

# STATES OF JERSEY

## OFFICIAL REPORT

WEDNESDAY, 16th DECEMBER 2020

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[9:31]

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

**The Deputy Bailiff:**

Now, Deputy Pamplin, I overlooked your request to speak before we adjourned last night. Deputy Pamplin.

**Deputy K.G. Pamplin of St. Saviour:**

Honestly, no hard feelings. I think I speak for all Members, we thank you for your support in getting us through this week. I will speak briefly. Good morning, everybody. With my hat of Liberation 75 on, this week we were supposed to be doing a big finale event at the Jersey Opera House to mark 75 years of liberation, and of course what was happening yesterday was up north, people - our friends, fellow Islanders in Alderney - were remembering Homecoming Day, which happened 75 years ago on 15th December, the day of course when Islanders returned to their home 75 years ago after 5 years of occupation. It is a poignant day and while we cannot be with them in person, we can obviously send our good wishes and thoughts in spirit to them from this Assembly. I think as Liberation 75 has taught us all this year, the great things that we have learnt from that period, especially those who cannot be home this Christmas because of the pandemic, we can take comfort that we will be home again someday.

**The Deputy Bailiff:**

Thank you, Deputy. The people of Alderney do not celebrate Liberation Day in May as we do in Jersey, Guernsey and Sark, because the Island was wholly evacuated in 1940. The people of Alderney came home 5 years later, arriving by boat at Braye just before Christmas to find their homes shattered, their possessions gone and their Island much changed. They began to rebuild their lives, their homes and their businesses and their farms. It is quite right, Deputy Pamplin, that we mark their special anniversary by sending the States and people of Alderney our best wishes.

**PUBLIC BUSINESS – resumption**

**1. Government Plan 2021-2024 (P.130/2020): fourteenth amendment (P.130/2020 Amd.(14))**

**The Deputy Bailiff:**

We now return to Public Business and the next amendment listed in the running order is the fourteenth amendment lodged by Senator Gorst, and I ask the Greffier to read that amendment.

**The Greffier of the States:**

1. Page 2, paragraph (i) - After the words “Summary Table 9 to the Report” delete the word “and.”  
2. Page 3, new paragraphs (j), (k) and (l) - After paragraph (i), insert the following new paragraphs - “(j) to agree that the Minister for Treasury and Resources should prioritise the application of any unspent funds in 2020, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund, and used to minimise the borrowing requirement from the revolving credit facility as set out in part (c); (k) to agree that the Minister for Treasury and Resources should prioritise the application of any unspent funds in 2021, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund, and used to minimise the borrowing requirement from the revolving credit facility as set out in part (c); (l) to request the Council of Ministers to agree an estates strategy in sufficient time for the next Government Plan (2022-25) to include a list of potential sales, in order for any funds raised to be prioritised for use to minimise any future borrowing requirements by the Minister for Treasury and Resources; and”  
3. Page 3, paragraph (j) - Re-designate paragraph (j) as paragraph (m) accordingly.

**1.1 Senator I.J. Gorst (The Minister for External Relations):**

I think, to be fair, the Chief Minister gave the best introduction that I could think of to my amendment on Monday morning, when he was explaining to the Assembly why the Council of Ministers were supporting this amendment, which is largely this: what this amendment does is take commitments that Ministers have made within the body of the Government Plan and put it on to the face of the proposition. Now, I think that is important for a number of reasons, because quite simply it is right that the Government took the revolving credit facility earlier this year to ensure that we had sufficient funds and sufficient liquidity available to provide whatever was necessary to fight the COVID pandemic, so that has proven to be the correct decision. As we move forward, it is important that the Assembly approve drawdown limits, as they are being asked to do within the terms of this Government Plan, but we must be absolutely clear that in borrowing as we are - and we will of course then need to next year address the amount that may need to be borrowed to deliver the hospital - it is a change from a long-held economic strategy that previous Governments and Islanders have supported for many decades. Therefore it is, I think, right that the terms of starting to think about how we will repay back that money that we borrow to manage COVID is upfront and Members are able to vote on it directly, as they are, but what this does is start to help us to think about how we pay that back, because we know that the revolving credit facility is simply a 2-year overdraft, if we put it into everyday terms. We do not need to spend it all. It is there as a safety net. There is this upper limit that Ministers are asking to be drawn down this year, but if we look at the projections, more may be required to be drawn down in the 2021 Government Plan, which will cover the year 2022. But in the intervening period, as we would manage our own budgets, we would only use our overdraft and only use the R.C.F. (revolving credit facility) up to the required amount. Just because a department has an amount which has been authorised by the Assembly, it does not mean to say that it needs to, if it does not need to - and that is a big caveat - then it should spend that amount, which would then mean that we would not need to draw down as much from the R.C.F. Ministers, as I have said, have committed to do that from capital, from revenue and from spend relating to COVID-19 and to do that at the end of this year, so that is the financial year 2020, to do so again at the end of 2021 so that we are, as I say, quite simply being prudent, recognising the need and that Ministers have got spending priorities that have been approved by the Assembly, recognising that there is reduced income during this year. We would expect that to continue next year, recognising that many millions of pounds have been spent on COVID provision.

[9:45]

Then what (i) does is simply take a long-held ambition of the States to deliver a thought-through and credible estates strategy, and once that has been completed, to consider and to prioritise whether there are assets there which could be better utilised from a capital value point of view to reduce the need to borrow. I am grateful to Senator Moore for the decision that her panel took about their proposal to do something which was very, very similar. I think the only difference was that they had also added in that Ministers should consider the sale of some of the companies that the States own. I am personally not against that, but the reason I have not added it into this provision is that I think, from experience, Members will recall Senator Le Sueur brought forward a proposal to consider selling Jersey Telecom. I was against that provision for all of the reasons articulated at the time. During this crisis that has proven to be the right decision, that we had not and did not sell Jersey Telecom. But it is not of course quite a straightforward consideration about whether to sell 100 per cent or not. The important thing for a small community like ours is the controlling interest, so there might be, in due course, value in those companies that could be realised while maintaining the controlling interest, but it is not able to be done during the course of just one financial year. I think that that sort of proposal is something that should be looked at in the appropriate timescale to realise the value. That certainly could not be undertaken simply in 12 months. If we look at all of the work that was required last time for the sale of one company, it took many, many months, well over a year to get everything reviewed, a proper valuation, appropriate advice, all of those things. Therefore, for my part, that is worthy of consideration, but it does not fit into this timescale and therefore I have not included it. I

have simply brought to the face of the proposition the commitments that Ministers have already given in the body of the Government Plan. Therefore I propose the amendment.

**The Deputy Bailiff:**

Thank you, Senator. Is the amendment seconded? [**Seconded**] Thank you. Does any Member wish to speak on the amendment?

**1.1.1 Senator S.Y. Mézec:**

Members might recall at the start of the Government Plan it was me who objected to this being taken as read as part of the main proposition, perhaps selfishly, so I could speak against part of what Senator Gorst is proposing at this point. I will vote against his amendment. He, I think, has made half a good case in his opening speech, talking about how basically it is common sense to not want to incur more debt than is necessary. You are not finding anybody who disagrees with that perspective and making sure that there is an eye being watched over the debt levels that we are inevitably going to take up over the coming years, not taking more than is necessary and being prudent about paying it back so that it does not become an even greater burden on future generations than it probably is inevitably going to be anyway. But I think in dedicating part of his speech to talking about the amendment that was withdrawn from the Corporate Services Scrutiny Panel about divesting from our States-owned companies, he has given the game away a little bit about the ideology that is underpinning this amendment - and I hate to say it, but some of the attitude that has inspired parts of the Government Plan - and it is an ideology which I cannot accept, which I think is short-sighted and bad for the Island. It is an ideology that understands the price of everything, but the value of nothing and loses sight, I think, of the positive impact that Government can play in maintaining a case of society and a strong economy by retaining ownership of certain things, or at the very least using or disposing of its ownership of something in a way which is not purely focused on money, but is instead focused on societal outcomes. While I would completely disagree with any attempt to sell even 1 per cent of ownership stake in the companies we own because we get a good dividend from them, but there is a long-term public benefit that we would be getting rid of for a mere short-term gain, which is inappropriate, in my view. I have grave concerns over applying this ideology to our estates strategy and that comes from my experience as Minister for Children and Housing, where I came to the view that when it comes to the provision of affordable homes, the financing of those homes, of the building of those homes is not the issue. The issue is finding decent sites for them at a decent price and acquiring them in a timely manner to build those affordable homes for Islanders and focusing on the provision purely of affordable homes, rather than luxury apartments and taking the value from selling those on, usually to investors to then reinvest in housing, which is a strategy that I do not think is working. What I am concerned with with this ideology being applied to the estates strategy is that we will simply flog off land to the highest bidder in the interests of paying down our debt, which in isolation does not sound like a bad idea, getting maximum value for something to pay off the debt most effectively. If that is the only thing you are interested in doing, then that makes sense, but the problem is that the more expensive we are prepared to make some of these assets and realise them and get that value from selling off, the less likely that land, those sites and that part of our estate is to then go on for the provision of affordable housing, because those who would have purchased it will have spent more money on it and will have to make those homes of greater value so that they can make a profit out of it, at the end of the day, when personally I would much prefer that sites we were disposing of did not go to the highest bidder, but in fact went to the bidder that was prepared to provide the most socially useful option with that land. We have one entity that is extremely good at this and it is called Andium Homes. They are routinely let down by Government because of the failures of managing our estate properly in acquiring the land and the sites that they need to build homes, partly in acquiring them in the first place, but sometimes even in getting the guarantees that they will acquire them at some point in the future so that they can plan their strategy on the basis of the certainty of knowing that they are going to acquire those sites. The way they were treated over

the Ann Court debacle was a disgrace, which will have cost them money and will have, thankfully only slightly, delayed the provision of much-needed affordable housing there, but they are not acquiring the guarantees that they need over future sites, which means they are wasting resources in considering sites that they may never get or holding back on dedicating resources to sites they will get because they do not 100 per cent know they will. I want to disassociate myself from any motion or proposition which will tie the estates strategy to an intention of maximising the return we get from selling those sites purely to pay back the debt, because I think that it is necessary that our economic recovery after the pandemic does not just lead to one with some nice numbers on a spreadsheet, but one which also leads to a fairer society at the end of it. That will not be possible unless we are going to make progress in the provision of affordable housing, and in many instances that will mean disposing of the sites we own to housing providers at a substantially below market rate and we ought to be happy to do so. Even though we are not realising the full market rate value of those sites, we should be happy to do so anyway because it is in the benefit of the people we represent for those sites to be taken and made into homes which are as cheap and affordable as possible, not just Andium but the other social housing providers as well, or perhaps even private sector if they are prepared to do the deal in that and make sure the homes they are providing are affordable. We, in some instances, will have to sacrifice that aim for the greater good. I am not convinced that that fits in with the ideology of the proposer of this amendment, so that is why I have chosen to speak out against that part of it, accepting that the rest of it is not necessarily that problematic, but I do not wish to associate myself with this. I, perhaps very naively, dream of a day where the Government understands that in the provision of the affordable housing for the public of this Island, they will require a very different strategy to the one that they have had over recent years and applying this philosophy to that will not help take us forward. On that basis, I will vote against the amendment.

### **1.1.2 Deputy J.H. Young of St. Brelade:**

Members will know that this Council of Ministers is a coalition. I am quite clear that I recorded my dissent on the third part of this amendment absolutely to suggest that I think what it proposes is a fire sale of States assets, selling the family silver. I have been in Jersey long enough to know that the tradition in Jersey is Jersey people do not sell property. I think there is some sense in that. Why? Because they put it to good use and they ride out periods of economic peaks and troughs and recognising that property is a long-term cyclical asset ... sorry, it is not cyclical, it defeats the economic cycles. In the end, when you have got an imbalance of supply in property, which we have in this Island between demand and supply, what happens? The value goes up. The idea that we would sell it all off for a short-term hit strikes me to be the most incredible short-termism. I really do not understand how anybody can include the word “strategy” in that. Look, in a previous life I was a civil servant responsible for an estates strategy, when I think we had more enlightened times on how we would manage our estate because it is recognised that government assets can be used for 2 principal purposes. Either you can treat them as an asset for cash, for money’s worth, or you can treat them for the value and the benefit that they give you, to the public, in order to be able to deliver the services and your commitments to the Island. They are very different. But Senator Mézec has adequately explained it very well indeed, using the example of housing. There are many other areas of government business where we have unfulfilled needs. Look at the issue of our school estate. We all know school estates, we have a real mismatch between the sites we have got and what we need. Yesterday the sea cadets, just one small example, but absolutely significant, and then sports. There are numerous issues about our sports needs and unfulfilled recreational needs. Then going to the future, our health estate. What are we going to do about that, developing it for the new health strategy? The more you just shed assets, the more you reduce your opportunity to have a plan where you match the vacant assets that you have got, the assets that have outgrown their present use, and you can repurpose them and apply them for alternative uses. A proper strategy would map that out.

[10:00]

It would map it out right across the whole government area, what you propose to do on site A would lead to site B and so on, and then you would do that and then you would subject it to an economic modelling equation and calculate the best value. That is the way that property strategies should work. If you want to see what happens when you have a cash-led approach, just look no further than the waterfront. Years ago the States said: “We have a vision for the waterfront, a real exciting mix of public uses and private uses to stimulate the economy” and what have we got? We have got *ad hoc* decisions made in a policy vacuum. This just cannot go on now. I am very pleased to hear what Senator Mézec said. We have made big progress in the way in which Andium now operates, but my word, we have got a major issue there. Are we going to see all the future developments on the waterfront driven by cash, driven by money’s worth, driven by how much we can save, when we have got a massive housing requirement? It is a false economy to go that way, to sell them off like that prematurely, because you know you have then got to later address your unfulfilled property needs, which may well result in having to buy properties. Anyway, I made this plain at the Council of Ministers I did not agree. I was told by the chief executive: “Sorry, the C.O.M. (Council of Ministers) have signed up to it.” I have put my dissent. I do not agree. There is nothing wrong with the other parts, which are very sensible, but I lament the absence of a States strategy that we have lacked for years. In enlightened times, when I was a civil servant looking at these things, I believe it went well, assets were used for public good. Some were sold, but the majority were used for public good. What we have now seen in recent times is places like La Folie. Of course, no wonder the public get really angry that the property is sitting empty, but selling them is not the answer. The answer is the property strategy, how you use them all up. Why did we get in that situation? Again, watertight box decisions. Jersey courts, draw a ring around them as if nothing else happens. We have got to look government-wide. Yes, we want an estate strategy. Yes, it should be a corporate landlord. Yes, it should involve internal rent, but principally the basis evaluation should not be a cash-driven approach. It should be the use the public makes of them. Sorry, I feel strongly about this. I am in a great small minority; I do not care. I am recording my dissent on this particular item.

### **1.1.3 Senator K.L. Moore:**

I am grateful that the C.O.M. is in the main supportive of Senator Gorst’s amendment here. As Members are aware, the Government Plan Review Panel also felt that there was a desperate need to ensure that the borrowing that is proposed through the Government Plan is restrained and short term and that other options are looked at. We are a very wealthy Island, it is true. Yes, of course we must maintain that strong base that we have and in fact build upon it for not just our own but for the future generations. That is the main driver of our concern in relation to borrowing, that the long-term impact it may have on generations to come could be quite severe, and the purpose of this amendment is to ensure that the severity of that impact is minimised because we must always think about the future. I understand the arguments of both of the 2 previous speakers and of course that is why a strategy is needed when looking at the divestment of assets. A long-term view and the benefit to the public must also be taken into account, but there is no point being asset rich and cash poor. Deputy Young spoke about the La Folie Inn as an example of our lamentable approach to managing estate. It is absolutely pointless to own property but not use it to good advantage, so an estates strategy would be able to write in aspects of finding and delivering public use. From my own experience in my previous role, we had great difficulty in trying to identify a suitable site to create a family hub to the west of Town. There were buildings that were available but none of them, despite being in public ownership, were fit for use, which is a ridiculous position to be in in an Island where space and property is of a premium. It is in fact one of the things that is preventing the delivering of affordable homes. I agree with Senator Mézec that we do need to look differently at our property and our estate so that we can find opportunities to deliver affordable homes. If we look at the South Hill site, for example, that is about to be turned into apartments and I would imagine, given the view, I do believe that they will be expensive apartments, but it was also identified as a potential and suitable site for the hospital. Personally, it is my view that that possibility should have been further explored. It

offers fine views and a therapeutic environment. It is within easy walking distance of Town, yet it was one of the 9 sites that were, for inexplicable and unexplained reasons, not pursued by the Political Oversight Group and the officials who have been working on the site delivery scheme for our hospital. I think that is a very good example. It is important to talk about it, because it is an example of public benefit being disregarded when considering important aspects of our estate. We all want to see our estate managed wisely and managed well and to maximise the great wealth of opportunity we have in the many assets that the States has, but there are alternatives and there are better ways of doing this so that we can achieve a better future for all Islanders and also protect future generations. I hope that those Members who have spoken against this amendment will give some reconsideration and help to fulfil that strategy and ensure that it is one that delivers for the public benefit of all for many years to come.

**The Deputy Bailiff:**

Thank you, Senator. Deputy Morel has a point of clarification, I think.

**Deputy K.F. Morel of St. Lawrence:**

Yes. It is a really a point of clarification from both previous speakers, but it was about the status of La Folie. Both Senator Moore and Deputy Young have raised that in their speeches and I just wondered if Senator Moore could clarify, as she was the most recent speaker, whether the reality is La Folie is not held by the government and therefore could not form part of an estate strategy because it is, I believe, owned by Ports of Jersey. I may be wrong, but I would be grateful if the Senator could clarify that.

**Senator K.L. Moore:**

My understanding is the Deputy is correct, that it is part of the Ports of Jersey. However, the Ports of Jersey is an arm's length organisation and ultimately within public ownership, and therefore its potential and benefit for the greater public good is part of our remit, in my view.

**1.1.4 Deputy M.R. Higgins of St. Helier:**

Debt has always been an anathema to the States, but out of necessity the States has had to borrow on 2 recent occasions and is planning to borrow on a third occasion for the new hospital. When I first came in the States in 2008, the government policy at the time was such that many projects were going unfunded and in fact the policy adopted by people like Senator Gorst when he was the Chief Minister on 2 occasions afterwards was that we hardly spent anything on social policy. The Island was well behind in many areas because of a reluctance to spend. It was always a case of having to balance the budget every year, an absolutely insane economic policy. I must compliment, the one thing that the Government did do was bring in the Fiscal Policy Panel, an independent body of experts, economists who had worked at the Bank of England and for U.K. (United Kingdom) Treasury. They brought sense and they said: "You have got to balance your budget not annually but over the economic cycle." The idea is that certain years you will have lots of expenditure, mainly because let us say the economy is in recession or is not performing terribly well and it needs an injection of money, so yes, you spend more than you are earning, and then in the years that the economy is doing exceptionally well you put the money back and therefore over the cycle you balance the budget. Excellent. It took years to get that type of thinking into the Island. Now, as part of that thing of injecting into the economy when you do not have it is you borrow. Borrowing by all Governments has been a means of making up that gap and being able to put the money into the economy, so it should not be dismissed automatically, as many people in the States do. In fact, I would also say I put other Members ... and I should not just name Senator Gorst, it should be the other Members who were in the C.O.M. in that time, which included Senator Moore. We have to get over this thing about debt. For example, you cannot afford to buy in this Island unless you take out a mortgage. If we want to develop the new hospital, we have to borrow and £800 million is a very large sum. If we want to develop Fort Regent,



we are going to have to borrow money or, as they keep on saying, we are going to have to go into a public-private finance initiative, which normally works out that the public sector ends up paying more in the long run, if you go by U.K. experience. What I am trying to say is that what Senator Gorst is asking us to do is to go back to what we were doing say 10 years ago or more. I think that would be a regressive step. Yes, no one wants to have a mountain of debt and we have to be very prudent in the way that we finance that debt, but do not hamstring the economy. Let me give you just another example. When I came into office in 2008 - I say "into office" as a Member of the States - Andium Homes did not exist. We had the Housing Department. The housing stock was falling apart. I can remember going to Pomme d'Or Farm and seeing how the windows were not properly sealed into the apertures, cold air was coming in, pollution from the chimney at Bellozanne was coming into the homes, all the walls were mouldy. Now, why was this? Because the States were not investing in the housing stock. I blame former Senator Terry Le Main and the former Chief Minister for this. Former Senator Terry Le Main agreed to put £26 million into the Consolidated Fund because the Chief Minister wanted it, and therefore that £26 million, which came from rents and so on, was not reinvested in the housing stock. So what did the States have to do subsequently? We created Andium, but we also borrowed hundreds of millions of pounds to enable them to, first, improve the maintenance of the properties, bring them up to a fit standard and also to start building new homes, which were desperately needed for the population and for the people of this Island. Now, it was a failed policy. They did not invest in maintaining, they were not investing in new homes, they were just cutting money to balance the books. Let us get things in perspective here. If we want homes and we need to provide homes for the Islanders, then we will have to borrow. Yes, do it prudently, as I say, but at the same time do not dismiss borrowing. The idea of selling off the housing stock, I agree totally with Deputy Young. Remember in the U.K. they had major asset sales, and what happened? They sold off the family silver, then you get to the stage where you have sold off an awful lot, in fact, so much that it is not left when you do need it. I am not saying you do not sell things. Yes, we need to look at our property portfolio, choose what we want to keep and what we do not want to keep and maintain what we are going to keep, which is one of the problems we have, because we have not been investing in the maintenance on that housing stock and public asset stock. Let us have a look at COVID. Now, we have had to borrow substantial sums of money. Why?

[10:15]

Because we want to maintain jobs and we want to maintain the businesses that we have and we are trying to protect our economy. Absolutely right. Who would deny that? The truth of the matter is if you did not borrow, you would not be able to do it and then what sort of state would we be in? The new hospital, again we are talking about £800 million which, to be honest, I still find the sum absolutely astronomic and cannot understand why the hospital is costing that much. No one has really explained, when hospitals can be built much cheaper elsewhere, but the truth of the matter is no matter what the sum is, we will have to borrow it and pay for it over time. We are going to have other needs coming forward, which we cannot afford to finance out of normal income, and that is climate change, sea defences. We know that through climate change we are getting more violent storms. In fact, if you go on the Avenue at the moment, you will see some work on the seawall. We know that the sea levels are going to rise, we are getting more violent storms, we are getting more climate effects that are going to affect the economy. To deal with these matters we may have to borrow, so do not dismiss it. We are going to have to do it, but we have to do it properly, but not at all. My view of Senator Moore and the previous C.O.M., she mentioned former Chief Minister Le Sueur and others, because of them social policy in this Island was hamstrung and delayed. This particular Parliament has delivered more in social measures, family friendly measures than any previous Government for as long as I have been in this States, and I do believe that people who are likely to vote for this proposition are not thinking that what we will end up having is the austerity. This is going forward. If you take it to its nth degree, we will have the austerity that George Osborne inflicted on the U.K. for about a decade, and that seriously damaged the U.K. economy. It was the

wrong economic policy and I believe that what Senator Gorst is putting forward at the present time is showing his inclination for the strict type of policies that were pursued by the Conservatives, of which he may be a member - I think he is - that George Osborne pursued, which seriously damaged the U.K. I would not want to see that here in Jersey. On the face of it, it sounds very good. Yes, we have got to be responsible. We have got a debt. We need to pay it off, yes, we do, but bear in mind at the present time, and depending on how you manage this - and there are plenty of experts who can help us - interest rates are extremely low at the moment throughout the U.K., throughout the world, because of the situation that we have all been faced with. For a short term anyway, interest rates will be low. It is a sensible way of financing some of these projects. Yes, we have to look at the repayments, but do not tie our hands at this particular point in time. Just one or 2 other points. The Government Plan review body agrees with Senator Gorst. One of the reasons is many of them share the same economic outlook or same economic view. Now, all I can say is other Members of the States may find this sympathetic. Let us have a really good economic argument down the line, but not on this particular one. We are going to need to pause, and when the COVID thing is over, hopefully next year - although even judging by some of the reports I have been reading, it may take longer than that - then we may have to look at this again, but do not let us do a knee-jerk reaction just right now because Senator Gorst wants to get this thing in. Just one other comment. Senator Moore mentioned she wanted a family hub west of Town and there were no public buildings. I would just like to tell Senator Moore there are discussions going on with Property Holdings at the moment about taking over the old OTC site at First Tower for a family hub. We have the youth club there at the present time, and thanks to the Law Officers' Department moving their files from there, the Social Security Department moving their files from there and also the Viscount's office, we now have a building that can be converted into the family hub that we want for the west of St. Helier and the west of Town. So things are going forward and with the support, I hope, of the Minister for Infrastructure - his officers are very much in favour of it - and if the Minister agrees, this will soon come into the ownership of St. Helier for the people in this part of Town. If we take a strict policy, we will be selling that building off for development for others. We have to balance the social needs in this Island and income needs because, as I say, we have to balance things; yes, everything is a balance, but do not forgo the social needs that we require simply to follow an economic doctrine that has been found to be flawed in the past.

**The Deputy Bailiff:**

Thank you. Deputy, are you prepared to receive a point of clarification from Deputy Morel?

**Deputy M.R. Higgins:**

Yes, Sir.

**Deputy K.F. Morel:**

It was just simply in his speech Deputy Higgins referred to former Senator Terry Le Main and then he referred to "and the former Chief Minister." Obviously there have been 3 former Chief Ministers. I was wondering which one he was referring to.

**Deputy M.R. Higgins:**

Yes, I am quite happy to explain that. That was former Senator Frank Walker, who basically was behind Senator Terry Le Main. I must say - in fact, I will say it publicly - I do get annoyed sometimes with the likes of the newspapers, who give columns to former politicians and so on, who spout about the lack of housing and the need to do this and that when they have failed totally when they were in control. I do blame Senator Le Main and Senator Walker for the failure to deliver houses and good houses for the people of this Island. That £26 million could have saved an awful lot of grief and terrible housing that occurred in this Island up to more recent times and Andium and the investment. That was through borrowing.

**The Deputy Bailiff:**

Thank you. Senator Vallois, you have a question for the Attorney General?

**Senator T.A. Vallois:**

It is in relation to paragraphs (j) and (k) of the amendment. I wonder if the Attorney General could advise, under the Public Finances (Jersey) Law, Article 18, it refers to the power to reallocate. I wonder whether the Minister would be responsible, should this be passed, to give the States at least 4 weeks' notice with regard to moving the said funds that are referred to in those 2 paragraphs.

**The Deputy Bailiff:**

Thank you, Senator. Attorney General. Are the Attorney or Solicitor General on the line?

**Mr. M. Jowitt, H.M. Solicitor General:**

Forgive me, it is the Solicitor General. I have got microphone problems. To answer the Senator's question, I think that under Article 18, paragraph 4, if this were a reallocation, then the Minister would have to give the States at least 4 weeks' notice of the day on which she proposes to give a direction under this Article and that direction would be that a specified amount appropriated under the plan for one head of expenditure - that may be, for example, expenditure on COVID-19 matters - would be allocated to another head of expenditure. In this instance, that would be to pay down any outstanding sum on the R.C.F. I think that probably is right and 4 weeks' notice probably would be required to be given.

