

# STATES OF JERSEY

## OFFICIAL REPORT

WEDNESDAY, 22nd JANUARY 2020

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[9:29]

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

**PUBLIC BUSINESS - resumption**

**1. Policy Development Boards (P.122/2019) -as amended**

**The Deputy Bailiff:**

We now turn to the Order Paper and the next item is P.122, Policy Development Boards, lodged by Deputy Gardiner. I note there is an amendment which you have lodged, Deputy, and would you like the Proposition to be read as amended?

**Deputy I. Gardiner of St. Helier:**

Yes, Sir, and also I would like to advise that I would like to withdraw paragraph (c) from my Proposition.

**The Deputy Bailiff:**

In that case, I will invite the Greffier to read the Proposition as amended absent paragraph (c).

**Deputy I. Gardiner:**

Thank you.

**The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion – (a) to request the Chief Minister to take the steps necessary to ensure that information concerning all current and future Policy Development Boards is published online in a transparent and timely manner, including terms of reference, consultation documents, membership, anticipated duration, the budget allocated to the board to complete its work and any interim or final reports; (b) once a scoping document and terms of reference for a Policy Development Board have been approved by the Chief Minister, the appropriate Scrutiny or Review Panel will be advised of the proposed terms of reference and membership of a Policy Development Board, estimated duration and allocated budget, if any; the Chief Minister will give consideration to any feedback received from a Scrutiny or Review Panel; and no Ministerial Decision to appoint a Policy Development Board should be signed until at least one month has elapsed since the relevant Panel was first advised of the proposed terms of reference and membership.

**1.1 Deputy I. Gardiner:**

OK, why I brought the Proposition. We all know and understand the challenges in developing new policies. The Policy Development Board is one of several ways to explore ideas and, in general, they have great potential to improve the mechanism of policy creation in Jersey. As we also all know, the Chief Minister set up Policy Development Boards to consider matters of major public interest or concern and to enable States Members to have more external input and expert involvement in the policy development process. After the first year of their existence we can see a benefit and, I hate to say this, unfortunately, the problems. In bringing this Proposition forward, I am trying to address some of the concerns I have by suggesting we create a more structured framework within which they can operate. The Proposition is not an attack on Policy Development Boards. Indeed, I wish to enhance and improve the activities of these Boards, but before we can do this, we need certain operational clarifications. Now I will go through the paragraphs. Paragraph (a) of my Proposition is to standardise the online information available on Policy Development Boards. Online information about Policy Development Boards is not always updated in a timely fashion. Also content and scope vary between Boards. In the answer to Written Question 522 from Deputy Pamplin from 25th November, it was stated there are currently 7 Policy Development Boards, including an Island

Identity Board and Sport Facilities Strategy Board. I looked today - and you are welcome to go on the gov.je website Policy Development Board page and there is still no information there about these 2 Boards that were created 3 months ago. In the interests of transparency and public trust, this information should be available to the general public. Our general public should be kept informed as they are ultimately our masters and they cannot, unlike me, or Deputy Pamplin, or other States Members, ask questions in the Assembly. As States Members, we should not need to piece information together to make assumptions and guesses and search through the Ministerial Decisions to find out if there is a Policy Development Board for any particular area of public interest. To find more information about this Board, I did follow the paper trail and gone through the links for an answer for Deputy Pamplin's recent questions and I did find information about the Boards that I mentioned before, but I found it under "Government Planning and Performance". So it was something but it was not on the page and it is still not on the page about the Policy Development Boards. From my perspective, this information should have been readily available online in the relevant section. I will not suggest this information was hidden now. It was simply misplaced and I should not have needed to do a treasure hunt using the map of the Ministerial Decision to find it so, therefore, I suggest that all links, all information, will be on one single page of the government website that is related to the Policy Development Boards. The second point for paragraph (a) is the example of inconsistency of information provided. Preparing for this Proposition, I had to go through all information published on different Policy Development Boards. All of them published membership, all of them published minutes, all of them published terms of reference and additional information about such presentations, or similar. At the same time, some of them published reports. Some of them did not publish reports online, even though I knew that there was not a report. For example, on 'early age' it was very clear when is the consultation. When it will be done, all according to the months and I can understand which way they are going and what is the process and what are the targets and what are the goals these particular Boards would like to achieve. I could not find this information available in one place on some other Boards. So I would bring Members' attention to the recommendation in the final report 105. *Machinery of Government Sub-Committee Review* presented to the States in September 2013 by the Privileges and Procedures Committee and basically all that I have included in paragraph (a), what information should be published about the Boards. It was suggested by that Committee back in 2013 around policy and about different Boards developing the policy, but the information is the same information and is the same framework. So I did look back and we did have some suggestions of what should be published and I just brought it forward for paragraph (a). Now I am moving to paragraph (b). Paragraph (b) of this Proposition is asking to advise which is the relevant Scrutiny Panel to deal with concerns raised by the party in relation to the Policy Development Boards. As it is stated in the Common Strategic Policy that the Government looks forward to working in partnership with States Members and Scrutiny and I know that it is now more than one year almost - we are coming to 1½ years - since the first Policy Development Board was created and we have some understanding where the collaboration between Policy Development Boards and the States can be improved. I will state 3 concerns very swiftly. Concern number 1: potential conflict of interest for Members, their Scrutiny role and the work on their Panel. We know that during the P.A.C. (Public Accounts Committee) meeting we would spend sometimes 40 minutes, discussing if there is a conflict of interest, not a conflict of interest and it can be avoided if we would, say, discuss membership and potential conflict of interest before the membership was through. At least we would know where we are standing. Concern 2: funding for the Board's operation. In the summer 2019 it was stated that there were no additional resources implications arising from the Ministerial Decisions. Now we all know that it is impossible. Well-meant, but impossible.

[9:45]

Funding is required and I will not go through all the examples that I have included in my report - you can read it - but I will say spending Government funds without clear oversight is, from my perspective, not adequate government. Concern 3: membership and terms of reference. Currently

States Members are informed about the establishment of a Policy Development Board and its membership after the Board has been created. If we are to give the opportunity to the widest breadth of Members, the process of Board selection should be more open and inclusive. Are we really working together towards inclusivity, diversity and teamwork when the applicants are effectively chosen by whoever has the information about the Board being formed? Further to the discussion about composition of reports should be open to allow a wider spectrum of candidates maybe to be recommended and considered. I believe that it would be of benefit to the Policy Development Boards to have a conversation with Scrutiny and potentially be challenged about the terms of reference and membership. It is essential that we establish a clear structure to underpin the relationship between Policy Development Boards and Scrutiny and I believe that clarity will help everyone. To support my concern, I mentioned in my report key findings from the Future Hospital Review Panel and I think that every Scrutiny Panel until now had some expertise in the area and that is what we are looking at as Scrutiny members and Scrutiny can contribute wider views and ensure a more inclusive setup of views held by the Policy Development Boards. I really hope that open conversation to establish and agree terms of reference and membership of the Board, for example, add value and credibility to any Board. We frequently refer for this type of conversation between Scrutiny and Government as a critical friend and I do think that it is really to get a better way forward. There should be oversight of spending by the Board and following all these concerns that I have mentioned, the way forward is to have initial conversations and clarity for the Policy Development Boards being established. For the part (b), I brought an Amendment and I had a conversation with the Chief Minister and he suggested that as we have already a Code of Practice engaging Scrutiny and the Government, the wording of current paragraph (b) just mirrors an already existing code between Scrutiny and the Government. So I make the Proposition. Thank you.

**The Deputy Bailiff:**

Is the Proposition seconded? **[Seconded]** Does any Member wish to speak on the Proposition?

**1.1.1 Deputy J.H. Young of St. Brelade:**

I was not planning to jump in, but I think I must if nobody else is going to. Absolutely I think that the Deputy has put her finger on quite a really important issue here but I think the proposals (a), (b) and (c) go a step too far and (c) particularly takes us into a particularly confusing --

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

(c) has been withdrawn.

**The Deputy Bailiff:**

Yes, (c) has been withdrawn.

**Deputy J.H. Young:**

I am delighted to hear that, so I will think on my feet and use it as an opportunity to say that there is an issue under our Government structure in the way in which Ministers work and I think I certainly was fully behind the Chief Minister's proposal to establish Ministerial... to establish these teams... these project groups to effectively widen the scope of input into policy decisions. I think that was a worthwhile experiment, but it is not, in my own personal view, a long-term sustainable approach. I think that we have a situation where the ministerial team I believe is faced with a huge workload with a very big agenda and, at the moment, I do not believe our current structure of having 21 Members in Government, Ministers and Assistant Ministers all included, provides us enough capacity to be able to effectively deal with Government agenda. That is my personal view and it is not a Council of Ministers' view. It is my personal one that I have always held based on my experience when I was first a Deputy and Chairman of a Scrutiny Panel. I have experienced the kind of problems in what the Deputy referred to as a "treasure hunt"; the treasure hunt to try and find information. It is really difficult. I think Scrutiny Panels find it slightly easier because they have a little bit of support

