# STATES OF JERSEY ORDER PAPER

Monday 8th December 2008 at 10.30 a.m.

# F. APPOINTMENT OF MINISTERS, COMMITTEES AND PANELS

Election of Chief Minister designate. (attached)

M.N. DE LA HAYE Greffier of the States

4th December 2008

#### **ELECTION OF CHIEF MINISTER DESIGNATE**

In accordance with the Standing Orders of the States of Jersey 2 nominations for the post of Chief Minister were received by the Greffier of the States, namely –

# 1) Senator Terence Augustine Le Sueur

Senator Frederick Ellyer Cohen
Deputy Alan John Henry Maclean of St. Helier
Deputy Sarah Craig Ferguson of St. Brelade
Connétable Peter Frederick Hanning of St. Saviour
Deputy Jacqueline Ann Hilton of St. Helier
Deputy Sean Power of St. Brelade
Connétable Daniel Joseph Murphy of Grouville
Deputy Ian Joseph Gorst of St. Clement
Deputy John Alexander Nicholas Le Fondré of St. Lawrence

#### 2) Deputy Alan Breckon of St. Saviour

Deputy Judith Ann Martin of St. Helier
Mr. Philip John Rondel
Miss Tracey Anne Vallois
Mr Jeremy Martin Maçon
Mrs Deborah de Sousa
Deputy Frederick John Hill BEM of St. Martin
Mr. Trevor Mark Pitman
Deputy Roy George Le Hérissier of St. Saviour
Connétable Alan Simon Crowcroft of St. Helier.

Each candidate has submitted a statement as required by Standing Orders, setting out his vision for a strategic policy and the manner in which he would propose to discharge his responsibilities as Chief Minister. The statements are attached at the Appendix.

#### Note

Members are reminded that, in accordance with Standing Orders, the Greffier of the States will read out the nominations and the Presiding Officer will then draw lots to determine the order in which the candidates will address the Assembly. Each candidate will address the Assembly for up to 10 minutes followed by up to 40 minutes of questions from members. When a candidate is being questioned the other candidate must withdraw from the Chamber to a place where he cannot hear the proceedings in it.

When the speeches and questions are concluded a ballot will be held. The candidate who receives more than half of the votes cast will be selected as Chief Minister designate.

#### STATEMENT MADE BY SENATOR LE SUEUR

# 1. VISION FOR A STRATEGIC POLICY

My overriding vision is for an inclusive society enjoying a good standard of living based on a strong, environmentally sustainable and prosperous economy; a society in which everyone is encouraged to achieve their full potential.

I am proud of what has already been achieved, and my vision for Jersey aims to build on that success. There are ways in which I believe we would benefit from a change in emphasis or direction. My vision would put more emphasis on the importance of individuals, and their role within society.

I remain a strong believer in consensus government, and I would follow this approach in setting our priorities. I want my vision to be one shared by every States member.

I now outline my approach to some of the policies which the States will have to deal with over the next three years. Many are inextricably linked, but fall into the following four main categories:

- A. Social
- B. Environment
- C. Economic
- D. Local and international community

#### A. Social

One of my top priorities is social policy and a move towards greater social integration. Our objective should be for all Islanders to lead fulfilling and independent lives. I recognise that will not be possible for absolutely everyone, despite all the help we can realistically provide, and so an adequate safety net will still be required.

Much has been said in recent months about the Income Support system. These worthwhile reforms commenced during my Presidency of Employment and Social Security, and I am pleased to see that they are now place. I do not doubt that there will always be room for improvement, but I think that financial support for those less well off needs to be complemented by services in other areas, such as education and training, healthcare, employment support and housing.

During my time as President of Employment and Social Security, one of the key messages I learned then and would like to pursue now is the necessity of attending to the needs of the individual. Low self-esteem can lead to higher levels of crime and unemployment and the use of drink and drugs. It is better to support people to develop their capabilities, and thereby enhance their feeling of self-worth, than to deal with the sometimes socially negative consequences of the failure to reach their full potential.

I think therefore that the next Strategic Plan should direct the Council of Ministers into a much more joined up approach with a broader vision. We should develop a more holistic programme from the cradle to the grave, focusing on the needs of individuals across Ministries, by making better use of our existing resources.

We have already taken some steps in the right direction with an increased focus on early years education, and this needs extension into the schools agenda in such a way that at the age of 11 every pupil, with very few exceptions, should at least have basic skills of numeracy and literacy. Secondary education needs to be more focussed on offering a more varied curriculum, particularly for those whose talents are not primarily academic. This in turn should complement the aspirations of the recently formed Skills Executive so that the whole of society should ultimately benefit as a result.

This will inevitably spill over into Health and Social Services, for which an updated New Directions policy may well be a catalyst in addressing some of the social issues connected with health.

I feel that Social Services does not share equal billing with health and medical services, and I am pleased to see the progress that is currently being made in a greater integration between Social Services, Education, Social Security and Home Affairs. I want to see this programme develop by greater collaborative working with a clear line of accountability.