**1.1.5 Senator S.C. Ferguson:**

Members will recall the suggestion that I brought to the Assembly in - I do not know - 2018, 2019 that the States should split up J.T. (Jersey Telecom) into a retail section and a centralised network hub. This would keep the profitable part in the States control and the network would reduce ... splitting up the retail network would effectively bring the competition into the area of the retail. It would keep the network in the competitive area, which would effectively reduce retail prices, making them be more beneficial to the public and efficient. I will not go over the detail, but I will refer Members to my relevant propositions, which were, as I say, 2018, 2019. Members, rather, as you will recall, that I wanted to ... I would stop the use of Chinese equipment in circuits and, as you will recall, it became necessary because of the obligations with the U.K. G.C.H.Q. (Government Communications Headquarters) and so on. I agree about the waterfront, particularly with Deputy Young. The original concept was of a living area combined with some work areas and the entertainment areas, but since the original concept was launched, the S.o.J.D.C. (States of Jersey Development Company) and the Treasury team or the Minister for Treasury and Resources of the day has changed the whole concept. First of all, the S.o.J.D.C. has not been controlled properly. For instance, they overstated their property last year. When the Auditor General reported on it, it turned out that it was not £11 million, it was £7 million. Now, that is quite a lot of pounds different in your arithmetic, but nobody seems to have really said anything or done anything. Where was the oversight? To think of selling these sort of projects or companies, it is absolute rubbish. The emphasis has now become on offices and financial gains. Now, the annexe in the memorandum of understanding gives specific instructions for valuing the property when it is transferred into the various subsets of the States, the wholly-owned subsidiaries, but I am quite doubtful of how it has been applied, especially if they have not had the proper oversight. I am particularly doubtful of the following on-sale, as is proposed, of the Waterworks, the J.E.C. (Jersey Electric Company), which are partially independent companies. Then to talk about, even think about, selling off the ports and the airport, no, I do not think there is enough knowledge of management of estates. It has not been the same since we had ... oh God, what was his name? It was going along very nicely until the Minister for Treasury and Resources of the day managed to get rid of the current Director of ...

[10:30]

**Deputy M.R. Higgins:**

David Flowers.

**Senator S.C. Ferguson:**

Thank you, yes. Sorry about that. I do not like this sort of thing, when it is just being a fire sale. I am sorry, I do not think any of the ... it seems to be filling a gap and just sort of putting something into place because it is nice to be able to sell something to cover the gap in the budget. I would like a little more careful thought given to it. At the moment, I am objecting to it, so I shall not be supporting it.

**The Deputy Bailiff:**

Thank you, Senator. Deputy of Grouville, a point of order.

**Deputy C.F. Labey of Grouville:**

Yes, thank you. It has happened quite a few times recently, where officers' names are mentioned in debates, and I always thought that officers were meant to be referred to by their title rather than their personal names to protect them because they have no right to reply.

**The Deputy Bailiff:**

Deputy Labey, you are quite right to raise that, and that is the practice. Members should be careful not to name officers by name, unless it is essential that they are named, and should generally refer to them by their titles. That is consistent with Standing Order 104, which I have got in front of me, because I was having the same thoughts myself. Thank you for raising that, Deputy of Grouville.

**1.1.6 Deputy D. Johnson of St. Mary:**

Perhaps I could first touch on the point of clarification raised by Deputy Morel regarding La Folie Inn and its ownership. As a member of the Scrutiny Panel at the time of the incorporation of Ports, I do well remember that, yes, La Folie was included in the portfolio of property transferred to Ports. Further, it was in Ports' business case for development in putting their case forward. I therefore agree with Senator Moore's response, it is deplorable that nothing has happened to it since, but there we are. The other aspect regarding property owned by Ports, I think it is relevant to point out that in the M.O.U. (memorandum of understanding) prepared at the time of incorporation, there is a specific clause which requires Ports not to sell any property without the consent of the States. In addition to the leverage which the States has as majority shareholder or sole shareholder, there is also that aspect. But my main point was to respond to the, in some ways, valid comments made by both Senator Mézec and Deputy Young regarding the sale of property. Certainly on any sale we should be looking at matters other than just the price, but I do not think that their concern conflicts with the form of the proposition, which is to request the C.O.M. to agree an estates strategy and to include a list of potential sales. I imagine - and I am sure Senator Gorst will cover this in his summing-up - that the estates strategy he is contemplating will indeed identify those areas which might be retained for such things as housing and so that they are not identified as sales, so I would like to think that the valid concerns expressed by those 2 Members will be well covered. Having said that, I do have one point of concern, which relates to a not dissimilar matter included in an earlier M.T.F.P. (Medium Term Financial Plan). I refer here to the question of the introduction of waste charges, which were included in the M.T.F.P. concerned and as such were passed. When it came to them being considered by the States on a standalone basis, one of the defences of the Minister involved was that they have already been approved by the Assembly, there was no need for the degree of consultation which one might otherwise expect. I would like the Senator, in his summing-up, to confirm that quite apart from including any States strategy in the next Government Plan, it will be subject to full scrutiny by the relevant panel and so the matters which are of concern to Senator Mézec and Deputy Young will be

properly addressed at that stage. Provided I have that assurance, I repeat that I do not think there is anything in this proposition which offended the concerns of those gentlemen.

#### **1.1.7 Deputy K.C. Lewis of St. Saviour:**

While broadly in favour of the amendment, my department has a large number of capital projects which are currently underway, for which contractual commitments have been made. I trust that the prioritisation of underspends in respect of these projects will take into account the cost of completion of the projects or the procurement of assets which may be in progress at the end of 2020. I further hope that sufficient funds will be allocated through this new year-end process to enable these projects to continue unhindered and without adversely impacting on the work programmed for 2021. I fully support budgets which are no longer required being used to offset any borrowing requirements, but my portfolio has already made a significant contribution to releasing funding during the course of 2020 and in the Government Plan for 2021 in both capital and revenue. The impact of an unfavourable prioritisation exercise in relation to ongoing capital projects could cause considerable funding issues should these commitments not be taken into account, something which I trust we all wish to avoid, such projects as St. Mary's School, Grainville School and Orchard House and parts of La Collette sites, to name but a few. If I may make a comment regarding Deputy Higgins's comments, the OTC at First Tower is owned by the States and the lower floor is currently leased to the First Tower Community Association. I know officers are speaking with that particular organisation with a possibility of expanding.

#### **1.1.8 Deputy G.P. Southern of St. Helier:**

I want to point out first of all that we, as an Assembly, are a Government. We are not a business, and whereas these 3 small paragraphs, as presented by Senator Gorst, may be completely relevant for the running of a business, they are completely wrong for us as a Government to take these prioritisations. Let us just have a look. I believe that the Senator presents this as a minor change, it is merely putting what would be in the report into the main body of the proposition, but that is no minor change. What we have here is a complete stranglehold on the ability of this Government in 2020 to govern, govern in respect of not just business but of its people. So let us look carefully at these 3 paragraphs. They suggest: "To agree that the Minister for Treasury and Resources should prioritise the application of any unspent funds in 2020" so be careful as you go through the year that things scheduled to be spent do get spent, because otherwise this prioritisation may well kick in and you will be left with nothing by the Minister: "Any unspent funds in 2021, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund, and used to minimise the borrowing requirement from the revolving credit facility as set out in part (c)." This is a must, this: "You will prioritise this spend", limiting what you can do. Just to illustrate the difference between Government and business, I turn, as I have done throughout this debate on amendments to the Strategic Plan priorities, of what we should be doing and what we have to compare should we fail to spend in these particular areas with priorities such as paying back our borrowing. For example, what we signed up for - and there may be little of it left, the proposed Common Strategic Policy of 2018 to 2022, remember we are only 2020 - we will put children first, Government, not business: "We will work to address the underlying causes that contribute to the known gaps in health, well-being, and learning and development throughout childhood and adolescence. We will use the latest policy evidence to bring forward approaches that address the barriers that hold some children back throughout their childhood; for example, living in overcrowded or poor quality housing, living in families with low incomes and limited access to primary care services, such as G.P.s (general practitioners) and dentists." It goes on to say: "We will improve Islanders' well-being and mental and physical health. This C.O.M. will embed health and well-being considerations at the heart of all government policy [not paying back debt, but health and well-being] acknowledging that government action can either narrow or widen the gap in health outcomes between different groups in our population. With investment in sport, culture and the environment and with health as a shared

priority, we will strive to create the conditions that enable all Islanders to lead active, healthy lifestyles to support their physical and mental well-being.” Here are some priorities, and spending legitimately, we have set out to spend here, not paying back debt because that is the thing that business may do, but Government should not be doing: “We will reduce income inequality and improve the standard of living.” Again, appropriate priorities for this Government, but not for business: “Our average income per person is high, but this hides large gaps between the highest and lowest earners. There is concern about growing levels of income inequality and the negative effect this will have on our community and economy.” Once again, concern that it is properly addressed by a Government that knows what it is doing and is governing properly, not just acting as a business. Then we come on to environment: “We will protect and value our environment” and look at this phrase: “Secure and affordable energy supplies underpin our economy and social equity. The public clearly recognises and values the environment, as evidenced by the Future Jersey responses. We must also demonstrate to global partners that we take our global environmental responsibilities seriously.” Again, expressed by the people and expressed by us as Government, this is an appropriate priority and should be spent. If for any reason there should be any slow-up in that spending, then look out, in kicks this priority to pay off debt. Listen to it: “Where we need to focus our efforts.”

[10:45]

This is again back to our original strategy, which laid out the next 4 years: “The challenge is to achieve our ambition in the context of ‘good growth’ that is socially responsible and balances the challenges of an increasing population, which puts pressure on resources, including more severe competition for the use of a limited amount of land [again, back to the land argument, what is the appropriate use for that land] generates more travel, and reduces the life span of critical infrastructure. We need to design and deliver ‘great liveable communities’ where everyone has access to high-quality and affordable accommodation, open and play space, and active travel and transport networks.” Look at the arguments we have had yesterday over those environmental aims, nebulous, hard to focus on, but look out, this amendment will have that spend and have it in its own bucket to pay back borrowing, historic borrowing, and divert us from the proper duty we have as Government to look after our people in the widest possible sense and not in the narrowest possible sense of paying back debt. This is a stranglehold on the ability of this Government to govern and should be rejected. I urge Members to reject it wholeheartedly.

### **1.1.9 Deputy S.G. Luce of St. Martin:**

I will not keep Members long, but I would like to just say a few words, if I can. I will not be able to defend Senator Gorst’s position as well as he can himself and I will not even attempt to do that, but I would like to try to maybe bring some middle ground or compromise to this debate because we are, on one hand, looking at the amendment from the Senator and on the other hand hearing from people about the battles between Government and running a business and about prioritising cash over the value to the public. Surely in all these cases the middle ground is the best place to be because the Minister for Treasury and Resources has to look at funds as a business but, at the same time, Government have to be socially responsible for all the people who live on the Island and have to balance that. When it comes to the property portfolio, Members may be aware - and certainly the Minister for the Environment and the ex-Minister for Children and Housing should be aware - of the absolute enormity of the States property portfolio, some of which must be sold and the money put to better use. We are spending a huge amount of money insuring properties which are empty and which we cannot afford or do not have a good use for, but at the same time there are buildings in our portfolio which could do so much better and we must do better. But the first point I just want to make is following Deputy Southern, who has tried to convince Members that parts (j) and (k) of this proposition are going to preclude monies being able to be spent during the year. The important word in both (j) and (k) is “unspent” because monies cannot be unspent until you get to the end of 2020 or to the end of 2021 and only at that point do you know what has been unspent, so those 2 paragraphs

do not preclude spending within the year, they just say: “At the end of the year, when everything else is done and finished, if monies are left, this is how we should use them.” Then we get to part (l), the third paragraph of the Senator’s amendment about the property. The important words there are “strategy”, yes, and a strategy is something you put forward and you try to follow. The second bit is “potential” because it is not saying: “Sell all the property in the portfolio.” Do not sell the silver and the jewels that we have, but list the potential sales, and of course, as Members will be aware, sales cannot happen until that notice of that sale has been put through the States Members and they have had the opportunity to object. Of course Deputy Young will know only too well the ability to stop the potential sale of property, because if I remember correctly, I think he had a great hand in Piquet House not being sold, as was proposed, and that property still sits there on the other side of the Royal Square not being used to the best of its ability, in my view. I finish with this, and it is to do with the waterfront and optimising value, optimising the ability to do the best for your citizens. As anybody will know who has applied to build multiple properties on a site for housing that if you put in an application these days for bungalows, you will be told by the Planning Department that you are not optimising the site to the best of your ability and you need to build buildings which can accommodate more people and not waste the square footage. It may be that we could put 100 units of social housing at the waterfront, but the possibility has to be realised that selling a site on the waterfront will probably allow you to build multiple hundreds of units for social, for over-55s, for young families in other parts of the Island when the sites are identified. It is a shame. I appreciate that the Island Plan is being consulted on at the moment, but it is a shame that in the last 2 years we have not seen additional sites coming forward for affordable housing, for social housing, for over-55s, for young families because there is a desperate need and we must keep going. I finish with this: Government versus business, cash versus value for the public. The answer surely is in the middle, public-private partnerships. I urge Members to support this amendment. I think it does the right thing. If we borrow money, we must not spend it frivolously. We only need to borrow what we really need to borrow and no more, because somebody is going to have to pay this back. This is not free money and there must be property in the States portfolio which can help us to do that. I would urge Members to support the Senator with this amendment.

#### **1.1.10 Deputy K.F. Morel:**

I would like to pick up where the last speaker left off and that is with the idea of the cost of borrowing because we have some very interesting speeches today. It has been straight in first thing in the morning with a really good, interesting debate, but totally understand many speakers’ concerns about spending and not spending on those social services that Islanders do need. That is totally understandable that there are concerns about that, but one thing that I can promise stops Government spending on public services and services which help Islanders and our society and that is debt repayments, interest payments to bankers and institutions. I can guarantee you that paying debt, paying interest to banks means that money is not being spent on delivering the common strategic priorities. Indeed, we heard from Deputy Higgins about the amount of debt that the Government is going to be taking on. We are looking at the hospital, we are looking at the COVID recovery, we are looking at climate change and we already know that Andium and Ports have their own debt. Let us just tot that up very quickly. Hospital, £800 million; COVID, £500 million; Andium, £250 million; Ports, £40 million. That is before I have even got to climate change because we do not know how much that is going to cost yet, so that is a big question mark. But the ones that I have mentioned tot up to £1.59 billion. Sorry, billion pounds, a really important zero missing there or 3 zeroes missing, so £1.59 billion of debt. Now, Andium and Ports theoretically are going to be paying off their £290 million of debt themselves, so we will put them aside. That leaves us with £1.3 billion of debt that the Government are directly responsible for paying back and that is before we have got to climate change, so £1.3 billion of debt. Now, let us assume a 3.5 per cent interest rate on that £1.3 billion of debt, shall we? A 3.5 per cent interest rate, which in today’s market ... because people keep saying it is low interest rate. It is a low interest rate but that is because interest rates are normally 6 per cent,

7 per cent, 8 per cent, but at the moment you may be able to borrow at 3.5 per cent, but that can go up very quickly at any point. 3.5 per cent on £1.3 billion of debt means that £45.5 million of Government revenue every year will be spent paying bankers, so that is £45 million or £45.5 million of debt that will not get spent paying nurses, will not get spent paying teachers, will not get spent upgrading sports facilities or encouraging people to become more active. It will not get spent on reducing income inequality because we will be giving it to bankers and those bankers will be making a handsome profit therefore on that. What I am trying to say is that it is not a clear-cut case, as we have been told today, of ideology versus ideology. This is about good financial management and just looking at the position we are in and trying to make the best of it. I am not arguing that we should not take this debt. Of course we know many of us are resigned to it, but we are practical human beings. I am paraphrasing somebody else here, we are practical human beings and our initiatives should be dictated by the demands of circumstances and not by ideology. It is not right to be stuck in the prison of an ideology. The only ideologies that I see here are this idea that Government should hoard and it should hoard its assets, and no matter what that asset is, even if it is a little sliver of land at the end of a road, it should be hoarded. That, in my view, is not making best use of our assets. I look at this amendment before us and I do not see something which says: "The Government must sell its property portfolio." I have been accused of a strawman argument. The only strawman argument that I saw today was accusing Senator Gorst of having an ideology. That was a strawman argument. Instead Senator Gorst, I believe, is arguing for financial management and sound financial management. It is right, as this proposition asks the Government to do, to look at their estate strategy and to see how it can be put to best use. Deputy Johnson said that himself, the Deputy of St. Mary. It is wrong just to keep that for no reason whatsoever. I completely agree with Senator Mézec when he says social use should be made of the assets. I have got no problem with that whatsoever, but if you have pieces of land which cannot be put to good social use, then it is right that the Government looks to realise what it can. Maybe part of that social use is selling it to Andium so that they can then make use of it in the way that they would. I do not have a problem with that and there is nothing in this proposition which says that that cannot happen. I am, as you can see, quite passionate about the idea that we should not be trying to say that this is about one ideology versus another. That is rubbish. This is not about ideology. Indeed, I found it interesting. Deputy Higgins himself said that it is right to look at the property portfolio to see what we have and see what we can make best use of it. He then stopped, and I think he stopped at that point in his sentence, he did not quite finish his sentence because he suddenly realised he was arguing for the amendment, because it is right to have a look at the property portfolio, see what we can best use of it in a social way, see what is worth holding on to, and for those bits of land, for those bits of property which we cannot see a good way of the Government developing them for social use itself, then it is right that we look to use that to reduce the amount of debt, because the amount of debt that we have is not just about big figures, the £45.5 million a year that we will be handing to bankers instead of spending on public services. It is also about the future for young people in this Island. In my lifetime, I have lived on an Island which has not had debt. Since the beginning of this Assembly, we have seen the question of debt rise. COVID has forced our hand on that matter. As I have said, the Government will be directly responsible for at least £1.3 billion of debt from zero. That is forgetting about the arm's length organisations or the States-owned entities. I think we need to look really hard at what we are offering our children and the young people of this Island, who not only have faced the financial crisis of 2008, which reduced their job prospects, not only have had to cope with COVID and the economic crisis that is following COVID and thus reduces their opportunities and prospects for the future, this is an Island which has a brain drain: 50 per cent of Island graduates never come back to Jersey.

[11:00]

That is likely to continue if we cannot offer an Island that has opportunity and the possibility of prosperity here. If we saddle them with just a debt and just think: "That is okay. They can pay for it. We are going to take £45 million out of our spending each year in order to hand to bankers, and



by the way, you children, you have got to deal with that debt” because that is what debt does, it passes it to your children, then I question how we are offering a beautiful and prosperous society for our young people after the massive economic crisis that they have already had to face. This is a proposition about prudence. It is not about slashing, it is not about fire sales, it is not about ruining anything for anyone or handing over the Crown jewels of the Island to developers. It is just about taking a reasonable view of what the Government can do best with their current property portfolio, what it cannot use the property portfolio for. I wish people would stop chatting in the chat, because it is mildly off-putting. I think the States Assembly should read this proposition for what it is. It is not directing anything except for the Government to take a look, to take a breath and to think about how best to make use of its resources. That is what every Government should do. To argue otherwise is the argument of people who are trapped in their own ideologies and perhaps they need to look. Before they accuse other people of being trapped in ideologies perhaps they need to look at their own perspective, because part of being a States Member is constantly questioning yourself and what you are thinking about and why you think something is good for the Island. I am constantly doing that and I would ask others to do the same. They can start by looking at the proposition and thinking about what it said. It just says: “Let us bring some sound financial management to the accumulation of debt in this Island.”

#### **1.1.11 Senator J.A.N. Le Fondré:**

I am delighted, as a former Deputy of St. Lawrence, to follow one of the present Deputies of St. Lawrence, because I agree almost entirely, I think, with what he said. I will obviously be supporting the amendment. It is supported by the C.O.M., and really just to put a degree of further flesh on to it, in the comments, Members will note that we already have an intention laid out in the Government Plan and it is something that I personally was very keen on pretty well from day one, when we got to discussing the levels of debt that we are required to carry as a result of COVID. Certainly if one goes back 5 years ago and completely different circumstances, I was definitely not a fan of carrying debt and would have sought any other ways of trying to avoid it obviously to achieve the projects that were envisaged at the time. We are in different circumstances and I think, Deputy Morel, it is the demands of those circumstances that lead us to where we are. I am very clear. If, for example, the actual income that comes in is better than the income forecast, for the sake of argument, in my view that difference - which will effectively happen by default - must go to making sure the overdraft facility, if you like, the R.C.F., is less and we do not suddenly say “yippee” and we can go and spend another £X million on another project. From my perspective, that does not fit well in the psyche of the Island and we have just got the point of the principles already laid out in ... I will just check the page reference there, but I think it is page 118 of the Government Plan, which says: “We will look to use a combination of unused and uncommitted capital allocations” and it continues to reduce our future borrowing requirements. Certainly when I was in the very privileged position of being given some very indicative cash flow forecasts in early days of the Government Plan coming together, and obviously in the present Government Plan there is not significant provision for any capital receipts coming in. Now, obviously if capital receipts come in, for example, then for me the priority should be that those go against reducing the debt levels that we have. That goes all the way down the line. If we achieve additional efficiency savings, then in my view the majority of those savings should be going into reducing the debt and so on. My one comment to Senator Gorst when he mentioned these to me was something about the best form of flattery was plagiarism, but in other words, we were entirely ... well, we were of very, very similar minds as to how we can treat measures and how we can attempt to seek to reduce the debt quicker than what might be envisaged under the short to medium-term borrowing plans. That relates to any debt. Certainly wearing a different hat, in a professional capacity I have lived in debt in one organisation when we had no choice and we have lived with debt for whatever it is, for 30 years now, I think, that the organisation has been in place, but that is offset by income, so we can do that. But Deputy Morel is right, there is a balance between the level of debt we have to carry or should carry and also the consequences, one does have to fund

it, but we are in, as we keep saying, extraordinary times. So from my perspective, provided we have a payback period overall of overall debt and that is within a reasonable period of time, consistent with, for example, the payback periods that we will see in social housing on capital projects and things like that, then I am comfortable with that. But if we can have receipts that do come in that are not presently budgeted for, then from my view, the allocation of those receipts should have some rules put around it. In essence, that is what Senator Gorst is trying to do. He is trying to make it firmer by putting it into the proposition rather than it being in the report. It is presently in the report, in my view, in the broader sense. On that basis, I see no reason for not supporting this amendment and I would obviously encourage all Members to also support it.

#### **1.1.12 Deputy R.J. Ward of St. Helier:**

I was going to speak earlier and I could not click on the button, but I will do so now; it might be an opportune time. When the Scrutiny Panel brought forward a supposed amendment, I made it clear to Senator Moore - and it was nice to have the discussion at that time, being able to have a proper discussion in Scrutiny - that I would not support anything that suggested selling off anything owned by the Assembly, by the States, at this time. I do not believe that this is the time to do that. Selling off the family silver at the moment, I think there are pressures for us to do that and those pressures are based around a number of areas. One is the really concerning level of debt that we all face and I absolutely understand that. It must be understood as well that the vast majority of that debt is one particular capital spend, which is that of building a new hospital and long-term benefits of that and the long-term impact of that for the Island's well-being, for the Island's quality of life is something that we have to consider and something that we have to pay for. Now, in terms of this amendment, my concerns with this amendment are threefold. First of all, in the first 2 parts it seems to be unclear as to "prioritise the application of any unspent funds in 2020." What a different day from yesterday, because I find myself in agreement with Deputy Lewis when he talks about the problems that we face in losing allocations in 2020 for projects, which includes in this amendment capital expenditure that perhaps has been delayed for some reason because we are in strange times and so therefore this could have a very negative impact on projects that are ongoing if we are not careful. There is no detail in that part of the amendment to do that. I think in its broadness it is a very clever political strategy to take control of that sort of spend. I must say, to say there is nothing ideological about it I think does really miss a point. This notion of apolitical politics and just the well-being of the Island I think is a very strange argument to make and I think it is one that we do not exist in a political void and so there is an ideological basis to this. The second part, part (k), which says ... again, the same issue arises in 2021, unspent funds in 2021. We had the same problem in terms of how those funds will be spent, so one of the things we have had to do as a Scrutiny Panel is to talk about not losing money from pupil premium because it was not spent in 2020, but that was a particular situation with COVID where certain projects could not happen because they are face to face, so we had to amend so that that money was not lost in the future. The knock-on effect of taking back that unspent money was significant. We need to recognise that in this amendment. I think there could be recognised consequences to taking that approach, particularly the "prioritise" word. We are unsure as to how this Government prioritises, the influence of Ministers and the influence of officers in that prioritisation. While that uncertainty is there, I do not think we should be agreeing anything that simply says "prioritise the application of unspent funds" because we do not know who is doing that. But the most, I think, risky - the most dangerous - part of this amendment is the last part, to talk about the list of potential sales and the estates strategy. I would like to ask Senator Gorst when he sums up to address the issue of whether or not there are plans afoot being developed by officers to outsource all of States of Jersey property to a quango like the S.o.J.D.C. and give all of States of Jersey property the control of that arm's length body because, if so, any development of that means that this Assembly loses control of the property portfolio. The drivers behind what happens with that portfolio change, and we do move from that provision of social care, the provision of a future long term with what is owned by the States to one of short-termism perhaps for projects which are difficult to question by

the States Assembly, because again, as we have seen before with the S.o.J.D.C., decisions have been made in the past that have not come to the Assembly appropriately, just before the elections, for example. I would be very concerned about that move. I believe this is a slightly opportunistic amendment which does look very gentle, if you like, very harmless or inconsequential, but the effects of this could be quite significant for both spending in the next 2 years and the Assembly in the long term. The issue of debt must be seen in context and the vast majority of that debt is through building of the hospital and we have to face that in some way, but I think selling things now, selling off now and having a project to sell off ownership before it is developed, will just simply put those assets that we have in the hands of the private sector, which is an ideological approach, and those in the private sector and business will not take on a project unless they feel it can be beneficial for them in the long term. That is the approach I think we need to take as a States Assembly: is this beneficial to us in the long term with the debts that we have incurred? I would say finally that I believe that this type of amendment should have been part of a separate debate on economic policy and recovery. To put this into the Government Plan in this way ... and it was not even going to be debated. I must remind Members of this. This was going to be rubberstamped through this Government Plan and I thank Senator Mézec for pulling, if you like, the States Assembly up on this and getting us to debate it because I think there is a greater depth of consideration that needs to happen of this small amendment. I would say to Senator Gorst: please address those issues, and particularly the issues of the plans that are afoot for the States property portfolio because I think unless we are aware of that and that is made clear to the Assembly at this stage, we cannot be agreeing something like this because we do not know the long-term consequences and there could be consequences that are not clear in this small amendment, but will become clear in years to come.

