

STATEMENT ON A MATTER OF OFFICIAL RESPONSIBILITY

2. The Chief Minister will make a statement regarding strategic priorities

The Bailiff:

Very well. Now, Chief Minister, I think you wish to make a statement. Do Members agree this would be a convenient moment to take it? So I invite you to make the statement, Chief Minister.

2.1 Senator I.J. Gorst (The Chief Minister):

Before Easter, I, together with the Council of Ministers, took the opportunity of taking stock of our strategic priorities. At the start of this Council of Ministers' term of office, our main priorities were to get people into work, house our community, reform the Public Service, as well as reforming health, population control and planning for the future. These remain our central priorities and my Ministers will continue to work hard to achieve them. However, I recognise that the continuing difficult economic circumstances mean we must do more in a number of areas and we must do so quickly. We need to make sure our financial services industry has a clear political vision and focused political leadership. We must press on with reforming the public sector, improving social housing, boosting home ownership and helping Islanders back to work. I am sure no one is in any doubt that we should house every member of our community adequately and provide more affordable homes for Islanders. The Minister for Planning and Environment has therefore decided not to pursue Policy H3 of the Island Plan. This policy would have required planning applications for private residential developments over a certain size to allocate a percentage of the homes built for social need. This could stop land being brought forward for residential development, undermine the delivery of affordable homes and adversely affect the construction industry. The Council of Ministers is determined to boost the supply of social, rented and affordable homes. For this reason, we have agreed to bring forward the sites set aside in the last Island Plan for rezoning to provide more affordable homes. Together with the use of States-owned sites and tough planning obligations, this is designed to boost the supply of homes while also boosting the economy. A working group comprising the Ministers for Treasury and Resources, Planning and Environment, Housing and Economic Development has been set up to explore other ways to capture value from the development of land for affordable homes. When we debated the Strategic Plan, we agreed that getting Islanders back into work was our top priority and I am sure Members agree that every new initiative must work towards this aim. The Back to Work team has greatly enhanced support for unemployed Islanders and I am proud of what they have achieved. The hospitality campaign is encouraging job seekers to take on roles in the hospitality industry. The Start-Up Business Programme is helping unemployed people with viable business ideas to become self-employed and the National Trust has set up a volunteer scheme which trains job seekers while they work on conservation tasks. These schemes are in addition to the established support provided by Advance to Work, Advance Plus, Workwise and Work Zone and the establishment of the Colomberie Job Club. Now I am pleased that a further £1.6 million extra funding from the department's carry forward will expand upon these programmes, boosting efforts to help unemployed Islanders to find rewarding work. I will redouble with Ministers our effort to do all we can to get people into work in the coming months. The financial services sector provides thousands of valuable job opportunities for Islanders and I am sure Members agree it is critical to our economy and our future. While Jersey is ranked as the top offshore financial centre in the Global Finance Centre Index, there are significant challenges ahead. The financial crisis has prompted a decline in the number employed in the finance industry and increasing competition for the available business and yet political responsibility for this important industry is shared between 3 departments, Chief Minister's, Economic Development and Treasury, leading to a lack of focus. Against this background, it was decided to commission research into the opportunities for Jersey as an international finance centre. Some of the emerging work from global advisers McKinsey was considered last week by the Council of Ministers. We recognise

the need to formulate a new strategy and to implement it quickly. One of the report's key findings is the importance of clear lines of government responsibility for financial services. McKinsey recommended this should be centralised within the department of the Chief Minister. Council has accepted the principle of transferring political responsibility for the financial services industry to the Chief Minister. I will also be asking the Minister for Treasury and Resources to take on some operational tasks so that we can move quickly on the report's recommendations. A briefing on this research work will be arranged as soon as possible so Members can be thoroughly briefed on the government structures needed to implement a strategy which will be critical for the future wellbeing of Island residents. The future of finance is vital and in a changed world we need to do all we can to secure our leading position, which I am sure we can. This change in political responsibility will increase the workload of my department, even with the support from the Minister for Treasury and Resources, so we have been discussing how best to manage our other major initiatives, one of which is the reform of the Public Service. To ensure political leadership, I have decided to delegate this objective to the Minister for Economic Development. I am pleased too that the Minister has agreed to lead this important project, building on the strong start that has been made, focusing on improving the quality of our services, and delivering them in the most cost-effective way. Formal terms of reference will now be drafted to clarify the roles and responsibilities of the Chief Minister, the Minister for Economic Development and the Minister for Treasury and Resources. Support will be provided by senior officers from the 3 departments and regular meetings will be held to ensure these important projects are properly co-ordinated. Jersey continues to face difficult economic times in an increasingly competitive global environment and I am determined we should maintain a careful balance between economic, social and environmental policies, while remaining nimble in the face of new challenges. The changes I am announcing today are designed to do just that, leaving a lasting legacy of a strengthened economy and better services for our future.

[Approbation]

The Bailiff:

There is now an opportunity for questions.