I recognise that in Jersey, especially, government is not the only agency involved in social policy. I applaud the valuable work done by voluntary organisations, service clubs and others, and in doing so encourage ordinary people to take part in all aspects of Island life by engaging with the community. I will do all I can to enhance further the valuable work done by the not-for-profit and voluntary sectors.

#### B. Natural and Built Environment

The environment must be at the heart of States' policy. A lot has been achieved, but over the next three years there is more to do, both for the Planning and Environment Minister, and for the States generally, in the development of a new Island Plan. I think that in the past we have often considered the Island Plan simply as a reference tool for the Planning Department. Whilst it must continue to be that, it should also be central to our discussions on population, on housing needs, on energy policy and a whole range of issues which affect the Island.

I see input to the new Island Plan coming from a wider working group of Ministers and Assistant Ministers, and whilst it will be guided by our next Strategic Plan I hope it can also contribute to future plans. Pursuing my theme about the links between different objectives, however, we should remind ourselves on the one hand of the need to protect and enhance coastal, rural and built environment, whilst on the other hand acknowledging the needs of a changing community -- particularly of those nearing retirement -- in seeking suitable accommodation.

On the subject of housing, I should like to see the Housing Minister continue with his proposals for extending home ownership both with the agreed sale of surplus Housing Department properties and with the delivery of the Homebuy scheme. I should also like to see a continuation of the planned reduction in the qualifying period for residential qualifications to take place over a period of years, building on the reductions so far achieved, down to an ultimate level of ten years residence. This again should stimulate home ownership, and the current economic climate may be a good time to promote this.

Energy policy is another aspect of the work of the Planning and Environment Minister which I should like to see progressed over the next three years, and this will also impact on the forthcoming review of environmental taxes and benefits.

Finally in terms of planning matters I need to refer to the Waterfront, both for the resolution of the current uncertainties over the preferred developer but also for the future role and responsibilities of the Waterfront Enterprise Board, particularly in the light of the recent report of the Comptroller and Auditor

General. The development of the Waterfront is the vital catalyst for the regeneration of St. Helier. It must continue to be progressed, but since we only have one chance to get it right, I shall ensure that we proceed with the utmost care.

We have finally agreed to the construction of a new Energy from Waste Plant although it will not come into service for some time yet. There are two related issues for which we need to start planning now. The first is the treatment of liquid waste, and this must be allied to the maintenance and possible extension of the sewer network. We may also need to consider the possibility of some synergy with other utilities, as has happened elsewhere.

Secondly there is the important matter of the future use, development and possible expansion of the area around La Collette. Whilst this will form part of discussion on a new Island Plan, it is such an important subject in its own right that I believe it deserves special mention. It is a long-term issue, but one for which we need to start planning and thinking over the next three years.

#### C. Economy

In my view it is crucial that over the next three years we take the same care over the economy as I have tried to do whilst Minister for Treasury and Resources. Without a strong economy and a sound tax base we cannot meet the needs of the people. A strong economy enhances our prosperity, raises the standard of living and maintains full and varied employment opportunities for local people. At the same time it enables us to keep our tax rates relatively low, an important consideration for all of us.

All the indications are that during the next three years Jersey is likely to enter a period of economic slow-down, perhaps not as bad as elsewhere but serious nonetheless. Such a period is a time of threat, but it can also be a time of opportunity. Compared with the U.K. and elsewhere, Jersey is very well placed financially to cope with such a situation. We currently have high levels of employment, we have no public debt, indeed we have money set aside to cope with hard times. Businesses appreciate the quality of our current economic polices, and are continuing to invest in Jersey whereas they are reluctant to do so elsewhere. Our economic and fiscal policy needs to be kept under constant review, and I intend to continue to use the expertise and experience of the recently appointed Fiscal Policy Panel.

At the same time, I am sure that the world of international finance will change considerably over the next few years, and whilst Jersey can continue to look forward with some confidence, it can only do so if it is prepared to adapt to, and prepare for, a different scenario.

This is already occurring as we move to a world of Tax Information Exchange Agreements, greater international co-operation and financial transparency. We have a sound regulatory regime which I am sure will be acknowledged by such investigations as that recently carried out by the International Monetary Fund and that shortly to be undertaken by the U.K. Treasury.

I want to encourage the Economic Development Minister and his Department to support well-thought out new initiatives, explore new markets, and where necessary invest some seed capital in new areas, both in the financial services sector and elsewhere. This has already been demonstrated in areas such as intellectual property, and the new Foundations Law.

We must also find ways to support the local business community, especially in enabling small and medium sized businesses able to offer a wide range of worthwhile opportunities. A vibrant retail sector enhances the quality of life and community spirit we need to engender.

It may well be that new market opportunities will call for new and different skills, and therefore to

minimise the need to attract immigrant labour we need to continue to develop our local skills base. I want to see the new Minister for Education working closely with the Minister for Economic Development and the Minister for Social Security in pursuing the objectives of the recently formed skills executive.

I also want them to promote the message that new skills can take a variety of forms and be acquired in a variety of ways, as can be seen, for example, from the range of courses offered at Highlands College and the age range of students there. Along with supplying the needs of the economy I believe that it is also important, indeed perhaps more important, to bring out the (often hidden) talents of those who perhaps did not achieve their full potential whilst at school.