**The Deputy Bailiff:**

Thank you, Deputy. Does any other Member wish to speak on this amendment? If not, then I call upon Senator Gorst to reply.

[11:15]

**1.1.13 Senator I.J. Gorst:**

I did not quite expect us to have been speaking for so long on this amendment, but there we are. We can never tell such things. We have heard a lot, and I think the last speaker alluded to it as well, about ideology. I, for one, am not afraid of political ideology. I sometimes am surprised when I meet fellow politicians who do not have a particular political ideology because I think we all go into politics to make decisions, to improve our community, and of course we come at that from an ideology position, I think sometimes whether we are aware of it or not. There is nothing wrong with Members standing up and saying that they disagree with my ideology. I have got to say that other Ministers and former Ministers today have said that the current C.O.M. is a coalition of ideologies and so it is; so it is. I think I have referred to in the past that sometimes I feel as though I am in a minority of one, but I certainly enjoyed having conversations with Senator Mézec around the C.O.M. table and I think it is fair to say that he and I have articulated our differing ideologies and expected each other to articulate our differing ideologies, and there is nothing wrong with that. That is where debate and decisions should be made because we have another amendment from Senator Mézec, I assume supported by his party colleagues, later on around changes to taxation. He has always been clear that he thinks that additional funding or funding for new projects - and it would appear, although it was not said, but I think we can draw this conclusion from his fellow party speakers - that increasing levels of debt, as Deputy Southern spoke about, can be funded by increases in taxes and we are going to have a debate later about where they think in this Government Plan those increases in taxes should come from. I, of course, take a different view. I pick up on a word, which is an old-fashioned word, and a number of speakers later in the debate have used it, and I think Deputy Higgins was the first person to use the word, and that word is "prudence." We often live in a society where that is a frowned-upon word, but Deputy Morel I think eloquently explained why prudence is important. We

have heard of course a number of Members today criticise myself - and it is perfectly legitimate, I am here in the Assembly and I can stand up for my view of the world - but they have also criticised previous politicians and pointed out where they feel that mistakes have been made in the past. Let us be clear on one thing. In 2020, we have come into this year of crisis and pandemic having been prudent in the past. We may not all agree with all of those prudent measures of the past, but it is that prudence that has led to us coming into this pandemic crisis, which will turn into an economic crisis and is already turning into an economic crisis, it is that prudence that has allowed for a strong economic position that we have found ourselves in, and also relatively strong public finances with a large Strategic Reserve, which rightly the Government have decided not to sell down because of the volatility of that market, so prudence does have value. In a Government Plan that increases public expenditure quite dramatically, as did last year's Government Plan, Ministers have sought to limit the increase in that public spending and worked hard to do so, but it does still increase dramatically public spending for all of the reasons that were outlined in the Government's strategic policy document, that the Government wished to spend money on. I have been very mindful of those political priorities in formulating this amendment because this amendment talks about and the first 2 paragraphs refer to underspends at the year end, so it does not limit Ministers from delivering the political priorities that this Assembly has set them. They have budgeted amounts in the budget for this year and, providing the States Assembly approves the Government Plan, they will have budgeted amounts in the plan for next year. Those budgeted amounts are based upon delivering political priorities. What the first 2 paragraphs of this amendment does is ... and it is something that I have banged on about for a long time. It differentiates, rightly, between spending and budget. We can all budget and forecast what we think a policy delivery might cost, but we do not know what it will have cost until we get to the end of the year. This is why Senator Vallois asked the Solicitor General about the Public Finances (Jersey) Law and the 4-week period if there were to be any movement ahead of expenditure. This amendment does not require a movement of a head of an expenditure. If it did, then the advice that the Solicitor General gave came into play, but I purposefully did not want to get into the situation where it was difficult for Ministers, who rightly are delivering their priorities. This is an amendment that says: "If delivering your priority through the year has not required you to spend all your budget, then that unallocated amount of fund should be offset against the amount that the Minister for Treasury and Resources will be required to draw down next year of the R.C.F." Because Deputy Southern said: "We have spent all this money in the R.C.F." We have not spent all this money in the R.C.F. There has been one decision to draw down £50 million from the R.C.F. to deliver the Fiscal Stimulus Fund, but that will not be spent until next year, so the state of the public finances is such that we have been able this year to manage even in the midst of all this crisis incredibly well to provide for COVID. The challenge for us is next year, where we continue to expect to see that the effect of reduced business activity means that the tax take next year will be less, quite substantially less, and yet we still have our priorities to deliver next year, which means that next year we are forecasting that we will need to draw down extensively, to the tune of £335 million, and that is on top of the £50 million, which is why we get to that £385 million that we might have borrowed by the end of next year. That is why this amendment is drafted in the way that it is because it is asking Ministers, as they have agreed to do - this is the other issue, of course - in the wording of the Government Plan, it is asking them to make sure that when they have met their priorities and there has been underspends we do not just simply use those underspends for something else, but we use them to offset what we would need or might have needed to borrow from the R.C.F. Rather than saying: "Okay, this priority has cost us less to deliver. Let us find another one to spend the extra money on" it is prudently saying: "No, we therefore will not need to draw down the amount of money on the R.C.F. because we have got these unspent balances." I was surprised to hear Deputy Lewis' speech, because as he knows, in the Public Finances (Jersey) Law, we have now moved to a cashflow management approach to projects. If he has pre-agreed and contractual obligations, those of course will be taken into account. We could not do anything else, so they would not fall into the category of unspent because they have been pre-agreed and contractually committed. But departments were

informed by Treasury, they were informed that if they had underspends which arose not from, as I have just said, delivering the political priority for less, so the actual spend to deliver was less than the budget, but if it were for another reason, they were informed by Treasury that they should have put a bid in for 2021. So we must work on the assumption that departments have worked within the Public Finances (Jersey) Law and within the advice that Treasury has provided for them. If they have not worked within the Public Finances (Jersey) Law and that Treasury advice, then that will be of course managed by the C.O.M. in an appropriate way, because the political priorities are - and their delivery of them - intact within this amendment, not as some have suggested. I want to then come on to what seems to have been, strangely, the most controversial of the 3 paragraphs, and that is around the delivery of an estates strategy. I am surprised that it has proven controversial because an estates strategy, we heard some indication that there used to be estates strategies and that they worked well. It is difficult sitting here to see the number of vacant unrepared, unmaintained buildings that have been so, for decades of years that that was the case, but that point has been made. The point of an estates strategy is that you do exactly the thing that some Members have been concerned about, and that is you take a holistic approach to property, you look at all of the property, and this is wherever it is, property that is directly owned by the States, property that is in arm's length organisations and you use that property to deliver your political priorities.

[11:30]

Therefore the way that you value that property is not just about financial value, it is about social value and therefore the points that Senator Mézec made about housing, he is absolutely right that there are sites that could be used for social housing that should be valued for their social benefit, not just for their financial benefit, but we all know that there are properties across the Island which have not been valued at all. They have not been valued other than perhaps through a Red Book process, but they have not been valued for the social benefit that they can deliver. They have not been valued for the financial benefit that they can deliver and those trade-offs have not been undertaken. It is critically important that an estates strategy looks at both of those and it is not unreasonable when one is going through that process to say that to deliver social benefit on one site you might realise financial value on another to deliver that social value. That would be a perfectly legitimate strategy for the Government to bring forward. It is also a perfectly legitimate strategy for the Government to bring forward to say there is no social value from a particular site. In fact, all it is is a financial cost because, let us be clear, leaving property vacant and in disrepair is not enhancing any sort of value to the taxpayer, it is simply losing value and it would have been better at every other point in time to have sold that property to create value and not to lose value. I pick up here what Deputy Higgins was saying. An estates strategy allows us to choose democratically what we want to keep and what we do not want to keep. In making those choices, there has got to be a trade-off or a balance, in actual fact, as the Deputy of St. Martin said, a balance of social value and financial value. What this paragraph says is that in bringing forward that estates value, which I know that the Chief Minister is absolutely committed to doing, in bringing that forward, as has happened in the past, in those balance decisions that the Minister for Planning and Environment wants to make - but he of course also has a very direct involvement in making those balance decisions with his powers under the Planning and Building (Jersey) Law 2002, in bringing that forward - surely it is not unreasonable, surely it is prudent to look at sites that could release some financial value at the same time that we are looking at sites that can release social value. Because the other side of this equation is if we do not we will just continue to build up debt and build up debt and build up debt. Some people are comfortable with a plan over the course of the next year that will say that we leave office in 2022 with a debt burden of £1.2 billion. Some people are comfortable with that. This is where it then comes back to ideology. I am not totally comfortable with that, unless we have a prudent plan to be able to repay it. Now, currently, we are in those 2 years where we have not yet drawn down from the R.C.F., so this is the easiest point that we will ever have in order to manage delivering our political priorities, which this Government Plan allows, and allocating unspent funds to ensure we do not need to borrow or reduce

the amount that we need to borrow, because I absolutely accept we need to borrow. It is about how we can mitigate the amount we borrow and then it is coming forward with a plan to repay it, because in 2 years' time, at some point in 2022, the R.C.F. will either have to be extended for another couple of years or we will have to find a borrowing programme which extends it into the medium term, so you could be talking 10, 15, 20 years or even longer. But it has to be a shorter period from what we would intend the repayment to be for the up to £800 million for the hospital because it is a different type of expenditure that has incurred it, and therefore we have to have a different process for paying it back. We all know - and this is where I do disagree with some of my colleagues - that not incurring the debt or limiting the amount of debt that we wish to use is a far easier decision than having to find those payments every year, as Deputy Morel indicated, because they will become more difficult and more painful and the temptation will be to do, as other large countries do - and I want to come on to this - is not pay down the debt, but just continually roll it over and roll it over and roll it over. But we are not a large country, we are a small ... and I get criticised for saying this, so I will take that word away. We are an Island state and our economy has been successfully based on prudence in the past. We have to borrow to deal with the crisis that we find ourselves in but, in that borrowing decision, we should not throw away that old-fashioned word and those old-fashioned habits which have served us well, and they are habits of prudence. In answer to Deputy Ward, I do not know what the plan is for property into the future. I think we have seen at C.O.M. a draft estates strategy that did not go through all of the properties. That will be a piece of work for next year. Should we be delivering our property strategy or estates strategy in a holistic joined-up way, then absolutely we should, but in regards to the question he asked about who might deliver it, then that I do not know because it is not in my bailiwick, as it were. In answer to the Deputy of St. Mary, of course hopefully I have answered his question. The States will remain supreme on judging the balance between social value and financial value. I see that Deputy Young is seeking a clarification. I will take that now, if I may, before I finish.

**The Deputy Bailiff:**

Yes, of course.

**Deputy J.H. Young:**

Thank you, Senator. I am very grateful for you allowing me to come in. It is a very opportune time because throughout ... obviously in your response to Members, and particularly myself and other Members about the choice between the social value and the cash value of individual properties, you emphasised that. What I would like to clarify, please, if I could, is who will make that choice. The proposition talks about it being the C.O.M. that will make that choice, or in your remarks so far you have explained that the States Members, it will be for the Assembly to decide on those choices. Would you be able to clarify that?

**Senator I.J. Gorst:**

I see there is also a clarification requested from Deputy Ward.

**The Deputy Bailiff:**

Yes. Do you want to have that now?

**Deputy R.J. Ward:**

I apologise to the Senator, I know what it is like to be interrupted. I just thought it would be an opportune moment. I just wanted clarification as to whether the Senator is saying that he is not aware of any plan for ... totally unaware of any plan for the entire property portfolio to be handed over to the S.o.J.D.C. as part of the property - I cannot think of the word - project plans.

**Senator I.J. Gorst:**

The answer to the last question is I have heard anecdotally of all sorts of proposals, but I am not aware of a formal proposal that has been brought forward to the C.O.M., because there are a number of organisations that could deliver value for an estates strategy. I think there is a strong case for Andium undertaking more work, there is a strong case for Property Holdings, which in the past have done a lot of good work, and then of course there is the other arm's length organisation that the Deputy is referring to, which is the S.o.J.D.C. My view is that those organisations should be working much more closely together to a Government-led strategy rather than necessarily any one of them taking on the whole mantle, but as I say, it is not my decision. I am not aware that I have seen anything in black and white being proposed that the C.O.M. have been asked to opine upon in the way that the Deputy suggests, but I have heard lots of anecdotal stories. In answer to Deputy Young's request for clarification, that is why I have carefully worded the third paragraph, so the process is as the process would be expected to be, the C.O.M. to agree an estates strategy so that that can be part of ... or any proposed sales or that balance, that should be in the next Government Plan, which would be for decision by the Assembly. So it has got to be the Assembly that has the ultimate decision and I believe, Sir - although you will be able to correct me if I am wrong - that that is required by law, that the Assembly has the ability to have the last say on property matters. Historically, any sales have always come either in the annual budget or it has always been a decision for the Assembly. Minor matters are done by the Minister, like lease extensions, but they themselves have to be laid before the Assembly, but only after the Assembly previously has agreed in principle that sales should take place. It is a case of C.O.M. would agree the estate strategy, but any sales ... and I would suggest in that balanced decision, any under-sale for social value should also be coming to the States. That is perfectly reasonable. The Deputy has a supplementary clarification.

**Deputy J.H. Young:**

If that is okay, and thank you to the Senator for giving the opportunity. Obviously you are in the middle of the Island Plan process and of course these decisions and what happens to States properties are key to that. Will the Senator clarify his intentions of whether, in the process he has described, whereby the estate plan will come forward - if I understood him correctly - in the Government Plan 2022, that that will be in time for these decisions to be factored into the Island Plan? Please can he clarify that?

**Senator I.J. Gorst:**

I am not sure it is seemly for 2 Ministers to be having this conversation in an amendment debate, but it would seem perfectly sensible that they should be brought forward because he, in his role as Minister for the Environment, I think can help create that social value decision through some of his potential rezoning and policies. I think his policy-making in the Island Plan can very, very appropriately help with those social value decisions. As I understand it, he can help with the social value decision around siting of a hospital as well. Perhaps if that sort of approach had been taken previously, we would not quite be where we are on that particular issue.

[11:45]

**Deputy J.H. Young:**

I am grateful to the Senator there. I think it is helpful to me to hear the Senator's views. He knows of course that the business of the C.O.M. is so compressed, Members do not always have the opportunity to have the helpful discussion and understanding that we have had now. I thank him for his words.

**Senator I.J. Gorst:**

So I finish where I started. We can see this as ideology and I know that some Members do, and that is perfectly legitimate, but for me it is a matter of prudence. It does not tie the hands of Ministers on delivering their political priorities, but what it does allow is for the Assembly to say to Ministers and

to say to taxpayers that we need to borrow for all the reasons that we have rehearsed. We need to borrow, but we will be prudent in how we ensure the amount of borrowing that we must undertake and we will also be prudent in what we do with our carry-forwards and we will also deal with the challenging and difficult issue of properties which, let us be honest, in the past we have not used to taxpayers' full advantage. Therefore I maintain the amendment.

**The Deputy Bailiff:**

Thank you, Senator. In a moment the Greffier will add a vote into the chat channel of this meeting. He has now done so and I invite Members to ...

**Deputy M.R. Higgins:**

I was going to ask whether the proposer would take the vote on all 3 separately, each one.

**The Deputy Bailiff:**

I am afraid to say it is too late now, because the voting has now opened. I ask Members to cast their votes. I think someone's microphone may remain on, if that could be attended to. If all Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. I can announce that the amendment has been adopted, on the link:

<b>POUR: 41</b>		<b>CONTRE: 7</b>		<b>ABSTAIN: 0</b>
Senator I.J. Gorst		Senator S.Y. Mézec		
Senator L.J. Farnham		Deputy G.P. Southern (H)		
Senator S. Ferguson		Deputy M. Tadier (B)		
Senator J.A.N. Le Fondré		Deputy M.R. Higgins (H)		
Senator T.A. Vallois		Deputy J.H. Young (B)		
Senator K.L. Moore		Deputy R.J. Ward (H)		
Senator S.W. Pallett		Deputy C.S. Alves (H)		
Connétable of St. Helier				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				



Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

**The Greffier of the States:**

Those Members who voted *contre* were: Senator Mézec, Deputy Ward, Deputy Tadier, Deputy Young, Deputy Alves, Deputy Higgins, and in the chat Deputy Southern. Those Members who voted *pour* were: Deputy of St. Martin, Deputy Morel, Senator Le Fondré, Deputy Doublet, Deputy Guida, Senator Gorst, Deputy of St. Peter, Constable of St. Helier, Senator Vallois, Deputy of Grouville, Deputy Gardiner, Deputy Pamplin, Constable of Trinity, Constable of Grouville, Senator Moore, Constable of St. Brelade, Deputy Pinel, Deputy Martin, Deputy Ahier, Deputy Le Hegarat, Deputy Truscott, Deputy of Trinity, Senator Pallett, Deputy Lewis, Constable of St. Lawrence, Deputy Labey, Constable of St. Mary, Deputy Wickenden, Deputy Ash, Constable of St. Peter, Senator Farnham, Constable of St. John, Constable of St. Martin, Senator Ferguson, Deputy Maçon, Constable of St. Saviour, Constable of St. Clement and the Deputy of St. John, and in the chat there was the Deputy of St. Ouen, the Deputy of St. Mary and the Constable of St. Ouen. TABLE]

**1.2 Government Plan 2021-2024 (P.130/2020): tenth amendment (P.130/2020 Amd.(10))**

**The Deputy Bailiff:**

The next amendment listed in the running order is the tenth amendment, lodged by the Connétable of St. Helier and I ask the Greffier to read that amendment.

**The Greffier of the States:**

Page 3, paragraph (j) - After the words “as set out at Appendix 3 to the Report” insert the words - “, except that the Minister for Treasury and Resources is requested to carry out a review into the funding of public services by the Parishes, as agreed in the Common Strategic Policy and to bring forward recommendations in time for any financial implications to be included in the 2022 Government Plan and thereafter.”

**1.2.1 Connétable A.S. Crowcroft of St. Helier:**

First, can I say I am disappointed the C.O.M. is not accepting this amendment? I would like to query whether their amendment to mine is in order. It is perhaps something the President of the Assembly might like to consider while this debate is getting underway. It seems to me to negate entirely my amendment, which is all about putting an end date to a long-running saga and the Government’s amendment effectively removes that end date from my proposition.

### **The Deputy Bailiff:**

On that point, the amendment to your amendment has been ruled in order by the Bailiff and accordingly it stands there for debate.

### **The Connétable of St. Helier:**

I wondered myself whether my own amendment to the Government Plan would be judged out of order, as it does not affect government expenditure and previous Government Plans which I have attempted to amend I have been assured that I need to find something to spend money on, but that of course is another reason why I am surprised that the Government would rather spend money on something which I will be contending need not cost Government anything at all. I am not asking for money for St. Helier or for the Parishes. I am not prejudging the work which I believe should have been carried out. I am simply asking the Government to stop breaking their promises and to honour their pledges. In his introduction to the Government Plan, the Chief Minister pledges, and I quote: "To continue to invest in the Common Strategic Policy's priorities" and he goes on to say that: "These commitments in the Common Strategic Policy underpin all of our work as a Government" and he says they have not been forgotten. Fully 9 months before COVID struck, at which point Government could have argued they had good reason for failing to deliver on their promises, 9 months to allow for the gestation of one such commitment. I asked the Minister for Treasury and Resources how she was getting on with one of them and I have to ask at this point why the Minister for Treasury and Resources is not responding to my amendment, given it is an amendment to the Government Plan. I have to ask why the C.O.M. has wheeled out the Ministers for Infrastructure, Environment and Housing, but that is perhaps something that the Minister himself will be able to answer. My amendment quite simply takes the Government back to their Common Strategic Policy and a successful amendment, which ought to argue, because the States Assembly has already agreed the amendment, that we do not need to have a long debate today about the burden of that proposition. It was quite simply the C.O.M. promised back in 2018 at the start of the new Government that they would work to achieve fairness in the delivery of services to the public, which does not disadvantage St. Helier ratepayers when compared with the ratepayers of other Parishes. That has been approved as a subject for consideration by this Government. Time passed and then I got hold of the report of the C.O.M.'s first year in office, published on 18th June 2019. Again, as I say, we are 9 months before COVID was a dark cloud on our horizon. I put to the Minister for Treasury and Resources that I could find no reference to this piece of work being even started, then I got this fantastic ... I am quoting to some extent from my report, because I suspect in the welter of paperwork that Members have received for the Government Plan, as well as in all the other matters which are taking up our time at the moment, that some Members will not have had time to read the report, so I think it is useful that I do quote a little bit from it. As I say, 9 months before COVID, approximately 6 or so months into the new Government, I looked for evidence that this agreed matter was being dealt by the C.O.M. The Minister for Treasury and Resources assured me in answer to a question early in July that it would be in the Government Plan, the one before this one, and she said: "Fairness is the whole dynamic of the Common Strategic Policy." I replied: "Can I thank the Minister for Treasury for Resources for her answer, because as it happens, 16th July is St. Helier Day and that is an appropriate day for that hopefully good news to St. Helier ratepayers to be published." As Members will know, because I am bringing the amendment back, there was nothing in the Government Plan about dealing with this matter. I felt, as Members would expect me to, somewhat disappointed. It is not the first time it has happened, of course. If Members look back, they will see that the draft Strategic Plan 2015 to 2018, that was debated in 2017, when Senator Gorst I think was Chief Minister, and one of many amendments I brought to the draft Strategic Plan was precisely this, that the costs of running the capital, which fall unfairly on St. Helier ratepayers, should be looked at by Government. Senator Gorst was an excellent Chief Minister. He put the importance of St. Helier in his Strategic Plan as one of the strategic priorities, but in spite of that, this matter was never addressed. The Senator could argue that he was busy getting around to paying rates on the States properties, and

that of course was something which all Parishes of course benefited from, not just St. Helier. But if we go back to the beginning of the millennium, there was a landmark report, which I refer to in my own report, which was conducted into the relationship between the Parishes and the Executive. That was P.40 of 2004, the work having started several years before that at the dawn of the millennium. I should mention at this point that that machinery of government report contained very detailed terms of reference which were used in carrying out that review. I commend that review to the officers of the Treasury and the officers that support the Chief Minister. I have to wonder whether they have found it. There have been so many reports generated by successive governments that perhaps it is somewhere at the bottom of a very dusty pile, but I will be arguing when we come to the amendment that they need to look at that report, because it seems to me to deliver what the amendment is asking for. In the course of 20 years we have seen the iniquity of the welfare burden, which used to fall so heavily on the urban Parishes - St. Helier, St. Saviour and St. Clement in particular - we have seen that welfare burden being removed and being replaced by the Island-wide rate. Then just a couple of years ago, as I have already alluded to, we saw the States finally being dragged screaming to the position of admitting that they must start paying rates on their properties. That provided income right across the Parishes which could be spent by Parishes on their services, but the position of St. Helier, as identified in the machinery of government report of 2004, has yet to be addressed. I can perhaps give a good example to Members. I was talking to a former Deputy of St. Lawrence, former Deputy Maurice Dubras, the other day. He has moved into one of the very fine buildings in College Gardens, which the S.o.J.D.C. has created. He finds himself, as a ratepayer of St. Helier, now paying for parks and gardens, whereas when he was a ratepayer in St. Lawrence he did not have to contribute to the upkeep of Millbrook Park. That iniquity is something that perhaps only really strikes people if they move into Town, because people who have lived in St. Helier all their lives have more or less grown used to it. Occasionally they will ask me when they see me in the street: "Constable, it is unfair that we ratepayers have to pay for all these services, not just parks and gardens, but all the extra cost that come with being the capital of the Island.

[12:00]

We do not get any contribution from the States, from the taxpayer" whereas similar services being carried out around the other Parishes - and I might mention as well St. Brelade or Gorey - where we see the operatives of the Minister for Infrastructure hard at work, doing valuable work. That work is all paid for out of taxation, so it does not fall upon the ratepayers of those particular Parishes. That unfairness, as I say, and as I said at the start of my introduction, has been admitted. It was admitted 20 years ago and it still has not been tackled. I was very disappointed, as I say, that the Minister for Treasury and Resources had not done any work on this. It obviously was not at the top of the list, but I thought they might have at least got a working group of officers together. I went back to the Minister in September of last year and reminded the Minister of the commitment to examine this. I asked the Minister for Treasury and Resources how that was getting on. You would have thought - I think States Members would have thought - that if something has been approved by Government as part of their Strategic Plan for a 4-year term, and if the Government have been reminded of it by a Member - a Member who brought the amendment - one would think that the failure to have done any work on it would have initiated a working group, would have initiated some work. But instead - and I set this out in my report - what I got from the Minister for Treasury and Resources was obfuscation. She referred to work that was being done on the rating system. That is all very well, but there was no reference at all to the point of my question. It was one of the best examples, if one can use that word, of obfuscation that I have ever seen at question time, though I am sure there are some Back-Benchers who can come up with exchanges that rival the one that I have reproduced in my report. So I asked the Minister at the end of a series - I think I asked the Minister 4 times - to show me that she understood what I was talking about and 4 times she could not show me that. I said towards the end of that: "Does the Minister believe that I should bring the amendment to the Government Plan?" and the Minister said: "There is nothing stopping the Constable from bringing an amendment but

would it not be better to wait until we have the results of the Rates Working Review Group to see what they have come up with?" So, once again, 4 times of asking, the Minister for Treasury and Resources seems to deny any understanding of a plank, a minor plank, but it is still a plank, in the Common Strategic Policy. So I am not impressed with that and it would have been good to have heard, perhaps the Minister for Treasury and Resources will speak this morning, it would be good to know at the very least that the Minister for Treasury and Resources understands what I am talking about, that it is unfair to expect ratepayers in one Parish to pay for services which, across the Island, are paid for out of taxation. That is the heart of it. I am, as I say, disappointed that, having agreed this as part of the Common Strategic Policy, the Government is not willing to put up its hands and say: "Look, we dropped that ball, we did nothing with it, we have refused to acknowledge the existence of that particular ball last year in 2019, we have been busy in 2020, but next year, in 2021, we as a Government will pick up that ball and we will run with it and we will come up with some answers in time for the next Government Plan." That was what I was asking in my amendment, that clearly is subject to an amendment which looks to me like a bit of, if I can say, dribbling between players passing the ball back and forth, if I can extend the football analogy, but we will come on to that in a minute. I simply want to say that I think the Government, if it is going to have a Common Strategic Policy, if it is going to seek credit for having maintained its commitment to it, then it cannot simply deny that certain parts of that policy were ever approved by the States which is what I think they have done and so I move my amendment.

**The Deputy Bailiff:**

There is a point of clarification raised by Deputy Tadier.

**Deputy M. Tadier of St. Brelade:**

Yes, I wanted to ask for clarification on the subject of parity. The Constable said that some Parishes do not pay for things that St. Helier does but when it comes to parks, for example, does he mean that all Parish parks are paid for by the Parish, and so it is natural that St. Helier pays for its Parish parks' upkeep? I do not quite get the point he is making, could he clarify that?

