

3.2 Deputy R.G. Le Hérissier of St. Saviour of the Minister for Treasury and Resources regarding the number of projects approved as part of the Fiscal Stimulus Package:

Would the Minister state how many projects have been approved as part of the Fiscal Stimulus Package and how many of these will address the issues raised by the recently announced redundancies in the finance sector?

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

I have given 21 projects an amber light so far and these will be given final go-ahead on a case by case basis once they have met all the necessary conditions. All the projects are designed to give and to protect all employment across the whole of the economy and manage to the extent that we can unemployment where there is. Money has been also made available this year to Jersey Finance with an additional £400,000. In addition, the Chief Minister's International Finance Directorate has had a further £400,000. This is designed to help mitigate some of the impact of the global slowdown on unemployment by boosting our activities in financial services. I will be keeping a close eye on developments in the financial services industry and I am quite prepared to make more money available from the fiscal stimulus package as circumstances require.

3.2.1 Deputy G.P. Southern of St. Helier:

When will the Minister bring to this House details of what these schemes are because at the moment no one in this House or out there knows what these schemes are?

Senator P.F.C. Ozouf:

The Scrutiny Panel who have been scrutinising, if I may say, extremely well in relation to the individual plans know what these schemes are. The individual departments know what these schemes are, and I think the Deputy too knows what these schemes are. This Assembly delegated responsibility to the Minister for Treasury and Resources to sign off schemes. Those schemes are now having an amber light and I will be rolling out the detail of them as and when final approvals are given.

3.2.2 Deputy G.P. Southern:

When does he expect final approval given and when does he expect to come this House and inform Members, as they have a right to know, what is being done, what is £44 million being spent on in our name?

Senator P.F.C. Ozouf:

The Deputy appears almost by his fairly aggressive questioning to be suggesting that there is something amiss here. This Assembly has given me delegated responsibility to make decisions on a timely basis - targeted and timely - when conditions arise. The Deputy if he would have been reading information will know that of the £40 million, I have allocated initially £8 million for skills and training, £1.4 million for supporting individuals, £1.4 million for support for business, £7.8 million of civil infrastructure work and £21 million for construction and maintenance.

3.2.3 Deputy R.G. Le Hérissier:

Would the Minister identify the specific projects that will assist continuing employment in the finance sector as opposed to the very general statements he has made?

Senator P.F.C. Ozouf:

The Deputy is quite right and this is the second set of questions that I am answering in relation to - I think he dubbed it - white collar unemployment. I think the first thing to say is that the job losses that were announced last week by Lloyds Banking Group were not unexpected. Ministers had been briefed and continue to be briefed on the thinking that is within financial services. Obviously some of this information is commercially sensitive. In relation to Lloyds Banking Group it is clear that the reduction in staff is as a result of the moving of the call centre that was formerly part of HBOS to another place. Those job losses will not occur immediately but will occur as the bank develops and brings together the 2 organisations in the next 2 years. So the impact is not immediate. It is going to be throughout 2010 and 2011. The only way that we can deal with financial services downturn is by discussing with leading financial players what Jersey has to offer, encouraging them to base more activities in Jersey and to go out and win more business. That is why I answered in my question, while strictly not fiscal stimulus, the importance of putting money into Jersey finance and to the Chief Minister's Department in terms of going out and doing more marketing.

3.2.4 Senator B.E. Shenton:

Can the Minister give an assurance that some of the money will find its way into private sector initiatives and will not just be distributed by civil servants to fund States departments?

Senator P.F.C. Ozouf:

I am happy to brief Senator Shenton. The money is not going in to increase the amount of public sector workers. All of these projects have to be managed by a department. For example, the housing projects are managed by Property Holdings and the Housing Department. That is not going into wage packets of public sector workers. It is going into the wage packets of the construction workers that will be working and all of the ancillary services providing to bring forward a housing project. The work in terms of the allocations of money in Economic Development is going into businesses in expanding, for example, their offshore networks programme, their inward investment promotion for bringing more businesses to Jersey, all of the small loans guarantee arrangement, the enterprise grants, the Business Angels. This is going directly into businesses and helping businesses fight the recession and keep themselves competitive.

3.2.5 Deputy G.P. Southern:

Will this House be informed of exactly what the measures proposed are before the money is spent and does the Minister consider this accords with his commitment to open government?

Senator P.F.C. Ozouf:

Open government means communicating and explaining to the Scrutiny Panel that has been scrutinising these. They have made it clear that they do not wish to have a veto. As and when decisions are made, they will be communicated and Members will be informed. But if the Deputy is asking effectively for a veto right - a calling

mechanism - for individual projects because some of his pet projects might not meet the precise conditions of what we need for fiscal stimulus then I am afraid the answer is no. This Assembly has given me responsibility to sign off projects and that is exactly what I am doing with a very strict criteria within the Treasury to boost economic activity in this downturn and doing it fast.