start the slippery slope. I am not against borrowing. We say that we have got no borrowing for consumption; we have got no deficits, we now have no structural deficit if we need to invest and there are internal funds which we can also use more carefully and perhaps more usefully in terms of capital projects. We are looking at a whole range of issues in the Treasury. The Minister for Housing knows and we are going to find solutions.

The Deputy of St. Mary:

May I ask for a point of clarification also? It is on a similar tack but different emphasis. The Minister talked about housing; there is an income stream, therefore it is a candidate for and I was expecting him to say: "For borrowing" i.e. from ourselves, the strategic reserve way; it goes back again on a cycling fund but no, he said it is a candidate for private sector funding and that is what the issue is, Minister. It is not about ...

The Greffier of the States (in the Chair):

What is your point of clarification?

The Deputy of St. Mary:

Sir, I am asking why he said "private sector funding" when I was expecting, and I think we were all expecting him to say: "We can borrow because there is an income stream to pay it back."

Senator P.F.C. Ozouf:

I cannot really do justice to a debate on private sector funding. There is an important debate tomorrow with the I.O.D. about P.P.P. and P.F.I.s. I hope that Members listen to that debate on Radio Jersey if they are attending tomorrow because we can certainly have a debate about how we are going to positively solve these problems. I am not against borrowing. I am not against private borrowing. It just needs to have a repayment schedule which is affordable, which does not leave a black hole and a deficit for subsequent generations which they cannot afford.

The Greffier of the States (in the Chair):

Does any other Member wish to speak on paragraph (c) as amended? If not I will call on the Chief Minister to reply.

1.6.11 Senator T.A. Le Sueur:

I perhaps should have made it clear at the start of my speech that all that this part of the proposition asks us to do is to approve the capital programme for 2012. Table C does show a 3-year plan but if the history of the past 20 years is anything to go by those plans will change from year to year and, of course, that is both a strength and a weakness of the system. Certainly I welcome the need to produce for Ministers, for Members and everyone a 20 or 25-year projection of future capital

spending but even trying to project capital spending 2 or 3 years in advance is a hazardous business because priorities change. The Deputy of St. Mary asked, I think, originally in the amendment but I think reiterated, how do we prioritise? Prioritisation is a difficult process and times do change. The arrival of a new medical director has reprioritised health demands and either we respond to that or we do not. Ministers try to respond and reprioritise in a way which enables us to fit into a capital programme allocation. The allocation that we have is to spend roughly £35 million and it is really a question of how do you get the best value out of your money? Members can look down in the first column of Table C and maybe propose alternative suggestions for what is the best use of those capital monies, and there will no doubt be 53 different views. It is only by trying to produce a relative importance that we can try to do that. We have, for example, put into 2012 £3.5 million for the Phillips Street's Shaft. Suddenly out of the blue, if you like, it was not mentioned last year, but the opportunity came up because of the Ann Street redevelopments; perhaps a once in a lifetime opportunity to do this at the right time, at the right place for the right money. Should we therefore reprioritise? I think most of us would say: "Yes, we should". Does that mean that something else will slip? Unfortunately, yes, it does; you cannot do everything at the same time. We are always going to have to reprioritise and we are also going to try to have to give an indication of the total requirements for the future. I have no doubt that when Members see those total requirements they will shudder because as Ministers we see just what capital requirements you start off with even for a 5-year period and they probably total something in the region of £200 million, probably a lot more and that is just on priorities. With nice-to-haves we are probably talking £400 million or £500 million. The list could be endless and when you have significant items, like some of the health spending and airport spending and education spending, they can swamp the capital programme. So yes, we are going to have to look innovative ways of funding. Whether that is some form of borrowing, whether that be some form of joint public-private partnership that would be for Members to decide at the time. For the moment what we have to do is to see if this is the best use of the resources we have available for 2012

[17:15]

