

5. Questions to Ministers without notice - The Minister for Treasury and Resources

5.1 Deputy S. Power of St. Brelade:

My question is related to the Esplanade Car Park site. Were the Esplanade Car Park site to be pre-let and built what contingency does he and the Resources side of his department have to balance the migration of perhaps 1,250, in my calculation, 1,400 office personnel for this part of town and to encourage the re-use of secondary office accommodation in the traditional centre of St. Helier?

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

I am sorry, I do not understand the question. Forgive me, I just do not understand what the Deputy... I do not want to take up valuable time, is he asking about the car park or the consequences of development on Esplanade Square? Forgive me.

Deputy S. Power:

I will rephrase the question. The States of Jersey Development Company is proposing to build somewhere between 160,000 and 250,000 square feet of offices. That will incur a migration, by my calculations, of about 1,250 to 1,400 office workers to that site. What contingency has he got or has his department got for the re-use of secondary office accommodation in the traditional centre of St. Helier?

Senator P.F.C. Ozouf:

New office development, Grade A office accommodation, is clearly being provided in both Esplanade Square and on other competing sites in St. Helier. As the Chairman of the Planning Panel I note his observations on the Esplanade Square scheme, he clearly knows quite a lot about the other sites and this whole issue, so he knows the Grade A space that is going to be provided on the Esplanade. I agree absolutely with the important opportunity it provides itself with office of substandard and traditional offices which used to be residential being made available for residential use and regenerating town, and that relates to the questions earlier, and we must work together with the Minister for Planning and Environment on regenerating opportunities for which there are huge, exciting opportunities for the regeneration of town for residential and other community uses.

5.2 Connétable J. Gallichan of St. Mary:

I am sure the Minister will be pleased to hear this is going to be something completely different. In the sadly lamented absence of the Deputy of St. Peter I recently attended a meeting of the *Le Réseau de Femmes Parlementaire*. The subject of the conference was *Une meilleure représentativité des femmes aux postes de décision* and I was interested to learn that in a number of countries the state-owned enterprises have a structure whereby a certain proportion of board members must be made up of women. I wondered, as the shareholder of a state-owned enterprise, whether the Minister would consider any legislation or any guidance along these lines?

Senator P.F.C. Ozouf:

That is a good point and I will take that on board in relation to the board appointments that we have, however I would politely say to the Connétable if she wants to attend upon the Treasury, sometimes Deputy Noel and I wonder whether there are any men in the Treasury. I am not going to say “dominated” but the Connétable would recognise that we have got a great deal of very professional, high-ranking women in the Treasury, and now in other States departments. While I do not support legislation I certainly support an equality and *peut-être je devrai répondre en français, je suis d'accord avec la Connétable*.

5.3 Senator S.C. Ferguson:

In a power cut all fibre connected dwellings with landlines but without much battery will be cut off. Not only will you be cut off but very often you will have to reboot the router, to which the moral is, if you are a more mature person with fibre connections you need to get a battery installation. Will the Minister, a shareholder, put it to J.T. that they should publicise the necessary additional provisions required by subscribers?

Senator P.F.C. Ozouf:

Yes, I agree.

5.4 Deputy R.G. Le Hérissier:

Would the Minister, as the sole shareholder in J.T., comment on the situation where small companies are feeling unfairly penalised when J.T. acts in its role as the renter of wholesale lines? Where, for example, work is done and then it appears the contract to which that person is working is undermined by J.T., where it appears there are cross-subsidies from the infrastructure network to offer cheap retail offerings, where it appears there are maintenance contracts offered, which have not been agreed in broad terms with the regulator. Would the Minister not acknowledge that the situation is utterly unsatisfactory and will only be resolved by complete separation?

Senator P.F.C. Ozouf:

We had a big conversation with J.T. last night, as I indicated previously, and the issues that the Deputy raises, of which some we explored. To be clear there is a separation of roles between the shareholding function and the regulator. I realise that I have a lot of work to do in the next few months, with my excellent colleague, the Minister for Economic Development, on the whole issue of data costs. There is a lot of talk about J.T.'s inappropriate activity or unfair dominant position. That issue should be dealt with by C.I.C.R.A. (Channel Islands Competition Regulation Authority), overseen by Economic Development, but clearly there are tensions that have been raised. I recognise that and it is high up on my agenda to resolve. I have to say in J.T.'s defence they have got answers which satisfy me every time I go with a hard example of where they have acted unfairly but I cannot answer this in 15 minutes. This is a big issue which the Minister and I are both going to be discussing at length and we will talk to Members about their concerns.