but their support is completely inadequate and Members who are just backbench Members on their own find it even more difficult. Then, of course, in the long term, I still think that we have to look at that structure of the States of Jersey Law and therefore the Ministerial Policy Development Boards have been a useful experiment. I think we are probably going to have to wait until the end of this Government term and take stock and I think towards the end of this Government term, I think it will be wise to review that and advise whether we want to adopt a proposal, an alternative, which I myself stood here and proposed I think in about 2012, 2013 and has been put forward on many occasions by other Members in the past and has been narrowly defeated. That is the question of having ministerial boards and that means a structure whereby each Minister has a number of Members appointed by the States to work with that Minister to support them generally. You have a very clear structure. That proposal was defeated I think 3 times at least, narrowly the last time, but it is a way of trying to help join up the Executive, the Members who have to set policy and, in the end, who are accountable for it, the Ministers, and to ensure that there is adequate input for Members. I don't feel... look, our Scrutiny teams do a fantastic job, no question. The commitment and workload is enormous. Now in the last year and a half I have not been a member of Scrutiny so I do not know how it is going but all I can say is during my 3 years as a Scrutiny Chair I was immensely frustrated. Immensely frustrated with the difficulties in getting information, immensely frustrated with last minute responses and having conclusions ignored. Now I am very pleased to say those characteristics were, I think, the hallmark of the previous administration, the previous Council of Ministers and I think has changed a lot with our Chief Minister and Ministers doing their best to be able to ensure that Scrutiny get a fairer crack of the whip. I do not know if that is a parliamentary question, or what, but to get more time. So, for example, I myself have postponed the debate, for example, on the new law for residential dwellings I think now 3 times in order to allow proper opportunities for that and probably corresponded on I think at least 6 occasions with a Panel to try and give more information. That is right. That is good, but the structures are, at the moment, very dependent on the individuals involved, so we have a contrast between how the previous Council of Ministers was and how this one is and potentially what the next one will be like is unknown. So my advice is that I think Proposition (a) and (b), the ones that are left, are good ones, we should support them but take stock of the success of these Policy Boards towards the end of the term and give us time to be able to change those arrangements if there is a view that we can improve further because, frankly, the Policy Development Boards are a compromise. They are a compromise and experiment and if the Chief Minister was here, I am sure he would have things to say about that but while I am on my feet, I am going to air another point that also needs reviewing. I am passionately convinced that we cannot carry on in the future with a structure of government where there is a complete mismatch between the ministerial structures and our paid executive structures and that is something which is long overdue and needs to be sorted out because at the moment; we have a structure where we have executive departments where they report to 4 Ministers. So in other words, going on the treasure hunt is not just limited to Scrutiny members and backbench Members. It is often very difficult under that mismatch structure to find out where responsibilities lie. So, anyway, full marks for bringing it forward. I think it is the right issue and having the opportunity to get all that off my chest, I will support it.

### **1.1.2 Deputy G.C. Guida of St. Lawrence:**

I am a little bit conflicted. This is a lovely Proposition as everything that Deputy Gardiner brings to the Assembly is well researched and topical and about 95 per cent of it makes complete sense. Unfortunately, there is a tiny 5 per cent which is deeply embedded in it which is difficult to accept. Members of this Assembly know that their deliberations in this Assembly are protected. We can argue, we can talk here and we cannot be attacked on what we have said. It is the same for the Government. We are an incredibly transparent Government and almost everything we do is public. It is quite interesting to have the experience of having your emails from 2 years ago being listed to you saying: "Somebody asked for a Freedom of Information enquiry and here are 200 emails that you exchanged with this person and we are going to just give them to them" and that is what

happened. That is what happened that our exchanges, everything that we do is open to scrutiny. There is one exception. There is a single tiny exception and that is policy in development because, basically, what you are thinking, how you get to the policy, is protected. You must be allowed to think about it, explore all the possibilities: “Oh, what if we tax people 90 per cent and not have a crowd waiting for you outside?” Somebody said: “No, that maybe a little bit too much.” So, we must have at least this one freedom of exploring policy asking “what if” questions, going around and testing things until we present them so this really must be protected. I agree 100 per cent with sharing it with Scrutiny. I think the earlier we involve Scrutiny in any of our work, the better it is but they are bound to the same system. They have to keep secrecy on policy in development, so 95 per cent of what I see in this Proposition is fine. I do agree with publicising what Boards are created and how much they will cost. I think that is a very interesting feature of who composes them but the actual work cannot be published until it is ready and until the Government says: “This is now public policy and we are going to bring this to the Assembly.” So, unfortunately, as much as I would like to vote for this, I can accept neither of the articles because of that because embedded in it there is this idea that policy in development is public and has to remain public.

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

I am very pleased to follow the previous speaker, because he raises an interesting point and I think it also speaks to Deputy Young’s point about Policy Development Boards being an experiment. Largely, they are an experiment for whatever reasons were behind the thinking of the Chief Minister at the time. I will hold my own counsel, but I think Members are probably quite familiar with my views. This experiment, hopefully, will be short-lived and, as it has already been alluded to today, there is only 2 years left of this Government and perhaps we will not see Policy Development Boards again. So I am grateful to Deputy Gardiner for having removed part (c) of her Proposition, because that would have put them into Standing Orders and given them a slightly longer future than hopefully we will see of them. I think really the crux of this whole argument is (a) it is good governance and that is what Deputy Gardiner is asking Members to agree in asking us to adopt parts (a) and (b). It is a very sad indictment on the Government, I think, in the way they have run their affairs to date, that they have said one thing but failed to deliver it and that is why I am grateful to Deputy Guida for the illustration that he gave us about his views regarding policy and development and the difficulties that that can present. Because when the Government have pledged to be open and transparent and it is important that they see that through and so I do disagree with Deputy Guida, because they have made a commitment to do this process in an open and transparent way and made great play and store of the fact that they intended to publish information on the website.

[10:00]

We were only in a Scrutiny hearing recently where we looked back during that hearing at the last minutes of the Policy Development Board in question to find that they had not published any for at least 6 months. It is hardly timely and contemporaneous and playing to the rules that had been set. I think it is important that, as an Assembly, we do support Deputy Gardiner in her quest to encourage that playing by their own rules and it is only sad that we have to do so. I think the greater argument is, as Deputy Young said, that we do, as an Assembly, need to be clearer about how we conduct ourselves in the machinery of Government and how we observe Scrutiny and policy in development and who is in Government and who is not. That is perhaps something that, as an Assembly, we need to flesh out and have a greater understanding. Scrutiny, as we all know, is not about opposition, it is about, as Deputy Gardiner said, being that critical friend and offering challenge. In my view, to be able to offer that challenge in an appropriate way without fear or favour, there has to be an element of distance, which is why I have a considerable problem with the muddying of the waters that is being created by Policy Development Boards themselves and membership of them. To encapsulate my views, I will be supporting parts (a) and (b). I am grateful to the Deputy for removing part (c) because I think it would have been a step too far. But I think what we really need to concentrate on is a greater

respect of the role of Scrutiny and what can be achieved by good scrutiny and the challenge that that is able to provide Government in a positive and constructive way. I hope that we will soon see the demise of the Policy Development Boards.

#### **1.1.4 Deputy S.M. Wickenden of St. Helier:**

Now, let us come into reality: Policy Development Boards are not new, they are the political oversight groups that we had in the last Government, but just a bit more transparent. In the last Government we had plenty of political oversight groups that helped inform Ministers on different subjects and matters but they were always just hidden away in the background. Policy Development Boards are not an experiment, they are not new. They are just a political oversight group in a new name and more transparent. Scrutiny already has the ability to scrutinise Ministers on policy. Policy Development Boards just are a way of getting better views and more work out of different people to advise Ministers on policy. This Proposition just is trying to fix a hole that is not there. We are going to create a mound, we are not filling a hole. It is not just things like political oversight groups, or Policy Development Boards. We have 2 Members today that are away on the Diversity Forum, but if you look online to find out what the terms of reference and everything from the Diversity Forum, it is not there. We do not know how much money they have got for their Diversity Forum on this subgroup, we do not know what the terms of reference are, or what they are trying to achieve in that manner, because there is no information online. It is not just Government and the Policy Development Boards that need to put their information online. We need to look across the whole of everything we are doing, whether it be Scrutiny and subgroups, or whether it be in Government and say we should be doing this; it needs to be consistent. This is just picking up on one little area. But I have got to say this is not trying to fill a hole that is there, there is no hole. Policy Development Boards are absolutely a good idea to try and get better information on subject matter to inform good policy and Scrutiny Panels already scrutinise the Minister that is getting that advice. I absolutely cannot support this Proposition, because I think it is nonsense, quite honestly. We are already trying to do as much transparency as we possibly can. I do not know what this is about and I cannot support this.

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

I notice when someone says: "I am very pleased to follow that speaker", it is usually because they want to hit back at what the person said, so I am very pleased to follow Deputy Wickenden and what he said. Because I feel he is mixing up issues and, to some extent, I think Deputy Guida has, as well. There are 2 sides to Policy Development Boards, there is the way Policy Development Boards are set up, their terms of reference, their scope in documents, their budget, their membership, that is one aspect and then there is the work they do to develop policy. This Proposition deals with the first of those aspects, it does not deal with the work that the Policy Development Board does. Because I, like Deputy Guida, will defend a Minister's right to develop policy in the way they wish; that Minister is then accountable for that policy afterwards. If a Minister brings a policy to the table and when challenged, who did you consult? They say: "We did not, I dreamt this policy up last night while I was having a drink with my family", they would have to answer for the way that they develop that policy without consultation and over a drink, but it is their right to do that. That is what Ministers do, they stand in full by the policies that they bring in. There is a problem with the way that Policy Development Boards are operating in terms of their structure and that is, and I believe this is what Deputy Gardiner is trying to get at, we are seeing Policy Development Boards go over budget and just be handed extra money and yet no one is able to challenge them on this. We are seeing membership of Policy Development Boards not be as wide or as broad as it was suggested it would be. Very often we see very similar faces going on to the Policy Development Boards and that limits their effectiveness in bringing in extra views. From the very first policy development that was set up, the Future Hospital Policy Development Board, we saw that particular Policy Development Board break the terms of reference of Policy Development Boards, so the very first one broke the terms of