Another aspect which I should like the Economic Development Minister to keep under review is our air and sea links, and the activities of the Airport and Harbours Departments, to ensure that these are run on a commercial basis but helped, where necessary, to promote the vital external connections which our economy requires.

The fact that we have a successful economy at the current time is partly because businesses acknowledge a responsible fiscal policy. I shall expect a new Treasury and Resources Minister to consolidate those existing polices, but also to work closely with the Economic Development Minister in pursuing an open and competitive marketplace, delivering the widest possible range of goods and services at the most competitive price commensurate with maintaining a viable future for efficient local suppliers. By doing so we can help keep our inflation rate at least as low as our competitors -- an important consideration for international competiveness.

I wrote earlier about the need for the Education Minister to promote policies which support and draw out the talents of all students. I am conscious of the success we have in terms of students going on to higher education. I want to ensure that we are addressing the requirements of all students, including those with particular needs and difficulties. This will enable them to be play a fuller role in our community.

#### D. Local and international community

This leads neatly to the final aspect of my vision for the future, and that is the community, both local and international. In some ways it draws together the economy, the environment and social policy, but there is more to it than that.

I am conscious of the fact that as a government we have lost touch with some Islanders. At a time when we are going through tremendous change, both within the States and in the policies we are developing, there seems to be a worrying lack of interest which is perhaps reflected in the continuing relatively poor election turnout.

Perhaps people think that the States has not taken electoral reform seriously. It is true that we have not totally embraced the Clothier recommendations. One key task for the next session of the States is to try to resolve the issue of electoral reform, perhaps focussing on the need for a single election day. The actual composition of the States, as between Senators, Deputies and Constables, will perhaps never be resolved within the States chamber without some external influence.

However there is more to regaining public confidence than electoral reform. We have to ensure that the States is seen to be working more positively for the good of the community. We have to find better ways of communicating our message and achieving greater engagement with the public. I think that one of our failings in the last three years may have been in trying to do too much on too many fronts, rather than focusing on key issues and ensuring that they are thoroughly discussed both by the States and the

community.

I look back to the last decade when I was involved with public engagement over the Social Security system and 'Continuity and Change'. That public engagement took a lot of preparation and sustained effort over a long period, but in the end I believe that we really obtained public awareness and understanding of the issues. Equally the public were able to ensure that their views were properly understood and appreciated. Perhaps if we want to communicate better we need to spend more time in the preparation stage. The next Island Plan could be an opportunity to put this into practice.

A different facet, but equally important, is our international identity and status. It is important that we have a strong international profile to ensure that we are viewed abroad as we really are, rather than by the misrepresentation and distortion we have recently seen in the national media. On the one hand we must maintain strong links with the United Kingdom, yet at the same time we need to develop our own international personality, as is happening with our handling of Tax Information Exchange Agreements.

We will shortly be coming under scrutiny yet again, in the form of another review from the U.K. Treasury. As with other such reviews, I am confident that we can demonstrate the strength and the quality of our offering, and use the opportunity to enhance the image of the Island. This will not happen by accident, and our response needs to be led by persons of calibre and experience.

Finally, as far as they are appropriate in a small Island community, we need to demonstrate our willingness to embrace international standards and obligations. At the same time, if we are not to sink under a sea of bureaucracy and red tape, we have to be realistic in what we take on. I am pleased that the Chief Minister's Department has been strengthened to enable this important aspect of our future to progress in a thorough way, and I want to ensure that we continue to demonstrate our full capacity and willingness to be an international player.

There are many other important topics which are central to my thoughts. These include tourism and air travel, savings and pensions, the future of agriculture, population and migration, a healthy lifestyle and so on. My vision is extremely wide, and their omission is not in any way to downplay their importance.

Underlying my commitment to consensus, if any Member has any additional thoughts or comments on these or other issues, I should be pleased to listen to them.

# 2. HOW I WOULD DISCHARGE MY RESPONSIBILITIES AS CHIEF MINISTER

As I have said, one of my aims as Chief Minister would be to instil some sense of prioritisation of competing policies. In doing so, I recognise that different Members will have different aspirations, and probably different views about appropriate levels of spending. My intention would be to involve a greater dialogue with all States Members, recognising that obtaining unanimity will never be possible. However I believe that over my years in the States I have demonstrated my willingness to listen to Members with different points of view, and to seek to achieve a result by consensus rather than coercion.

Ultimately it is the responsibility of the Chief Minister and the Council of Ministers to take the lead in proposing a policy direction. I hope it can be an informed and understanding leadership which can create a greater willingness for all Members to adopt policies consistent with that consensual approach.

I am reminding Members of my commitment to consensus politics because I am conscious of the divisions that seem to have arisen in the Island in recent years, both within different sections of the local community and even within the States Chamber. This saddens me, and since a key element of my vision is one of an inclusive society, I want to find ways of healing some of those divisions; certainly ensuring that they do not gain in strength.

Above all, however, I am concerned that over the next three years Jersey is going to face a challenging time. Not only is the global economic climate uncertain, to say the least, but there is no doubt that in the next few years the shape of the financial services industry, the major player in our economy, is going to undergo some significant changes. It is too early to say exactly what those changes will be, but there will undoubtedly be changes, and they may well be detrimental to the Island, at least until we adjust to them.