**The Connétable of St. Helier:**

I think the point I am making is set out very clearly in my report that many municipal services that are carried out across the Island, not just parks, but toilets, litter collection and so on, are done out of taxation and they are done by hard-working staff of the Minister for Infrastructure, the Minister for Children and Housing and the Minister for the Environment. It is a fact that some Parishes do pay for certain services and that is why the terms of my amendment are written quite widely. I have asked the Government to make sure they do not leave out the other Parishes and the services that they provide; clearly, the sums will be far smaller than the sums that are expended by the capital. But there will be some expenditure in the other Parishes which is why I have asked that the review undertakes that.

**Deputy M. Tadier:**

I do still have clarification required. Is the work that is carried out by the Minister's department is because those toilets or those parks are States parks but if they are Parish toilets and Parish parks, is it not right that the Parish pay for those parks?

**The Connétable of St. Helier:**

I am sorry, I see that as a debating point. The Deputy will have a chance to speak in the debate if he wishes to, that is not the point of my proposition.

**The Deputy Bailiff:**

Deputy Morel raises a point of clarification. Are you prepared to deal with this point, Connétable?

**The Connétable of St. Helier:**

Yes, but I would remind Members that they have a chance to speak in the debate and I think, as Senator Gorst found in concluding his debate, if we have constant requests for clarification it makes the opportunities for speaking and for speaking with certain rhetorical flourishes like winding up, quite difficult.

**The Deputy Bailiff:**

Yes, you are not required to accept any point of clarification but you are prepared to accept this one from Deputy Morel, I think?

**The Connétable of St. Helier:**

Yes, one more, I think, is in order.

**Deputy K.F. Morel:**

This is a genuine clarification, as all my clarifications have been today. Would the Connétable clarify whether his amendment is not just looking at expenditure between Parishes but also how the Parishes may receive expenditure for services they deliver from the Government, so going beyond that parks example to the Jersey Care Model, things like this. Is he also looking at Government to fund the provision of the services by Parishes?

**The Connétable of St. Helier:**

Yes, that is a helpful clarification. If I could refer the Deputy to paragraph (j) of the Government Plan which shows the effect of the amendment. It is quite clear, it says: “As agreed in the Common Strategic Policy” so the thrust of my amendment is merely asking the Government to do what they said they would do in this regard in the Common Strategic Policy.

**The Deputy Bailiff:**

The amendment has been seconded by Senator Mézec in the chat. **[Seconded]**

**1.3 Government Plan 2021-2024 (P.130/2020): tenth amendment (P.130/2020 Amd.(10)) - amendment (P.130/2020 Amd.(10)Amd.)**

**The Deputy Bailiff:**

There is an amendment to the amendment lodged by the Council of Ministers and I ask the Greffier to read that amendment.

**The Greffier of the States:**

1. Page 2, paragraph (f) – After the words “Appendix 2 – Summary Tables 5(i) and (ii) of the Report” insert the words – “, except that, in Summary Table 5(i), the head of expenditure for Treasury and Exchequer shall be increased by £50,000 for the purpose of a review into the funding of public services by the Parishes”” 2. Page 2 – In the existing paragraph, for the sub-paragraph that appears after the words “insert the words –” substitute the following sub-paragraph – “, except that the Minister for Treasury and Resources is requested to work with the Minister for Infrastructure and the Comité des Connétables and firstly agree the Terms of Reference for a review into the funding of public services by the Parishes, as agreed in the Common Strategic Policy, to carry out that work and then to bring forward any recommendations”.

**The Deputy Bailiff:**

Deputy Lewis, I understand that you are to speak in support of this amendment, is that correct?

**1.3.1 Deputy K.C. Lewis (The Minister for Infrastructure - *rapporteur*):**

Yes, indeed, and if I may just illustrate the point that I am merely the Minister for Infrastructure, not of Housing or Environment which is covered by 2 separate Ministers. It may surprise the Constable that I welcome a review being carried out. I know the Constable has been talking about this for some time in the States; however, I believe that both the Parishes and the Government need some clarity over what is in scope and to the information needed to make informed decisions. In his report, the Constable says: “I am requesting a review into how such services as parks and gardens, toilets”, *et cetera*. He provides examples of the services he sees as relevant to the review but does not provide a comprehensive list. Equally, it is important to decide on what information about these services is needed; it is vital to agree some robust terms of reference. The Constable has requested that the review covers operations across the Parishes so it is only right that these terms of references are agreed with the Comité des Connétable and Infrastructure, the other provider of the services. I note the Constable sees 2 potential outcomes to his review. He says: “The States could provide financial support to the ratepayers of the Parish of St. Helier in respect of the municipal services it provides for the benefit of all Islanders. Alternatively, the States should cease to fund municipal services to the other Parishes out of taxation and require ratepayers of the other Parishes to fund such facilities in their Parishes, as has always been the case in St. Helier.” Clearly, it is not just the Parish of St. Helier that is affected by this amendment but he sees there is potential for other Parishes to be financially impacted. The Comité, therefore, must surely be included in setting the terms of reference. If we are going to conduct this review, it must be done properly and expectations should be clear to all parties. Committing a budget of £50,000 and a timeframe shows the Government’s commitment to getting this review completed. This amendment to the Constable’s amendment merely adds value to his amendment and therefore I urge Members to accept it. Thank you.

**The Deputy Bailiff:**

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

**1.3.2 The Connétable of St. Helier:**

I welcome the Minister for Infrastructure’s positive approach. I did suspect when I read the amendment that it was designed to be helpful and of course I have accepted in the wording of both my proposition and my report that inequity does not just affect St. Helier. St. Helier clearly picks up the lion’s share of bills for these municipal services but there are other Parishes who also have staff who contribute to the cost of running the public realm and so absolutely it should be across the board. Whether it needs to cost £50,000 is a matter of question and I am assuming that it will not all be spent if it is not needed. The reason I am not accepting the amendment is exactly, to use that word, timetable. The Government have not at any stage, and I was disappointed the Minister did not, acknowledged that they have dropped this particular ball, they have kept us waiting for so long and I think that is a pity. I think the Minister, or the Minister for Treasury and Resources perhaps, who is yet to speak, might admit that she does understand where I am coming from and that she is sorry that other work has prevented her and her team from dealing with it. But that said, the deadline has been removed, so what we are promised now is a review by the end of next year with its conclusions by the end of the next year. What we do not know is when this matter will be sorted out. I suppose I should take comfort from the fact that, I think it was yesterday, it might have been the day before, it has all become a bit run together, but we did agree to finally support the refurbishment of Elizabeth Castle 40 years after agreeing that it should be done. So the fact that this matter, certainly in my time pushing for it, has only waited about 20 years, is perhaps quite good going.

[12:15]

But I would be looking for assurances perhaps from another Member of the Council of Ministers when they speak that this amendment is not merely kicking my amendment into the long grass and that they do intend, if there are financial implications that come out of the review, and I would be surprised if there were not, that they will be looking to introduce those into the budget for 2022.

### **1.3.3 Deputy R.J. Ward:**

I just have some questions, really. I just want to know what the £50,000 is going to be spent on. It seems to be a huge amount of money to do a review into what? Is it going to be spent on employing another member of staff to undertake the review, on photocopying, on plush brochures, on transport costs to drive around the Parishes to look at what is going on, tea and biscuits for meetings? Given that the other day we would not spend £56,000 of the Climate Change Fund on taking duty off of 100,000 litres of fuel, which would amount to 265,000 kilograms less carbon dioxide being produced, why are we wasting £50,000 on a review that should have already happened, probably will not happen and probably come out with absolutely no outcomes that are positive at all? I think this is a complete and utter waste of States money, a complete and utter waste of States time and, yet again, we have a talking shop being produced with money that is coming from the budget and the Government seems to be happy to spend it. I think this is a complete waste of money and I would like somebody to prove that it is not, please.

### **1.3.4 Deputy K.F. Morel:**

I am just trying to get my head in the right place because I really was not expecting that speech from Deputy Ward, and that is not a criticism at all of Deputy Ward's speech. Sometimes you kind of pre-judge what you think someone will say and then they say something different, so fair dues to Deputy Ward, some important questions there. I also kind of have questions because I feel like the Assembly is in a bit of a bind, given the Connétable's response to my point of clarification. That is because, in his response to my point of clarification, the Connétable clearly pointed me in the direction of the Common Strategic Policy and so I dutifully have gone and doublechecked the Common Strategic Policy. I believe the area he is talking about is the part on page 20 of the particular document I am looking at which says: "We will work in partnership with the Parishes", *et cetera, et cetera*. It then says: "Working to achieve fairness in the delivery of services to the public which does not disadvantage St. Helier ratepayers when compared with the ratepayers of other Parishes." So the Common Strategic Policy clearly talks solely about St. Helier ratepayers being disadvantaged, and I totally understand the disadvantage that St. Helier ratepayers feel they have and totally understandable. But the Common Strategic Policy only refers to St. Helier ratepayers, it talks essentially about a one-way street of money, which is from other Parishes to St. Helier, to make up for the losses St. Helier feel they incur through having to fund certain public services themselves. We then move to the amendment to the amendment and also the Connétable's own amendment and clearly we see that the amendment to the amendment talks about agreeing a terms of reference for a review into funding of public services by the Parishes as agreed in the Common Strategic Policy, so that again means money only flowing towards St. Helier as agreed in the Common Strategic Policy to carry out the work and then to bring forward any recommendations, whereas the original amendment lodged by the Connétable says that £50,000 will be there for the purpose of a review into the funding of public services by the Parishes. It does not in itself refer to the Common Strategic Policy and so the Connétable's own amendment seems wider than the Common Strategic Policy and perhaps fits my view of what a review should undertake. So whether it is the Minister for Infrastructure who is proposing this or whether it is the Connétable himself, I would really like some clarity on understanding what kind of review we are talking about here. I think there are fundamental issues into the funding of public services by Parishes which do need to be looked at but, in my head, that is all 12 Parishes. It is inter-Parish costs and spend and it is also spend, as I said, from the Government to the Parishes when the Parishes deliver public services on behalf of the Government, I feel that money should flow from the Government to the Parishes as well. Unfortunately, I cannot see that in the amendment to the amendment. It seems to be a St. Helier-focused amendment because it refers to the Common Strategic Policy and while the Connétable's amendment does not refer to St. Helier, he, himself has referred to the Common Strategic Policy which refers solely to St. Helier. So I really need clarity on this otherwise I think it could be difficult to vote for either part of these amendments.

### **1.3.5 Deputy S.J. Pinel of St. Clement:**

The Council of Minister is proposing this amendment to Constable Crowcroft's amendment and I would urge Members to support it. While we support a review into the public services provided by our Parishes, we cannot agree to the timeframe put forward in the Constable's amendment and for any financial implications to be included in the next Government Plan. This is due to the amount of work involved in undertaking a thorough review which will be needed to properly understand all of the facts and for all affected parties to have the opportunity to express their views. Instead, we are proposing that the review takes place and reports back in 2021. However, before the review begins, a terms of reference should be agreed by all those affected by any recommendations that come from it. The review itself also needs to be carried out in conjunction with the Minister for Infrastructure and the Comité des Connétables to recognise that all of the Parishes and the Minister have similar arrangements in place and any recommendations to change these should be agreed by all of those involved. This amendment to the Constable's amendment also proposes to put £50,000 into the head of expenditure for Treasury and Exchequer to fund the resources needed to carry out this work, and I know that Deputy Ward questioned why we would need that sort of money. The reason the Connétable is complaining about the delay into this review is because we simply have not had the resources to be able to do it. I am sure the Assembly will understand completely the enormous pressure that Treasury and Exchequer are under in the current situation and this has stalled some of the work described in the Common Strategic Policy which was published in 2018, well in advance of our current situation.

#### **The Deputy Bailiff:**

A clarification is sought of, I think, your speech, Deputy Pinel, by Deputy Ward.

#### **Deputy R.J. Ward:**

May I ask the same question: what precisely is that £50,000 going to be spent on in terms of resources to undertake this? Officers already exist to undertake this work, are we paying them extra money, is there an extra wage on top of it, is it for photocopying, what is the money being spent on precisely? Because we keep having this, there are not resources available and extra money is needed, but where? I would just like a clarification on that before I can vote for it.

#### **Deputy S.J. Pinel:**

I thought I had answered the Deputy's question but it will be additional resources because the officers within Treasury are well over their work capacity at the moment with the situation that we are dealing with. So in order to carry out this review, the £50,000 is merely an estimate of buying in resources to carry out the review.

#### **Deputy R.J. Ward:**

May I just clarify then: is that extra staff will be employed, is it overtime, is it staff-based, just to be certain?

#### **Deputy S.J. Pinel:**

Yes, it will be extra staff.

#### **The Deputy Bailiff:**

Does any other Member wish to speak on this amendment? If no other Member wishes to speak, I will call upon Deputy Lewis to reply.

### **1.3.6 Deputy K.C. Lewis:**

Just the 2 queries that have been mentioned. Deputy Ward, as the Minister for Treasury and Resources has just outlined, the £50,000 is an estimate; it could be far, far lower than that, and, yes,



any residual funds after would be returned to Treasury. Deputy Morel asked about Parish involvement; this is absolutely all 12 Parishes, as all 12 Parishes will be involved, hence the involvement of the Comité des Connétables in the progress of the format to go forward. I am not sure if I can add any more to this. As I say, the Constable of St. Helier has been talking about this for some time. I support the move to clarify the situation and I invite Members to support the proposition. Thank you. I call for the *appel*.

**Deputy R.J. Ward:**

I had a clarification in the chat.

**The Deputy Bailiff:**

Yes, a clarification, are you prepared to clarify matters in your speech, Deputy Lewis?

**Deputy K.C. Lewis:**

Indeed, Sir.

**The Deputy Bailiff:**

There are a few points of clarification: one from Deputy Ward and one from Deputy Morel.

**Deputy R.J. Ward:**

Is the Minister bringing an uncosted, just random number to the Assembly for us to vote on? Given some of the debates in the last few days, can he be precise about how this money will be spent, when it will be spent and where this figure came from? How was this costed and how was this brought to the States in this condition?

**Deputy K.C. Lewis:**

As the Minister for Treasury and Resources has outlined, this is an estimate because obviously it was brought quite late to be helpful to the States and to the Constable of St. Helier, so this is just an estimate. As I say, all residual funds will be returned to Treasury; anything unused will be returned. But it was a bit vague, absolutely, but this is where we are at the moment.

**Deputy R.J. Ward:**

Sorry, the clarification was how that estimate was come about? Was it the number of person hours that will be needed, was it the number of sheets of paper? I just want to know how this number came about. Given the criticisms that have been made in the last few days about numbers brought by other States Members, I think the Government needs to be very precise in its costings.

**Deputy K.C. Lewis:**

As I say, it was one person needs to be employed, it could be another person on a part-time basis, depends on the volume of work that is brought forward. We will be consulting the Comité des Connétables so it depends how the whole thing is ...

**Deputy K.F. Morel:**

I apologise to the Minister and States Members for, similarly to Deputy Ward, asking essentially the same point of clarification again because it has not really been answered. The Government's amendment points to being as agreed in the Common Strategic Policy. The Common Strategic Policy clearly says a review so that it does not disadvantage St. Helier ratepayers when compared with the ratepayers of other Parishes. So while the Minister has said that all Parishes will be involved, can he clarify whether the review would just be looking at redressing the disadvantage to St. Helier ratepayers when compared with the ratepayers of other Parishes, as it says in the Common Strategic Policy, or will it also be looking at the disadvantage of other Parishes in delivering certain services

that they have? Because it is really important that we know because the Common Strategic Policy only points to St. Helier. If he could clarify that quite clearly.

**Deputy K.C. Lewis:**

My reading of it is that it will be all 12 Parishes, any advantage or disadvantage to any of the 12 Parishes.

**The Deputy Bailiff:**

The Greffier will now place a vote in the chat in the usual way. The vote is now open and I ask Members to cast their votes. This is to the amendment to the amendment lodged by the Council of Ministers. If all Members have had the opportunity of casting their votes in the link, and I see 3 have cast their votes in the chat, I ask the Greffier to close the voting.

[12:30]

The amendment to the amendment has been adopted on the link:

<b>POUR: 38</b>		<b>CONTRE: 9</b>		<b>ABSTAIN: 0</b>
Senator I.J. Gorst		Senator S.Y. Mézec		
Senator L.J. Farnham		Connétable of St. Helier		
Senator S. Ferguson		Connétable of St. Saviour		
Senator J.A.N. Le Fondré		Deputy M. Tadier (B)		
Senator T.A. Vallois		Deputy of St. John		
Senator K.L. Moore		Deputy M.R. Le Hegarat (H)		
Senator S.W. Pallett		Deputy S.M. Ahier (H)		
Connétable of St. Clement		Deputy R.J. Ward (H)		
Connétable of St. Brelade		Deputy C.S. Alves (H)		
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				

Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

**The Greffier of the States:**

Those who voted *contre* were: the Constable of St. Helier, Senator Mézec, Deputy Ahier, Deputy Le Hegarat, the Constable of St. Saviour, Deputy of St. John, Deputy Ward, Deputy Tadier, Deputy Alves, and that was all of the *contre* votes.

**1.4 Government Plan 2021-2024 (P.130/2020): tenth amendment (P.130/2020 Amd.(10)) - as amended**

**The Deputy Bailiff:**

We now return to the amendment as amended. Does any Member wish to speak on the amendment as amended?

**1.4.1 Deputy R.J. Ward:**

I want to point out a very important point for this Assembly. The Government repeatedly takes an oppositional line to propositions that are brought or amendments that are brought by States Members and it does so frequently with a raft of Ministers standing up making ridiculous comments about: “Oh, the funding here, the funding there. What is this figure; it is inaccurate.” Then it brings a random figure to the Assembly on situations like this and asks us to just accept it and it will be spent in some way, in some nondescript time into the future. I think it is poor governance and shows the inadequacy and failings of the Government in these areas. I just wanted to point that out before Members vote.

**1.4.2 Deputy K.F. Morel:**

Again, I apologise to Members, myself and Deputy Ward appear to be dominating this debate; totally unintentional but it is the way it is. First of all, interesting, but just to briefly respond to Deputy Ward, I believe the £50,000 was placed there by the Connétable of St. Helier rather than the Government. It is only a minor thing but I thought it was important to say. I just want to say, in my view, and I do not know if this amendment is going to achieve it, but I think it is incredibly important that we look again at the way Parishes are funded, not from the rate-paying perspective, I think that is fine. It is about as more demands are placed on all Parishes to undertake government services and to provide government services and receive this mostly and most clearly through the Jersey Care Model, which will be leaning on Parishes for the delivery of certain services, but also we see it in terms of housing where understandably Parishes are asked to make room for housing within their Parishes. I think there is an opportunity here for us to give Parishes greater autonomy in terms of their expenditure by the Government when a Parish delivers a service or accepts housing, affordable housing particularly, within that Parish, for the Government to incentivise that by providing payment for that service or payment or incentive for a Parish to take affordable housing. So, for instance, you could quite simply have for every affordable home a Parish agrees to build, they are given, let us say, £1,000 by the Government. Fifty affordable homes, £50,000 extra to that Parish’s budget. If they are delivering a diabetes clinic for the Jersey Care Model, then the Government should be offering payment for delivery of that clinic and thereby enabling the Connétables to move beyond the rates in terms of their own budgets. Because we know how the rates are ... the prudence of parishioners means that rates and rate uplifts are understandably restricted, thereby leaving the Connétables with very little ones to play with, particularly once - “to play with” is the wrong term - very little to use to the benefit of the Parish outside of some core services such as waste collection, which I think in my

own Parish, and I stand to be corrected, takes up about a third of the Parish budget. So, I think this is a really good opportunity, and I really hope the review looks at that wider point in order to give some freedom to the Connétables so that they can then invest in their own Parishes above and beyond the rates. They will be incentivised to offer their Parish for the delivery of services or housing or other capital projects and so will be able to better help their communities and will have a larger budget, which they can then put to work for their immediate community in the Parish. So, I do hope that when the terms of reference are agreed that it does look at that wider angle and not just the redressing of balances but creating a plan, a budget and plan, or a way of finding some answers that can last long into the future and really give the Parishes the autonomy they need and the Connétables the autonomy they need to deliver for their communities. That, for me, is a vision for the Parishes, which I think this review can help to kick off and to get going.

#### **1.4.3 Connétable M.K. Jackson of St. Brelade:**

I am pleased to follow the previous speaker. I am inclined to support the Connétable of St. Helier on this amendment. That is based on experience I have been having over the administration of gardens and parking around the Parish Hall at St. Aubin. The present administration of the area is a complete muddle as a result of past, what I describe as, megalomaniac behaviour by previous politicians and this is going back many, many years. Having said that, it is clear that some Parish officers, or Parish Constables possibly, in the past were quite smart in the way they offloaded liabilities in the direction of those aforementioned receptive-at-the-time States departments. So, we are living with a bit of an anachronism of the past in that we are now paying the price for previous States decisions. My Parish, and my predecessor in office, Senator Pallett, took over the gardens and management of the land around Clos des Sables and Les Quennevais Park from the States, as it was then called, and continue to manage these areas with our own staff and I think to the satisfaction of those residents in those particular areas, so we have taken quite a liability away from the States or the Government as it is now. I am not averse to discussing how public land management can be better dealt with but my parishioners cannot be expected to take on liability without an income stream. This seems to prove to be the stumbling block in that there is enthusiasm from I.H.E. (Infrastructure, Housing and Environment Department) to divest themselves of parks and gardens with associated costs but perhaps not the car parking, which is the obvious income stream. So, in conclusion, a review is long overdue in the interests of all parties and this will certainly lead to improved services for the public, which I think is what we all aspire to.

#### **1.4.4 The Deputy of St. Mary:**

Just a brief comment to add to the holistic approach recommended by Deputy Morel. I represent a Parish which has, as everyone knows, the least number of householders. I am also told it has perhaps the second-largest network of roads and I expressed the wish that in this review consideration is given to the reappraisal of which roads should be supported by the States as opposed to Parishes themselves. There are only 2 ways of getting to the north of the Island by most of the parishioners, one of which is going through St. Mary, so we maintain roads largely used, and perhaps overused in some cases, by other residents and I think that some adjustment is overdue. I hope that the review to be authorised will look into that.

#### **The Deputy Bailiff:**

Does any other Member wish to speak on this amendment? If not, I call upon the Connétable of St. Helier to reply.

#### **The Connétable of St. Helier:**

I just want to make sure my Christmas tree is on display because I hope it rivals that of Senator Gorst.

#### **The Deputy Bailiff:**

Very nice it is too, thank you.

### 1.4.5 The Connétable of St. Helier:

I want to thank Members who have spoken. I finally worked out what Deputy Morel's problem was in the course of his last interventions. I need to correct him, the sum of £50,000 did not come from me, at least not recently. I may have said in the past that a review might cost that but I certainly have not mentioned it recently. I cannot see any Constable objecting to a wider terms of reference, although I need to remind him, he may still have been at school when the last review was done, that the machinery of government review - and here I pick up a point from the Deputy of St. Mary - did indeed look at roads. In fact, it was the initial original idea that the Parishes would take on all roads and the Government would take on the welfare burden. I think when the Constables realised how shocking a state the roads were in, they realised that not even the mounting welfare burden would equal that and so the roads were taken off the list. My only concern really about what Deputy Morel is proposing is that it could take an enormous amount of time. He is talking about putting into the mix affordable housing and clinics and really looking at everything that Parishes do, a root and branch review of Parish service provision. That is all very fine and dandy but what the parishioners of St. Helier are concerned about is that they have a bill of more than £1 million a year, which dwarfs into insignificance the bills that are being paid by ratepayers of other Parishes. What I would not want to happen is for this review to become so wide-ranging and probably costing more than £50,000 but, I think more important than that, the review could end up taking many years to reach its conclusion. So what I am hoping will come out of this, if it is adopted by the Assembly, is that the first thing the Treasury officers will do is they will go back to the machinery of government review published in 2004 and they will familiarise themselves with the terms of reference, which were agreed with the then Committee of Constables and, of course, absolutely right that they should be. Now I accept 20 years has passed and, although the injustice has not gone away, the inequity of St. Helier's position in particular has not in any way decreased. I accept that new terms of reference will be useful, but I think it is important those terms of reference are agreed quickly and that the work gets underway quickly because I fully intend to bring this matter back to the next Government Plan. I am not saying how much the central government should contribute but I think where there is a case that central government is paying for a service in one Parish and not paying for it in another, that inequity must be addressed as a matter of urgency. So I do put the Council of Ministers on notice that I will be bringing amendments to the next Government Plan and therefore I think it is right that this review is conducted in an expeditious way, that it does look back on previous work that has been done and so we do not waste any time. I am very grateful to the Constable of St. Brelade for his support. He gave a good example of why I widened the terms of the amendment from that agreed in the C.S.P. (Common Strategic Policy) debate to include the other Parishes. I am sure the parishioners of St. Brelade do not spend over £1 million a year on maintaining public amenities but they pay something and he talked about the new areas that he is taking off I.H.E.

[12:45]

I think those are the only speakers, so, in the interests of moving this forward in a co-operative way, I am happy to give my support to the amendment as amended, and I do look forward to work being done in a timely manner in the coming year so that hopefully, with a fair wind, we can come up with something that starts to address the inequity of the position that certain Parishes find themselves in by the time we have the next Government Plan. I maintain the amendment.

### The Deputy Bailiff:

In a moment the Greffier will add a vote into the chat channel of the meeting. He has done so, the vote is now open, and I invite Members to cast their votes. If all Members have had the opportunity of casting their votes, I invite the Greffier to close the voting. I can announce that the amendment has been adopted:

<b>POUR: 45</b>	<b>CONTRE: 1</b>	<b>ABSTAIN: 0</b>
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Senator I.J. Gorst		Deputy R.J. Ward (H)		
Senator L.J. Farnham				
Senator S.Ferguson				
Senator T.A. Vallois				
Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of St. John				
Connétable of Trinity				
Connétable of St. Peter				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

**The Greffier of the States:**

The Member who voted *contre* was Deputy Ward.

## **LUNCHEON ADJOURNMENT PROPOSED**

### **The Deputy Bailiff:**

The adjournment has been proposed in the chat by the Connétable of St. Ouen. Is the adjournment seconded? **[Seconded]** Does any Member wish to speak against the adjournment? The Assembly stands adjourned until 2.15 p.m.

[12:47]

## **LUNCHEON ADJOURNMENT**

[14:15]

### **1.5 Government Plan 2021-2024 (P.130/2020): thirteenth amendment (P.130/2020 Amd.(13))**

#### **The Bailiff:**

We now resume Public Business and the next item for the Assembly to consider in the running order is the thirteenth amendment lodged by Deputy Tadier. I ask the Greffier to read the amendment.

#### **The Deputy Greffier of the States:**

Paragraph (j) - After the words "Appendix 3 to the Report" insert the words - ", except that, on page 62 of Appendix 3, after the words "going to these sectors in 2022." there should be inserted the following words - "We commit to the reinstatement of funding at the agreed rate of 1% of net revenue expenditure for 2024 and beyond."