reference that the Chief Minister set up, which was that members of a Scrutiny Panel involved with that subject area should not be on Policy Development Boards. Unfortunately, the Chief Minister failed to abide by that in the very first incarnation of these boards. When I looked through this Proposition and what Deputy Guida said was very important, I looked through it quite carefully and I can only see one aspect possibly and I ask Deputy Gardiner to respond to this when we get to the end of this debate. There is only one aspect, I think, which deals with the work of a Policy Development Board and that is consultation documents in part (a). I am not sure what consultation documents is meant to mean and I would appreciate it if Deputy Gardiner could explain that. The rest of it is quite simple, it is about the way the Policy Development Board is set up; the terms of reference, the membership, the anticipated duration of the budget. None of that is there to scrutinise the work of a Policy Development Board; it is only to ensure that it is constituted in a proper manner. In part (b), Policy Development Boards, again, is asking for the estimated duration of the allocated budget and this I do appreciate. Deputy Gardiner wants to be able to stand up in here and ask the Chair of a Policy Development Board: "Why have you run over budget? Why did that cost you £200,000 when we thought it was only going to be £150,000?" I do note, by the way, that the sums of money allocated to Policy Development Boards from a Scrutiny perspective are absolutely eye-watering. It is one Policy Development Board basically takes the entire Scrutiny budget for a year; we are talking £200,000, that sort of money per Policy Development Board. It is unbelievable and I do question why they do not work more efficiently and more effectively with fewer funds because we do need to know why such huge sums of money are being spent on Policy Development Boards. It is very interesting, I was also worried about part (c), formalising these in Standing Orders because, as much as anything, I defend the right of the next Chief Minister, whenever and whoever that is, to say: "I do not want Policy Development Boards. We are going to create policy in this other way", and that is the right of that Chief Minister to do so and that of Council of Ministers to adopt that route. I am very pleased that Deputy Gardiner dropped part (c). I disagree with Deputy Wickenden's association of Policy Development Boards with political oversight groups. Political oversight groups, I think, are ... I was not there in the last Government, so I do not know how they operated, but the ones I see now, we have a Hospital Political Oversight Group; it is not so much developing policy as overseeing the way that project is being run, whereas Policy Development Boards are focused ... taken over years a Policy Development Board is focused on one narrow subject and is developing policy in that area. We see a political oversight group for Fort Regent; that is not the same as a Policy Development Board for sports, *et cetera*. I do not think he is quite reading the analogies in the same way. I do not think they are quite analogous in that way. I do ask the Assembly to support this, because I think the dangerous part of this Proposition was part (c) and that has gone and Deputy Gardiner knows my thoughts on that. I think Deputy Guida is mistaken in his fear about this being scrutiny of the work of the Boards. It is not that we would be able to stand up in here particularly and ask them to say where they are. But I agree, development of policy, in some ways, is like a work of art; you should not look at it until it is finished because if you see it halfway through you will see quite a mess *en route*. Yes, a Minister and their team do need to be able to sit there and think, what would a 90 per cent tax rate do? What would the effects of that be for this Island and work through that? That does not mean that they are going to bring in a 90 per cent rate of tax, they just want to see what the consequences they believe would be and model that. Immediately though, if they were to hear a snapshot of what people were thinking in time, there is tomorrow's headline; there is no question at all. I do think there are dangers to dropping in and questioning the work that is going on and the policy thoughts that are in train, because they are just thoughts in train. It is only when we get a final document, the Migration Policy Development Board gave us an interim document, which was fine and they wanted to test their thoughts publicly and they did that. That was their call and their choice and I do not think we should have pulled that out of them in the Assembly. But I think questions about why they go over budget, why they are running over time, why their membership is so limited, are very valid questions that the Chair of a Policy Development Board, and indeed the Chief Minister, should be able to respond to in this Assembly. Overall, I think this is

a Proposition in its current form that is definitely worth supporting in order to bring greater transparency to the funding of Policy Development Boards and their membership in particular. But I do ask Deputy Gardiner to advise us on what is meant by consultation documents in part (a).

**Connétable J.E. Le Maistre of Grouville:**

Please, Sir, can I raise the *défaut* on the Constable of St. John?

**The Deputy Bailiff:**

Do Members agree to raise the *défaut* on the Constable of St. John? The *défaut* is raised.

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

Sir, could I ask for a point of clarification? The last speaker, because I was not here officially, said that the terms of reference of the Hospital Policy Board were broken because of its membership and if he could just elaborate on that.

**Deputy K.F. Morel:**

I said the terms of reference of Policy Development Boards were broken, so the overarching document that the Chief Minister issued, when he created the concept of Policy Development Boards said that no member of a Scrutiny Panel should be on a Policy Development Board working in that area. In this case, we had members from the Health Scrutiny Panel who were on the Future Hospital Development Board, to my understanding.

**The Connétable of St. John:**

If ...

**The Deputy Bailiff:**

I think you have had your clarification.

**The Connétable of St. John:**

I think the Member has inadvertently misled the Assembly, Sir, because the Scrutiny Panel responsible for hospital project was the Corporate Scrutiny Panel, not the Health Panel. No member of the Corporate Scrutiny Panel was on the Hospital Policy Board. We did have members from the Health Board, but the hospital is a capital project which came under the Corporate Scrutiny governance.

**Deputy K.F. Morel:**

Sir, if I may respond.

**The Deputy Bailiff:**

Yes.

**Deputy K.F. Morel:**

I believe the Constable is entering into dangerous territory, because he is trying to argue that the Health Policy Development Board does not have some responsibility for scrutiny of the hospital, particularly given the care system that feeds into that hospital I think it is a dangerous argument to make. There were certainly members of the Health Scrutiny Panel on the Hospital Policy Development Board. The Health Scrutiny Panel does do work which clearly factors into that scrutiny of the hospital. In fact, the work of the mental health report that was delivered by the Health Scrutiny Panel clearly informs development of the hospital, because it is from that report that we are now looking at including mental health services more deeply within the hospital itself. I suggest that I have not inadvertently misled anybody and I suggest that the argument that the Constable is making is a rather silly one.

### **The Deputy Bailiff:**

We had an unscheduled tune from over there, it is the Connétable of St. Martin. Perhaps you can make the usual donation, in the usual way, in due course.

[10:15]

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

I was not going to speak on this Proposition and I was not, particularly when I entered the Chamber this morning, minded to support it. However, having heard the arguments all in favour of supporting this, because it is about the relationship between Scrutiny and the Executive; in particular I was focused very sharply and it took me back a little, on Deputy Guida's statement about how transparent we are. We are the most transparent Government in the world; I think he came close to saying, but he did not say it. Except one tiny little bit, one tiny little 5 per cent and I wondered what that 5 per cent was and then he said it and that is about policy in development. Members will know, who sat on Scrutiny in past years, how one could ... I think there are some skeletons still in the Chamber that died waiting for policy in development; I have sat and waited for 2 years out of 3 of a session for some policies to arrive and get your teeth into, because every time we mention it: "Oh, policy in development." What is a classic way to bury policy in development, or not, why? It is one of these boards, a Policy Development Board, guaranteed to take at least 15 months to produce an interim report. If you want to stifle and stymie and get in the way of decent scrutiny, then this is the way to do it; it is so easy. I will be supporting this Proposition, because I think it might improve relationships and openness between Ministers eventually and Scrutiny.

### **1.1.7 Senator S.Y. Mézec:**

Senator Moore said in her speech that she looks forward to the demise of Policy Development Boards and I wholeheartedly agree with her. I, in the election campaign, was critical of the concept of Policy Development Boards and now find myself serving on one. I believe that, actually, the way that Ministers ought to operate in Government is to deliver on their policies, not to spend loads of time coming up with policies. Let us see if I get a foot stomp for saying this, but, of course, the solution to that is to have your policies before you stand for election [**Approbation**] and then get elected on a joint platform and your Government can then go ahead and deliver it and then Scrutiny can play its role in that; that is the way we ought to be doing things. I hope that Policy Development Boards will be a thing of the past, in the future, because we will have moved to a better political system. Looking at this Proposition; part (a), I cannot see it being objectionable in any way. You would hope that this would be getting done anyway, frankly and if it is the case that some Boards are not keeping up with this, then to have this helpful reminder has got to be a good thing. But I agreed with Deputy Guida when he said that 95 per cent of this was OK and I think that 5 per cent of it is a problem when it comes to part (b) because I think it misses the point of what these Policy Development Boards have been set up to do in this structure and why I have agreed to serve on one. The fact is, that the Policy Development Boards exist at the initiative of the Chief Minister, for the purpose that the Chief Minister has determined to advise him. They are not a body of this Assembly. I think to have this very small bit - and you can argue that I am nit-picking here - but to say that a Policy Development Board cannot commence until one month has passed since speaking to Scrutiny I think is wrong. I think it is right to say Scrutiny should be engaged with and they ought to be aware of what is going on, but I simply do not agree that there should be a way of holding back the Government from getting on with this, with that sort of timeline, even if you might argue that it is small and the Government ought to be getting on with governing. If the Boards are being set up at the initiative of the Chief Minister, that is the business of the Chief Minister to get on with it. It is the case in the last Assembly there was, towards the end of the term, a body set up, which was not called a Policy Development Board, but it was a group of politicians brought together by the Chief Minister to advise him on how to proceed on the recommendations of the Independent Jersey Care Inquiry. I was invited to be a

member of that Panel and I said no; I turned down that invitation because I felt that it would be wrong for somebody, who intended to play a full role in the scrutiny of these policies, to have even a part in helping form those policies. I thought there ought to be a separation, so that the scrutiny, that I would then undertake, could be as independent and impartial as possible. I think that it is right that Scrutiny are made aware of what is going on, but I do not think that they should play a role. To say that the Government cannot get on with it in its own terms, in its own timelines, is wrong and, again, you may say I am nit-picking for saying that 5 per cent of that Proposition will make me vote against it, but I will vote against part (b) because of that but part (a) is fine.