At a time such as this, therefore, it is particularly important that the Island has wise and experienced leadership, from someone who can demonstrate resolution in the face of adversity. I would hope that after six years pursuing a fiscal strategy which was not universally popular, but one which I passionately believe to be the best course for Jersey to adopt, nobody can doubt my willingness to take tough decisions.

I am not saying that I want to be controversial; far from it. I am simply facing the reality that we are likely to have some difficult decisions to take over the next three years, and it is important to have as Chief Minister somebody able to take on that difficult task. I understand the economy, and understand how to protect Islanders from the worst effects of the global downturn.

Turning to practical matters, clearly my first task would be to nominate a balanced team of Ministers with the ability and enthusiasm to promote and deliver a range of policies. I place great emphasis on the word 'team', and whilst I welcome individuals holding different opinions, there needs to be complete trust and openness amongst Ministers if we are to function as an effective Council.

If elected, I maintain my commitment to reshuffle some existing Ministerial responsibilities, and offer new opportunities to some of the recently successful election candidates. However we also have to acknowledge that the Council of Ministers is not like a Committee. We should recognise that the duty of each Minister is to personally exercise the legal responsibilities which the role involves.

Once they have been appointed, I would discuss with each of the Ministers the roles they envisage for their Assistant Minister or Ministers. One aspect of the first three years of Ministerial Government which might be improved upon is the role of Assistant Ministers. I believe that, where possible, they should be given greater delegated powers from their Minister, recognising that the Minister nevertheless is the party with ultimate responsibility.

I also believe that in some cases people should serve as Assistant Minister to more than one Minister. Whilst there has to be clear accountability and segregation of responsibilities, I think that a greater interaction of Ministers and Assistant Ministers in areas of cross-Departmental involvement will work towards breaking down the old 'silo mentality' which still prevails in some areas.

I also see a role for greater co-operation with the Comité des Connétables, something which I think has gone well over the last three years, and I would like to think that the Chairman of the Comité would accept nomination as one of my Assistant Ministers, as happened three years ago.

Finally, co-operative working needs to embrace Scrutiny fully. I should like to hold regular quarterly

meetings with members of the Chairmen's Committee. Experience over the past three years has been somewhat variable, although in my opinion my relationship with my own Scrutiny Panel has been open and constructive. I should like that spirit to permeate the whole working relationship with scrutiny, so that we can all work, in a critical but constructive fashion, for the good of the Island.

Once the Council of Ministers has been established, I should like to repeat the process of three years ago whereby we all met, early in the new year, for an intensive workshop discussion to plan the years ahead. Whether that is held in a hotel or elsewhere is relatively unimportant, but what is important is that we can set to work as soon as possible to establish our priorities and our workload, and consider the activities of our Departments. I believe that the session we had three years ago was a good investment of time and resources, both for Ministers and Officers.

After the Strategic Plan has been agreed and adopted by the States, I would expect all Ministerial policies to be checked against that Plan. If ordinary Members are to have confidence in the Council of Ministers, then we must be able to demonstrate that we are delivering policies in accordance with the requirements of Members as set out in the Strategic Plan.

I make no apologies for repeating that the Strategic Plan should be at the heart of everything that we propose to do. My aim would be to involve all of us in searching for a way of achieving a common and informed view to which the majority of Members can sign up. We need to remind ourselves of all that is good about Jersey; we also need to be honest about Jersey's shortcomings. Working together, we can create a blueprint to make Jersey an even better place for all of us, an Island in which we can all take pride.

As far as meetings of Ministers are concerned, my aim would be to designate every Thursday as a Ministers' Day. Every other week would be scheduled for regular meetings of the whole Council, but in the intervening weeks, assuming the States is not sitting, there would be the opportunity for smaller, indepth but less formal, meetings with individual Ministers, or ministerial groups with a common interest. These latter meetings would also involve, where possible, Assistant Ministers, in order to engender a greater sense of involvement in the process. These days could also be used for dialogue either with the Ministerial Scrutiny Panel, the Chairman's Committee, PPC or the Comité des Connétables.

One regrettable aspect of the first three years of Ministerial government is the extent to which views within the States chamber often seem to have become polarised. Differences of opinion are a healthy part of the democratic process, but there has sometimes been an entrenchment of positions which does not make for constructive debate. I believe that with more open dialogue, particularly between the Council of Ministers and a properly understood Scrutiny system, we can achieve a better outcome. There is a full role here for all States members to play, and. I am committed to building consensus.

I have no illusions about the size of the task ahead. I have spent three years as Deputy Chief Minister, as well as the previous three years as vice-president of the former Policy and Resources Committee. I understand the demands of the job. I am prepared to listen. I hope that I shall be entrusted with this challenging role, in which my experience can be applied for the benefit of our community.