#### **1.5.1 Deputy M. Tadier:**

Good afternoon to Members. First of all, I am pleased that this has been accepted. It has been suggested by the Chief Minister during answers in question time and perhaps in other conversations that this amendment was not necessary. Of course, I disagree. I am not going to waste my time by putting in amendments that are not necessary, but I do regret that it has become necessary to put this amendment in. I should also flag that I could not quite put it in in the way that I would have wanted. I will explain my rationale briefly and my thought processes. When I saw the figures that were presented in the Government Plan for up to and including 2024 for the arts, culture and heritage, I was confused and bemused as to why the line for C.A.H. (Culture, Arts and Heritage) in 2024 was at 0.93 per cent of government expenditure for the arts, when it had been at 1 per cent for the previous 2 years, of course those 2 years in accordance with the States decision to peg spending on the arts at 1 per cent of Government revenue expenditure. So, I am still waiting for an explanation as to why that 0.93 per cent was put in rather than the full 1 per cent. I know that it can be changed. I know that there is an asterisk in the Government Plan which says this will be reviewed. I just do not know why it was changed from 1 per cent to 0.93 per cent, given the fact that represents over £600,000, which if it remained unchallenged I believe would have provided a foothold for future Governments, because it would be a different Assembly potentially agreeing ultimately the 2024 spending, saying: "Well, you let this go forward and you did not pick it up." So, my concern is that that has been changed by somebody. It is a political change that has been made. It was not by myself. I was surprised to see it in there when I was an Assistant Minister being presented, and I resolved to put in the amendment. Now, I cannot change the figure. What I would have done is simply put an amendment in to change the figure from 0.93 per cent to 1 per cent, but I am told that I cannot do that, so I have had to put this form of words in, which is to ask the Government to commit to that 1 per cent in 2024. But I still want the answer today as to who signed off that figure. Was it a politician? If so, which politician did it? If it was not a politician, which civil servant was it that did that and why in that case are they making changes, which contradict what the States Assembly has asked for? I think that is all I need to say on this. I make the amendment.

#### **The Bailiff:**

Thank you very much. Is the amendment seconded? [**Seconded**] Does any Member wish to speak on the amendment?

### **1.5.2 Deputy K.F. Morel:**

I will obviously speak to the amendment but, listening to Deputy Tadier's question beforehand, he is absolutely right to ask that question and I do apologise, I cannot give him an answer. I can read that the Council of Ministers are committed to maintaining the 1 per cent of Government's net revenue expenditure to culture, arts and heritage post-2024. What I can absolutely say to Deputy Tadier is that I will fight tooth and nail on his behalf to make sure that the 1 per cent of funding is there for 2024 and beyond. There is no doubt, and I hope he has no doubt, that I will do that. I can understand that for the purposes of balancing the Government Plan in one way or another that is why the £636,000 was not included. I hope he understands that obviously 2024, being 3 years away in budgetary terms, gives plenty of time for that 0.07 per cent to be reinserted and, indeed, the asterisk that is in there is the Government's commitment to doing that. But it is a shame I am unable to answer his question and I really wish I could. Perhaps it is negligent of me not to be able to answer that question, but what I will give him is my personal commitment that as long as I am in this position I will make sure that that money is in there because this Assembly voted for that money to be there, I voted and backed Deputy Tadier entirely on that proposition, and I do hope that allays his fears. Unfortunately, I was not there when this Government Plan was created. In fact, my role has been scrutiny of the Government Plan as opposed to writing of the Government Plan, but now I am in this post I will back Deputy Tadier's sentiments on this matter all the way.

### **1.5.3 Deputy M.R. Higgins:**

Following on from the comments of the new Assistant Minister, I do not think it is acceptable that he does not know the answer to that and we do not know the answer to that. I see the next person to speak is the Minister for Economic Development, Tourism, Sport and Culture. Perhaps he will enlighten us because there is a major concern here and concern with the public that it is not politicians who run the Island, it is civil servants. Please will you make it clear whether it was a political decision to change it or whether it was that of officers and why was it allowed to take place without political consideration?

### **1.5.4 Senator L.J. Farnham:**

I am happy to end that speculation by saying yes, it was approved politically by myself. I am sorry that has happened in the cusp between Deputy Tadier stepping down and Deputy Morel taking over. There were a lot of deliberations in relation to the Government Plan and the heritage, arts and culture portfolio is going to be a big benefactor of increases in expenditure in line with the 1 per cent and, over and above that, for example, the additional funds we have just agreed for the refurbishment of Mont Orgueil. I would think in the years ahead the States will also be investing over and above that 1 per cent in other infrastructure projects and important maintenance programmes. As I understand it, and excuse me if my memory is a little bit fuzzy, but the overall amount between 2021 and 2024 was in line with the 1 per cent, although there was additional funding, I think, planned in 2021, which meant we brought a little bit of the funding forward and took a little bit off that 2024. But as the Government Plan goes on to stipulate, we are committed to working to 1 per cent as the head of expenditure in 2024 and beyond in line with the proposition, which I think was P.40/2019, so I can also give that guarantee. So I take full responsibility for that. It was just bringing some funding forward for 2021 and taking it off 2024. It meant the amount over the 4 years was the same but it just put the annual figures out of kilter.

### **The Bailiff:**

Does any other Member wish to speak on this amendment? If no other Member wishes to speak, then I close the debate and call upon Deputy Tadier to respond.



### 1.5.5 Deputy M. Tadier:

First of all, I will thank the Minister for responding because it has given an answer of sorts, a rationale. What I do not get, though, and this is where I will go back to the actual wording of what was agreed in P.40/2019, is that we agreed, this Assembly, that States revenue expenditure on arts, heritage and culture should be increased in this proposed Government Plan - and this is obviously the amended Government Plan - so it reaches a target of 1 per cent of overall States revenue expenditure by 2022. So that is the key thing and then, of course, the request is that the Council of Ministers take the necessary steps to achieve this target and bring it forward in the Government Plan. So the spending for 2021 is completely irrelevant. This deals with everything from and after 2022. So to say that we are taking money off the arts in 2024 to pay for stuff in 2021, if that is the way I understood it, does not really make sense because the commitment is not for the 4-year period, the commitment is from 2022 and it needs to reach 1 per cent every year. It can go above that, but we cannot take an average. We cannot say one year we are going to give it 1.5 per cent; therefore, the next year we can perhaps give it only 0.5 per cent. That will not be acceptable and that is not what the States have agreed. Similarly, it does not explain why monies were taken out of culture, arts and heritage where it could have been taken from somewhere else. The whole point of the 1 per cent is that it is easy to work out. You do not need to juggle the figures anymore. We do not need to decide how much we are going to give to the arts. We just say: "What is the overall budget?" The overall spending in this case in 2024 is £880 million. That is less COVID spending, which I am happy about, incidentally. I could have caused a fuss about that but I am trying to be reasonable. You just divide it by 100. That is the brilliant thing about 1 per cent. You just divide it by 100 and that gives you your spending for culture, arts and heritage. Then, of course, that gets divided up. So I am glad that the commitment has been put back, but this should never have been a question about that asterisk being needed saying that it will be reviewed in the future. This is just creating extra work that did not need to be made and I think that the point has now been made and that Government has accepted ... I think they have accepted that it was not the right thing to do, but I will not force that issue. I will just ask for the *appel*.

#### The Bailiff:

Do you call for the *appel* in that case, Deputy? You do not want this to be taken on a standing vote?

#### Deputy M. Tadier:

No, Sir, I would like the *appel*, please.

#### The Bailiff:

The *appel* it is then. I will ask the Greffier to place a voting link into the chat.

#### Deputy M. Tadier:

I know I have finished but I meant to thank the other speakers, so I will say that now.

#### The Bailiff:

Very well. I open the voting and ask Members to cast their vote in the usual way. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting.

[14:30]

The amendment has been adopted:

<b>POUR: 41</b>		<b>CONTRE: 1</b>		<b>ABSTAIN: 1</b>
Senator I.J. Gorst		Connétable of St. John		Senator S. Ferguson
Senator L.J. Farnham				
Senator J.A.N. Le Fondré				
Senator T.A. Vallois				

Senator K.L. Moore				
Senator S.W. Pallett				
Senator S.Y. Mézec				
Connétable of St. Helier				
Connétable of St. Clement				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of St. Peter				
Connétable of St. Ouen				
Connétable of St. Martin				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

**The Deputy Greffier of the States:**

The Connétable of St. John voted *contre* and Senator Ferguson abstained.

**1.6 Government Plan 2021-2024 (P.130/2020): fourth amendment (P.130/2020 Amd.(4))**

**The Bailiff:**

The next amendment listed in the running order is the fourth amendment, lodged by Senator Mézec, and I ask the Greffier to read that amendment.

**The Deputy Greffier of the States:**

After paragraph (j), insert the following new paragraph - “(k) to agree in principle that from the year of assessment 2022 the 20 per cent personal income tax rate should no longer be available (except for High Value Residents, for whom no change is proposed), and personal income tax should instead be charged at a rate of 25 per cent (with all personal income taxpayers being entitled to the allowances and reliefs which are available to marginal rate taxpayers when calculating the amount of income taxable at the rate of 25 per cent), and to direct the Minister for Treasury and Resources to bring forward the necessary legislative changes for debate by the Assembly during 2021.”

### **1.6.1 Senator S.Y. Mézec:**

Can I start by thanking whoever it was who drew up the running order for these amendments to be taken because they were clearly saving the best until last and I am grateful for that? Members will hopefully be familiar with the detail in this amendment because, of course, it is the same as the amendment I brought to the 2019 budget, which was a very clear manifesto commitment that myself and my colleagues made in the elections. So, I, of course, make no apologies for sticking to that policy commitment and giving it a second attempt in this part of the Government Plan, not least because I think with the changing circumstances we have found ourselves in as a community this is more timely than it may well have been considered before this time. But to give just the briefest of recaps of what this amendment does, put very simply it moves us from having 2 income tax calculation systems to just having one, and that one being the marginal relief system which already exists, which is currently charged at 26 per cent on Islanders' taxable income once allowances have been taken into account. This will change that from 26 per cent to 25 per cent charged across the board, which means no more 20 means 20 as our alternative tax calculation. The effect of this is that it would deliver a modest tax cut for the vast majority of taxpayers. For those who are currently on a zero per cent effective rate of tax they would see no change, but those at the very top of the income scale, those earning the most, those earning amounts which are unimaginable for many ordinary working people in the Island on average wages, will see their tax contribution go up very slightly in the grand scheme of things. The reason that myself and my colleagues have been so persistent at issues like this, not just this tax proposal but other things that we have attempted to bring forward, like raising the minimum wage, like preventing real terms pay cuts for public sector workers, *et cetera*, is because Jersey, like many other jurisdictions, to be fair, has a very serious issue that we do not believe is acknowledged and accepted by many of those in power that really does need to be, firstly, acknowledged and then acted upon if we are to improve the standard of living for the people who we serve. That is that we have growing inequality in our society. It is not a case that we are just not moving forward, it is the case that things are getting worse, and things are getting worse partly because of inaction in taking down those structures that are causing growing inequality, but also by actions which are actively making things worse. In the report to my amendment, I have taken one chart from the index of average earnings in real terms produced by the Stats Unit, which shows that in the last 10 years real terms earnings have got worse. Now, remember that the start of that decade was the financial crash, a massive global event that caused a real shock to many of the economies around the world, including our own, where people's livelihoods were affected, where public finances were stretched in many difficult ways and different Governments attempted different ways of dealing with the problems that were caused by that. A decade after that real terms earnings are worse. For somebody on exactly the same wage in that 10-year period their life will have got more difficult, their ability to make ends meet will be more stretched. That is the headline figure, but when you scratch beneath the surface it is even worse than that. It is the case, as we have been told in income distribution surveys, again done by the Jersey Statistics Unit, that in this time poverty has increased. It is also the case, as we know from freedom of information requests, that the numbers of Islanders earning above £1 million a year quadrupled in that same time. So what we have had in that decade has been a redistribution of wealth from the poorest to the richest and the middle squeezed more and more. I think that this Assembly needs to ask itself a simple question, which is: for how long does this go on? How much longer do we accept growing inequality? Do we accept those on

the highest incomes earning proportionately more and more and more while being systematically protected from the tax initiatives that the rest of us have to pay, while we scramble around basically firefighting to support the poorest in our society who the evidence shows are getting worse off, where it is considered, quite rightly in fairness, a victory that we have now instituted a system which provides greater financial subsidy to the poorest in the Island for going to see their doctor - it is quite right that we should do that - and while we celebrate the work that has gone on in providing direct charitable support to the poorest in the Island, without seeming to question why it is the case that so many more are reliant on that charitable support now and why the Government is not taking effective action to deal with that? How much longer can that go on? I would ask Members to imagine, if they can, a line graph that shows how much wealth is owned by a small number of people, and how that trend will appear over the last 10 years is the wealth of the majority going down and the wealth of the minority going up. How much longer can that trend continue? Because if that trend were to carry on for ever, it would eventually lead to one person owning everything and everybody else owning nothing. That is just how the maths work. It may take 100 years, 200 years, 1,000 years, but that is the direction of travel that we are currently in. So at some point something is going to have to be done to stop that because that obviously cannot happen. We have to decide what action we will take to do that. That is partly why this tax amendment gets raised now because it is one small measure that would help correct that to some degree. It is saying to those wealthiest in our society who have done very well out of the last 10 years that we will ask them to pay not a punitive rate, not a rate that is not common or known to the rest of us, but to just pay the same as us, pay under the same regime, which will be 25 per cent on your taxable income, and that is after allowances are taken into account. Okay, that will mean different effective rates, but those rates will be progressive and the limits of that tax will be a lot lower than it is in many of the jurisdictions near us, and it will provide a small break to those majority of taxpayers who in the next couple of years we are going to need to rely on as a society to help keep our economy going, to work in those jobs that we are going to want to be creating or supporting, to spend their money in the local economy to keep those businesses going, rather than face what many jurisdictions faced after the last global financial catastrophe, which was a decade of stagnation, of multiple recessions, and ending up not in a better place than we were before. We can make conscious choices to avoid that after this economic catastrophe, which we face because of the pandemic. So, that is the basic philosophy underpinning this, to do one thing in the absence, frankly, of anything else to address the structures that are causing growing inequality in our society, which whether you agree or disagree with how this amendment seeks to do that, you cannot deny that it does do that, though. It does find a way of closing that gap between the richest and the poorest at least a little bit at the end of this. If Members have reasons for not supporting this, I would ask them to say what they think we should do instead. Because while we continue to debate these measures and find excuses to not make those changes - like, for example, the living wage, which infuriates me every time the Chief Minister points out that he and his colleagues support it, considering they do very little to move us in that direction - what deeds will you suggest rather than focusing on the words, words which do not pay the bills for ordinary Islanders? At the end of this, it is projected that this would raise £7.5 million a year, compared to the entirety of Government finances a comparatively small amount, but not an insignificant amount that would not be able to go either towards doing something good for our public services to try and perhaps focus on other things to deal with inequality or to pay back the debt, as Members like Senator Gorst are very keen to do. That would be a worthy use of this money as well, but certainly better than facing another decade of growing inequality, finding more and more people out of paying tax because their incomes are so low or squeezing the incomes of that middle band, who are mobile and who after this crisis will be asking themselves and us as their representatives very pertinent questions, I am sure, about what sort of society we want to live in afterwards. Do we want to live in a society where people do not go and seek the healthcare they require because they are worried about having to pay for it, where we do not fund providing nutritious meals for children at school, where we do not proactively fund the infrastructure we need to deal with things like climate change and everything else that goes with that

and end up rather paying a more long-term cost instead? I hope Members will give this a second consideration after the last time it was proposed, understanding it now that after this pandemic things are going to have to change if we are going to get our economy back on track and if we are to support ordinary people towards getting a better standard of living and an increase in real terms earnings rather than what they have faced over the last decade. It requires proactive action and leadership to do that, rather than words or excuses. So, I propose the amendment.

[14:45]

**The Bailiff:**

Thank you very much, Senator. Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment? If no Member wishes to speak ... can I just remind Members, although Deputy Pamplin has indicated a desire to speak, that if people are playing chicken in any way, as soon as I say the debate is closed, the debate is closed, whether people have had the opportunity to speak or not. I just remind Members those were the directions that were given at the beginning of this year.

**1.6.2 Deputy K.G. Pamplin:**

It is good to follow those words. As I said last time following the disastrous thing that happened, in my personal opinion, when no debate was taking place during the hospital debate, I was aghast to see that could have happened here again. The only few words I would like to say is the sentiment and the echoes of what Senator Mézec was saying just then in his speech and, to be fair, as he also alluded to, his colleagues and many others for a longer time than I in this Assembly. But my reality in this moment of where we are right now is this pandemic has absolutely changed the world. It has changed the way we view each other. In a crisis, as I have often said, everything is exposed, all the good things and all the bad things and, in there, all the things that we need to reflect upon as a society. There can be no doubt that the timing of the pandemic in this part of the world, with the timing of the impact of what is happening with Brexit and the uncertainty that all of this is bringing, we have an absolute duty to do what we can to reflect and look at what we could be doing more in terms of the year that we are going to have potentially next year. Next year is going to be the one of reaction and recovery after the impact of what this year has done. We will be going through unprecedented challenges again next year as the slow vaccine, but the good vaccine that will be coming for those who choose to take it, will help us provide safety and change the course of the direction that the pandemic has had on society. That will take time. There will also be time for families and the Island to come to terms with the impacts that have happened this year, even through a lot of great effort and a lot of fast work from everybody on all sides, Government, non-government and Islanders themselves, to try and do what they can to help and support. It will be a year of looking around each other and saying: "Are we doing enough?" and unfortunately that does mean making some big choices and some unpopular ones sometimes but also ones that will be very different and bring great change, and as we know change is not easy. So, therefore, I think this is a valiant attempt to try and do something because we are all going to be in this together. I have heard that so many times, that now is the time to really look for those, all of us next year, who are going to be in this together. So, for those reasons this time round I will be supporting this amendment.

**1.6.3 Deputy M. Tadier:**

It is easy to stand up at election time, for us and for any candidates, and try and say that we support middle Jersey, that we are going to stand up for middle Jersey. I was reminded only last week, reading another fantasy column in the *Jersey Evening Post* from one of the extremist writers, who was basically portraying this false narrative that in Jersey there are only 2 types of political position. There are centrists and then there is the extreme left. Of course, the individual, who I think I can name because he is a public figure ...

**The Bailiff:**

I do not think you can simply because he is a public figure because the basis of parliamentary privilege relies on the fact that one does not name someone who has no right of response unless it is essential for the purposes of the debate.

**Deputy M. Tadier:**

Can you remind me of the Standing Order, Sir?

**The Bailiff:**

Off the top of my head, no, but if you would like to avoid mentioning it, I will look. Yes, Standing Order 104(2)(i): "A Member of the States must not [and this is referring to speeches] refer to any individual who is not a Member of the States by name unless use of the individual's name is unavoidable and of direct relevance to the business being discussed." If it is unavoidable and of direct relevance, you may refer to the name. If it is avoidable, and you have suggested that it might be, I think, Deputy, then you should not.

**Deputy M. Tadier:**

Thank you, Sir. It is entirely avoidable but it is relevant so I will not name him. I have only myself to blame. When I was on P.P.C. (Privileges and Procedures Committee) I did support that amendment being put forward, and it is the one thing I regret. I got it wrong, but I will leave it as it is. He knows who he is and he is a well-known commentator in the political arena. It is fair to say that in many ways he is diametrically opposed to my politics in some ways, although not in all. I was talking about this false narrative that is being set up, which is that in Jersey everyone is a centrist apart from, of course, your political opponents, and they are obviously extreme left. This is the narrative that the article was putting forward. With this proposition, I will bring it back to probably the last time if not the time before when it was debated. I remember Deputy Brée, who I think I can refer to, who was a Member of the States at the time ... he is not a member anymore but he was at the time. He was not especially a fellow traveller of us at Reform Jersey, but he looked through the proposition very carefully - and the proposition has not changed - and stood up and said: "I have read through this. I have looked at it. I have given it a lot of thought and it makes absolute sense. There is nothing in it that I cannot support." It is a shame, of course, that he never got re-elected because I think he would have made a very good Chief Minister, but alas that was not to be. What we have here is not a tax proposal which is progressive per se and it is not regressive either, because our current system is regressive. The way that the personal tax system has been portrayed by those in power over generations is that it is really good having these 2 rates because it means that nobody pays an effective rate on their income tax of over 20 per cent but, of course, we know that does not tell the full story because you have these 2 rates for a reason. The allowances that are present in the marginal rate, which used to be 27 per cent, was reduced down to 26 per cent by Senator Ozouf ... incidentally, that shows that you can change the tax rate if you want to for whatever reasons, whatever political reasons that you choose. He did reduce it from 27 per cent to 26 per cent. I cannot remember whether that was in an election year or not, but he did it for a reason and it was passed. The effect of that is that people in Jersey who were on the marginal rate became better off by that amount and they felt the difference in their pocket, but it did, of course, leave a hole in the public finances. This is not what is being proposed here. What is being proposed is a way to recoup those monies and recoup much more than is being given away, but at the same time to create an equitable tax system. It recognises the fact that at the moment people who are in receipt of allowances, we give them allowances on the basis that the idea is that you should only be taxed on your disposable income. So we think it is reasonable to give people, let us say, in the region of £16,000 a year if they are single, a bit more if they are a married couple, and we say: "We are not going to tax you on that because we realise Jersey is an expensive place to live, especially if you rent your own home. By the time you have paid for your transport, your food, *et cetera*, that money was never really yours anyway. So we

are only going to tax you on what you have left.” Now, of course, the reality is it costs people in Jersey a lot more to live than maybe £16,000 or whatever it is that they have in their allowances. In fact, you can easily earn £40,000 or £50,000 in Jersey and not have any money left the day after you have paid for all of your expenses. Nonetheless, they are charged at 26 per cent of the tax rate. Somebody who happens to be a higher earner, on their non-disposable income, the money they have left after they have spent what they need to on the basics, they are only charged 20 per cent. So you have immediately this inequitable system whereby somebody who is perhaps quite rich and has a lot of wealth and perhaps a lot of disposable income will only get charged 20 per cent on that disposable income, whereas the poorer person in that middle tax bracket is getting charged 26 per cent on their disposable income. That is where we have the disparity and that is where we have middle Jersey because, of course, we have those who do not pay tax at all and they generally in some ways are looked after by the state either pretty well or maybe not as well as they should be. I know there will be other definitions of what constitutes middle Jersey, but I think that is a fairly good definition of middle Jersey. They are the ones who are disproportionately paying via our tax system. What we are saying is if the 26 per cent marginal rate tax bracket is such a good idea, having that allowance, then why not give that to everybody? Why not say that if you are at the top of the tree and maybe you earn £300,000 or £500,000 a year, that is fine, you will get your allowance the same as the person who earns £35,000 a year. Once you have that allowance, which is tax free, you will all pay the same rate, which is 25 per cent. We can look at our constituents and say, yes, we have realised that we have been through a pandemic. We also realise that this Government has signed up to reducing income inequality, and one of the things that Government could do in order to be true to its word on reducing income inequality is adjusting the tax rate. I think that is what this Government has never really got their head around. You can tweak things at the bottom. You can increase benefits if you want to, and we need to. We need to make sure that they at least keep up with inflation. But unless you deal with the redistribution from the top towards the middle and the lower end, then Government has very few levers in order to manage income distribution. It cannot rely on the vagaries of the market. It cannot presume that everybody is going to benefit from economic growth because that is not what we have seen and it is certainly not what we have seen during the pandemic. So I do welcome the previous speaker, Deputy Pamplin, because I think he was saying the same thing, that he sees there is an issue at the moment with people suffering and this is a way to make our system more equitable. It is not a progressive tax rate like they might have in Scandinavia, where the high earners are taxed at a higher rate on their higher income, and it is not the regressive regime that we have at the moment. It is very much the middle way, what you would expect from a centrist party from a new deal type of approach. I think anyone in the Assembly who aspires to be a centrist, not favouring one group above the other, should be biting Senator Mézec’s hand off to support this very excellently researched and presented and costed proposition today.

#### **1.6.4 Deputy M.R. Higgins:**

Earlier this morning we discussed, under Senator Gorst’s amendment, borrowing. Now, under Senator Mézec’s amendment we are talking about tax and in this case income tax. I must say I have always believed that our tax system is distorted and needs to be more equitable, and I will be supporting this proposition and others to bring about changes in the tax system so that everyone in the Island benefits from it rather than just the few. However, I just want to mention something else that we are going to have to discuss. It will have to be discussed next year because we are going to be coming back to the costs of COVID. We have already had part of the discussion. What we need to do, again, is raise the issue of corporation taxes, taxes paid by companies. Now, it has been a big no-no since we brought in Zero/Ten and successive Governments have done everything that they can to avoid talking about tax. Every time we ask for a tax review it is always: “We are looking at it, we are going to be bringing it, it will be coming forward” no doubt after the next election because they do not want people to know that they are not planning on changing anything. However, I want to put

on record that when we do start having this debate next year we have to look at company taxes, with companies paying no tax, the vast majority of people.

[15:00]

However, the same people who are benefiting from all the packages that we are delivering, yes, we are helping workers with funds to cover the costs of their employment, but we are also helping and saving companies in this Island from going out of business. Now, in the past they are normally the first to criticise the States for spending and what they call handouts and support. Now they are begging the States for support all the time. I have no problem with supporting them, but when the reckoning comes, which I think will be next year when we have to start looking at trying to pay it back, then they are also going to have to contribute to the recovery and to repaying the funds. So I am just putting on record here now my support for an equitable tax system but also saying that I expect the Government by next year to have proposals for company tax because, if they do not, I will be bringing them forward and they are going to have to defend their position. Those who have received the aid can be expected to contribute towards paying the cost of it.

#### **1.6.5 Deputy R.J. Ward:**

Just briefly, I just wanted to say that I really hope that Members can consider this really carefully and do not be put off by the fact that, yes, of course, it was a manifesto pledge that we are pursuing, but that is what you do when you have a manifesto and you bring it to the Assembly. We would like to and I would certainly like to convince people that this is the right step forward. This brings about a fairer tax system. It needs to be addressed and this amendment is really well thought through because it is going to be year of assessment 2022, so it gives time for this to be enacted upon. The current year tax system is being instigated and is in place, so therefore it is timely. It also addresses that huge inequality that we have seen in our tax system and it raises revenue. It does something about income inequality. If people are going to oppose this, I would just like them to say what they are going to do about income inequality, other than just keeping people on increased reliance upon social security and keeping people trapped. We need to support people. When people are working and people are there, we need to have a fairer tax system. That is about all I would say there, apart from one other thing, which is to say please put aside perhaps your considerations that you would not agree with something simply because it comes from a certain place in the Assembly, and do not be shifted by that. Look really carefully at what this is trying to do. If we have an unfair tax system, which we do, we do need to address it now. Deputy Pamplin was right when he said that times have changed and we really need to take these issues on right now for the future. By 2022, we can say that we have a fairer tax system and we can move forward together. I urge Members to support this proposition.