#### **1.1.8 Deputy J.M. Maçon of St. Saviour:**

I think the same issue as Senator Mézec did when looking at this Proposition, part (a) seems absolutely fine to me. It is not asking for confidential information and I appreciate it, with the Panels. It is not asking for iterations of reports and things like that. It is just asking for the establishment documents, which, again I think, certainly in areas I think we have done anyway, so it is not really for us a big issue. I do not have a problem with part (a), but I feel I am probably going to upset Deputy Morel with what he said yesterday, when you were looking at a backbencher's Proposition and kind of really scrutinising the words and it was exactly what Senator Mézec said about this time of the month. I just want to say, sometimes in this Assembly, whether it is a Scrutiny report, or whether it is something that has happened, there are times when we do need to be a bit fleet of foot in order to do things and at those times there might be cases where everyone agrees that something should be done. Therefore, I just want to ask the question of Deputy Gardiner: in her Proposition she says no less than one month. I mean, how die hard is she for that particular process? Because everyone agrees, Scrutiny agrees and that could happen quite quickly, the delay in this time of the Ministerial Decision, how necessary is that and is there a bit of flexibility around that in her mind? Because, sometimes it is just a pragmatic way in that how this Assembly works and sometimes it can be a bit quick and it seems a bit cumbersome and a bit bureaucratic to stick that in arbitrarily when everyone agrees. The Deputy is quite right that there should not be duplication between a Scrutiny Panel and their work programme and the terms of reference *vis-à-vis* a political oversight group, a Policy Development Board. She is quite right to say that there is merit to making sure that these 2 things do not butt heads and, therefore, it is more sensible to have that time to discuss it; absolutely right. But, on the other hand, if we all agree that something should be done and that we just all agree that the Policy Development Board is the correct mechanism to do that, then is a month's delay really necessary? I would just like to know the Deputy's thoughts on that, presumably because if the States adopt this Proposition it will still have to come back by approval in the code of practice, or something, so there is still time for the exact details, because I am not allowed to use another phrase, to be ironed out. Yes and I have to agree with Deputy Wickenden's contribution. I just feel listening to some Members, their speeches, that there has been a bit of a rewriting of history in that now we call them Policy Development Boards. I remember, back in the time of Senator Le Sueur when he was Chief Minister, the Connétable of St. Brelade at the time, I believe, had a group of members advising him and I cannot remember exactly the term that they were called but it was, effectively, the same type of thing; non-Ministers advising a Minister on aspects of policy. I think, in our system, where you have got independence, inevitably you are going to have some form of that come along, because at the moment we do not have a full party system. I think Deputy Gardiner is right that to improve the governance around these Boards on the way forward in a transparent way and in an accountable way is correct. But I think my concern, which is the same as Senator Mézec's, I think can be addressed with a little bit more finessing through ironing out things in the code of practice. But I would just like to know Deputy Gardiner's attitude towards that because I think for me that is just the one issue which is holding me back but I think there is a way of tackling it.

#### **1.1.9 Deputy J.A. Martin of St. Helier:**

Like Deputy Southern, I was not necessarily going to speak on this, but as the debate has gone on I am concerned. I know the Chief Minister has had lots of talks with Deputy Gardiner and we have discussed this around the Council of Ministers. It looks like, if the Chief Minister was here, he would support. Listening, it is part (b), part (a) is no problem. For anybody in here - and I talk to them mainly on the Scrutiny side - who has any concerns that these muddy the water, part (b) muddies it completely. Because, if I am the Chair of a Policy Board and I brought in some backbenchers, I have to go to the relevant Panel, not the overall Scrutiny, who, at the end of the day, will be scrutinising what comes out of that Policy Development Board. I have to discuss the terms of reference with them. The hospital terms of reference: will not be built on Gloucester Street. Now, that is my terms of reference, so that is what I am saying and then we have a discussion. It starts getting very muddy. I am like Deputy Young and the Chief Minister; I think that Policy Boards are great. I absolutely disagree with Deputy Southern that it is where good ideas go to die, because in Government we are allowed 21 of these 49 people, who are all elected independently, except for 5, who are elected as a party and that eliminates 28 great-thinking minds to be involved in developing the policy, so the Boards work for me. But those people who absolutely want to be Scrutiny and I have spoken to people on Scrutiny and they said: "I think we could do the Government better, we could all be on ministerial oversight; we could all be making policy." I have not persuaded enough people yet. But if you really believe that we do need to keep this really big line between who makes policy and who scrutinises policy, I am concerned about part (b). We will listen to the Deputy when she sums up because, as everyone has ... why have you got to wait? Who wins in the end? Who is in charge of that Board when they do go for the terms of reference; consulting? Because, I can tell you now the terms of reference will shape a policy, because what is not included in it, or what is included in it is the way forward. I have got to consult with the Scrutiny Panel to put that down on paper. No. I came in here and probably was going to support, I am definitely going to support part (a). I think Policy Boards are good and I know where the Deputy is trying to come from. This does not work with the set-up we have with the ministerial and Scrutiny at the moment, the way I am reading part (b). I am sorry, I will probably vote against that part. I do hope the Deputy will take them separately. I will listen to her, but it is quite plain to me it is 2 sets of people, Scrutiny and the Policy Board will be sitting down to decide which way that Board is going to be going and I do not think that works.

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

Policy Development Boards have, it seems to me, been set up to demonstrate that Government is being more inclusive. I do not have a problem with this, but it appears to be a duplication of resource without much benefit and at least a conflict of interest in certain areas. Surely it is for our esteemed Ministers to develop policy in conjunction with their officers, or perhaps we should simply go back to the former Committee system, which prevailed until 2005. I have experience of Scrutiny from 2005 and later in 2008 as a Minister and again now as a Panel Chair. I suggest that Scrutiny has matured and now that most Members have some experience of it and, as the Minister for the Environment suggested earlier, it depends to a large extent on the individuals involved on the Panels and the Ministers, of course, themselves. In my former Ministerial role and with the benefit of having been on Scrutiny, I made the effort to work with the Scrutiny Panel assigned to my Department and I believe it worked well. The Minister for the Environment I think works well with me and I hope I work with him at the present time. Deputy Maçon referred to this earlier and I can assure him Scrutiny Panel members at the time did contribute to policy development, as they had the knowledge and the interest in the matter and it was a resource into which the Department at that time tapped. I am sceptical as to the benefit of the Policy Development Boards and would simply suggest perhaps we should get rid of them.

[10:30]

In summary, I suggest it is either back to the Committee system, or Ministerial and Scrutiny and in the interim I shall support the Proposition.

### **1.1.11 The Connétable of St. John:**

My apologies for being late this morning. I am concerned as to how people are ... and I have had the very great privilege to be Chairman of 2 Policy Boards, firstly, the Hospital Policy Board and now the Migration Policy Board. The Hospital Policy Board did - and I underline very clearly 'did' - comply with its terms of reference and any suggestions that we did not I totally refute. We selected a number of backbenchers, because it is an across-Assembly organisation and I must stress the helpfulness, the knowledge and the wisdom that I, as Chair, had on that Board through the Deputy of St. John and the Deputy of St. Peter and also Deputy Alves was extremely useful and important. The Board could not have operated without their input and that particular Board demonstrates how Government itself can obtain advice, not just from within its own Government, but from across the Assembly as a whole. It is, therefore, the Assembly as a whole that works with a Policy Board. In the case of the Migration Board, again, we have across-Assembly membership and we also have a number of lay members on the Board. These lay members bring immense wealth of knowledge and understanding of the situation and, again, I am very deeply indebted to them for all that they have done on that Board. When we come to this Proposition, part (a) is merely crossing t's and dotting i's, as far as I am concerned, because we do this anyway. The Boards have been transparent, we have published our terms of reference, we have published the minutes and I think the level of transparency on the Policy Boards is significantly higher than the transparency we have seen in any other previous advisory Boards. However, part (b) - and I use the term probably incorrectly - but it is almost an interference by Scrutiny before the Board has started to sit and operate. The Board is set up purely as an Advisory Board to the Chief Minister. We do not develop policy and perhaps it should be renamed; instead of Policy Development Boards they should be Policy Advisory Boards, but that is history. So, the Board merely provides advice and it is the relevant Minister who then, taking on board that advice, can bring forward policy. In the past - and I know this has happened a number of times - one has got consultants in from abroad to advise the Ministers. This is a very expensive way of doing it and we have done it through these Policy Development Boards in a far more economical manner. Again, for Deputy Morel to suggest that large sums of money are being wasted, certainly not as far as Government is concerned, but I will not comment on the Scrutiny budget. I would plead with Members to say: we are happy with part (a). As I say, that is dotting i's and crossing t's, we comply with that anyway and I do not believe it is an issue. But part (b), it is up to the Minister and, in particular, the Chief Minister, to determine how the Board should advise his Ministers. It is Scrutiny's job afterwards to scrutinise the Minister himself and possibly the Board as well, as to how they have arrived at these policy decisions and that is the duty and the responsibility, I believe, of Scrutiny, to scrutinise the end result. They can scrutinise a process as to how they got to that, but you do not need to scrutinise Development Boards while they are working towards developing the advice to the Minister for policy development. I would urge Members to reject part (b). Thank you.

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

I have sat here and when I looked at the Proposition - and I will say I know how difficult it is to develop Propositions as a backbencher, with the limited support that we have and be precise - and I compliment you on bringing this forward, so thank you to Deputy Gardiner. Before I start, can I just correct something I said earlier? I said that the 2 Members are away as Deputies on an event at the C.P.A. (Commonwealth Parliamentary Association) and it is not. I feel I should correct that; it is a Diversity Forum event. I know that is inaccurate and just for the sake of accuracy. Sorry, that was my mistake.

### **The Deputy Bailiff:**

Thank you.