#### STATEMENT MADE BY DEPUTY BRECKON

# The Way Forward A Vision and Perspective

# Alan Breckon

3<sup>rd</sup> December 2008

# My Background

During my fifteen years in the States, I have been involved in a number of areas. Most recently I have been Chairman of the Health, Housing and Social Security Scrutiny Panel and Vice Chairman of Economic Affairs Scrutiny Panel. The work of these panels has included:

Chairing a Review of the Dairy Industry Chairing a Review of the Perceived Health Effects of Mobile Phone Masts Review of the Social Housing Plan Review of Elderly Care in Jersey

I have been a Member of the Public Accounts Committee for the last three years and Chairman of the Consumer Council since 1995. I was also Industrial Disputes Officer to the States of Jersey from 1995 to 2007.

I have also worked on a number of Committees, including, Education, Health, Social Security, Home Affairs, Housing, Overseas Aid, Public Services, Industrial Relations, Gambling Control and I have been on a number of Committees of Inquiry as well as Working Parties.

I was a school Governor for over six years and have worked with many grass roots organisations in the community as part of a team doing such things as fund raising and social events. I believe many of these organisations are the life-blood of our community and keeping in touch, with both feet on the ground is vital.

Because of my wealth of experience and community involvement, I wish to lead a team that will be inclusive, not just a team of Ministers and Assistant Ministers, but also of other States Members and welcome and involve the many talents of people in our community. My ethos is to "include" not "exclude".

We have a great deal of resource and enthusiasm amongst us to pool and share for the common good for the benefit of the people. We must have the heart of the community in everything that we do.

I have no problem trusting and delegating to others and encouraging and supporting them to get on with the job.

I believe States Members in general should be as open and honest with each other and the people as possible and we should

- celebrate and build on what we have,
- jointly develop future policies and priorities,
- encourage public involvement and participation,
- show respect for all views and opinions.

#### Communications

I believe an effective communication strategy (as opposed to "spin") is a vital part of good Government. I would work towards:

- Regular electronic circulation of Ministerial decisions (instead of people having to search for them)
- More Ministerial statements to the States Assembly- where they can be questioned openly by other Members. Rather than the current system of Press Releases or directly through the media.
- Greater use of websites and technology

Video clips are now common and should be utilised Building of a thorough and comprehensive database of users

Consider free access in public areas such as Fort Regent, Airport, supermarkets etc

- Investigating publishing a monthly "Stateswide" for Island circulation. To include: Parish News, Job Vacancies, Planning Applications, Public Information, Government Departments and Business.

I believe this is a very real opportunity to communicate with our people.

As a footnote to this, it is good to see that a local company have been awarded the contract to modernise States websites. In general terms, I support the use of local companies and I believe outside consultants should only be used as a last resort.

#### Introduction

It is not possible in this short paper to cover in detail every area of Government, however, I hope that it does give a strong indication of my way of thinking in a number of key areas.

I have, therefore, set out below a synopsis of my views and opinions on a number and range of issues. However, none of this will be achieved without working together with others to achieve a common good for the Island's people in what will be difficult times. While we have lived with the first three year term of Ministerial Government, I believe, that it has highlighted tensions that we should learn form and then move things on positively.

I believe that the first three years of operation by the Council of Ministers has led to a disconnection with the public by operating in secrecy even when discussing simple issues like the bus service - a Traffic and Transport Strategy has never emerged despite being discussed (in secret) on a number of occasions by the Council.

I believe that real public participation is required on, this and, many issues and I would develop a style of leadership that was inclusive of other States Members and the general public and not exclusive to a

chosen few.

#### **Healthy Position**

The Island's finances, services and economy are generally in a healthy position, however, thrift and wisdom are now required to guide us through what will undoubtedly be a difficult period.

We have much to celebrate with our Health and Education and Social Security systems and our sound infrastructure but we need to continually seek to improve on what we have got in order to meet the needs, demands and aspirations of all the people – they should expect and receive nothing less, whilst achieving best value for money.

# **Connecting With the People**

Whilst respecting that some matters do require confidentiality, I believe other broader issues should be as open and transparent as possible.

A Freedom of Information Law would be a high priority for me. People's money (in taxes) is spent and their futures are effected by the actions and decisions of Government, therefore, I believe we should be as inclusive as possible in sharing quality information to reach informed decisions. Meaningful consultation must be an important part in future decision making.

#### **Public Accounts**

For the last three years I have been a Member of the Public Accounts Committee and I think we are now beginning to see the benefits of having a Comptroller and Auditor General.

A number of Departmental Reports into various areas of government activity have been produced and the planned introduction in 2012 of Generally Accepted Accounting Practices (GAAP) will mean greater transparency of the Public Accounts.

I believe that all persons on the electoral role should have reasonable access to all accounting information produced in the previous year's States Reports and Accounts, save for the information proven to be "sensitive" e.g. for security reasons or of a personal nature.

I firmly believe greater transparency would lead to the better management of Public Finances.

#### Tax and Spending

Tax and spending should come under greater public scrutiny as the tax burden is changing from corporate to wage-salary earners and the introduction of the Goods and Services Tax (GST). I believe that GST should be removed from basic foodstuffs and energy.

Essential public services and benefits should be identified and protected and enhanced where appropriate and we should ensure that these are properly and effectively targeted and proving to be value for money. Accurate tax analysis and predictions are required for appropriate planning and action.