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

I am certainly encouraged by the Back to Work initiatives and programmes that have been introduced over the last couple of years. However, I would like to ask the Chief Minister, as the largest employer on the Island, how many unemployed Islanders are presently receiving on-the-job training across the States and which Minister, if any, is responsible for ensuring that all departments play a full part in helping unemployed Islanders find rewarding work?

Senator I.J. Gorst:

I do not have the details of all the schemes in front of me this morning but I can certainly provide those numbers to the Deputy should he so wish. Each department knows that they have their own part to play, not only in supporting the governmental initiatives which are co-ordinated and overseen by the Social Security Department but, where possible, finding opportunities within their departments for encouraging people back to work.

The Deputy of St. Ouen:

Would the Chief Minister, in that case, publish the information that we have spoken about?

Senator I.J. Gorst:

Yes, indeed.

2.1.2 Deputy M. Tadier:

In his speech, the Chief Minister mentioned Jersey is the top offshore finance centre and we know that the Chief Minister favours best practice when it comes to finance and the finance

industry. How does he marry his support for that and, on the other hand, in the referendum for the most undemocratic option [**Aside**] ... it is true, he favours the most undemocratic option on the table and what does he think the subsequent fallout will be from the appeals that will go to the Privy Council on this for our finance industry and Jersey's international reputation when they realise that we cannot even run a proper democratic system in Jersey?

The Bailiff:

Deputy, I am sorry, that simply does not arise out of the statement.

[10:30]

2.1.3 Deputy J.A. Martin:

Under the housing, I think we spent 4 days debating the Island Plan and now it says that the policy H3 will not be pursued which is the only tool in the box to get developers to agree to build some social housing. I am assured, supposedly, of these houses that the Minister has put 4 Ministers on it. When will the option that replaces H3 come back to this House and how soon because I am very concerned that you can do this overnight?

Senator I.J. Gorst:

Of course the draft new chapter for the Island Plan will be consulted upon. It will be, I hope, published later this month and it will have to go through the whole process - I will use that charitable word - that requires any amendment to the Island Plan. Unfortunately, that takes a length of time. With regard to alternatives, it is intended that they will be brought forward in the budget at the end of this year.

2.1.4 Deputy T.M. Pitman:

I am pleased the Chief Minister has been able to make this statement. What I would like to ask is with his announcement that responsibility for what he calls reform of the public sector has been handed over to the Minister for Economic Development, can he enlarge on whether the Minister will be adopting a more negotiation-based consultative approach rather than the confrontational approach that he has brought to it so far in the hope that things might progress more smoothly?

Senator I.J. Gorst:

I do not accept that analysis of the process that I have brought or the current States Employment Board or Council or Ministers has brought to the reform programme. I, together with the Chief Executive Officer, have held a number of consultation meetings. Over 1,500 staff attended those. The Chief Executive Officer and Senior H.R. (Human Resources) Officers have held workshops. Over 1,000 staff [**Aside**] ... Sir, I have been accused of a non-co-operative approach and I am setting the record straight. Over 1,000 staff have attended those workshops. We have had engagement right at the heart of this process and it is because of that engagement that one or 2 States Members have thought that things were not happening quickly enough. It is right that we engage and we now build on that engagement and start into our delivery process, which I have absolute confidence that the Minister for Economic Development is going to drive forward and deliver on.

2.1.5 Deputy T.M. Pitman:

With due respect with regard to concise answers, could the Minister at least explain whether the Minister for Economic Development will be adopting a different approach; that is basically what I have asked.

Senator I.J. Gorst:

The Minister for Economic Development will be building upon the approach already taken, which is engagement, culture change, service redesign, workforce modernisation.

2.1.6 Deputy G.C.L. Baudains:

The reform of the public sector, I know, is close to the heart of the Chief Minister, as it is to mine, but it does seem to me that what was supposed to be a priority has now slipped somewhat and become perhaps some minor changes designed by the public sector itself. Could the Chief Minister explain to me why he is not starting from a clean sheet of paper with perhaps a commission chaired by somebody like the late Sir John Harvey-Jones, so that we start from a sheet of paper and the government can provide for the public what they need in the most efficient way?

Senator I.J. Gorst:

Hopefully my statement today indicates to this Assembly and the community at large that the reverse is the case: this reform is not slipping down the agenda, it is being pulled up by its boots and it is being given greater political impetus in the form of the Minister for Economic Development; he is in the process of developing a board, I suppose, which builds on the idea of Deputy Baudains, with non-executive challenge so that this delivers. He will be involving States Members as well. Nothing could be further from that, as indicated by the Deputy, it is the reverse.