#### **1.6.6 Senator K.L. Moore:**

I move to speak because I was somewhat surprised that the Minister for Treasury and Resources was not pressing forward to speak, but I do see that she has now indicated her intention to, so I will leave her to explain the slight vagaries and bizarre nature of our tax rules as they are. I am sure Reform Jersey colleagues understand that those paying the marginal rate would be paying more tax if they were moved on to the 20 per cent rate. It is a bizarre situation and one that I have sat down with members of the public and officers in the past to aid their understanding. I am sure it is still there; there is a helpful calculator on gov.je which can help to explain this to people. That being said, moving away from the 20 per cent rate is, of course, a very big move. It is sacrosanct, even though those who do pay the 20 per cent rate pay 21 per cent now that we have long-term care. So, in effect, it has already been increased somewhat. I would perhaps be more inclined to listen to a debate that made a more gradual change in the rate, but it would need some greater consultation. I do say that and I know it will irritate the mover of this amendment to hear people arguing that, and I appreciate that previous Ministers for Treasury and Resources have promised reviews and so does this one, and those reviews never appear to come to fruition; it is true. It is also true, and I do agree with the



Senator, that in real terms earnings have declined, particularly for middle Jersey and lower earners, over recent years. I hope he will understand that I do understand that and, indeed, I spoke about it earlier when the Corporate Services Scrutiny Panel made their amendments to child tax allowances and childcare relief. We were grateful to the Assembly for hearing that and supporting it because, of course, it is the middle earners who pay marginal tax who benefit from tax allowances and those on the 20 means 20 do not receive any of those allowances. But they were, as I said during the debate, small steps and it would be preferable to make larger steps. We were challenged so I will rise to the challenge and perhaps offer some alternatives. We could look at reducing the marginal rate. I would love to see the marginal rate payers pay 20 per cent or 21 per cent and then benefit from the tax allowances, but if I recall correctly the figures of reducing that rate by each percentage point are considerably more than the change that is being proposed here, the additional revenue that would be made if this proposition were adopted. So, I am also a great supporter of the living wage. I very much feel that everybody should receive a living wage and that would help immensely to make our society fairer, but I also believe in competition. We do have to be very careful about maintaining our competitive nature as a jurisdiction. We have seen with the recent events how much easier it is to work remotely and I am sure many people are considering where they position themselves in the world, as we have all understood and seen the importance of living close by our family and our dearest friends. Many people have struggled with the distance that lockdown imposed upon them and it has caused a good deal of people to rethink their life choices and rethink where they might be based geographically because of work. I am sure that in the coming years we will see people take that matter into hand and take practical action to move closer to family, so it is really important that we remain a competitive jurisdiction, both for living and working. That, too, means providing good living standards and fairness for those who reside here. The one real trouble I have with this amendment also is the fact that it addresses one sector of society but then not another. Because, of course, the high-net-worth residents, the 2(1)(e)s, are also on a different rate. Yes, it is difficult to change that because it is historically set as it is. The previous Government did increase it and agreed to increase it further but on a timescale that was agreed so that those signing up to it knew where they stood. But there are perhaps things that we can do to look at that. I am aware that there are sectors of our society where local people paying the 20 per cent rate pay more than the high-net-worth residents and that does cause some issues among that group of people. I am also aware that there are some who arrive here on certain deals and structure themselves in a particular way so that after a period of time they pay absolutely no tax whatsoever. I would most certainly support any moves to close that loophole. I will leave it there and allow the Minister for Treasury and Resources to share her thoughts, but it is with some regret that I cannot support this amendment.

#### **1.6.7 Deputy S.J. Pinel:**

We should reject this amendment. I have previously said it is the Government's intention to make wide-reaching changes to the personal tax system by introducing a system of independent taxation from 1st January 2022, little more than a year from now. Independent taxation is a significant change, probably the biggest change to the personal income tax system since it was introduced in 1928. To make this happen, work continues on a number of fundamental issues, including whether or not to keep child-related allowances and reliefs in the tax system and how best to protect lower income households that would be financially disadvantaged by an immediate move to independent taxation. Only when these matters are addressed and we better understand their impact on exchequer receipts can we determine whether or not our tax rates will need to change. This amendment proposes a new tax rate which, if introduced, may well need to change again before too long. Furthermore, while the past year has seen an unprecedented drain on government resources, the estimated yield from this change in the amendment is £7.5 million, no small sum but one that is a small percentage increase in government revenue. This amendment does not rebalance government finances. Neither is it the time for taking money out of the economy. The Island's economy needs all the help it can get to recover post-COVID. Doubtless, a great many of the 90 per cent of taxpayers who benefit from

marginal relief will be happy to see their tax rate reduced by one percentage point, which would be a 4 per cent reduction in their tax rate, but the 10 per cent of people who do pay tax at the standard rate on their total incomes are likely to be less happy to see their tax rate increase significantly. I am happy to debate in future whether tax rates in Jersey are fair or not, but such a seismic shift in tax rates cannot be done on the hoof and without understanding the future impact of independent taxation. The 10 per cent of people who do pay tax at the standard rate contribute nearly half of the personal income tax which we receive. The top 20 per cent of earners contribute nearly two-thirds of our personal income tax. The lowest earning 20 per cent of taxpayers who do pay tax contribute just 2 per cent of revenues, with a third of all adult Islanders paying no income tax at all on account of our very generous tax exemption thresholds. Any behavioural change among even a proportion of the small group of standard rate taxpayers that pay half of personal income tax could significantly reduce tax revenues. I do believe this proposal to increase significantly the tax burden on so few taxpayers will have a considerable impact, even if we cannot say today what that might be. The report to this amendment says it is about addressing income inequality. This Government have already done much to lift the tax burden from the lowest earning by revaluing personal allowances each year. Since 2018, the single personal allowance has increased from £14,900 to £16,000. This is in the proposal of the Government Plan 2021. The married couples/civil partnership allowance has increased to £25,700, again in the 2021 proposed allowance, from £23,950. These changes have reduced the tax burden on low-earning families. This amendment intends to shift the burden of tax to the highest earning taxpayers. I believe it is premature to adopt such a wide-ranging change before work is done to investigate how it impacts the Island's competitiveness. A better way to address income inequality is to lift the earnings of the lowest paid by creating an enterprising and successful Island economy. I fear this amendment could sabotage the economy by precipitating a draining away of talented individuals. This risk requires careful consideration and consultation. A change to the prior year basis of assessment has been approved and Ministers propose to introduce a system of independent taxation from 1st January 2022. I do not believe the time is right for making other personal tax changes. I urge Members to reject this amendment.

[15:15]

#### **1.6.8 Deputy J.H. Young:**

I am very grateful to Senator Mézec for bringing this forward because he has allowed us to discuss what we all know is the elephant in the room for Jersey. I have seen certainly over the years since I came to Jersey 41 years ago the tax rate was 20 per cent. Everybody had allowances that paid tax. There were universal tax allowances. Those allowances covered a lot more things, of expenses of ordinary life that were thought were justifiable, and companies paid 20 per cent tax. Then what has happened, of course, we have also seen the growth of our finance sector. We saw that and, of course, finance obviously is the key factor in our tax policy. What we have seen is a massive shift on to personal taxpayers as the growth in public spending has had to grow, whether it is exponential or not, I do not know, but we have seen a massive change. When I came along 40 years ago we were spending £25 million a year in total, now we are at £1 billion. Obviously we have to have a means of generating revenue. In order to keep things at 20 per cent and then to sign up to Zero/Ten, what do we have to do? We had to come up with this arrangement of this 2-tier tax arrangement of marginal and standard rate tax, which frankly, as Deputy Higgins told us and everybody knows, is a massive distortion. The more it goes on the more that distortion becomes worse. There are major unfairnesses in not having available universal allowances. Having spent some time working in Guernsey for several years or in the Guernsey tax jurisdiction, obviously there everybody gets ... or people that pay tax get universal allowances and you do not see the sort of argument that you have in Jersey. But, equally, Guernsey does not have the kind of public spend that we do. It has not seen that sort of growth. What do we have now? We have 5 per cent G.S.T. (goods and services tax) we had to also introduce. We have a long-term care tax of 1.5 per cent. We have stamp duty now at high rates at 10 per cent and we have policies because we have to have the income, user pays, what

some people call stealth taxes. These are all necessary but, of course, what we are doing ... without addressing just fundamentally the tax structures we are kidding ourselves that we can solve the growth that is going to happen in our health service costs and our services costs in just about every other area of Jersey life. It was only a few years ago that the Minister for Treasury and Resources introduced a health charge. Something which I think was probably going to be necessary. I fear that unless we have our means of adequately funding our commitments to our public with a growing spend and the expectation of people, then I am afraid that the model is broken already but it is certainly not sustainable. What we have here is a proposal from Senator Mézec which does -bottom line - generate more money and certainly for me personally, I tell you now, it would cost me more. That is not my reason. I suppose technically I should declare an interest. Hopefully it is in common with other people but my worry is that it is such a major change this that it is ... I take the view that in order to support such a radical change in one go, particularly at so little notice and without the public consultation process, I would need an electoral mandate for such support. I think there is a level of support and a willingness for the community to pay taxes, even to have them increased, yes, but they have to be fair. Until we get to a situation in which they are fair, and certainly universal tax allowances are part of that, but also part of that are addressing the income of the wealthy residents and the 1 per cent tax deals, which frankly are intolerable. We have to bring a change in to that area. Also companies. Yes, we have companies, financial services sector pay 10 per cent. Those are companies that are trading in financial services and so they get an advantage and those business in property 20 per cent, all other businesses are zero per cent. That includes so many businesses that we know. I was pleased to see the retail tax fee introduced a couple of years ago but it is a sticking plaster. All it is is an attempt to avoid reviewing and seriously taking the fundamental tax structure. As Members know, I do not plan to continue in the States at 74 years of age, or 75 on the next election, so I will not be there. I feel that this has to be addressed from this moment on and I do not mean to say ... I am not going to support this particular amendment but I plead with Members, now we have the elephant in the room, there has to be a real meaningful review of this. We have to have proposals, and there may be steps but we have to move towards those changes. Those of us that are open-minded about the need, the need to both generate more money for public services and to have a fair way of paying for it, we need to find that and be active to it. Then I think there will need to be an election mandate. Obviously the Reform Party's members do have an election mandate because the Senator told us this came forward at the election and they got elected and they put this forward. For me, I do not have that. I do not know where the level of support for the detail of such a measure would be, but I am absolutely convinced that if we got the formula right we should be able to find a way of moving and being open-minded and reviewing our tax structure and coming forward with some measures that we can take forward with the public and that will give us a long-term future for running our Island. Here is the choice, do we run our public finances because we are a tax haven or are we running it for the people who live here, and the services that we provide? I hope - well, not hope, I know - that our community that takes the view of the second, it is for our community. That means that those of us that earn more pay more, those of us that do not earn do not pay. Those in the middle pay a fair proportion. Somehow or another this current system we have has got completely and utterly broken and needs to change. I am sorry, I cannot support the amendment but I wanted to say those things to give the reasons why I am voting against.

#### **1.6.9 Connétable R.A. Buchanan of St. Ouen:**

I am sure all Members of the Reform Party are dreading the fact that I might speak on this amendment because I am sure they think that my politics lie somewhere to the right of Attila the Hun. Maybe they are right, maybe they are not. They may be surprised by some of the remarks I am going to make. Firstly, picking up on Deputy Young's remarks. I just want to point out to him firstly that we are not a tax haven, we are a low tax jurisdiction and we stamp out tax evasion and have done for some while. I think he is not far off the mark in many ways. The balance in the Jersey tax system when Zero/Ten came along shifted to individual taxpayers and it has been an increasing burden on

those taxpayers ever since we did it. Deputy Pamplin made the point that the world has changed since we have had the pandemic. The time has come to review that and to go back to those companies that use the Island for their businesses and make a lot of money out of the Island. As I worked in one of them I know that in the old days we did pay tax and it was not a major problem. It is not something I want to do without a great deal of consultation because I can already see the Minister for External Relations blanching a bit. Any changes to corporate tax would have to be introduced in consultation with the financial industry and we would have to look very carefully at our competitive position. But I think the time has come again to ask questions about Zero/Ten and to look at the balance of where the burden of tax lies. It is fundamentally unfair in my mind that companies that make a lot of money out of Jersey, and rightly so; we are a good place to do business for financial services business but they should be contributing more to our economy. There are ways of doing that that are not particularly painful but the result of revenues would relieve pressure on middle income Jersey where it undoubtedly lies. There is no doubt about this. So turning to Senator Mézec proposition, it pleases me and annoys me both in one go. It is a bit like curate's eggs, as far as I am concerned, because it does an awful lot for middle Jersey and for lower Jersey in terms of relieving the tax burden but then in the same breath it takes a massive swipe at those higher rate taxpayers who produce two-thirds of Jersey's tax income. As other speakers have said, to me it does not seem right to introduce this without some sort of consultation with that group of people to make sure that what we are doing is not going to cause fundamental damage to our economy because if we lose a large proportion of our tax take, or at least a portion of that large proportion of our tax take, as the Minister for Treasury and Resources said, it could cause more damage and create more problems than it solves. In that respect I have a problem. Secondly, I have great trouble moving Jersey's rate of 20p in the pound, and Senator Moore referred to this, there is an external perception that Jersey is a 20 per cent regime even though it is not and we all know that, but it is the external perception that concerns me. We are not seen as a high tax economy and people come to Jersey because of that. I think it would be a mistake to do this without at least consulting with the market and our competitors to make sure that we are not putting ourselves at a competitive disadvantage. I would have preferred this to be a standalone proposition so that the proper consultation could have taken place. I am just trying to see if there is anything else I have in my notes here. I think that is pretty much all I wanted to say on this. As I am sure Senator Mézec has probably worked out by now I, on this occasion, would not support this, despite the fact this proposition has many good parts to it, many parts that should be commended because it does a lot to address the income of those middle and lower earners. Unfortunately the bit that I cannot stomach is the bit of giving higher rate taxpayers what is effectively a 25 per cent increase in their tax bill. Not because I would see that bit to be a problem per se but because we have not consulted on that part of the market, we do not know what the impact of doing that would be and to do that blindly and just guess seems to me to be rather foolish. In conclusion, I would urge Members on this occasion to reject this amendment.

**The Bailiff:**

Connétable, Deputy Tadier has asked for a point of clarification either of something you have said or something that he said, I am assuming the former. Do you give way for a point of clarification?

**The Connétable of St. Ouen:**

I can only clarify what I have said. I cannot clarify anything he has said but, yes, I am happy, to give way.

**The Bailiff:**

Deputy Tadier, you have a point of clarification?

**Deputy M. Tadier:**

Thank you to the Connétable for giving way, it is of course of something he said. He spoke of not wanting higher rate taxpayers to pay even more tax. What does he mean by higher rate taxpayers?

**The Bailiff:**

That is a proper point of clarification, Connétable, are you able to say what you meant?

**The Connétable of St. Ouen:**

Yes, what I am effectively saying is that those taxpayers who earn more income than the allowances would have a significant impact on. So those taxpayers whose effective rate of tax is very close to or in excess of 20 per cent. I hope that has clarified the point for the Deputy.

**The Bailiff:**

Thank you. Does any other Member wish to speak on the amendment? If no other Member wishes to speak then I close the debate and call upon Senator Mézec ...

**Deputy G.P. Southern:**

Sir, it is up: "Speak, please." Can I speak, please? You missed it, Sir.

**The Bailiff:**

No, it is not in the chat at all.

**Deputy G.P. Southern:**

Well, I do not know where it then because I have just written "Speak, please" below of Montford Tadier's clarification.

[15:30]

Where is it? I do not know where it has gone but I definitely put that request in.

**The Bailiff:**

I accept that, of course, at face value, Deputy, so, yes, please do speak.

**1.6.10 Deputy G.P. Southern:**

Let us hope it stays unmuted and not keep flicking back to muted. I really do not like this machinery. But thank you, anyway, for taking me at my word. What a panic. Calm down, Geoff, stay calm.

**The Bailiff:**

Have you started your speech, Deputy? Sorry, that was a slightly waspish comment on my part.

**Deputy G.P. Southern:**

The first thing to realise in this debate is that we cannot go on doing what we have done, it does not work. We have come to a point where we have to spend more on our public services (a) because we are an ageing society and (b) because we are living longer and living, possibly, less unhealthy although towards the end more healthy than we have done in the past and we need to finance that looking after our people, whether it is teachers, whether it is old people, whether it is the sick; we have to spend the money and we have traditionally, for years, not spent enough on propping up and maintaining the well-being of our society. It is an inevitable fact, and people do not like it, that we are going to have to somehow find the revenues to pay for the increased level of services we have to give. Just think about the minor change, the start we made, in reducing G.P. fees from around £45 a visit to around £12 a visit. That applies to 10,000 people in income support households. We have just made that start today. Many analysts would take a look at our society and say: "And you will have to do more in the future otherwise your population is going to suffer." We have played with our system as much as we can just about, introducing the 2 rates, changing allowances and we have

invented G.S.T. We now have stamp duty, we have petrol, impôt, alcohol impôt, all of which we have played with to try and raise more funding, more revenue. But the fact is that all these mechanisms, G.S.T. for example, impacts much more harshly on low earners than it does on high earners. Alcohol, petrol, duties all impact and affect the worst off.

**The Bailiff:**

Sorry, Deputy, hopefully everyone can hear me now. Deputy Southern we lost you at the end of the words “the worst off”.

**Deputy G.P. Southern:**

For some reason my mute came up. Somebody is messing with my mute, I am afraid, and it was not me. Right, I am back on, thank you. I finished where?

**The Bailiff:**

The worst off.

**Deputy G.P. Southern:**

The worst off and affects them more because of their low income than it does to those who are better off. We have seen, according to the 2014-2015 income distribution survey, which is the most recent survey we have been able to do because one of the things that the pandemic stopped was further research into an updated version of distribution but that back then, and we should have it now before this debate took place so that we could have an informed debate on the way forward instead of this ignorant debate on the way forward. What that showed is that in the last decade there was a 17 per cent drop in incomes for the worst paid 20 per cent of our society and that was before housing costs. When you put into there fixed expenditure on housing, which is enormously expensive, as we know, that is a drop of 30 per cent. A 30 per cent drop in the disposable income of our worst off, most needy of support, worst-off sector, 20 per cent quintile. What that showed was that there were of the order of 30 per cent of our children living in relative low income households, almost 30 per cent of our elderly, pensioners, living in low income households and revealed that over half our population is suffering from rental stress. We talk glibly about looking after our young people as well as our old people but then we have to recognise that for many of our young people the possibility of owning a house or even a flat for many of them is an impossibility, so they tend to leave rather than stay. At the same time we have an increased elderly population to look after and we have started to make adjustments to their situation by bringing in the living wage, as distinct from the minimum wage, the minimum wage leaves people just below the taxation line in many case. The living wage which we have yet to fully promote, and we must do, is around £11.15, I believe, at the moment and takes people into the taxation band. So the starting point for improving people’s incomes would be much more drive through the living wage. But even then we would not be able to pay them ... if we paid them the living wage then the going rate for the people who we rely on, and we have relied on throughout the pandemic, the care assistants who do so much for our young people, their going rate is above the living wage that we are talking about bringing in now, around £14-£15 an hour up from £11 an hour. Having said that, we have looked at raising G.S.T. possibly and ignored it. We have settled for a fairer tax which has to be dependent on people’s earnings, and in particular their disposable income. So when we talk about spreading a fairer tax, which is the only way we can go forward, I believe, in order to raise more, here we have a tax which can be made fairer and effectively reduces the rate of tax paid for most earners who are income taxpayers and increases it for a few at the very top end, certainly less than 10 per cent, of the top earners who are paying slightly more. If you think about that, given that the demand that our society has for caring, for public services which are necessary, then we have not really got any further choices because the alternatives are unfair and this is fair in the sense that it asks the better off to pay a little more. That is what we are asking in this particular case. To have people criticise it and say: “Well, hang on you are not dealing with the

very rich, the 2(1)(e)s” is to misdirect attention. The point is that this does not deal with 2(1)(e)s, but do not worry, Reform Jersey will be coming back with proposals to the 2(1)(e)s as soon as it possibly can. This takes a moderate and modest view that we ought to ... if we are going to start reforming our tax base, which we must following the pandemic and must following decades of no growth in productivity. If we are going to address that, let us do it one thing at a time. To have the Minister for Treasury and Resources come back and say: “We could not possibly do that because we are doing all these other changes at the same time” I find, quite frankly, incredible. I think that is just another way of saying: “We do not want to do anything and we certainly do not want to do anything yet.” Having said that, I think I will close there and I have almost stopped shaking now at that incident early on. Thank you.

**The Bailiff:**

Thank you, Deputy, the challenges of technology are difficult for all of us, I think, from time to time. Does any other Member wish to speak on the amendment?

**1.6.11 Deputy J.A. Martin of St. Helier:**

Yes, I will be brief because I think we have had some good arguments on both sides and I am glad Deputy Southern got in because I would have been very surprised if he had not have spoken. I just want to add to what I thought was - and sorry Deputy Southern definitely will not agree - good speech by our Minister for Treasury and Resources who does have all the facts. What we do not have all the facts of is what next year and the year after will bring. We have gone through something that nobody - even with all our crystal balls, and we now know what we should have done - knows what is around the corner and what is going on in 2021 and 2022. I have heard today of some really contradictory speeches that the companies are going to be made to pay, do not do austerity. I think those speeches were both from the same Deputy. A bit of mixed messaging there. Is it the time to say those that can definitely afford a bit more, let us take a bit more from them, we might be able to help a bit more down there when we do not know what, as I say, the economy and everything is going to look like next year? We know it is not going to be a glowing picture, we do not know if it is even going to be any better in 2022. To me it is as simple as that. Somebody said earlier in a speech we have had this tried and tested tax for many, many years and it might need to change. It might. What I am saying is you do not do it now, you do not put on top of what we are already doing, and you certainly do not plan to change it 2022. I will leave it there.

**The Bailiff:**

Thank you very much, Deputy. Does any other Member wish to speak on the amendment? If no other Member wishes to speak then I close the debate and call upon Senator Mézec to respond.

**1.6.12 Senator S.Y. Mézec:**

Thank you. Can I thank all the Members who have contributed to this debate, which has been quite interesting to listen to some of the arguments and observe some of the straws being clutched at that I hope to try to highlight at this point?

[15:45]

The least unexpected speech was certainly from the Minister for Treasury and Resources and I will get to some of the things that she said that I do not think make sense. I have to say, though, and I will start on the most negative points so I can hopefully move to the more positive afterwards. The most disappointing speech was from Deputy Young. Deputy Young is a fellow traveller. He and I have much in common in terms of our political philosophy but you would not be able to guess that by our voting records because I think I have observed Deputy Young in this Government Plan debate, in previous debates but absolutely on this debate on this amendment, jump through some intellectual ... sorry, make these intellectual somersaults to get out of doing the right thing. I was reminded in his speech of a classic scene in the film “The Life of Brian”, which most of us, I am sure, will be

familiar with, it is towards the end of the film where Brian has been captured by the Romans and is off to be crucified, and there is a meeting of the people's front of the liberation of Judea or the Judean people's front - I cannot remember which one - where they are resolving for how their group will move forward and the leader says: "All right, that is it, no more briefing, from now on we take action." At that moment Brian's girlfriend storms into the room says: "Brian's been caught, they are about to nail him up" and the leader says: "Right, this calls for an immediate discussion." Rather than taking action this is classic in Jersey politics, is it not? We talk, talk, talk, we consult, consult, consult but we will find excuses to not take action. I think that the action that Deputy Young was proposing is just bizarre, talking about needing an electoral mandate. If it is the case that he cannot vote for this because of an electoral mandate - I am sorry to point it out to him - it does mean that he ought to abstain on every vote in this Assembly. That is not trying to be personal to him because I know he shares my concern on uncontested elections but it is odd to single this out as an issue for which he feels an electoral mandate is so important on but not everything to vote on in the Assembly. It is a very inconsistent approach. But it is also a flawed suggestion because in our elections we do not have ... he has asked for a clarification, I am happy for him to deal with it now since I have raised this point now.

**The Bailiff:**

Yes, if you wish to do it now.

**Deputy J.H. Young:**

I think that the Senator's comments do require me to make a clarification of my comments. Maybe I have failed to use the word to say the reason why this particular matter I do think requires an electoral mandate is because it is such a major and fundamental change where we have had no process of consultation with the public and I think, myself, that is the reason. I hope I am allowed to put that clarification in there because, you know, I cannot just accept the Senator's blanket criticisms of what I had to say there.

**The Bailiff:**

That is not a reason for a point of clarification but it is a proper point of clarification of your speech. I see Deputy Tadier has also asked for a point of clarification from you, Senator Mézec, do you give way for that?

**Senator S.Y. Mézec:**

I do and once that clarification has been made I will come back to what Deputy Young has just said as well.

**Deputy M. Tadier:**

I was just going to say if Deputy Young does not feel like he has a mandate, could the Senator clarify whether he thinks that the Senator has a mandate for bringing this?

**The Bailiff:**

I do not think that is a point of clarification but you have made the point, Deputy Tadier. If you would like to continue, Senator Mézec.