I believe that we will need to extend targeted environmental taxes to fund other initiatives.

Those who have companies and operate here should not be able to "export" their profits without tax and

an early solution should be found to get them to contribute.

#### Global Economic and Financial Markets.

Turmoil exists throughout the world's financial markets with Governments keeping High Street banks afloat and other institutions receiving all manner of capital injections, share arrangements and general guarantees. It would be naïve of anyone to say that there will be no effect to Jersey of economic recessionary consequences. However, we must all work together to minimise any local effects and to promote and demonstrate that the Island is a well-regulated and trusted financial centre of excellence.

The International Monetary Fund (IMF) is predicting that economies will contract in the USA, Europe and Japan and developed countries as a whole by 0.3% in 2009.

# **United Kingdom's Economy**

With the majority of our business and visitor interests linked to the UK, their economy is of direct relevance to the States of Jersey. The IMF has already predicted that the UK's economy will contract by 1.7% in 2009.

It seems the "feel good factor" in the UK has gone. People there have seen a significant downturn in property prices, doubts about job security and this is set against a background of higher inflation and less disposable income.

People's real cost of living has risen due to higher costs of oil and basic foodstuffs. While this is softening it suggests we will have to work even harder for every pound of tourist spend, the weak pound against the Euro helps- however, working with those in industry seeking to encourage new air routes is the way forward with high profile targeted promotions and advertising..

#### **Inflation**

Inflation is on the way down from a high of 6.4% in September 2008. External factors like the fall in crude oil prices and the 1.5% reduction in interest rates will have a downward effect. Internally the downward price correction in the Housing market will follow through into 2009, however, upward pressure will remain in the first half of 2009 from GST, the increase in Impôts and the 24% rise in electricity.

In light of the above, a target rate around or under 4% by the end of 2009 should be achievable with further falls in the UK sterling interest rates predicted.

The inflationary effect this will have on States costs, wages and salaries, benefits etc needs to be reviewed as the year progresses and a more detailed analysis and financial appraisal needs to be done.

#### Public Property, Leases and Estate Management.

Property Holdings have recently indicated that we can probably manage with less office space (estimated reduction 20%). The States currently occupy nearly 600,000 square feet of office space located within 76 sites. Space released could make a significant contribution to the supply of sites available for housing and should be pursued actively.

I see this as a tremendous opportunity to have a significant public gain at little cost.

#### **Housing**

# **States Rental Housing**

States Rental Housing has been allowed to fall into a state of disrepair due to not having an adequately funded maintenance stream. This has instead been siphoned off to pay private sector rent rebates. Now we are selling of some property stock to maintain others. A short term solution to a longer term problem.

This must be reviewed at an early opportunity.

#### First Time Buyer Homes and Homebuy.

Credit restrictions have all but curtailed activity with lenders being more cautious on lending multiples to earnings, moves away from 100% mortgages, requesting 10% deposits from borrowers.

Reduction in Stamp Duty will not redress the above. At June 2008 the average dwelling price recorded in the House Price Index was £480,000 and the average earnings were £31,200. We must devise a scheme that allows first time buyers to purchase or part purchase a home but prevents speculation.

#### Housing - the Whole Island

We must take a thorough review of the Island's housing stock and co-ordinate the databases held by Jersey Post with the information held by the Parishes for rateable purposes- allied to the next Census results (subject to Data Protection).

This would enable future policy decisions to be made based on evidence and to then plan effectively for future demand and need. Accurate population estimates are an integral part of this process.

# **Sheltered Housing/Lifetime Living/ Support Homes**

The Joseph Rowntree Foundation and Peabody Homes are good examples of what can be done for real comfort and security for the elderly whether buying or renting.

We could learn and adapt much from these models which progress through from independent living, with or without shared community facilities, to assisted living at a number of levels and onto higher dependency support.

The above should form part of a comprehensive elderly care plan and are worth early investigation and perhaps the utilisation of the Overdale site, South Hill and former Girl's College sites as centres of excellence for elderly care. They deserve nothing less in my opinion.

# **Economic Growth**

What is the REAL price of economic growth if allied to population growth? Will we need another prison- how and where do we accommodate people, what demands will new arrivals make on the infrastructure and on the Island's services? – all remain unanswered.

#### **Rezoned Green Fields**

Already ahead of the Island Plan Review of 2009, we have re-zoned green fields for over 55's,

"sheltered" or lifetime homes and some first time buyers and in my opinion this is on the back of some suspect information and allied to economic growth.

#### **Not Sustainable**

The economic growth of 7% achieved in 2006 and 2007 is not sustainable or indeed achievable without more of the same – which will not happen and I oppose.

Predictions of a slowdown appear in the latest (24 November 2008) update from the Jersey Fiscal Policy Panel, with 3% being predicted for 2008 and 2% for 2009.

# **Optimistic Target**

In my opinion, these targets are both optimistic and misleading as most of any growth achieved in 2008 will have happened in the first half of 2008 and with average inflation over 2008 and 2009 around 4% and a difficult first quarter in 2009 on the way 2% growth in 2009 seem ambitious in view of the IMF predictions for larger economies.