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

I sit here sometimes when Propositions come up and I think: “What is the best way for me to understand what is happening?” because they can be rather complicated and so I jotted down some words that occurred to me. What I got were “reason”, “membership”, “budget”, “workload”, “relationship”, “purpose” and “Proposition” itself. The reason for the Policy Development Boards, Senator Mézec, thank you very much, you somewhat stole my thunder when you made the point about, to me, a Government elected on this Island should in the first week of its Government have the policies it wants to adopt in place and ready to go. Why are we wasting 2 years before we come up with anything meaningful always confuses me and I do not think it is particularly appreciated by the public, so the need for a Policy Board is an issue to begin with anyway. In terms of membership of the Board, it is very interesting that we talked about including all of the Assembly. Well, I am afraid I do not think the Policy Boards have achieved that; they have not. I do not know if this is the correct word - perhaps Deputy Perchard will correct me - it is an esoteric thing for membership of these Boards. I have no idea how you get to them and where they come from. As a Chair of a Scrutiny Panel as well, in terms of workload, the workload of Scrutiny is enormous. We are gradually increasing the support we have got, the workload of the Scrutiny Officers is enormous and they do remarkable things and we are gradually increasing that. But, because there is so much coming through and policy comes through in great big tranches together that we then have really concentrated work to do, while we are trying to do everything else without any real support as backbenchers, so it is really difficult to do. So the workload is there. In terms of budget, I agree with the fact that the budget for these Policy Boards does appear to be disproportionate compared to that of Scrutiny and that is a worrying thing if we are going to hold Government to account and have that relationship with Scrutiny which is that we have looked at it really carefully and we have come up with this. Because I had discussed with my fellow Members and other Members across the Assembly, ideas that I have and they come up with ideas: “We had not thought of this” and I think: “Well, that is a good point” and that is something that Scrutiny should be doing. I do not understand the relationship of the Policy Boards with Scrutiny. I have got to say I was a little disappointed with the Constable of St. John’s approach to Policy Boards and Scrutiny, as if to say that Scrutiny ... I still do not understand the relationship. They make policy which then goes to Ministers, but Ministers are in charge with policy, so they are not Policy Boards but they are Policy Boards and then that policy comes to Scrutiny but the relationship and the position in the timeline is not clear. I am afraid, that is not good governance and we need to really look at the clarity of that, because it is not there. That leads on to the purpose of these Boards and I am not entirely sure of the purpose of the Boards. If they are not policy developers, they are just advisory, but we are not going to use specialists because they cost too much money, so what are we going to do? We are going to use the people that we know well in the Assembly: “They are a good chap” and I use that word advisedly, because I do not know what the genders of these Boards are - perhaps we need to look at that - so they will have some good ideas but they are not specialists at all. So, we have to be very careful because what we are getting there is skewed policy from one viewpoint and we need to be very careful in doing that. Finally, the Proposition itself. I was not sure about what I am supporting, or not, here but I will be supporting part (a), I will be supporting part (b) and I understand the idea of the month and I sort of agree with that, that there is a problem. Because there is a contradiction otherwise, I think, from me which is, I keep saying: “Will you just get on and do something and tell us something that you are doing, so we can scrutinise it properly?” and so I am not sure we should be delaying for a month but I think there is an opportunity to change that. I think there is an opportunity in this Proposition to get the clarity of what Policy Boards are for, the relationship with Scrutiny and, therefore, the productivity of them and I use that word advisedly. So, yes, I will be supporting it and I urge other Members to do the same. Thank you.

#### **1.1.13 Deputy R. Labey:**

I do not have any personal experience on the relationship between the Policy Development Boards and Scrutiny and it is obviously concerning that Scrutiny are worried about it and I hear them. My

problem is that I think we should be deregulating, not creating more rules and regulations for ourselves: (a) is innocuous and I will support that; (b), look, we could create all these rules and regulations for Policy Development Boards and the Chief Minister could decide to set up a Policy Development Forum. What, would we do it all again for that? Or he could do a policy development think tank, or a policy development secret society, so I do not think this makes sense. As I say, I am against creating more rules and regulations for us. I will say this, though, about Policy Development Boards and I have had this, the work of the Policy Development Board should not impede the work of Committees constituted by the Assembly; P.A.C., P.P.C. (Privileges and Procedures Committee), the Planning Committee, all the Scrutiny panels. I have had members of 2 of my Committees with clashes and having to attend Policy Development Boards. It is important work, but the Committees, that are constituted by the States, should take priority on Members' time if they have been put there by the States and that is something that worries me. I have had experiences of Broad Street riding roughshod over this, over me, on it and I am unhappy about that. Thank you.

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

Much of the debate seems to have centred on the question of the relationship between Scrutiny and these Advisory Boards. In the absence of the Chief Minister, it perhaps could help if I refer to some discussion we had during the last Assembly, while he was President of what was then the Chairmen's Committee. In particular, we looked at the situation in the Isle of Man where, at that time, of the 40-odd Members of Tynwald, 40-odd minus 4 held some position in the Executive. I think it was Lord Lisvane delivered a report on that and criticised that situation on the basis of how could the Executive be seen to be held accountable if virtually all Members were in both camps, as it were? The one distinction he did then make was that he saw no reason why there should not be boards of some kind, who did exercise a Scrutiny function, providing that members of that board were not in the Executive in the same capacity. I think that the Chief Minister has essentially sought to achieve that by having these Boards. For my own part, I sit on the Revenue Policy Board, I am not a member of Corporate Services Scrutiny, which would prevent me from doing so, I am a member of the Economic and International Affairs Panel and elsewhere and I see no conflict in that position. I think by having these Boards, if they are correctly administered, should add to the general breadth of advice available to Government. On a similar theme, reference has been made, particularly by the Constable of St. Brelade, to the question of the old Committee system.

[10:45]

I happen to be Chairman of the Legislation Advisory Panel, which is a throwback to that system and the Panel consists of Members of the Executive and backbenchers and our role is to advise the Chief Minister. Again, I see the function of these Policy Boards to do much the same thing, to advise the Minister in that particular area. Again, I repeat, I see no problem in Members acting in 2 capacities where there is no conflict. That said, I certainly agree that, given that these Policy Boards do exist, there should be teeth and the Assembly as a whole and the public as a whole should be seeing what they are at. Certainly, I agree with part (a) of the Proposition and I congratulate the Deputy for bringing this and bringing the whole aspect to attention, but I think it is probably only part (a) with which I will concur. Thank you.

**1.1.15 Senator L.J. Farnham:**

In his absence, the Chief Minister has just asked me to say a few words in relation to this Proposition and particularly to thank Deputy Gardiner for the constructive discussions she had with the Chief Minister and that he supports part (a) and part (b) and thanks her for withdrawing part (c). I understand, also, the Chief Minister has undertaken to engage with further meetings with Deputy Gardiner and the Greffe to make sure that the appropriate accountability and transparency is applied to the groups. From my point, I am almost aligned with that position; I do have reservations about part (b) and I will not repeat what a number of other Members have said. From my point, the Policy



Development Board, which I chair, which is known as the Technology Advisory Panel, contains a number of States Members and a number of learned members of the public, who are experts in that area. It is simply a forum for some blue-sky thinking that helps advise Ministers and the Chief Minister in the development of policy. One of the good things about that is we can draw on expertise from the private sector to help guide us in those areas. Really, I think that... I also wanted to allude to the policy in process points that Deputy Guida made, although the Proposition is really about the formation and the constitution of the Policy Development Boards, which were set up to help this Assembly be more inclusive and the Government and I include Ministers and Assistant Ministers. If you look across them, I think perhaps approaching two-thirds of the entire Government have served on Scrutiny in the past, so understand that process particularly well. Thank you.

**1.1.16 Deputy R.E. Huelin of St. Peter:**

A lot has been said. As I understand it, the relationship between Policy Development Boards and Scrutiny is not: the Chief Minister invites somebody to chair a Policy Board, assemble a group of people who have knowledge and can put constructive input, go out to the Island and seek advice and guidance and expertise and come back with a recommended policy to the Chief Minister. The Chief Minister will then give that to the necessary Minister, or Council of Ministers, to determine policy which is then, quite rightly so, scrutinised by Scrutiny. That is a very fair and clear process, which I understand. I am not encouraged to support (b) but, having said that, I have just learnt the Chief Minister, who has put these Policy Boards together, is supporting, I think subject to further consultation; therefore, I am now in a bit of a quandary. However, (a) I am not 100 per cent clear about. Clearly, the public domain, transparency, we must have terms of reference, we must have the membership, the duration, the budget, *et cetera*, I get that. However, I am not 100 per cent confident with consultation documents and interim reports. I say that because this - if I can show you the back of it - is the Migration Policy Board, which findings are going to be published on Friday. It is the final draft before we have the final meeting in order to turn them on Friday, the following Friday and that is my homework for about the next week. I feel that if any of that work is put into the public domain, it could effectively stifle the imagination, the creativity and the thinking of the Policy Development Board. Because, let us face it, all these areas, if it goes to a Policy Development Board, it is there because we need to bring forward some positive, maybe dramatic and maybe quite revolutionary change. Revolutionary is the wrong word, I am sorry, but dramatic and strong change for the benefit of our Island. I do not want to see the members of the Policy Development Board having to hold back on this thinking before the final report is published. Then, obviously, when that final report is published, that should go into the public domain. So, I am a bit concerned and I would like Deputy Gardiner just to clarify the 2 bits, consultation documents and interim reports, because I believe the only evidence that the Policy Development Board should submit should be the final document, which is the recommendation to the Chief Minister. So that is my concern over (a), and (b) I am behind a lot of speakers, I think Deputy Maçon, Senator Mézec, Constable of St. John have made clear, which I support, the not supporting of (b). Thank you.

**1.1.17 Deputy M.R. Le Hegarat of St. Helier:**

Firstly, I would just like to make it clear as the Chair of a Scrutiny Panel, we suffered under the selection of a Policy Development Board and why might you think that? We were set up and we were set up by the Assembly and when it came to the Future Hospital, we lost 2 members of our team. What did that mean to the 2 people left? Significant extra work and worry, but also it meant we did have an extra person as well, the Constable of Grouville, that came on our team. What we did lose though, however, was probably the key person of our Panel, which was the person who had the health history. In fact, we lost both the people that had the health history, because one had worked in G.P. (General Practitioner) surgeries and the other had worked within mental health, so we lost 2 members of our Panel. Therefore, I have never been and never will be a supporter of Policy Development Boards, because I think that they have a significant impact on Scrutiny. Therefore, I

will support Deputy Gardiner's Proposition, because I do feel that we need to make sure that if we are going to continue with them under this current Chief Minister, then we need to ensure that they follow proper process: how they are going to be formed, who they are going to ask to be on those Panels and what their terms of reference is. I also agree that we need to make sure of what that budget is going to be and they stick within those budgets. Because we do not have a lot of budget within the Scrutiny Panels and so, therefore, we stick within our budgets and I think that it is necessary that they do the same. I know a lot of concern has been talked about the Freedom of Information and, having worked in that domain for a number of years, when somebody asks the question, we will always be able to say we would like to withhold that information under certain, what they call, exemptions. So, I think if there is something that a Policy Development Board wants to withhold, then they have that opportunity to withhold it and maybe discuss it with the Panel as to why they withhold it. So it is maybe not the publication within the public domain, but maybe we need to have a situation where Scrutiny are fully aware of what the Policy Development Boards are doing. Thank you.

