

2017.06.20

3.13 Deputy S.Y. Mézec of the Chief Minister regarding the implications of the United Kingdom's election results on Jersey's position regarding the Brexit negotiations: [1(364)]

What implications, if any, does the Chief Minister consider the U.K. election results will have on Jersey's position regarding the Brexit negotiations?

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

Jersey's interests over Brexit negotiations have not changed and the U.K. Government has been clear that its approach to Brexit has not changed, but we do not believe the U.K. general election has prompted a material change in our ability to ensure our interests are fully understood and taken into account. Our main ministerial contact on Brexit, Robin Walker M.P. (Member of Parliament), has been reappointed and I think this is a positive and constructive relationship and I look forward to continuing it.

3.13.1 Deputy S.Y. Mézec:

A supplementary? There is obviously uncertainty about how things are going to move forward now that the Conservative Party has lost its majority, could I just ask if any representatives from the Jersey Government have ever made communication with representatives from the Democratic Unionist Party?

[11:00]

Senator I.J. Gorst:

Yes, they have. I personally have a very good relationship with the leader of the Democratic Unionist Party. I know that the Member follows politics, he may know that she has even quoted me in the Northern Ireland Assembly from things that I have said at the British-Irish Council. We have a good relationship. Senator Ozouf has a good relationship with an influential member of the Democratic Unionist Party as well, and I hope that in the future we will continue to build on that good relationship.

3.13.2 Deputy G.P. Southern:

The Chief Minister says there has been no change in our status or in our position. Can the Minister confirm that once the U.K. becomes a third country with passporting rights in order to protect its financial services, so we shall become a third country with passporting rights which will require that we cannot rely on the mandarins in Whitehall but will need a significant increase in the number of the civil servants that we engage in order to ensure that our passporting rights meet every condition set by the E.U.?

Senator I.J. Gorst:

Sir, I was not sure if you were going to correct him or you would leave it to me. The Deputy knows, does he not, that when it comes to financial services, Jersey is already a third country so we will not be becoming a third country upon the U.K. leaving the European Union; we already are. We only have access for goods and that was important for all of those historical reasons. He also knows that the current Prime Minister and the current Government, albeit that they are a minority, have said that they are not looking for passporting rights, they are not looking to remain in the single market or the customs union, they are looking for a bespoke deal. They recognise that the third-country equivalence process that we have gone through and proven, for example, with our funds regime and the passporting ability is not going to suit their financial services model so they are looking for

something different. We are aligned with that. They understand that we will want to be able to make decisions in due course, whether we are involved in that or whether we decide not to be involved in that agreement, and which bits of that agreement we might wish to be involved in as well. So, of course, the United Kingdom has created a new department for exiting the European Union. They have brought in lots of civil servants but we also in Jersey have set aside currently about £3.5 million to navigate through this process and continue to build good relationships and make sure that the U.K. continues to understand what is in our interest but we are already a third country. It is really important that fact because it means that we were before the vote, we are today, and we will be once the U.K. leave Europe. Therefore, our financial services will have the same access that they have today once the U.K. has left.

3.13.3 Deputy G.P. Southern:

Can the Chief Minister confirm that we will no longer be able to rely on Whitehall expertise to make sure that our treatment by the E.U. is proper and that we are obeying all the rules and that there will be a significant increase because of this in the number of civil servants that we have to employ? Is that the case?

Senator I.J. Gorst:

No, we will still rely on Whitehall officials, together with what is called the UKRep in Brussels, which is the Permanent Representatives Office, together with our Brussels office, and they will still be ... in fact, the U.K. Government currently think they will require more people in Brussels post-leaving than they currently have. The difference will be those officials will still be working but they will not be members of the European Union and therefore, ultimately, they will not be around the table when member states' Ministers are making decisions. That means that there will need to be more interaction, more convincing about different courses of action, but that is work we have been used to on a daily basis for the last number of years since we set up the Channel Islands Brussels office. That will continue. Over time there is an issue that we may need to develop with some of the money that we set aside, the ability to think about free trade agreements and to think about where they are of benefit to us or where they might not be and which parts we will want to take part in.

3.13.4 Deputy J.M. Maçon of St. Saviour:

A recent delegation to Gibraltar for the Commonwealth Parliamentary Association, during that meeting representatives of the Lords E.U. Select Committee urged smaller jurisdictions that should they feel that their voice perhaps was not being heard by the U.K. Government, that that committee could be approached and used in order to allow smaller jurisdictions' voices to be used. Can the Chief Minister confirm that that committee is being briefed and kept up with the developments of Jersey so that we also have another route so that Jersey's voice is heard?

Senator I.J. Gorst:

The Deputy will recall that I appeared before the Lords E.U. Committee prior to the Christmas recess of Parliament and they asked a number of searching questions which I hope I gave coherent answers to. They have subsequently published what I think is a very useful report and supports the point of view that was at the heart of the Deputy's question with regard to their ability to interact with British Government on our behalf. For my part, that particular Select Committee have published a large number of very detailed reports about the implications of Brexit right across the United Kingdom's economy together with centres like ours, the Crown Dependencies. They have done a separate report on Gibraltar and they are one of the only organs of Parliament that are doing the detailed work to think about the implications. I think they are going to have a very important part throughout this process to play in making sure all those details have been addressed.

The Bailiff:

A final supplementary? Thank you.