#### **Island Plan Review 2009**

It would appear that "sustainability" is a term no longer in vogue, already green field sites have been rezoned ahead of the review as they were considered so urgent they couldn't wait – time will tell.

It is not clear how any future development on the Waterfront would impact on the "old" town; cafes, restaurants, shops will all suffer a loss of "foot-fall" resulting in a loss of business. What will happen to the Central and Beresford Markets – will they survive?

I think more questions need to be answered before we get too engrossed in the "wonders of the Waterfront".

I would need convincing about town regeneration before we get over committed, however, I support the idea of more people living and working in town which could create more of a community feel and cut car use.

#### **Waterfront and Esplanade Developments**

We need to re-visit the Waterfront and Esplanade Developments and take a longer term view.

I consider this to be an over-development and not "Jersey"- sunken roads and rows of office blocks – the viability of these needs to be proven beyond reasonable doubt. Also their viability needs to be set against the changing world's economic needs and pressures.

# **Elderly Care**

We need a more structured system that satisfies a range of needs to provide care to those who require it, in a caring and supportive environment. We need to acknowledge the many people who provide unpaid care and support. We need to increase respite care facilities as currently there are only 7 beds.

Funding is also an issue that must be addressed and I favour and would support a system linked to increased social security payments, that provided assessment based funding to those who need it in a number of settings, without the need to sell the family home. Health and Social Security need to work together quickly to find a positive way forward. Guernsey has a system which I believe we could build on and better.

A modern centre of excellence on the Overdale site must be considered,  $\underline{local}$  architects should be involved in a design competition to produce alternative schemes for the site - with elderly care at the core.

# **Protecting the Natural and Built Environment**

It is important that we do not destroy the Island's beauty in the quest for economic and population growth.

We must protect and respect our Dairy and Agriculture Industries, encouraging diversity especially for the local market in conjunction with further promotion of Genuine Jersey.

Some changes are inevitable but we must protect our heritage and our coast and marine environment.

# **Education and Training**

While in overall terms we have an excellent system that serves the majority well, I believe we need to focus our attention where we find the greatest need.

I would support a States funded Skill and Trade Training Initiative that gives financial assistance to employers to provide proper training placements to the under 25 year olds.

A Service Level Agreement would establish terms of engagement and training of young people over, say, a three year period.

Areas, such as; a range of building trades, mechanics, marine trades, office skills, information technology, craft and design etc.

I believe it would give young people a hopeful future and also remove them from the "benefit culture". This is achievable within the first six months of 2009. This is at relatively low or no cost as benefit paid would be transferred to the employer.

#### Extra Support

A pilot scheme has been developed to cater for those who at 13 or 14 years of age are not focussed on an exam trail and are best guided towards a vocational route.

Also we must target and put greater emphasis on those with literacy and numeracy difficulties – investment now will equip them well in the future.

#### Waterfront Enterprise Board

I agree with the recommendations of the Comptroller and Auditor General that States Members should NOT be directors of WEB and that a more transparent reporting structure is achieved through a single Minister to the States.

The Annual Report and accounts must be more readily available to the public.

#### **Health and Social Services**

It is disappointing that the major strategy document "New Directions" has been delayed by two years.

The health and well-being of the Island's population is THE main priority supported by a range of essential social services.

I have already done some preliminary work in this area.

The revised policy must be in the public domain for discussion and debate at the earliest opportunity in 2009.

#### **Freedom of Information**

I would support the early introduction of a Freedom of Information Law that will allow residents access to a range of information whilst respecting Data Protection and Human Rights.

I also believe it should also give people greater access to public accounting information for say a 28 day period each year following the publication of the previous year's "Report and Accounts of the States of Jersey".

It is public money being spent and I believe the public should have access to more detailed information should they request it.

### **Working with the Bailiwick of Guernsey**

Whilst in some areas we may be in competition there are other areas where we can benefit by working together, in healthcare and education and negotiations and discussions with the UK for example. Also we may wish to compare costs in areas such as building or costs of basic goods and services.

Over the years I have discussed a range of issues with Guernsey politicians and I believe building this relationship is good and healthy

#### **British Irish Parliamentary Assembly**

For over two years I have been Jersey's elected representative on this body.

Membership is drawn from the House of Commons and Lords, Scottish Parliament, Welsh Assembly, Northern Ireland and the Republic of Ireland as well as Jersey, Guernsey and the Isle of Man.

I have spoken during debates and discussions and made many friends and contacts among the Island's Assemblies. I believe this could be a significant advantage if I were to represent or speak for Jersey outside the Island.

Ironically the existing and previous Chief Ministers of the Isle of Man and the previous Chief Minister of Guernsey were all Members of this Parliamentary Assembly.

I believe I have established many useful contacts that could work in the Island's interests in future negotiations and discussions.

# **Traffic and Transport**

I believe this policy should have emerged before now for public discussion and debate.

Greater bus use is positive but

- How can it be extended?
- At what Cost?
- How can we effectively reach the country Parishes?

#### **Car Parking – Accommodation**

It is proposed to spend £9 million from the "Car Park Fund" to build a new car park in Ann Court and then knock Minden Place car park down.