2.1.7 The Deputy of St. Martin:

The Chief Minister in the 2 paragraphs under the heading “Housing” mentions a working group that, and I quote: “...has been set up to explore other ways to capture value from development of land for affordable homes.” Will the Chief Minister agree with me that this group also needs to, without delay, review the Supplementary Planning Guidance on Employment Land? This guidance has been questioned as much as any part of the Island Plan and desperately needs review. The sentiment of safeguarding land for employment is hugely important but at the moment this guidance goes much further than anyone could have envisaged when the Island Plan was approved by this Assembly in 2011.

The Bailiff:

Does that arise out of this statement?

Senator I.J. Gorst:

I think it does, Sir.

The Deputy of St. Martin:

I certainly hope so, Sir.

The Bailiff:

Well, are you going to answer?

Senator I.J. Gorst:

Yes. I am quite happy to answer that, as I would have been quite happy to answer Deputy Tadier, Sir; I enjoyed sparring with him yesterday and I am sorry that you did not allow me to today. With regard to the Deputy of St. Martin’s comment, of course, the changed Island Plan chapter will require all the consultation that I just spoke about and will require public inquiry. I recognise the need and the call for a review of the Employment Land Policy. If that cannot be dealt with internally by the department, which I think it probably can, and it needs to be part of the Island Plan review process, then it very comfortably would sit in the process that we have to put in place to bring forward the new chapter. So I believe it is going to be dealt with one way or the other.

2.1.8 The Connétable of St. Clement:

Can the Chief Minister confirm that the protection afforded to the Green Zone, particularly those fields proposed by Deputy Gorst and approved unanimously by the States in the Island Plan to be included in the Green Zone **[Laughter]** ... will they continue to be safeguarded?

Senator I.J. Gorst:

I think I made the position of the Council of Ministers quite clear: it is proposed that those sites will be brought forward but they will have the protection, if we might say, of the consultation and public inquiry process, and those individuals that do not wish for them to be brought forward will obviously engage with that process appropriately. But let us be absolutely clear: this Assembly made decisions in the previous Island Plan which took out short and medium-term supply of affordable housing, and that is why we are facing the problems that we are today. **[Approbation]**

2.1.9 Senator L.J. Farnham:

I welcome the Chief Minister's statement, and I am particularly pleased to learn that the Minister for Planning and Environment will not be pursuing the H3 Policy, as I saw it as a barrier to the development of much-needed homes, but do look forward to an alternative scheme being brought forward in the budget. Can I ask for clarification on a couple of points? Firstly, the announcement that the sites set aside under the Island Plan for rezoning are being brought forward. Can he confirm that the States are now going to get on and start building this and provide a much-needed boost to the economy and the construction sector? I would just like to note also briefly, and give praise ...

The Bailiff:

If it is a question, not a speech.

Senator L.J. Farnham:

Thank you, Sir. I just wanted to ask if there were any plans to extend the scheme as set up by the National Trust into covering other areas of the environment. The National Trust scheme is particularly good and I would encourage that to be built upon. My real question is **[Laughter]** I want to ask particularly why he has selected the Minister for Treasury and Resources and the Minister for Economic Development to carry out the roles as he has explained in the statement, and ask if he intends to utilise the energies of other States Members to assist in the tasks he has set out.

The Bailiff:

The Senator is only entitled to ask one question, so can you pick which one you want to ask ...

Senator L.J. Farnham:

I want to ask the last question, Sir. Thank you very much.

The Bailiff:

I am not sure I am going to allow that. The Chief Minister can choose, because you asked so many questions, you must take the consequences of having asked so many. Now, Chief Minister, you choose which one to answer.

Senator I.J. Gorst:

Sir, I think you have just given away one of the great joys of answering Ministerial questions: the more questions that a Member asks, the Minister then gets to choose which to answer, because you will stop us in short order. I shall try, however, and answer all 3 of them.

The Bailiff:

No, just one.

Senator I.J. Gorst:

Well, perhaps I shall answer the one most pertinent to the statement, which is about stimulating the economy, getting the construction industry back up off its knees and ensuring that there is a supply of affordable and social housing. Ministers believe that the process that we have put in train now, being absolutely clear about what is happening with H3, it is not being brought forward: extraction of value from land is being worked on by the new team. We believe that that will allow land owners to come forward, developers to come forward and start to build and help the construction industry. We also believe that by bringing forward the rezoning we will be bringing forward delivery of social and affordable housing, around 500 units, and we are aiming that, notwithstanding the process that needs to take place from the Environment Department - which I hope will be completed by the end of this year - that other sites will be brought forward. But they will be able to be started to be built, or shovels put in the ground, early next year and that 500 can be brought forward and delivered between now and 2014 and 2015.

The Bailiff:

Very well. That brings questions to an end. Perhaps I can just elaborate as to why I was strict with Senator Farnham there, but question time, of whatever nature it is, is limited and if Members start asking 3 or 4 questions rolled into one, it means that other Members simply do not get the chance to answer questions. [**Approbation**]

Senator L.J. Farnham:

Thank you, Sir. I did happen to realise that I was the last speaker, so I was just trying to get extra value for the Assembly. [**Laughter**]