5.4.1 Deputy R.G. Le Hérissier:

I wonder if the Minister could reassure me: when will the joint report of the Ministers be completed?

Senator P.F.C. Ozouf:

I think we have a lot of work to do and I would under-promise and hopefully over-deliver and say that I would want to resolve these issues by the summer break. There is a lot of work to be done on this area, and Digital Jersey is also involved in these discussions now.

5.5 Deputy G.P. Southern:

Has the Minister undertaken any fresh research into mechanisms to raise revenue from zero-rated companies promised 3 years ago, and if not when will he be coming to the States with any proposed or possible ways forward?

Senator P.F.C. Ozouf:

I refer the Deputy to the comments that I made a number of months ago in relation to that and there is nothing further I can add to the previous statements I have made to this Assembly.

Deputy G.P. Southern:

The Minister has failed to deliver his promise.

Senator P.F.C. Ozouf:

I have not failed. I would refer the Deputy to the previous statements that I gave responding to the very well-intentioned proposition of the Deputy of Grouville, but I am not going to take up question time in repeating things that I have already discussed at length in this Assembly.

5.6 The Deputy of St. Martin:

The Minister is well known for his enormous amount of time and effort that he devotes to his Ministry. But following his recent elevation to Assistant Chief Minister, could he tell the House how he will now split his time between the Treasury and Financial Services?

Senator P.F.C. Ozouf:

I am grateful for the Deputy's question. Ministers all work hard and I will continue to do whatever I can to discharge my Treasury duties but working alongside the Chief Minister with the responsibilities that we have at Financial Services.

[11:45]

Currently the plan that I have is that I do effectively one day a week on Financial Services and other activities. But long hours and long days are necessary and we have got really exciting - as the Deputy will know - implementation plans for the McKinsey review which is working, which is even convincing Deputy Higgins that we may have a booming financial services again, which I do believe if we do want it. I also have a very good Assistant Minister which acts for me in a seamless capacity. We are a team and he will be getting increased discharging of Treasury functions, as he has done so brilliantly in the term of office following this change. But in reality we have been doing this effectively and operating in this manner for a number of months already.

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

Is the Minister aware that his comments relating to a figure of future savings of £70 million being sought sends a ripple of concern through a service currently embarked on a public sector reform? Is he aware this could send out the wrong message and if so could the Minister clarify where these savings are to be found?

Senator P.F.C. Ozouf:

I am very happy to respond to that question. The Chief Minister was earlier answering questions about long-term planning and I think one of the really good things about this Assembly and Jersey politics, even though we like to have a sort of yaboo about it, is our long-term planning. The next M.T.F.P. (Medium-Term Financial Plan) is already being thought about and that next M.T.F.P. is going to require growth in the other areas that question time has been answered about today in terms of health and other areas. If we are going to find new money for health we are going to have to take some money in other areas. That is a debate that needs to happen. We are not going to be in any way saying where those savings are but the really excellent work that the Chief Minister has been leading on modernisation, now joined by the Minister for Economic Development on modernisation, is going to yield some savings and opportunity but it is not only about savings and it should not be about savings. It is about delivering better services to the general public. Of course we are going to need savings but the £70 million number, which may be needed, may be needed

until 2020. That is a long way off and is less than 10 per cent overall. All organisations must constantly improve and that is what the States of Jersey is doing and I warmly thank the Deputy for his work on the modernisation agenda and it should not be misinterpreted. We have got some adjustments to make but they are not really radical when one thinks about them and looks at them in the long term.

5.8 Deputy J.H. Young:

On the theme of the Minister's new promotion, the Minister is of course known for his single-minded energy and commitment to all the political roles he takes on. I wonder, in his quiet reflective moments, has it occurred the possibility that within the various roles of promoting and regulating the finance industry, being in charge of public finance, setter of taxation and so on, that there may be conflict of interest issues arising? If so, if that does be the case, what arrangements will he make to ensure that that situation is managed?