**Senator S.Y. Mézec:**

Thank you, in fact Deputy Tadier has absolutely pre-empted the point that I was going to go on to make after dealing with Deputy Young's clarification, and I am sorry to tell him that he has made me even more irritated with that clarification. I would like to ask him what consultation was done when he voted to increase the long-term care tax, for example. That is a fundamental change to our tax system. We have all of this nonsense put to us about how the headline 20 per cent tax rate is so fundamental to Jersey's success when it is simply a misrepresentation of our tax system because there



is no headline 20 per cent rate. Can he come to this next clarification at the end of my speech? I do want to make some progress in this but I am happy to give way at the end. His point really is ridiculous to say this is so major that it requires greater consultation but all the other major things this Assembly does does not require that level of consultation. This leads into the point that Deputy Tadier was trying to highlight about these electoral mandates. Of every tax change that has been proposed, certainly in my memory of Jersey politics, and perhaps this is me bragging here, but this change is the one with by far the greatest electoral mandate that has ever come to the floor of this Assembly. We have had politicians in the past stand up and say: "Vote for me and I will robustly oppose any increase in G.S.T." and then when they are elected they proceed to do the precise opposite. We have had this Government pursue an increase in the long-term care tax. I do not recall that being in any of the election manifestos of the successful candidates at that last election: "Vote for me and I am going to raise your tax in the form of the L.T.C. (long-term care)" That is just not how people conduct their election campaigns. Whereas in my manifesto, which was a shared manifesto with other Members of this Assembly as well, we were crystal clear about this and over 40 per cent of the public of Jersey came out to vote for at least one of us, giving us at least some sort of mandate to pursue this, which is far greater than any other tax changes or anything in the unwritten manifestos of uncontested elected Members. I do not want to rely just on that because mandates are important, of course, but whether something is a good idea ultimately is what we should go for. So I will move away from Deputy Young, who is just so disappointing from a fellow traveller to hear arguments like that. On to someone who is not a fellow traveller, the Minister for Treasury and Resources, Deputy Pinel, outlined her opposition to this, fair enough, there is a comments paper as well but my problem with it is that I think things are said in it that simply do not make sense. I tried to jot down some quotes from Deputy Pinel and if I have taken any of these out of context then she can feel free to correct me. She said things like: "Now is not the time to take money out of the economy." Of course this proposal is designed to partly do the exact opposite. It is designed to put more money in the economy by concentrating the wealth that exists in this Island in the hands of people who are more likely to spend a greater proportion of it in the local economy. It is simply no good to have wealth concentrate in the hands of an ever-decreasing number of very wealthy people, leaving the rest of society with less means to pay their bills, to go out and spend that in the economy to buy consumer goods to pay for services delivered by local firms and so on. This that we are arguing would contribute to our economic recovery by giving those people more money. I do not think that argument stacks up. She spoke about how the 10 per cent who would have an increased tax rate as a result of this are likely to be less happy about it. Of course, that is probably true. I do not think it would be universally true, I have met plenty of high earners who value the idea of living in a fair society and making sure that their neighbours are secure as well and who have access to decent public services and consider it their duty as people who are well-off to contribute a decent amount of tax to help everybody else in their community. It is not the case that everybody who would be paying more under this would be unhappy about it. I think my advice to anybody who would be unhappy under this regime of paying more tax, so for example the married couple with 2 children and a £300,000 mortgage, is one of the household examples I have used in the report to this, they would not be paying any more tax until they were earning over £257,000 a year. My advice to people on those incomes is probably just to keep your heads down, to complain about paying more tax when you are on that sort of income, which will be 10 times greater income than many people in Jersey, that is not far off one of the average wage calculations in the Island. I think that is the average wage when you take finance out it. This is 10 times more than that. To complain about tax rises when they are exempt from the full rates of the L.T.C. tax, have caps on social security contributions, I think to then complain about this is probably not a good look and I would recommend keeping away from it. It looks a bit stingy, to be quite honest, when the rest of us on much lower incomes are having to shoulder more of the burden. That is my advice to those people. I will highlight 2 other things she said. She said that already they had done much to lift the tax burden on lower earners and she spoke about the allowances that they have raised. I do not think many have complained about

raising tax allowances. We have gone a little bit further in raising tax allowances with the amendments of the Corporate Services Scrutiny Panel, which the Government proposed but forgetting that point for just one moment, I do then have to highlight that raising tax allowances does not help the poorest people in Jersey. The lowest earners, people earning a wage, do not pay tax because they are below the threshold, because their earnings are lower than the combined tax allowances that they are eligible for. It does not matter how much you raise a tax allowance if your income is below those thresholds in the first place; it does not help those people. Then she went out to talk about one of the best ways to help those people is to raise the wages of the lowest earners. I strongly agree with that. I think absolutely we need to be focusing on trying to increase the wages for those people. A starting point would be a living wage. Here we are in 2020, we still have the lowest minimum wage out of the 2 jurisdictions we often compare ourselves to for different reasons, Guernsey and the U.K. Even though the cost of living here is higher, our minimum wage has been allowed to fall behind and that is not an accident or bad luck, it is a political choice and I would point out it is a choice supported by the Minister for Treasury and Resources and some of her ministerial colleagues as well. I might be prepared to accept comments from those who want to argue against my proposals for altering our income tax system now if they were doing so on the basis of alternative proposals and if one of those proposals was to initiate some sort of drive for boosting the wages of the lowest people in Jersey I would be tempted to take that as a compromise, but it is not on the table because every time we bring forward propositions to try and get genuine boosts in the wages of the lowest earners the same people who pontificate about how they support the living wage will then find excuses for not supporting it. Aside from the fact that it is the cause, to a large degree, of the structural problems we have that are causing inequality, it is just extremely irritating as well because I think it is pretty terrible politics to say one thing and then refuse to do something to implement it. The Constable of St. Ouen who spoke about how this change would take a swipe at the highest earners, well, yes, that is the point. The question that people like him have to answer is how genuine is your commitment to reducing income inequality if that does not involve asking those at the very top to contribute more? Because what we have had over the last 10 years has been a growth in poverty and a growth in the incomes of people at the very top. How do you reduce income inequality without tackling both of those? If you want to leave the top alone and say, yes, you can continue to rack it in and have your wealth increase exponentially but you still want to reduce income inequality, that means you have to do a lot for those at the bottom so that proportionality it ends up balancing out at the end of it.

[16:00]

He is not prepared, certainly as I have seen in his voting record, to do anything to achieve that. In actual fact it becomes an excuse for doing nothing. If we want to reduce income inequality and do that in an easy way, yes, we boost the incomes of those at the bottom of the scale but it also means asking those at the top to contribute more because if you are not prepared to do that then you have to boost the incomes of those at the bottom by an even greater amount, which is harder to do while sustaining economic growth. So what they are proposing is pretty terrible economics as well. Senator Moore who said some things that were sympathetic to the ideas behind this but probably will still vote against it, I would say to her, she acknowledged that there was an onus on people like her to provide alternatives and I am glad she acknowledged that because that is more than some of the other opposers will do. She spoke about what we can do looking at the marginal rate. That is all well and good but anything you do to lower the marginal rate on its own means reducing our income tax take, which means cuts to public services or much greater efficiencies at a time when we are struggling to find the ones we are already mandated to find. By all means let us talk about alternatives but they do have to be more credible than that and we do have to be more honest about where the money will come from, basically. It is, frankly, much easier to talk about things that raise revenue than it is to talk about things that cut revenue because then you have to have the whole other debate on what services you cut. I will not dwell on this point for too long. Deputy Higgins made points about

corporation tax, which I think he has raised some really important questions that we are going to have to deal with. It is worth making the point, though, that the corporation tax regime that we have is probably much more to do with why we have businesses and particular high earning people based in the Island than our income tax system is. People talk about the 20 per cent rate, the non-existent 20 per cent rate, as if it is sacrosanct when in actual fact our corporation tax rate has a lot more to do with our successes in economy than the income tax rate. That is why a lot of companies will structure their affairs in this way. What people earn as personal taxpayers, as individuals, is their own business not the big company structures whose business is their corporation tax. We can debate these issues and consider that but the argument that our income tax regime is a big part of our success I think is overblown. It is much more likely to be the corporation tax rate. To end on a positive is that I thought that in Deputy Pamplin's opening speech he made some really good points and I think tried to put it in the context of the pandemic, the place we are in as a society and how we look forward. He asked the rhetorical question: "Are we doing enough?" I think we need to make that an actual question rather than just a rhetorical one because the answer is clearly no, we are going to have to do something. He spoke about us all wanting to be in this together. That is right but it requires us to make tangible proposals that stay true to those words, otherwise it is just words and not deeds. I ask Members to vote to support this amendment to give a welcome break to middle earners and some of the lower earners as well, provide them with that support so that they can play a greater role in our economic recovery once, hopefully, the vaccine is in place and we return to some form of normality, make a structural change that will make our society more equal rather than talk about equality, paying lip service to it without being prepared to do anything that takes us forward on that. In the absence of supporting this proposition, I put Members on notice that they can expect a lot more of things like this from myself and my colleagues who are trying our best to put forward proposals that will have a proper effect on dealing with those structures that cause income inequality. To those who want to naysay for everything that we propose, I respectfully ask them to show us their alternatives, because if they can come up with stuff that is better than what we are proposing and will make more of a difference, then we are pragmatists, we will get behind that and support that instead. Deputy Young wanted that point of clarification he was after, so I will take that.

**Deputy J.H. Young:**

I asked for this request to clarify because the Senator personalised very much his approach to me, my comments in the context of what I thought was a good policy debate. Obviously the Senator feels an ownership about it to do that.

**The Bailiff:**

Deputy, this is not a comment on the Senator's speech. It has to be either a clarification of your speech or a request for a clarification of his. Those are the only bases on which the Senator has to give way and he has given way.

**Deputy J.H. Young:**

Thank you, Sir. I think the issue about the electoral mandate, while he was speaking I was reading up my election manifesto and I made it plain that I was for tax reform and a fairer system but I certainly required that there would be that review, which of course has not happened. He also said that it was not a correct thing for me to say, of course, and then he challenged me about the long-term care tax, did I vote for the extra half a per cent. I believe I voted against when it was originally introduced, against the tax arrangements, but I think those are unfair and I would like to put that on record. I do not want to say any more. We should not be having a ping-pong debate on this.

**The Bailiff:**

As I say, points of clarification are exactly that. It depends upon the speaker giving away and it depends upon a question being asked either to clarify what a Member has said, in other words not to

add to, not to develop it, not to justify it but to clarify, or to seek clarification from the speaker. Senator Mézec, back to you, I think.

**Senator S.Y. Mézec:**

I am pleased to hear what Deputy Young has said and the only thing I would say in response to that is his manifesto commitment for tax reform and a fairer system. I am sorry, but it is motherhood and apple pie. It does not tangibly mean anything. Those are words that can be co-opted by whoever for whatever. He needs to do better and that means have tangible proposals that you can put to the public and say: “This is what it means, this is where the money comes from, that is how much it costs.” That is what we did in our manifesto. He is dreaming if he thinks that that can happen to provide electoral mandates for this policy detail, like he was suggesting in his original speech, that do not come alongside proper comprehensive manifestos and party politics. If he wants to stay true to his idea about seeking an electoral mandate for these sorts of changes, I am sorry but he is going to have to get behind that principle of policy politics to deal with that, otherwise he will be waiting, waiting and nothing will ever change. Unfortunately, with his speech he is demonstrating himself to be part of that system, which I do not think is where his heart really is on this because, as I said, he is a fellow traveller and I do respect that. With all of those points dealt with, I would like to call for the *appel*.

**Deputy J.H. Young:**

Sir, I feel that that was more than clarification but I will not say any more.

**The Bailiff:**

Well, I do not think the Senator had finished his closing speech. He gave way for a point of clarification. He was entitled to continue with his speech after that.

**Deputy J.H. Young:**

Thank you, Sir, clarified.

**The Bailiff:**

Thank you very much. Very well, the *appel* is called for. I ask the Greffier to place a link into the chat. I open the voting and ask Members to cast their votes on this amendment. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The amendment has been defeated:

<b>POUR: 8</b>		<b>CONTRE: 38</b>	<b>ABSTAIN: 0</b>
Senator S.Y. Mézec		Senator I.J. Gorst	
Deputy G.P. Southern (H)		Senator L.J. Farnham	
Deputy M. Tadier (B)		Senator S.Ferguson	
Deputy M.R. Higgins (H)		Senator J.A.N. Le Fondré	
Deputy L.M.C. Doublet (S)		Senator T.A. Vallois	
Deputy R.J. Ward (H)		Senator K.L. Moore	
Deputy C.S. Alves (H)		Senator S.W. Pallett	
Deputy K.G. Pamplin (S)		Connétable of St. Helier	
		Connétable of St. Clement	
		Connétable of St. Saviour	
		Connétable of St. Brelade	
		Connétable of Grouville	
		Connétable of St. John	
		Connétable of Trinity	
		Connétable of St. Peter	
		Connétable of St. Mary	

		Connétable of St. Ouen	
		Connétable of St. Martin	
		Deputy J.A. Martin (H)	
		Deputy of Grouville	
		Deputy K.C. Lewis (S)	
		Deputy J.M. Maçon (S)	
		Deputy S.J. Pinel (C)	
		Deputy of St. Martin	
		Deputy of St. Ouen	
		Deputy R. Labey (H)	
		Deputy S.M. Wickenden (H)	
		Deputy of St. Mary	
		Deputy G.J. Truscott (B)	
		Deputy J.H. Young (B)	
		Deputy L.B.E. Ash (C)	
		Deputy K.F. Morel (L)	
		Deputy G.C.U. Guida (L)	
		Deputy of St. Peter	
		Deputy of Trinity	
		Deputy M.R. Le Hegarat (H)	
		Deputy S.M. Ahier (H)	
		Deputy I. Gardiner (H)	

**The Deputy Greffier of the States:**

Those voting *pour* in the chat I have Deputy Southern and in the link: Deputy Ward, Deputy Pamplin, Senator Mézec, Deputy Doublet, Deputy Tadier, Deputy Higgins and Deputy Alves.

**1.7 Government Plan 2021-2024 (P.130/2020) - as amended**

**The Bailiff:**

Thank you very much. That concludes the votes on all the amendments so we now return to the main proposition as amended. Does any Member wish to speak on the main proposition, namely the Government Plan as amended?

**1.7.1 Deputy K.G. Pamplin:**

It seems like *déjà vu* again and I repeat what I said earlier in the amendment debate. I do not want to see us in a position where if it could be helped we do not have a debate before passing a serious piece of policy legislation in the Assembly. This is the Government having a debate. The only thing I really wanted to say was to thank the Council of Ministers for their interaction with me after lodging my amendment, which I then accepted their amendment to because it put poverty and relevant poverty into this Government Plan. It was not there before I did that and I agree with Senator Mézec in response to all of that when he spoke, seems for ever ago now, because it is way behind and we need to do more than words. He said it just recently as well, but I am glad to see something is there. Once again, as I like to improve myself, of questioning and standing up and trying to see through the things that I am passionate about and seek not just for ... because it is not about me, it is about the things that I think many Islanders believe in. I will be doing that to ensure and support the work does happen and this time next year I hope, and we all hope, we are in a different place, because to echo the words I said in the amendment speech I gave earlier, I think the reality of the change of world is really not going to be truly felt until next year. This is a recovery plan but the reality really, I think, is the recovery is going to start next year and I think it was the Minister for Treasury and Resources

who said in reality the recovery plan will be after that and on as we rebuild and reform what this Island looks like through one of the most dramatic shifts in recent history, thanks to a global pandemic and the aftermath of the Brexit, which of course we still do not know fully what that will be. I will play my part and I will wish success to this current Government because they have to succeed, whichever Government, whoever is in charge, because if they do we do. That is all I have to say. I look forward to hearing the rest of the debate.

### **1.7.2 Connétable C.H. Taylor of St. John:**

I would like to congratulate the new Council of Ministers, in particular the Chief Minister and the Minister for Treasury and Resources, for what really is a very sound Government Plan going forward for the next 12 months and thereafter. I am not going to repeat the dreadfulness of the crisis we have suffered, but in effect much of what was budgeted 12 months ago was shot to pieces with the COVID crisis. So to keep your nerve, to keep a steady ship and to keep the services - health, the education and all the other services needed on the Island - going and keeping a steady but firm hand on the tiller, this was the time it was needed and true leadership has been shown by the Chief Minister and the Council of Ministers. I would just like to say thank you and urge Members to support what is I think a very sound budget.

[16:15]

### **1.7.3 Senator L.J. Farnham:**

I just wanted to touch briefly on the benefits I think this Government Plan will bring to the economy because if approved it will deliver, as we have heard, additional funds to heritage, arts and culture. We have agreed a way forward for the Elizabeth Castle development. It delivers Digital Jersey growth and delivering a digital policy framework. There are funds for inspiring an active Jersey. We have cybersecurity funding. Visit Jersey, there is additional funding there especially in relation to rebuilding the tourism sector after such a huge shock it has had to deal with this year. We have money, additional funding, for the review of the rural economy strategy and there is some good news about to be announced there now, endeavours to deliver more high value crop opportunities for the Island, new industries emerging. The economy framework work will continue. That has been ongoing through this year but it moves up a gear next year. Deputy Southern and other Members will be pleased that there is additional funding for the productivity support scheme. Competition policy is also important. Members will remember we separated from the Channel Islands Competition Authority and have now gone back to our own Jersey Competition Regulatory Authority. That has additional funding because competition is going to be at the heart of the battle against inflation and we have got money for our national park. We have got some minor capital replacements and additional funding for the sports division and, of course, that is working alongside Fort Regent and the sports facilities strategy. Of course I mention the former Assistant Ministers who both have played a big part in that, and I know the new Assistant Ministers will continue their legacies and seek to continue to improve all that we do for those sectors. Very briefly, the work that has been done on the economic framework has introduced - and Deputy Morel will be particularly pleased with this - the supply-use tables. We have done a lot of preliminary work on skills, working closely with the Education Department, and the delivery of the skills strategy is key for delivery next year because that will help to build our economic framework. Also yesterday the Economic Council released its report entitled *New Perspectives*. I urge Members to look at that. I will be setting up a meeting in the new year that will give Members the opportunity to have the report presented to them by the independent members of the group, but I think that is a key piece of work. It is a visionary piece of work that will play an important part in the future economy planning. So I just wanted to thank Members for their support if they are to support the plan. That is just a small sample of the work and the benefit that the additional funding, as set out in the Government Plan, will provide for the economy programme.

#### **1.7.4 Senator K.L. Moore:**

Some members of the public have felt that listening to this debate or even being aware that we have spent several days of this week debating our budget, essentially, was a bit like tinkering while Rome burns. Of course we have all just seen the latest COVID figures come in showing another rise of an additional 70 cases and people would like to see us talking about the gatherings for Christmas, perhaps, and whether we truly feel that they are the right and appropriate thing to do in the current circumstances. But it was a very important debate, of course, because, as I pointed out to some people, without the finances and without the money to spend on tackling COVID and testing regimes then we are unable to do anything. This debate had to happen and it had to happen before the end of the year for very obvious reasons. I do wish to commend those who have brought successful amendments because I think they have been very important and necessary amendments because I do feel that the Government Plan lacks somewhat in vision and breadth. I feel that the amendments have tried in some way to assist them and also to restrain the Government, particularly I say that in noting the amendment of Senator Gorst and his concerns about borrowing, which of course the Government Plan Review Panel shared. This Government Plan will take spending for Jersey to over £1 billion. That is an enormous sum of money and almost double the spending limit that the Island had when I was first elected back in 2011. The enormity of these figures and the constant battle to restrain spending yet meet the needs of the public is simply extraordinary and I would like to see in future years once we return to a level of enormity ... because, of course, it is very much understood that the Government have been tackling an unprecedented situation this year and they do need to be given a lot of credit and cut some slack for that, but spending does need to be brought under control and that will be done, I hope, in future years. For example, we are seeing considerable spending planned for a hospital which is now looking to exceed over £1 billion in itself once the borrowing is paid for, and that does not even figure in this Government Plan. This Government Plan very much sets the tone and lays the way for the considerable effort that will be reached and made to achieve such a level of spending in the future. Personally, I would rather see us focus on affordable housing and improving the standard of living for Islanders than investing in office buildings. Things like that should be done when we have got our house in order and I would hope to see better prioritisation from Government in the future. I do hope that Members have had a chance to look at the various Scrutiny Panel reports that have been produced in relation to this Government Plan. It was somewhat of a herculean task in the 9-week period that we had to put these reports together, and I really commend all members of Scrutiny who have shown incredible dedication and enthusiasm for the task because it is super important that we do provide some scrutiny and a different perspective. But of course, huge thanks go also to the Scrutiny Officers who have toiled away and really been quite tireless in their efforts. I really would like to thank them all for their efforts because they are very much appreciated and they have done some fantastic work that I hope has helped to contribute to the debate and improve the thinking of all Members as they have approached this debate. In particular, I do think Scrutiny is important when we take into consideration issues that we have raised, such as performance and the management of the performance targets that we have highlighted as a concern among the Council of Ministers. It seems that some of the data that decisions have been based on were sometimes inadequate and that certainly not enough challenge had occurred and there was not enough understanding among the Ministers who we saw before us in all levels of the detail that they had to consider. We hope to see a much better level of understanding and more considered approach to their important role of accountability and achieving good governance when they are making their deliberations in future. Of course, this also is about setting the tone and moving forward from this COVID situation and setting a path for the future, which is why I am quite sad to say that I feel this plan lacks vision. It certainly is not the recovery plan that it is billed for. It is simply a plan that paves the way for further borrowing and greater spending and that, I think, is a greatly missed opportunity. It also fails to tackle the considerable concern that we have in relation to the impact that this spending will have on future generations. I hope that as an Assembly we can work together in

the coming months and years to settle the issues and to reduce and minimise the impact that this level of spending could have on future generations, because I do not think that is the intention of Members here today, but in accepting this Government Plan we do all have to be aware of that. If Members doubt what I am saying I would commend them to take a brief look at the C.I.P.F.A. (Chartered Institute of Public Finance and Accountancy) report that was produced by the Economic Affairs Panel. I am sure other Members will refer to it also, but it really is a very helpful report. Its concluding remarks absolutely hit the nail on the head in terms of talking about and raising issues of ensuring fairness for future generations in the decisions that we are taking today and their impact on the future. I do apologise for the background noise. This is the trouble working at home, but I will leave it at that and look forward to hearing the rest of the debate.

#### **1.7.5 Senator S.W. Pallett:**

I just hope that is not going to set my dogs off, who are downstairs. I really want to comment on well-being and elements of that within the Government Plan. I think we all know that many Islanders have had their physical and mental health greatly impacted during 2020, although I think a lot of Islanders have adapted their lives and have coped extremely well with restrictions and continue to do so at what is a very difficult time, especially during the winter that we are now into. But there are aspects within the Government Plan that I think I do just need to mention because they are areas that I have had responsibility for and have been proud to have responsibility for. Islanders' mental health has been subject to a lot of discussion within the Assembly over a great period of time, and rightly so because it is important that we treat mental health with the same respect that we do physical health. In the Government Plan there is adequate funding for the much needed new infrastructure that we need at Clinique Pinel. I have had great support from officers at the Health Department to ensure that we get the necessary support and the necessary infrastructure we need to make sure that Islanders are supported, and supported in the right surroundings and in the right environment. Clinique Pinel is a really important new development and one that I will be keeping a close eye on, but that is not the only success we have had this year. We have managed to reopen La Chasse, our front door for mental health services, and I am really proud of that as well. I thank Government and I thank those that I have worked with in the delivery of that as well, but what I do want to mention is our staff, because our staff have been under all sorts of pressure this year. There is really good funding in this Government Plan to ensure we carry on recruiting good staff, quality staff, to be able to support Islanders through difficult times. We have wonderful staff and I have been really proud to work with them. I can only thank them for the support that they have given me during that period of time. One of the things I am really proud of is that although we have not got perfect buildings, what we do have is incredibly focused staff who are prepared to give up huge amounts of time and go beyond the call of duty at times. I think that has been shown within the improvements in Orchard House this year, which has been quite remarkable in terms of the way we have managed to turn round what a lot of people thought was a failing service into what is now, I believe, an exceptional service.

[16:30]

Just moving on to something that Senator Farnham mentioned when he spoke, and that is around inspiring an active Jersey. As we do come out of this pandemic we are going to need to keep our Islanders fit and active and provide them with opportunities to be able to exercise. Again, this Government Plan provides adequate funding to do that. We have an extremely dedicated body of people within Jersey Sport who will be able to deliver better outcomes, I think, for all Islanders moving forward. I am really proud of the work that they do but we have managed to keep a good level of funding within this Government Plan to make sure that they can improve their services and roll out their services to far more Islanders. When I say "far more Islanders", this is not just about elite sportspeople. This is around everybody from young people all the way through to people of my age and above, because I am very close to being an over 65; not quite but I am getting there. It is important that we do keep our elderly citizens fit and active if they are going to remain living in their



homes for as long as they can, which is a key element of care in the community and the Jersey Care Model. Another element that Senator Farnham mentioned was the sport division. We have an incredibly dedicated staff within the sport division but they have been massively impacted this year by COVID in terms of what they can deliver. Nothing disappoints the staff more than not being able to open our sports centres and not being to provide the sort of social activity that I think a lot of our over-65s have come to expect and come to enjoy. What is in the Government Plan is a great deal of extra funding to ensure that we can provide the services that we were doing before the pandemic afterwards, because through this period active card membership within the sport division has been massively hit. People clearly have not been able to use the facilities to that degree and the income has been hit. What we do need to ensure though is when we do get back to some type of normality that people can access our gyms, our pools and all of our sports facilities, get back to some type of normal activity and return to normal life. We seem to have almost got there in October and November but we have now taken a backward step and a lot of sports people are really suffering at the moment, and it is important that we get them back up to normal some time in the New Year. Another element that I think is really close to my heart, and has been for a long period of time, in certainly in some of the work I have done with the youth club in St. Brelade, is young people. It is really important that we support them through these dark times, not just physically but with their mental health as well. They do need hope. They do need to be supported and provided with, as I say, hope that when we get through this, there are things that they can enjoy and they can really flourish doing moving forward. I am going to pick one particular issue, which is one that has been in the news in the last couple of days, and it has not been in the news because I wanted it to be. It is just I believe it is a really important element of ensuring that we do have facilities for young people in this Island, and that is the skate park. There is funding for the skate park in this Island Plan in 2021 and it needs to be built. I believe that it should be built when we said we were going to deliver it, but we are not having a debate about that today, but we do need to get on and deliver it. It is going to be an Olympic sport. It is going to be massive when we get to the Olympics and I think it is really important that young people can see that we do support them and that we are going to offer them new facilities because we are going to get to a point where we are going to have to close down the old skate park. One reason is around health and safety and the other is because it is getting beyond its sell by date. We do need to deliver something new. So, please, if there is one thing that I am begging Members to ensure that we deliver next year, it is a new skate park for the young people of this Island. I just want to finish by, if you may let me, thanking the Minister and my very good friend Senator Farnham for all the support he has given me over the last 6 years. It has broken my heart to give up the roles I was doing. I felt I did it for the right reason, and I am not going to go into that now, but things have to move on so I wish him success. I also wish success to my successor Deputy Hugh Raymond because it is a big role and I think he is going to find there is an awful lot of people ringing him up on all sorts of issues. I am here if he wants help or I am here if he wants any support, but I commend this Government Plan. I think it has all the elements that we need to ensure that we can move on as an Island in 2021. As I say, I am happy to commend it to other Members and will be supporting it.

#### **1.7.6 The Connétable of St. Brelade:**

I speak with the hat of the chairman of the Infrastructure, Housing and Environment Scrutiny Panel. The panel have looked in-depth at the Government Plan and it seems appropriate that I comment on it at this stage with the amendments agreed along the way. The panel's review of the issues identified the additional revenue expenditure and capital expenditure in last year's plan and the 2 projects requiring additional revenue expenditure in 2021. As a consequence, we use the R.A.G. (red, amber, green) rating process system, as did other Scrutiny Panels, and identified some 26 green projects, some 25 amber projects and no red projects, which was satisfying. Largely, the R.A.G. status that the panel attributed to the programmes in last year's review to the plan have been maintained. As a result of reduced funding, for some programmes in 2021, the panel has revised their statuses to reflect funding concerns relating to whether the aims of these projects should still be met. In particular, this

has impacted 3 programmes, as we saw it. The first being the Island public realm, including St. Helier which proposes a reduced funding bid to improve village and urban environments throughout the Island and particularly St. Helier. Secondly, the drainage foul sewer extension programme. Thirdly, replacement assets in minor capital, which proposes a funding bid for the replacement of major elements of the energy recovery facility, maintenance and renovation of pumping stations, replacement of key fixed assets at La Collette waste site and replacement of all servicing and key assets at the Bellozanne sewage treatment works. A lot of this of course the public never see but it is essential to the running of our Island. As a result of our review, the panel found that the enhanced government engagement and consultations with external stakeholders is required, particularly during the early stages of policy development. Notably, this was highlighted when reviewing the programme for tenants' rights. The panel has also identified a lack of joined up working between Ministers and departments particularly relating to programmes where there is significant crossover between the Minister for the Environment and the Minister for Infrastructure. The panel has therefore recommended that Ministers should place greater emphasis on working collaboratively in breaking down silos. In relation to the Jersey National Park programme, concern was raised that insufficient support was being provided by the Infrastructure, Children and Housing and Environment Departments to realise the aims of the programme. The panel has therefore recommended that Ministers put protocols in place to ensure a collaborative approach once again to their involvement. The panel has had a 9-week period to review the Government Plan and to publish its report including its findings and recommendations ahead of this debate. We have considered evidence from several sources and stakeholders as well as holding public hearings with the Minister for the Environment and the Minister for Infrastructure. We hope our report reflects a thorough analysis of all the evidence we have been able to obtain in this short timeframe and one which we hope provides some constructive recommendations for the Government to reflect on and consider what we appreciate has been a challenging year for the prioritisation of government funds. Finally, I would like to concur with the comments of Senator Moore in thanking the officers not only for our panel with the Greffe but also the Government generally for dealing with our queries in such a short time.