I have requested:

- (1) A Report into the condition of Minden Place car park
- (2) Work done and costs for the improvement to Patriotic Street car park

If money "tightens" I really question why we are doing this – is it best use of Public funds?

#### Air and Sea Services

Islanders and visitors want safe, reliable, convenient, all year round air and sea services.

We must continue to seek operators who will provide this service with an element of subsidy if necessary, backed by a robust Service Level Agreement.

#### **Pension Funds and Investments**

While markets are in turmoil, sitting tight and taking a long term view appears the only option.

Lower interest rates and uncertain company profits will affect investment income. Regular reporting is therefore vital, supported by sound financial advice to protect the population's assets.

While regular reports and three yearly actuarial valuations are important, we should also revisit the long term funding issues and pressures to take us past 2030.

# Jersey Post, Jersey Telecoms, Jersey Electricity Company and Jersey Water

The above are owned in whole(Jersey Telecoms and Jersey Post) by the people of the Island and there are significant majority holdings in the other two (Jersey Water and Jersey Electricity Company) both of which are listed on the Stock Exchange and for the moment this situation should remain and can form part of a longer term view of investments.

The States as a whole in consultation with the Public may wish to express an opinion.

#### **Labour Market**

At June 2008 total employment was 56,630, an increase of 1520 over June 2007 – a 3% increase.

The increase in non-locally qualified staff was 440.

Also those people working with any accompanying dependents need somewhere to live.

Of these:

49,900 (88%) were in the private sector 6,730 (12%) were in the public sector

Registered unemployment stood at 440 in June 2008

#### Under 25 year olds.

I believe we need to seek out and offer training to those under 25 year olds who are unemployed, especially those not registered in the unemployment statistics and offer them proper training placements in co-operation with employers, including the States.

The above increased figures suggest a relaxing of the Regulations and Undertakings and an overheating in the labour market.

Average earnings are £31,200 per annum.

I believe we now need to revert to quarterly reporting of these statistics to assist and inform policy and decision making.

#### Minimum Wage

The Employment Forum are recommending to the Minister a minimum hourly rate of £6.08 from 1<sup>st</sup> April 2009 which is an increase of 4.8%. I think this should be more realistically set at £6.50 which is equal to £247 for a 38 hour week which after Social Security deductions gives a take home pay of just under £231 per week. States Members and others should ask ourselves exactly what you can achieve with this sum of money.

Low pay costs Government money in benefits- we should not be subsidising employers in this manner.

# **Competition and the Jersey Competition Regulatory Authority**

Through the Jersey Consumer Council I have worked with the Authority and businesses on a number of issues.

I believe the Authority will continue to grow and develop from a slow start to bring consumer benefits.

I have some emerging issues which I believe could apply the mind of the JCRA in the year ahead.

# **Jersey Finance**

As promoter and point of contact for the web of finance related companies and activities, Jersey Finance is building on some of the earlier ground work to provide reliable industry soundings for new regulation and laws and the modernisation of existing laws. Contacts established with the growing strengths of the Chinese and Indian markets are to be encouraged and developed with effective trade delegations supported- there and in the City of London and elsewhere.

# Jersey Financial Services Commission (JFSC)

The work and areas or responsibility continues to grow for the JFSC. Any mention of the JFSC would be incomplete without paying tribute to Mr Colin Powell, the former Chief Adviser to the States. I understand he has now reached a milestone at which he must retire. He did sterling work for the Island and the Commission and he will be missed as a respected ambassador for Jersey across the world.

I would hope the Commission could be more consumer focussed and facing by adopting a Financial Service Authority face and by encompassing a Financial Services Ombudsman under its umbrella – funded by the Industry to give low/no cost dispute resolution to individual consumers and demonstrate industry confidence.

People really have concerns, especially the elderly, when their life savings could be under threat and this applies also to depositor protection which must be introduced.

### Financial Transparency and the Outside World

The International Monetary Fund are presently examining compliance issues in Jersey and some of the ways financial business is conducted. The UK Government, in light of their financial investments in banks and financial services markets etc, are seeking to review some existing arrangements in Crown Dependencies.

Recently we had a visit from a Treasury Select Committee looking at offshore finance centres. We continue to agree and sign "Tax Information Exchange Agreements" with other countries with more planned, demonstrating transparency and co-operation on our part.

In general terms, we are demonstrating our willingness to engage positively with others for mutual benefit and should fear none!

# **Business and Strategic Planning and Reporting**

I believe that we should develop a more timely and inclusive method for this. At present, Business Plans are presented just before the summer recess and dates set early in the next session, usually September for debate.

This does not give States Members, Scrutiny Panels, the Public Accounts Committee or the general public proper meaningful opportunity to engage and contribute to the process. This must be changed.

With the Strategic Plan the updating of progress and reporting needs a critical review – it is not entirely honest.

I believe the whole House should apply their minds to both of the above.

#### **Conclusion**

In the short time available, I have written this paper (myself) which has touched on a number of areas of life, work and business, however, time does not allow me to develop more detail. I do believe though it gives some of my basic thoughts and opinions and I will, of course, be pleased to discuss any area in more detail.

Alan Breckon

3<sup>rd</sup> December 2008