Senator P.F.C. Ozouf:

The Deputy I think is being a little unfair. If you think about the roles of other Treasury Ministers in other places, he would see them being very much involved in the area of financial regulation. The budget for Jersey Finance sits with the Minister for Economic Development and it has been kept there for good separation reasons. Financial regulations, one almost might say that the Minister for Economic Development is being responsible for financial regulation as well as promotion had 2 masters. The Minister in his department is responsible, as he said on the radio this morning, for promotion across all industry sectors. What has happened is that the clarification of financial services regulation and, yes, we do have to do tough things to financial services entities, and they have been necessary in some places, and we have to do things that are necessary. So I think it is a better segregation of responsibilities and I am not doing this as Minister for Treasury and Resources, I am doing this as with the support and standing alongside the Chief Minister in relation to financial services. If I can put some of my energy in putting Jersey in a better space in terms of getting inward jobs and growth then I am happy to serve.

5.8.1 Deputy J.H. Young:

I am grateful for the Minister's clarification of his intentions. Would he not accept that in the very passion of his advocacy, as he does on everything, the perception he has created often that he is in fact a promoter of the finance industry? Would he not accept that?

Senator P.F.C. Ozouf:

I am a promoter, as I hope every Member is, of Jersey. Whether or not that is the work that I do in the Middle East, in London, or here or St. Peter Port or in the Isle of Man, I am promoting Jersey and in the interests of Jersey people, and in the public interest at all times.

5.9 Deputy M.R. Higgins:

I am glad the Minister mentioned the McKinsey Report because that is what my question is about. The Minister states that he is increasingly optimistic about the future of the finance industry. Why is it no one outside the Executive has seen the McKinsey Report and will he share that report with the Corporate Services Scrutiny Panel so they can see whether his optimism and his bullish view of the future is justified?

Senator P.F.C. Ozouf:

What you do not do is you do not publish your confidential plans so that the competition can read them. That is why it is not going to be published and that piece of incredibly important research, intellectual work, with the industry and the regulator, is important and it is sensitive.

What we will be doing is we will be publishing a new financial services framework, again with the Chief Minister, the Minister for Economic Development, in the next couple of months, which will be the broad principles of where we see financial services, but it will not contain what the competition would like us to do. In the same way the competition would love to know what S.o.J.D.C. is doing, we do not want the competition and we do not want to put Jersey at a disadvantage the strategies we will be doing. It is not Corporate Services which scrutinise financial services, that is the Deputy of St. Martin's Economic Affairs group, and I understand they have been briefed on McKinsey and as they should be. So it is not Corporate Affairs it is the Economic Affairs Department and they have been, as I understand it, briefed.

5.9.1 Deputy M.R. Higgins:

There is a big difference between a summary or a briefing and seeing the figures and being able to decide whether what we are being told is correct. I find it disingenuous for the Minister to say that we are not going to publish it to the competitors. Giving it to States Members who can properly scrutinise what the Minister is doing and seeing if we are being fully informed about what is going on is not tipping-off your competitors. It is trusting other States Members.

Senator P.F.C. Ozouf:

I have nothing further to add.

5.10 Deputy C.F. Labey of Grouville:

Given the Minister's new role with the finance sector, can he confirm he equally supports the agriculture, fisheries and tourism industries and if they too will receive equal assistance and promotion from the Minister for Treasury and Resources, and if so how?

Senator P.F.C. Ozouf:

I welcome the Deputy's question. Of course all Ministers support all sectors. Financial services provides 40 per cent of G.D.P. (Gross Domestic Product) directly, more on top of it. So proportionally and the crisis that has happened in financial services has meant that we have had to give it more attention. But if I or the Chief Minister or Minister for Economic Development can do any more in terms of raising the profile for Jersey, for agriculture, tourism, the digital sector, Gigabit and fibre is about putting Jersey on the map for technology businesses. We should do so. But it is not a virility contest of who can spend the most time on different areas. I know the Assistant Minister is going to Paris with the Minister for External Relations. The Paris Salon de l'Agriculture, I think that is right. Fantastic. We all need to be doing it. It is not just a one man or one Minister job.

The Bailiff:

That brings questions without notice to the Minister for Treasury and Resources to a close. We now move on to the period of questions to the Minister for Education, Sport and Culture.