I am pleased that Members by and large accept the fact that it is a difficult, almost impossible, job to do and that whatever you try to change is both good and bad for it. Certainly one of the aspects which has given us additional pressures is that of funding social housing from capital receipts. Clearly, although Projet 6 was passed back in 2007 - I think it was - when the economy was buoyant and we were looking forward maybe to a thriving economy and expectations were that house sales could be forthcoming quite easily, times have changed and they are not going to change back in the near term. So part of the exercise which I have been involved with, and other Ministers have been involved with, with the Housing Transformation Programme is just seeing how we can utilise both our existing stock in the States and existing stock within Housing Trusts to enable that social housing programme to be delivered. We are going to have to think smarter; we are going to have to find ways of resolving these problems, and we are doing that. So I take comfort that we are doing realistically what we can within monies available, because we are constrained to a total spending envelope and as I will come to in part (e) of the programme, within that spending envelope one could spend more on capital expenditure, but that would require reduction in revenue expenditure. We are already reducing revenue expenditure over 3 years by £65 million. How much further could you go? In this period I think the answer is "not much." From 2014 onwards then yes, that is another weapon we can use. But I am danger of being pulled-up by drifting away from the proposition which talks about 2012, so I shall stop at this stage and maintain part (c) of the proposition.

The Greffier of the States (in the Chair):

Very well. The appel is called for on part (c) of the proposition as amended by the amendments relating to Clinique Pinel. If Members are in their seats the Greffier will open the voting.

POUR: 42		CONTRE: 1		ABSTAIN: 0
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Senator T.A. Le Sueur		Deputy G.P. Southern (H)		
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator F.E. Cohen				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.H. Maclean				
Senator B.I. Le Marquand				
Senator F. du H. Le Gresley				
Connétable of St. Ouen				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy of St. Ouen				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				

1.7 Draft Annual Business Plan 2012 (P.123/2011) - paragraph (d)

The Greffier of the States (in the Chair):

We come now to paragraph (d). I will ask the Greffier to read paragraph (d).

The Deputy Greffier of the States:

Paragraph (d). To approve each of the capital projects in the recommended programme of capital for each States trading operation as set out in Summary Table D, page 72, that require funds to be drawn from the trading funds in 2012.

The Greffier of the States (in the Chair):

Chief Minister, following your comment just now it may be helpful for you to draw particular attention to the fact that we are looking at 2012, not 2013 and 2014.

1.7.1 Senator T.A. Le Sueur (The Chief Minister):

You forced all my thoughts, Sir. In the same way as we have considered the revenue expenditure before trading operations, so the Public Finances Law requires us to approve the capital expenditure, and again the difference is that that capital expenditure is met from those trading operations' existing trading funds, rather than the States Consolidated Fund. As you pointed,

Summary Table D shows the proposed allocation for the years 2012, 2013 and 2014. 2013 and 2014 are for information only and the only column that we are asked to approve this afternoon is the first column, the column for 2012 in a total sum of £5.446 million. I propose part (d).

The Greffier of the States (in the Chair):

Is part (d) seconded? **[Seconded]** Does anyone wish to speak on paragraph (d)? If not, all those in favour of adopting paragraph (d) kindly show; any against? It is adopted.

1.8 Draft Annual Business Plan 2012 (P.123/2011) - paragraph (e)

The Greffier of the States (in the Chair):

We turn now to paragraph (e) and I will ask the Greffier to read paragraph (e).

The Deputy Greffier of the States:

Paragraph (e). To approve indicative total net expenditure (revenue and capital) for the States funded bodies, as set out in Summary Table E, page 73, for 2013 and 2014, and to request the Chief Minister to present Annual Business Plans (or in any equivalent expenditure plan that replaces the Annual Business Plan process) to the States, following the Comprehensive Spending Review, within these amounts.