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

This has been a curious morning. The conversation coming in is: "We should all be done by lunchtime" but here we are. With thanks to the Deputy Chief Minister, who has disappeared, the report with the Proposition, which I am sure every single person in this building has read, clearly says that: "I have had [Deputy Gardiner] several conversations with the Chief Minister and we agreed that in paragraph (b) my proposed wording should be aligned with the text that is included in the Code of Practice for Engagement between Scrutiny Panels and the Public Accounts Committee and the Executive." So there we have a consensus, an agreement between the Chief Minister, who has asked for these Policy Boards and the proposer of the Proposition. Yes, I have heard a few technical things about a month. I think a month is realistic, does it have to be a month and that can be ironed out through the process. But the Code of Practice for Engagement between Scrutiny Panels, as agreed by the Chief Minister, so I do not quite understand where people have gone off on part (b) and, indeed, the Chief Minister, in proxy, has said he is in support of it. I am, of course, fully in support of both (a) and (b) and thank Deputy Gardiner for engaging with me in my history of this and thanks to my Chair of the Health and Social Security Scrutiny Panel and also, just a little further point of clarification. I was the Chairman of that Future Hospital Scrutiny Review Panel, which the Deputy was alongside me and the Constable of Grouville. We were a review panel of 3, which is fair to say, reviewing the Island's Brexit, the Future Hospital and the delivery on it. If you talk to many Islanders, it is a big issue that a lot of people are frustrated about and want to see movement upon. We found it very frustrating that, because of our workload, we were getting hampered in delivering that. It was very evident, from our early scrutiny of the Policy Development Board - and I have to thank the Constable of St. John for his engagement and the Chief Minister - but it was a work in progress. Clearly, it was new and everybody was trying to find their feet, we had just started, we had just been elected and the idea we could all understand, but I think in hindsight, going back, we could have all done things differently but here we are. There is a conflict really and sometimes it is unwittingly that if a member of a Scrutiny Panel has gone on a Policy Development Board and we are in a conversation about a subject development, they may say something that all of a sudden becomes really important information. It is also in protection of those members, as well. I think in those early days after the election, those things were happening, but I think it was unwittingly, because we were all new and we were not quite finding the boundaries, or we should not really be saying that. For somebody who was chairing a very important Scrutiny Panel, information that came about unwittingly was very helpful at the time, but I am very cautious, so I want to protect all of us in doing our work and, as my colleague to my left said, also in how the public can perceive that. I just want to pick up on when terminology is used in the creation of these Boards about the wide spectrum of this Assembly. In the ones that I asked the Chief Minister for in a written question of 25th November, I asked for the current Policy Development Boards and the breakdown of them. I

have learnt a new one today from the Deputy Chief Minister, which I did not even know existed. The Migration Policy Development Board has only 2 backbenchers on: Senator Sarah Ferguson and Deputy Rowland Huelin. Deputy Judy Martin, Deputy John Young, Constable Chris Taylor, so I could slightly argue a technical point that it is not a wide ... because I do not see Deputy Luce, I do not see Deputy Perchard, I do not see Deputy Ahier, I do not see Deputy Gardiner or myself. I speak for myself, I was not asked; I would have heavily considered being part of this, because I think a lot of us agree that the migration policy is critical and policy on migration has got to be resolved and there is a frustration growing. I cannot believe, this morning, somebody asked me this morning if I was standing in the next election, that mindsets are already going to the next election so, as a new politician, I found that really curious. People are starting to get frustrated. The Chief Minister himself said publicly: "This is a year of action" to sort of quote him. Well, this is the year that we need to not just see the results of Boards and follow-up Boards and more reviews and more meetings, we need to see policy, this Assembly needs to debate it and we need to start moving a lot quicker, because the longer the delay is, the further we get to the road of muddied waters. So, I just say that, let us review these Policy Boards. If you go through them, there are 7 members of the backbenches and 16 members of this current Government in these Policy Development Boards.

[11:00]

Deputy Alves is on 3. I do not know how she is doing it, given her workload in Scrutiny, P.P.C. and her constituency work. In fact, the Housing Policy Development Board only has Deputy Alves and the Connétable to my right. So, again, housing, the biggest issue that definitely affects my Parish in St. Saviour, I would have loved to have been included in that Board. If there is still space and you want me, come and get me. I would always like to be part of any Advisory Board. So, I think we just need to bring it back to the Proposition and we look forward to the summing up. But I think, I would just remind everybody that the Chief Minister ... and in the report it clearly says that the terms of reference between the relationship, as in the Code of Practice for the Engagement between Scrutiny Panels, the Chief Minister agreed that and I think we should just see this through and move on to what is going to be another interesting debate. Thank you.

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

Before I start, could I just correct something at the beginning? I believe Deputies Doublet and Alves were marked down as on a C.P.A. trip. They are not, I think it is on a Diversity Forum.

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

Thank you.

#### **The Deputy of Grouville:**

To my mind, there are lots of discussions going on here, some of which are more related to the role of Scrutiny and how Scrutiny is perceived. I hear what Deputy Le Hegarat said, that she lost members of her Scrutiny Panel. I have always felt this and I have been a member of Scrutiny, I have been both sides. Scrutiny has an issue, that is not to do with this, but I hear how it has affected these Scrutiny Panels, how people that were a member of a Scrutiny Panel then upped sticks, then went on to this Policy Development Board. So, I really feel - and maybe this is something that P.P.C. can take away - that Scrutiny is and always has been, considered as unequal, an almost lesser role, which it is not. It is a vital role; it is a vital role in Ministerial Government. So, I do not know if it is what it is called. I remember a few years ago people wanted to call them public select committees and certainly do something just to make them more equal to the Ministerial side. I have always been in favour of the Committee system and I still stand by that. It was a much better system, it was inclusive and it involved all Members in making policy, so I understand why the Chief Minister has brought about these policy development roles. Before they were brought about - and indeed when there was a Committee system - policy developed and it developed in the background. It was not out there having

minutes taken, it was done behind closed doors, which I do not necessarily agree with. Some of it has got to be out in the open, some of it has got to be behind closed doors. It is the formulation of ideas, it is considerations, it is advice, it is thoughts and I just fear that if we formalise all of those things, it is going to stifle. It is going to stifle thoughts, it is going to stifle advice, people will be more guarded, just in case it is demonstrated it is a daft idea, but sometimes you need to go through the process, you need to explore the idea, in order to make an opinion. I just fear by formalising this in the way that Deputy Gardiner is trying to do - and I perfectly understand why she is doing it - but to formalise it in quite this way, which is why I have a problem with clause (b), will stifle ideas and thoughts and I think that that is a bad thing. Deputy Southern said that this is all about Scrutiny and these Policy Development Boards. Well, it is not. It is not. This is about advice and consideration to the Minister. The Minister is the one that is responsible for that policy and the Minister should then be formulating, collating all those ideas, putting the policy together and possibly bringing forward a draft policy to give to Scrutiny and work with Scrutiny on those ideas and Scrutiny can make the report better. The best Scrutiny report I ever did was on the agriculture and fisheries - it was not called a strategic plan, it was something like that anyway - and I worked with the Minister for 6 months. A draft was brought forward, Scrutiny worked with them, we came forward with 50 recommendations and the Minister accepted 49 of them, which was a success. So, the final report was something that had been considered by all and, even if I say so myself, it was a very good report. So I think we have a number of things. We have the conflicts of Members to consider, but that is really down to the Member. If they feel conflicted about sitting on a Board, then that is down to them. Then they make clear they are conflicted, they cannot sit on it. But these Boards, I think, are a good thing, they are a way of using all the talent in this Assembly to formulate policy, to have an imprint on what the Government is doing and bringing forward. I would be very sorry to see that stifled. Thank you.

**Connétable P.B. Le Sueur of Trinity:**

Before you call on the next speaker, could I apologise to the Assembly? I am going to have to leave shortly to attend a funeral.

**Senator S.W. Pallett:**

I am in the same position.

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

I have been listening carefully to this debate and I have also read through the 2 parts of the amended Proposition and obviously (c), I do not need to talk to, but that is just to give effect to parts (a) and (b). I cannot see anything in it that is controversial, or that should not be wholly supported by every Member of this Assembly. I want to take us back to the wording that we are looking at. Part (a) simply: "Request the Chief Minister to take necessary steps to ensure that information concerning all current and future Policy Development Boards is published online in a transparent and timely manner, including the terms of reference, consultation documents, membership, anticipated duration, the budget allocated to the Board to complete its work and the interim final reports." We have a Government which is committed to transparency and, as a small part of that cog of Government, I am certainly signed up to that, as well. What this does not say and I think this is where the scaremongering has come from, it does not say that "all of your thoughts and discussions and deliberations of the Policy Board" because I was listening in particular to what I thought was a very considered speech by Deputy Guida. So often he does make the very considered speech and, perhaps to use his terms, 95 per cent of his speech is correct and 5 per cent of it, which unfortunately is the conclusion that he comes to, is incorrect. Because it does not ask for the policy and formation and the discussions to be published; clearly, that is not helpful and it is absolutely right that people do have the head room to knock about ideas. It is simply saying that the concrete things by who is on the Board, why was it formed, what is the rationale for the Board, what are they set up to do and,

essentially, how is public money being spent and what is the desired outcome, what are you looking at? That is completely laudable. I do not even know why we are not doing that already. There is another debate, which has kind of been teetering on the edges, about whether or not we should have Policy Boards, whether or not the Committee system is better than Ministerial, whether or not Ministerial can work without party politics. These are all really fascinating and valid arguments, but they are not for today and maybe one day we will resolve those. Part (b) I think is just the corollary of that. It says: "Once a scoping document and terms of reference for a Policy Development Board have been approved by the Chief Minister, the appropriate Scrutiny, or Review, Panel will be advised of the proposed terms of reference and membership of a Policy Development Board." Well, first of all, that should not be controversial, that should be happening anyway and it should be publicly available, at least to States Members and I think to the public, so that part cannot be controversial. The estimated duration and allocated budget, if there is one, that should be also told to the Scrutiny Panel but that is not controversial in any way. Of course, it goes on to say that if Scrutiny have any feedback that they would like to give to the Policy Panel, then why would the Policy Panel not listen to it? The Policy Panels, we are told, are being set up because nobody in the Assembly has the monopoly on knowledge. Then, of course, if that is the case, if Scrutiny come up with a good idea which could then help the Policy Board, why would they not pass it on and why would the Policy Board not consider it? The Policy Board do not have to enact it. They could say: "Thank you very much, but we do not think that is a good idea" or: "Thank you very much, we have already thought about that and we are doing it" so that is not controversial. I like this last idea, because what it does, it gives time for a pause for thought. It says: "No Ministerial Decision to appoint a Policy Development Board should be signed until at least one month has elapsed, during which time the terms of reference and membership can be considered." So, what it means is that you have the idea to form this board, so this board is there to oversee or to explore policy development in a certain area, and I think the reason it is a good idea is because we get so many of these Boards springing up to the point where even Ministers cannot keep a tab on what is going on and which Boards exist and who the membership of those Boards consists of. It gives time for people to look at what is being proposed and say: "Well, yes, that is an area that interests me. I did not pick up on it immediately, but I have got a month to perhaps put my ideas forward to ask if I can join that Board." Entirely sensible. So, I have looked at this critically and certainly if there were areas which I thought - I can be as pedantic as the next person - but I cannot see anything in here that is at all controversial. So, I would ask Ministers and backbenchers to support this fully and let us get this through unanimously today.