### **1.7.7 The Connétable of St. Ouen:**

I am making this speech as the political head of the communications team and, as Members will have spotted in the Government Plan, there is an increased allocation to communications and I just want to provide some clarity around that. A properly funded and professional communication function is a standard feature of all developed democracies. Like any public service, legal, procurement or H.R. (Human Resources) function, the communications directorate supports Ministers, the wider public service and Islanders. The team are not, according to one Deputy in a recent debate, spin doctors which is a role occupied by political communicators known as special advisers in the U.K. This role does not exist in Jersey. The team of civil service professionals work in various roles such as press officer, marketing co-ordinator and graphic designer. There are 30 people in the team and many of the team, in order to manage childcare, have had their working time condensed to part-time hours. There are in fact 23 equivalent full-time positions. Every year, the press office deals with over 6,000 reactive enquiries from the media and hundreds of proactive press releases, press conferences and interviews. This year, it has organised over 50 live stream press conferences to update Islanders on the Government's response to the pandemic. With 2 members of staff on maternity leave and one shielding, the core team have had to increase their hours, work on shift patterns that includes weekends, and respond to both domestic media and international press promoting our COVID response and of course defending our position during Brexit negotiations. The internal communication team, which makes up part of the communication unit, manages all communications to colleagues across government, for example, about workplace safety for COVID and manages the ambitious transformation agenda and the culture improvement work. The team are working to implement a new intranet to support some private schools in their COVID comms, Ports of Jersey, updating regional classifications and to drive behaviour change that will lessen the risk of

cyberattacks against the Government. Our marketing team devise and implement the Island wide campaigns such as COVID-19, and I am sure all Islanders will see all over the Island the vast array of posters, banners, *et cetera*, that are virtually everywhere now. Local vaccinations and Brexit-ready also forms part of their remit. By doing a substantial amount of work in-house and preventing departments competing for the same media space, they have saved the Government nearly £375,000 in the last 2 years. They have also provided support to arm's-length organisations, private retail, the Parishes, sports clubs and other organisations in their COVID response. The Head of Communication supports their Minister and departmental colleagues with strategic comms support in formulating, developing, implementing and evaluating policy and operations. They have been at the forefront of a campaign to increase openness and quickly disseminate information to Islanders in response to the pandemic, our Brexit response and other large government programmes. The team work closely with the Ministerial Support Unit to support Ministers but they do not work for their political projects. They also do not get involved in the F.O.I. (Freedom of Information) process, nor in the official cascades of statistics. As soon as they can publish something, of course they do. The team do not make up information, they do not spin information and they do not sit on information. They support enhanced openness, transparency and 2-way communications between Islanders and the Government to support policy development, implementation and evaluation. They do not get involved in political communications. There have always been communications within the Government of Jersey but prior to the reorganisation, they were embedded inside the 12 departments that existed before the transformation programme, working on silo priorities, occasionally contradicting each other and often incurring greater costs due to bidding against one another for the same advertising space. The reorganisation has brought these communicators together to make sure they are working together not only on their core departmental work but also across the common strategic policies to cut across departments.

[16:45]

The growth bid in the Government Plan gives the communications directorate the budget it needs in order to work on the greater demand for proactive behaviour change campaigns the Government has set. It is an increase in the baseline budget per headcount in order to save money on external spend for designers and to plug a gap in funding with further internal communications before it was added but not billed back to other departments. This bill back was time-consuming, administratively burdensome and, in effect, just moved money from one part of the Government to another. I will be inviting States Members to a more detailed presentation on the workings of the comms teams and it will allow Members of course to ask questions at that stage. I would urge all Members to attend that. Thank you. That ends my speech.

#### **1.7.8 Senator S.Y. Mézec:**

As the former Minister for Children and Housing, I obviously had a part to play in the putting together of this Government Plan, which was an extremely interesting experience, especially having gone through the previous part of the Government Plan, the world completely changing in the meantime and that having a huge impact on how we put together this round 2 of the Government Plan. The first point I would want to make is that many of the people who I worked with as a Minister on the projects that I would have previously led on in this Government Plan were absolutely fantastic to work with, who I found were putting their hearts and souls into many of these projects to get them off the ground to get children benefiting from them. Although I am no longer in that office, I have full confidence that those individuals who I worked with will continue to make sure that those areas of investment that we identified in the first part of the Government Plan and that are going to be maintained into the future will carry on and we are in safe hands in that respect. I think that there is pride to be taken in some of the things that we were able to look at in terms of investment in Children's Services and in terms of providing types of support that previously we were not providing. It will, I hope, make those children and young people's interactions with that service much better

than it would have been in previous years and treated in a much more human way, less so as names on a sheet of paper and more as people whose happiness, dreams and aspirations are important. I think that providing some of the funding to spearhead those projects is an important way of making sure that those delivering those services on the front line feel empowered to be part of that cultural change, which will take a long time to complete. I am very pleased that much of that is being maintained in the Government Plan even though we did have to take a second look at certain things and just make sure that they are being dealt with in the most prudent way possible, and I am very pleased with that. On the housing side, I was also very pleased to be able to rearrange the funding that was already secured in the first part of the Government Plan, some of which we secured I think largely to pre-empt what we thought some of the work we were going to be focusing on would look like but then, over the last year, re-evaluated some of that and were able instead to focus funding on more appropriate areas. One example that other Members have mentioned throughout the course of this debate has been about the Housing Advice Service. We had a vision for that at the outset that I am pleased to say has been expanded upon by dedicating greater resources to it, but I hope it will be a really useful front door for those who have housing issues, whatever that may be, who, right now, really struggle to know where the right place to go is or to get proactive help. Whether it is just filling out a form, whether it is being told what your rights are or picking up the phone and getting the right person to talk to will hopefully be much easier when that is done. More importantly than that, there will be extra support for the Shelter Trust provided in this, something that they have been desperate for for a long time and something I am surprised has not really been highlighted much in the run-up to this Government Plan. Having worked closely with them as a Minister and helping to develop the homelessness review, I am very pleased that we are able to dedicate them that resource where previously we had not been able to, and that will make a real impact on their ability to support some of the most vulnerable. Of course, there is also funding allocated for the rent stabilisation development, but I will get to that point in a moment because I need to come back to that. I am very pleased at those aspects in the Government Plan but I am going to vote against most of this Government Plan. I have been wondering I think, while doing that work on the Government Plan, how to reconcile what I think, in this plan, is a complete lack of vision. Frankly, it is an abandonment of our aspiration, which we unanimously signed up to to improve the standard of living and reduce income inequality. How could I reconcile with my conscience and feel that I could vote for a plan that I played at least a part in putting together, albeit constantly with that caveat that I would maintain the rights to bring amendments and support amendments from my party colleagues to try and steer it more on the right track? Since leaving Government, which I felt was the right thing to do because of the failure of the Chief Minister to deal with the issue with the C.E.O. (Chief Executive Officer) which I could not stay silent on, over a period of time, I had lost confidence in his ability and, sadly, the ability of other Ministers as well to stay true to some of those commitments. I think that that has played out quite significantly in the last few days and, in particular, in question time yesterday morning where I asked the Chief Minister 6 times to draw our attention to something in the Government Plan that would make a tangible difference in reducing income inequality and 6 times he obfuscated or pointed out things that were not completely relevant to the question. It is so clearly the case that we have not been involved enough when it comes to tax policy and we are not being involved enough when it comes to the salaries of the lowest earners. To a large degree, this Government Plan I think represents a slightly altered “business as usual” from where we were previously rather than a new vision and a new deal for how to take Jersey forward next year as we come out of the pandemic as, hopefully, we will obtain some sort of normality once the vaccination programme has reached more people. I think that Members and the public of the Island deserve better than this plan. It tweaks many things that we cannot complain about too much. There are things in this plan - I referenced some to do with children and housing and there are others in other portfolios as well - that are good and the right thing to do but, frankly, we needed much more than that at this time. I am struck again by the publication of the report from the Economic Council, which Senator Farnham referenced in his speech which I have been through. It is a good report and those

who contributed to it ought to be thanked for what they have provided, and I think the headlines that they have highlighted and the high-level points of strategy that they are promoting are very difficult to disagree with. I have to say that the publication of that report does highlight the lack of tangible proposals which are coming from the Government about how to take our economy forward next year. It is all well and good to say things like: "We will promote a more entrepreneurial society." That is great. We all support that absolutely. Let us support our entrepreneurs. The question is how? What do you practically do to achieve that? I will probably make Members fed up of hearing this, as I keep going back to this idea of deeds and not words. What is there in this plan that will support that entrepreneurial attitude for our society? We could do something that many Members have spoken of in the past and look at reforming our social security system so that it is more progressive and more suitable to people starting businesses. That is something that we regularly get feedback on and has been a problem in the past. This is not tackled in this plan. That would be something tangible. We need more of that sort of thinking, more about specific ideas on what can be done to support those businesses' growth and also to support other particular areas of the economy that we know we need to support. The Economic Council report talks about the digital economy. Again, great, we all support that in principle but specifically what do you do to support that part of the economy? I am particularly keen to promote the green economy and to give it a bit of a kickstart next year to support green jobs, to support a greater programme of insulating homes, for example, or supporting a greater solar panel technology rollout. Even if it is the case that we have to put money into that to deliver it and create jobs ourselves as a Government or even subsidise other bodies creating jobs, that is much better than having people languishing in unemployment or languishing on zero-hours contracts unable to pay their bills properly because the work has dried up because of our economy shrinking in other ways. As welcome as that report has been, it has highlighted I think the lack of vision and the lack of clear proposals in this plan to take us forward next year. I worry that we will end up facing what we did after the 2008 financial crash, which is too much of a narrow focus on public finances and numbers on a spreadsheet, getting efficiencies through and making sure the budgets are balanced in the short term rather than medium term and end up losing sight of the bigger picture, which is getting our economy back to a state of growth but a state of growth that genuinely benefits everyone. People will not benefit from economic growth, when we eventually get back to it, if the proceeds of that growth just go to the wealthiest 1,000 people in the Island who, by the way, we continue to allow the privilege of tax cuts and tax breaks which the rest of us do not get, which will not support economic growth after this crisis and putting more money in ordinary people's pockets. It is difficult to vote for something when you lack the confidence that it will achieve that. I mentioned earlier the rent stabilisation programme that I said I would come back to which is in the Government Plan. There is funding set aside for it, which I fought for and won, but, if I am honest, I do not necessarily have confidence that the Government will see it through. The new Minister for Children and Housing will have my wholehearted support if he does decide to proceed with that but I think he has a real job on his hands, bearing in mind the aspirations of those around him who will not like that proposal who I think will try maintaining the status quo. The evidence for that is the appalling way that the Minister for the Environment was let down over the landlord licensing scheme. It is absolutely vital that, as part of our future as an Island, we deal with the affordable housing crisis. If we put measures forward to try and pick our economy up again next year and young people in particular still feel like they are going to get ripped off when they are trying to rent - who will never be able to save up for a deposit as homes continue to be further and further out of their reach as has increasingly happened over recent decades where inflation and the cost of housing has massively outstripped an increase in wages - then we will end up being a more unattractive place for those people to either come to and work or to stay in and work if they are from Jersey in the first place.

[17:00]

That is incredibly short-sighted and to leave that unaddressed benefits only a very small number of people, which is the investors who will continue to take extortionate rents from the wage packets of

people who work. They will be less productive with that money than those renters would be if they were able to face a fairer rental system. I lack the political confidence that those bold measures will be undertaken by this Government even when there is funding identified in the plan to deliver it. I think that we have been lucky that some good amendments have been accepted to this plan which include preventing the delay that was originally planned or the extent of the delay that was originally planned ... was that the bell going there, Sir? Can I finish my sentence?

**The Bailiff:**

You can finish your sentence, yes.

**Senator S.Y. Mézec:**

Having made the case that I have in that the Government lacking the appropriate vision that it needs to take the Island further forward and my lack of confidence that some of the things in the plan will either be delivered, I urge Members to vote against all parts of this plan, minus those paragraphs which have secured the good amendments that have come from Scrutiny and Back-Benchers. That is what I will be doing and I urge other Members to do the same.

**The Bailiff:**

You say “voting against all but some parts of the plan”. Of course, the question of whether the proposition is taken as a whole or in parts is a matter for the proposing Minister, in this case, the Minister for Treasury and Resources. So it will be up to the Minister whether the plan is put as a whole or in parts because it is not a legislative provision.

**1.7.9 Deputy K.F. Morel:**

I thank all the speakers so far, some really interesting contributions in different areas, and I will touch on some of them in this little speech. There is no doubt that this is a strange time and, as a result, I feel that we are looking at quite a strange budget for the year ahead. Indeed, for me personally it is very strange, because last year I did not support the Government Plan and I believe, I am going from memory - Hansard may have a slightly different version of this - I said something along the lines of: “When you read between the lines of last year’s Government Plan it shouts ‘borrowing’” and that was the reason I could not support last year’s Government Plan because I wanted to see the plans for borrowing. Well this year I do see the plans for borrowing but not being quite the way that I expected to and I do not have the same reaction now as I would have expected myself to. Obviously we are seeing borrowing to deal with a crisis that was unexpected and unprecedented, certainly in peacetime, for this Island in its scale, both economically and, more importantly, in terms of Islanders’ health. Turning to some speeches, obviously I am not summing up but because they spoke to me. Particularly Senator Farnham was quite right regarding funding for all areas of the economy and certainly a large amount of borrowed money is going to be used through this plan to support those areas of the economy from, as we have seen, and, again I will say, Deputy Tadier’s 1 per cent for the culture, arts and heritage means that we should see in the coming 18 months a huge increase in the volume and, most importantly, I believe, the quality of cultural, artistic and heritage offerings for Islanders. We have also, as mentioned, Digital Jersey, Visit Jersey. There are areas that I will be having responsibility for such as retail, all of which need help and need support through this difficult time and very much so the rural economy, which I think we stand on a cusp of time when we can reinvigorate Jersey’s rural economy and that is quite exciting. Senator Moore, however, also she spoke and raised many of the issues which I share in terms of concerns with this Government Plan. Of course I took part in the Scrutiny review of the plan and, while I may have changed my role within the Assembly, I have not changed my person, so the criticisms I saw then or my concerns that I saw a few weeks ago, they do remain, they have not magically disappeared. One thing I do feel, there is a lack of prioritisation within the plan, particularly in regards to capital projects. Senator Mézec just mentioned that he did not think certain things would be achieved and I do share his concerns in that

area. I am concerned that there is a long list and much will not be able to be achieved. Indeed, that was one of the things I said yesterday with regard to the school lunches was that the Minister for Education would not be able to achieve it, therefore we should not vote that through. So I do have those concerns with areas in this Government Plan. Senator Moore also mentioned the Chartered Institute of Public Finance and the reports that they undertook for both the Corporate Services Scrutiny Panel and the Economic and International Affairs Scrutiny Panel. They are very important reads and I urge all States Members to read those reports. One of the concerns that was raised in the report for the Corporate Services Panel were concerns about the lack of contingencies, particularly in regard to borrowing and the longer-term financing. There is a sense that in this Government Plan borrowing is based on the continued assumption of low interest rates and that is something that, to be honest, by the week is becoming less certain. So I would have liked to, and I would like to, see more sense of if X happens, if interest rates rise, then these are the ways that the Government will deal with those situations arising. I want to speak perhaps, most importantly, on the importance of young people's skills, creativity and community engagement. I remember seeing one person sitting opposite me in the Assembly recently who raised their eyes when I said that our young people have an uncertain future. I will not apologise for continuing to point out that the times ahead for our young people are harder economically than they were for any of us, or almost any of us; certainly post the Second World War things have been on the up basically. It was certainly tough times immediately after the war but they were pointing upwards from then on. For the first time in a very long time things are not pointing upwards. We need to build a future and a vision of that future that will give young Islanders the desire to stay here in this Island, which is their home. If we lose them, there is no doubt that we lose everything. It is affordability in all areas, not least accommodation, that is one of the things that is going to drive young people away from Jersey. It is crucial we get to grips with affordability in this Island and in 2021 ... I believe Deputy Pamplin mentioned the year ahead is going to be hard and I could not agree with him more. 2021 is going to see the possibility of inflation really coming back quite strongly and I do not see much in this plan that addresses that issue, and we know that inflation is going to be one of the hardest things for Islanders to cope with. If I look ahead to next year's plan, or speak about it, I have no idea what will be in it yet, but I am going to suggest a few things. Next year's plan will have to be markedly different in terms of shifting its focus on to this Island's longer-term future, building in our environmental aspirations, and much of what Senator Mézec said about the green economy I entirely agree with. We must lay the foundations for a vibrant and prosperous future that is tangible for our young people. They will need to be able to see it, they will need to be able to touch it and taste it if they are going to buy into it. Jersey is home to over 100,000 people. Each of us is different, each of us is challenged in many different ways but we all have one thing in common and that is we are Jersey, this Island is our home. The next Government Plan must communicate this to revise priorities that speak to everyone of every age group and every nationality. The C.I.C.R.A. (Channel Islands Competition and Regulatory Authorities) report for the Economic and International Affairs Panel on the COVID recovery is an entirely objective and non-political view of the Government's plans for recovery and it communicates this in this sense of an Island that is working for everyone perfectly. I will read from it, the very last paragraph, so it is very easy for people to find: "To protect this Island's future Jersey must continue to cherish the diversity and its people and remain an inclusive community where they will want to work and live." That is the last sentence of that report. Too often we talk about attracting people here but, in my view, we need to focus on keeping people here. I expect the next Government Plan to reflect that. Of course I have a role to play in delivering that and, indeed, I believe all of us as States Members have a role to play in delivering that and delivering a future Government Plan with a cohesive vision for the future. Scrutiny's reports say that and I strongly advise the Government to listen. To not do so will not only put the next Government Plan in danger but, most importantly, it will disappoint those Islanders who realise our future is going to be very different from our past and that needs real investment in people and their futures if Jersey is to enjoy sustainable long-term prosperity. Thank you.

### **1.7.10 Deputy J.H. Young:**

I think in last year's plans we took a major step forward by including the environment as one of our strategic priorities in the plan which was for the first time - first time over many, many year - in response to the concerns and the views expressed by members of the public, and I was delighted to be part of that. But I recognise that this is the start of what I believe to be a very long journey and there is a long way to go. I empathise with the comments of Members in the debate so far this week that have recognised, I suppose, one could use the word "disappointment" or one could use the fact that Members had greater ambition than what we were achieving in achievement of environmental objectives. I think that we have to be realistic, that this is a pragmatic plan where I believe there is an improvement here, but it is a modest improvement in resources, and there are a number of factors which I am going to dwell on which I think we need to listen to and address as we progress through these long-term changes. I think I also want to praise and thank the chairman of the Environment, Housing and Infrastructure Scrutiny Panel for his team's work and his members' efforts in working with myself and the officers, the small group of officers, who support me across the piece. What I am trying to do in that process, I am trying to be absolutely as open as possible with the Scrutiny committee, probably more so than others, and talk to them about what hurdles we need to overcome in order to be able to bring about reality and bring a level of achievement in line with our collective ambition, and I have had a great deal of support from the panel in doing so. I am delighted within the excellent Scrutiny report we have got a number of areas of green lights but we got some amber lights, and I think I have got to address those. Now, of course, just to get one thing out of the way, it is absolutely true that we have been really badly affected, and with a small team of people, because of the COVID impact it has made it much more difficult to do long-term work. It is not the same as short-term operational objectives. Long-term policy development is more difficult, building consensus, building buy-in of our community and outside groups is more difficult. Of course we have lost staff for long periods assigned to other tasks but those are not the only things. As Minister responsible for a very small part, an almost miniscule part of the resource which sits within the Government Target Operating Model, this body originally called G.H.E. (Growth, Housing and Environment), I forget, now it is I.H.E.

[17:15]

Of course this aiming at a moving target, working within a moving structure has made it really difficult with uncertainty and we have lost key people. I regret much of that and I have highlighted those issues to the Scrutiny Panel. So we are of course moving from a low resource base and I am pleased to say, I am just sitting here adding up the numbers, there is in this year's plan an additional £500,000 in 2021, which does not sound very much considering the huge sums of money for everything else, but it is really significant for our Environment team that allows us to do important work on responding on soil health, on plant health, on biosecurity, on habitat management, on marine research and new wildlife law. Of course, that is an ongoing programme too, which will last, £1 million, for over another 3 years, from 2022 to 2024. Of course, a thank you for the Environment Scrutiny Panel that we have now an additional £300,000 for our work on trees, which we will all be progressing anyway but will give us a new impetus on that. I think that, in the big scheme of things, it is modest. But those things are really important elements of it. I think, of course, Members have to realise, going back to the organisational issues, in the past that we did have an integrated environment plan team and, therefore, it was easier for a Minister to be able to keep effective management or oversight of the direction. It is now more difficult when you have got teams of people who are absolutely outstanding people. I want to recognise their dedication, their expertise and commitment I have seen. It has been my privilege to work with them. But I can see the difficulties they are under because the chair of the Scrutiny Panel highlighted co-ordination; absolutely right. It is very difficult, it is much more difficult to co-ordinate when the staff that you are working from, the resources you are relying on, are all fragmented all over in different parts of the organisation, accounting to different people and different D.G.s (director generals) all over the place. That is



something which I believe has to be recognised and improved upon and found a way for the future. Then there is also the ministerial structure, I think, rightfully, I have certainly worked hard and I know the Minister for Infrastructure has too, to try and achieve our various parts of the environmental agenda. But whether people like it or not, these issues are entirely intertwined. Just take one example - traffic and waste - there are numerous examples where those issues are intertwined and, therefore, different parts of our roles being split in that way. I have expressed the view, and this is one for future Chief Ministers and future plans, have a look whether it is appropriate to have a ministerial structure that does not match with the executive departments that are doing the job and to try and review that, to bring a closer relationship or closer organisational structure into line. I think the reason why it is important is because our ambition here is long-term change and it is really difficult and there is so much to do. It is very different from operational roles where you have instant results, you have got an instant result, an instant measure. For that long-term environmental change we are going to have to have new law changes, we are going to have to spend a lot of time building consensus, gaining agreement on things. We need new financial structures, we will need new tax, we need more officer time and we need money to implement. I think we have got enough in this plan here to make a decent step forward next year. Of course there is a huge amount of work in progress that I am determined that we will see and I will do my best that it comes through to completion because that is the key thing. I have to say up until, I am afraid, our COVID figures start to deteriorate very badly, I feel much more confident now than I did that we could get back that work into full operational. For example, we have got the climate change body meeting or at least virtually meeting now, I am sure, in the new year and then we have got major planning inquiries on the Island Plan. I am worried about the escalation or the increase of our COVID numbers and what that means, what are the implications of it when we might see being able to function more normally in terms of the way we go about doing our Government work, so I have a worry about that. It is not kind of an abstract thing and I do agree they are focusing on delivery and it is difficult. I am afraid there are issues there. Next year, of course, the Island Plan; very soon in the new year. The big issue there for me, and I think it was kind of highlighted in what I think Senator Mézec had said, despite our words earlier, we do share some common goals. There is no question that we do need to migrate to a green economy. Of course the jargon word “sustainability” is thrown about all over the place and that means so many different things to different people. But I am afraid it has to recognise that there are so many environmental objectives which are absolutely in contradictory terms to our current way we do a lot of our economic activity. Therefore, a new approach to economic activity, one where they are not contradictory but are complimentary is absolutely what we want. I think the test we are going to see on that is not fancy reports, vision reports and stuff like that and this and that body, but when we get to the nuts and bolts of the planning policies, the policies in the Island Plan process, and so I am going to do my best to make sure we try and get that by, absolutely. I need all the support of Members. Senator Moore was absolutely right and others were right about how we need to really come forward with plans on energy conservation, which are not in these proposals, which I am disappointed at. Why is that? I suppose we had - I do not know what you call it - the sausage machinery of churning out of a plan at the early part of the year. I suppose at that time those ideas were not fully developed and also the process was incredibly compressed because it had to be with COVID. But, nonetheless, the team that I am working for, these expert officers I am so grateful for, and my Assistant Ministers, Gregory Guida, and I was delighted to take on board and to welcome my Assistant Minister Deputy Perchard, who is going to be an absolute tower of strength in making sure ... please, Members, this carbon neutrality role, she is going to take a major lead in that and I am looking forward to that happening. But I think that what we will also do is in parallel with that the officers to come forward with economic stimulus measures, which are not in the plan, I accept that. But, nonetheless, I am very, very encouraged by the comments made by various of my colleagues, and particularly the Chief Minister who said he will find money for that and so on. I think this is a good step forward. It is not a perfect plan but the environment is coming from such small beginnings that I think we do have to see it as decent progress. I think, for me, I am a glass half-full person, I

am not a glass half-empty one, so there is no way I would vote negatively on that. When you are working within a coalition of Ministers who have all very different visions of things, if you can achieve progress towards the end goal it is better to make progress than none at all. Therefore, I commend this plan to Members, please.

**The Bailiff:**

Thank you very much, Deputy. I noticed in the chat there is a proposal that we adjourn at this point to enable Members to consider that. I would remind Members not only is this debate to finish, and there will be others who wish to speak in it, a number of legislative items have still also to be passed in connection with the implementation of the Government Plan, if it is adopted. Then there is an hour of questions, which have been requisitioned in a further meeting. In any event, there is significant further business still to transact. Therefore I note, I think, Deputy Labey, did you propose the adjournment?

**Deputy R. Labey:**

Yes, Sir.

**The Bailiff:**

Is the proposal to adjourn seconded? **[Seconded]** If Members can indicate in the chat whether they disagree that we should adjourn and reconvene at 9.30 a.m. tomorrow morning. Very well, thank you. I shall take that as a standing vote. The adjournment, therefore, takes place and we will reconvene tomorrow at 9.30 a.m. Thank you.

**ADJOURNMENT**

[17:25]