1.8.1 Senator T.A. Le Sueur (The Chief Minister):

The purpose of this proposition is to expand on the allocations for 2012 as set out in parts (a) and (c) and to determine the allocation between revenue and capital expenditure for a 3-year period. These targets need to be established for the purposes of longer term business planning and will provide the basis for the new Strategic Plan and Medium Term Financial Plan for these years. Clearly, of course, when we come to next year's Medium Term Financial Plan we will then be looking at a 3-year indicative scale. The total States net revenue expenditure for 2013 includes the final year of this C.S.R. 3-year programme and it will provide a further £30 million worth of savings and user pays proposals. The 2013 proposed allocation includes of 2 per cent for Health and Social Services and 5 per cent for Overseas Aid in line with current policies, and an initial growth allocation associated with the new Medium Term Financial Plan in the sum of £6 million. The 2014 total States expenditure includes similar provisions for growth in Health and Overseas Aid and an increased growth allocation for £16 million. The Council of Ministers did not feel it was appropriate to set savings' target for 2014 in advance of a new Council of Ministers and before the current C.S.R. programme had been completed. There was less resolve for the present £65 million before setting out on a new round of potential savings. The allocations for revenue expenditure in the forecast years include specific provision for pay awards, uprating of benefits and supplementation, non-stop inflation and continuing efficiency gains. The programme also includes the capital programme for 2013 and 2014 which we have already looked at in Table C on page 71 and for planning purposes it is important that we have indicative approval because there may well be significant lead-time for some of this capital expenditure. We have seen increasing pressure for the funds available on capital expenditure and I have to say that in the last few years they have not increased either in cash terms, let alone in real terms. There has been a squeeze and it is vital that these funds are not further depleted or worse still, diverted into revenue expenditure. We have to provide adequate capital expenditure in the future; otherwise we store up problems for the future. The proposed figures for net revenue expenditure for 2013 and 2014 are summarised on Table E on page 73 and I propose their adoption.

The Greffier of the States (in the Chair):

Is paragraph (e) seconded? **[Seconded]** Now there are 2 amendments to paragraph (e), do Members wish to embark on the first one this evening?

Deputy G.P. Southern:

Is it mine?

The Greffier of the States (in the Chair):

It is yours.

Deputy G.P. Southern:

I can embark on it and deal with it, I hope.

**1.9 Draft Annual Business Plan 2012 (P.123/2011): ninth amendment (P.123/2011 Amd.(9))
- paragraph 3**

The Greffier of the States (in the Chair):

Very well. Well, I call on the Greffier to read amendment 9 part 3.

The Deputy Greffier of the States:

On page 2, paragraph (e) after the words “for 2013 and 2014” insert the words “except that the indicative total of net revenue expenditure shall be increased in 2013 by £60,000 in order to provide a grant in this amount to the ‘Prison! Me! No Way!!’ initiative.”

1.9.1 Deputy G.P. Southern:

As I have mentioned repeatedly, I think, yesterday and today, Prison! Me! No Way!! is a highly effective scheme delivering, I believe, good results to schools and to housing projects attempting to keep young people out of prison and out of law breaking. I think it is highly effective; it is certainly highly efficient in terms of its budget. But the point I have been making is that it needs to have its budget certain. For example, it is about to advertise for and appoint a chief co-ordinator for the project and that will be a 2-year contract. So it is particularly important that it has this 3-year package 2012 we agreed yesterday, 2013 and 2014 so that they can go ahead and plan properly the programme events that they wish to deliver. I understand from conversations with the Chief Minister that he will offer assurance that Prison! Me! No Way!! will be included in the 2013 and 2014 overall revenue spend, and if he stands to give me that assurance I think I can safely, with that assurance, withdraw this particular proposition in the confidence that he will deliver £60,000 of funding in 2013 and 2014.

The Greffier of the States (in the Chair):

Is the amendment seconded? [Seconded]

1.9.2 Senator T.A. Le Sueur:

When the Deputy raised the point yesterday with me, I said I did not want to give a categorical assurance until I had checked with the Treasury that it was in order to do so. Since then I have done just that and I can now give the assurance to the Deputy and to States Members that the sum of £60,000 will be made available in some way or another for the years 2013 and 2014.

The Greffier of the States (in the Chair):

Do you therefore seek the leave of the Assembly to withdraw your amendment?

Deputy G.P. Southern:

Yes, although I would like a vote on it. But never mind, you cannot have everything on a good day, can you?

The Greffier of the States (in the Chair):

Are Members content to grant leave for the Deputy to withdraw his amendment? Very well; it is withdrawn.

Senator T.A. Le Sueur:

It does strike me, and although it is only a minute to 5.30 p.m., the next amendment may take longer than a minute, and it might be an appropriate time to propose the adjournment.

The Greffier of the States (in the Chair):

Very well. If Members do not wish to give the Deputy of St. Mary 2 minutes, we will adjourn until 9.30 a.m. tomorrow.

ADJOURNMENT

[17:27]