### **The Deputy Bailiff:**

If no other Member wishes to speak, I call upon Deputy Gardiner to reply.

#### **1.1.21 Deputy I. Gardiner:**

First of all, thank you to everybody for this very interesting and thought-provoking debate. I did not expect that it will be so passionate a debate. First of all, I would like to address concerns of Constable of St. John, Deputy Guida, Deputy Maçon and Deputy of Grouville and I will follow what Deputy Morel pointed out just to make it clear. It is about involvement of Scrutiny in the formation part. I do not expect - and the Proposition is not telling me - that I need to know who tells what and how on the private discussion of the Policy Development Board. They have their private discussion, they are completely valid, they will come with policy, they will suggest policy to the Minister, the Minister comes back to the Scrutiny and we will scrutinise the policy at the Scrutiny Panel. The Proposition it is about to have only ... basically what it is saying, as Deputy Tadier said, you have an idea about creating a Board, you think: "Who could be on the Board?", Chief Minister finalises the terms of reference. I am not expecting the Chair to come to ... I would like the Minister, who is signing off the creating of the Policy Development Board, to come to the Scrutiny and say: "This is what we are thinking, this is the terms of reference, what do you think about it? Would you have other suggestions? I will consider if I will take it on board, or not." So, it is not telling the Policy

Development Boards how they are developing their policy, it is just basically to have really an open and beneficial conversation during the formation, its advisory. This is where it has been changed and amended with my conversation with the Chief Minister, because he said: “Yes, let us just follow the Code of Practice that we had.” Thank you very much to Deputy Maçon for your question. I picked up 30 days, just because I felt it is time enough to allow for the reflection of conversation and for Scrutiny to meet, because sometimes we are not meeting for a month and a half. From my perspective, if it will need to go through some formalisation, it can be changed when there has been a conversation and feedback has been given by the Scrutiny Panel.

[11:15]

Yes, if the Scrutiny Panel had a conversation and the Scrutiny Panel submitted feedback back to the Minister, it can go forward whenever the Minister ... I do not want to put extra formalisation, extra processing, extra structures, you just come, speak with us, we will give you feedback and you decide which way you are going. This is all about for the part (b). I do think it would be good and beneficial for everybody to have discussion about membership, to have a discussion about the possible budget in advance, to have discussion, maybe terms of reference can be wider, broader and it will just support. I do not feel it will stop Policy Development Boards to be more effective. The second thing that I have been asked by Deputy of St. Peter and Deputy Morel about the consultation, what I put. Probably it was consultation documents and interim reports. First of all, in my report, I told that membership, minutes, terms of reference, additional information such as presentation and similar published by all Boards. Probably what I meant under consultation, it was an example of a discussion paper that the Migration Policy Board published. So, it is the kind of discussion paper that they have, they published and it is the type of consultation people can react and can write to the Board about whatever they publish. It was engagement day by the Early Years Development Board that they published. So they have engagement day, they published what they ... and this is what I meant under consultation papers. Most of the Boards publish presentations which are brilliant and everybody can relate and connect with this and say: “It is a really great idea” or maybe you can add, so it was not about something else that does not exist now on different Boards. So, basically, we have it on the Migration Board, I found it, all presentations published on all other Boards and engagement day was published on the Early Years Development Board. So, basically, I took already what has been published and I put in the part (a). Does it make sense? So, it is nothing else, an interim report, it was a published one and it is online. I do not have any problem. The only thing I want about part (a) is that it will be a consistent framework what is published. Some of them publish schedules, some of them do not publish schedules. Some of them publish the budget, some of them do not publish the budget. I think it should be one framework for everybody to publish simple information, not more than this. It is really about the processes and procedures, how they run. I am not going into what has been told by somebody on the Policy Development Board. The last thing I would like to address because it has been raised from different points, by Senator Moore, by Deputy Young, by most Members, these Policy Development Boards have been created for this term and probably they will continue to run for the next 2 plus years that we have in this term. This Proposition brings in something to make a framework and make it much more transparent and basically enhance whatever they are doing already. I have not been in the States previously, but I looked through the history and as I opened my speech I said: “It is really challenging to develop policy.” Every time we are creating something we need to look back and say: “Did it work? What worked? What did not work?” and maybe in 4 years it will be different. Like I said, you have had oversight groups, you have had shadow, you have had lots of different things through the years and every time somebody brought a Proposition to try to basically bring better framework and to get as maximum as possible from it. So, I do accept that and I do think that by the end of this term we can look back and say: “It did work. It did not work. It should be changed.” Machinery of Government, processes and procedures of governments, it always will be part of our debates because it is never perfect. It cannot be perfect

but let us just try to do as much as possible to bring it as close to perfect as possible. I would like to ask to separate the paragraphs and take them separately. Thank you.

**The Deputy Bailiff:**

The *appel* has been called for. Members are invited to return to their seats. We are first voting on paragraph (a) of the Proposition, as amended, and I ask the Greffier to open the voting.

<b>POUR: 38</b>		<b>CONTRE: 2</b>		<b>ABSTAIN: 0</b>
Senator L.J. Farnham		Deputy S.M. Wickenden (H)		
Senator T.A. Vallois		Deputy G.C.U. Guida (L)		
Senator K.L. Moore				
Senator S.Y. Mézec				
Connétable of St. Lawrence				
Connétable of St. Saviour				
Connétable of St. Brelade				
Connétable of Grouville				
Connétable of St. John				
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 J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
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 of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy J.H. Perchard (S)				
Deputy R.J. Ward (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

**The Deputy Bailiff:**

I now move to part (b) of the Proposition, as amended. I ask the Greffier to open the voting.

<b>POUR: 22</b>		<b>CONTRE: 18</b>		<b>ABSTAIN: 0</b>
Senator L.J. Farnham		Senator S.Y. Mézec		
Senator T.A. Vallois		Connétable of St. John		

Senator K.L. Moore		Deputy J.A. Martin (H)		
Connétable of St. Lawrence		Deputy G.P. Southern (H)		
Connétable of St. Saviour		Deputy of Grouville		
Connétable of St. Brelade		Deputy K.C. Lewis (S)		
Connétable of Grouville		Deputy S.J. Pinel (C)		
Connétable of St. Peter		Deputy of St. Martin		
Connétable of St. Mary		Deputy of St. Ouen		
Connétable of St. Ouen		Deputy R. Labey (H)		
Connétable of St. Martin		Deputy S.M. Wickenden (H)		
Deputy M. Tadier (B)		Deputy of St. Mary		
Deputy M.R. Higgins (H)		Deputy L.B.E. Ash (C)		
Deputy J.M. Maçon (S)		Deputy G.C.U. Guida (L)		
Deputy G.J. Truscott (B)		Deputy of St. Peter		
Deputy J.H. Young (B)		Deputy of Trinity		
Deputy K.F. Morel (L)		Deputy S.M. Ahier (H)		
Deputy of St. John		Deputy J.H. Perchard (S)		
Deputy M.R. Le Hagarat (H)				
Deputy R.J. Ward (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

## **2. Employment (Minimum Wage) (Amendment No. 13) (Jersey) Order 2019: rescindment (P.124/2019)**

### **The Deputy Bailiff:**

The final item on the Order Paper is the Draft Employment (Minimum Wage) (Amendment No. 13) (Jersey) Order 2019: rescindment Proposition...

### **Connétable J.E. Le Maistre of Grouville:**

Could I raise a point of order? Yesterday, we agreed the minimum wage on the recommendation of the Minister by 45 votes to one, it seems to me we are debating the same subject over again and I did not think that was allowed.

### **The Deputy Bailiff:**

I am sure Deputy Ward will explain that to us in his speech in due course. Lodged by Deputy Ward and I ask the Greffier to read the Proposition.

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

The States are asked to decide whether they are of opinion - (a) to request the Minister for Social Security to rescind the Employment (Minimum Wage) (Amendment No. 13) (Jersey) Order 2019, scheduled to come into force on 1st April 2020, and to take such steps as are necessary to make a new Order fixing the minimum wage at £8.32 per hour from 1st April 2020 with a further rise to £8.66 from 1st October 2020; and (b) to request the Minister for Treasury and Resources to transfer £300,000 in 2020 from the General Reserve to the head of expenditure for Growth, Housing and Environment to increase the budget for Economic Framework and Productivity Support for 2020 to deliver a productivity plan for low-pay sectors before the end of 2020.

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

I will start the debate for this opportunity, a positive opportunity, to increase the minimum wage by showing you I am going to keep the speech to a minimum, give the people what they want, let us say. I bring this Proposition, because there is a clear, logical and precise argument for this increase and when this is considered, the outcome of supporting this Amendment should be simple. In fact, I will



start by saying that it is unfortunate to me - and slightly disappointed - the Council of Ministers are not supporting this Proposition that ensures one of the key aims of the Common Strategic Policy is adhered to; namely, to reduce income inequality and that is the key principle underlying this Proposition. It was in March 2018 that the States voted for a Proposition brought by the then Deputy Mézec that was to amend the Act dated 21st April 2010 on setting the minimum wage level as a percentage of average earnings, by submitting the words: “The minimum wage should be set at 45 per cent of average earnings to be achieved over a period of not less than 5 years and no greater than 15 years” and the words were substituted that said that that should be, to sum up, happening by the end of 2020. So, this Assembly has voted to say that the minimum wage will be 45 per cent of average by the end of 2020. That is the basis for this Proposition, to get the Assembly to do what it has said it will do. I refer you to the accompanying report, which is obviously clear to me that everybody has read really carefully for the Proposition that these details are further reasons and comments for the necessary changes. Therefore, part of the Proposition asks for a 2 stage increase in the minimum wage, in order that the 45 per cent figure is reached by the end of 2020, as voted for in 2018 and also as recommended by an Oxera report in July 2018, so there are lots of reasons for this to happen. I will keep this speech brief and raise any issues raised in the debate, because I think that may be a better way to do it, including - and I have got to say - some of the fundamental weaknesses in the comments paper from Council of Ministers. I have this terrible habit of marking things and the level of highlighting and notes goes to the number of corrections I think that should be made, so I do not want to take too long talking about that. But, again, I think there is a disappointment in the response there, which I hope we can address. This 2-stage increase reflects the advice of the Employment Forum and there is a really key word there which is “advice” but in addition it simply ensures that the Government target is met, so we take the advice given and meet the target voted for in this Assembly. That is good governance. I will point out that the Government is here to lead the Island using the advice it is given as a starting point, not to have policy simply given to it and I ask the Government in this Assembly to lead, particularly when it is a core principle that is at risk here. I mention it again, that is reducing income inequality. There is an enormous body of research, I have started reading around that, about the effects of income inequality on societies around the world and within individual societies and I would urge Members to go and read that information. There is no evidence - as stated by the Employment Forum - that an increase in the minimum wage affects employment levels. Indeed, the difficulty in recruiting is driving up wages, with many employers paying on or above the living wage. Now I do not want to drag individual employers into the political arena, but if you look on social media and you look at advertisements, many of the advertisements in the hospitality sector - I looked the other day - are offering a living wage, they are offering the words excellent - in bold - wage with benefits and so on that go with it in order to attract and retain staff that they will train, so that the quality of what they deliver is better. That links us to the productivity, which I will come back to in a moment. Part (b) is the requested support necessary to implement a meaningful productivity plan. Now, the notion of productivity is really difficult and, I confess, I had to do my research on what on earth we mean by productivity, because I think we bandy this thing around a lot, a productivity plan. Where is the productivity plan? What it means is, well it is very wide-ranging, but also very detailed at the same time. This is about the way that the Government can act to enable employers to do the right thing, to retain their staff, to keep those trained staff and to keep them without having simply a low-wage economy. That is what the productivity plan will address and I am sure there will be questions about that later on. Before we open the debate, I will point out some numbers, the changes I suggest, even at the highest level, that mean an annual wage for someone working 37½ hours per week of £16,887 before tax and social security. Now, I recognise that they would only just come into the tax band; however, I do not think it is good that people, who are working full-time, only just make it into the tax threshold. That is not a good reflection of our society for people who are working. The fact that the full-time job can be almost entirely tax exempt is not a good reflection of us. It ends up making people reliant on income support, so we are spending huge amounts of money on income support, as opposed to investing in

a productivity plan for decent wages, decent standards and giving people that opportunity to be trained, support employers and small businesses, perhaps larger businesses as well and most of them are paying at least the living wage, in order to change the nature of what we are doing and stop that reliance on income support. We trap people in a cycle of poverty, even though they are working full-time and that is not good for our society. It is not efficient, it is not effective and it is not a good use of our taxpayers' money. There is a lot of talk about uncertainty and Brexit and the same old arguments are rolled out again, but we will not address the uncertainty in world economies by having a low wage, low skill economy here, or an underclass of low paid people, who are reliant upon income support. That is not a vibrant, modern, world getting economy, so we have to address it. We will not address the recruitment crisis that we have. Finding staff is really difficult and we hear it again and again in the newspapers, in social media. It is not happening. We will not retain staff. If you pay a low wage, you train a member of staff they will move on to the companies that are paying a living wage once they are trained and that is where the productivity plan can kick in and address. It will not help us produce a meaningful population policy. The population policy that we need for this Island must be respectful and have a highly skilled, well paid, independent population, who can contribute to our society so that our society grows and we grow together and that is one of the really necessary things with this. I will finish there. I said I will keep it short and I will. I want you to consider the logical argument and I will re-iterate. This Assembly has voted for a minimum wage of 45 per cent of average by the end of 2020. We currently are not doing that. This Proposition simply gets the Government to act on their promised strategic priority of reducing income inequality and it has a reasonable and foolproof productivity plan that is funded in order that the Government make the changes necessary to improve the lot of the lowest paid workers in our society and improve our society. I ask you to support this Proposition.

### **The Deputy Bailiff:**

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

#### **2.1.1 Deputy S.M. Wickenden:**

I think we need to be clear about how we get advice on what we are doing with things like minimum wage. Article 18 of the Employment (Jersey) Law states that we have to consult with the Employment Forum and that is why we set them up. They go out and speak to the unions, they speak to the Institute of Directors, industry, employers, employees and they generally go out and try to judge what is the best course of action for raising the minimum wage and what the Island and its economy can manage. If we are not to listen to that advice, maybe we should change the law and just disband the Employment Forum and we can just, the 49 of us, come here together, lick our finger, see which way the wind is going and political populism and say: "Let us just make it £11. We can just work it out." This is what we cannot do. We cannot just make up figures and put it out there. We need to go and consult. We need to go and make sure we have the best advice and we need to make sure that we are doing things in a way that will not damage our economy, which is exactly why we have this law in place. It is exactly why we have the Employment Forum, who are excellent people, that do amazing work for us. We cannot just then throw it out the window and say: "No, it is all good and well that you have gone and found out the facts of what the situation of Jersey is, but we are just going to make it up as we go along." It is not good enough. It is not a good way of setting policy. It is not a good way of governing an Island of just saying we will make it up, 49 of us in a room and we will just say: "We know best, without consulting, without doing any work, or any research, or speaking to anyone. We are just going to make it up on the fly." It is just not good enough. It is not how we should be doing things. It is also not our job to manage the retention of staff for employees, as the proposer talks about when minimum wages means that people will leave once they are skilled and go somewhere else. That is not our job. Our job is to make sure we look after the economy, we look after making sure people do have jobs to go to, because there are employers out there, that we are making fertile ground. It is not to try to work out who can pay what

and retention and those things. That is not our job. I know there was a decision from the previous Assembly to try to get the minimum wage up to 45 per cent by the end of 2020, after the then Deputy Mézec's Proposition, but it was all about good intentions. We cannot just go steamrolling ahead with those kinds of intentions if the facts do not meet the requirements. OK, we have tried to say that we will get to that position, but if our economy cannot handle that position, then it is for us in this Assembly to make sure that we are not doing anything that is harmful. I say we should carry on listening to the Employment Forum. The Minister has brought forward the proposal for what the recommendation is based on facts and evidence and consultation and we should throw out this Amendment and just be done with it today.

### **2.1.2 Deputy J.M. Maçon:**

I have absolutely every sympathy, because I supported Deputy Mézec's Proposition at the time when it came along. I remember at the time during the recession we always had an annual letter from the Farmers' Union saying: "Please do not put it up anymore" and I said: "No, I understand, hard times, but when the economy gets better I do expect it to improve, as well." I think that is fair and a bit of give and take. But what strikes me is we tend to have this debate every year but where has anyone grabbed the nettle and said: "Wait a minute." Instead of doing the same old thing and having the same old thing and having the same old problem, why has no one grabbed the nettle and said: "Do we not then need to do more to support the workers in these different sectors?" Should we not have more of a disregard for people in agriculture in order to have those agricultural businesses? Should we not be doing something among small retailers, or those particular elements of industry that struggle to deal with the aspects of the minimum wage?

[11:30]

It just seems time and time again there is no one from this Assembly who has done that and we seem to have the same debate over and over again, without getting to a solution. I will probably be holding the line on this one with my Minister, but I have sympathy with it, but I think we need to have a broader debate about what can be done, because I think it is not just looking at the minimum wage. Clearly more needs to be done and perhaps I do not have the expertise to advise on this, but I am looking to the Minister for Economic Development, Tourism, Sport and Culture and those who know more about the agricultural industry about what can be invented. What schemes could we do in order to address these types of problems, because it does seem to be hitting particularly the agricultural sector harder but, of course, we know, at the same time, we want to support them, because they are the guardians of our countryside and our landscape and all the things we like about Jersey. There does seem to be a mismatch. It seems we need a different solution and I just wanted to put that on the record.

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

I agree with the last speaker. I can equally understand the arguments of the Assistant Minister and the Minister and see the dilemma that we have. On the one hand we are locked into statutory policy. We set up machinery that has served us well. But I think there are times where we do have to exercise political leadership on a wider strategic front, because I think what we have, what we see are symptoms around us. We are just like the U.K. (United Kingdom). We have huge and increasing income inequality in our society. The last set of figures I saw showed that, in the U.K., we were far ahead of all our European neighbours and in fact in other parts of the world by a country mile. We have a policy in our Government Plan that says we are going to reduce inequality. It is one of our strategic priorities that we trumpeted loud and large. Are we going to just put that aside? Is there not an issue of credibility there? I remember previous debates where we have had debates in this Assembly about not the minimum wage, but the living wage. Caritas has a voluntary scheme that local employers have signed up to and so has the States; £10.55 an hour. I should like to do some sums. I am sorry about my mobile phone starting to play tunes there. I was trying to do the

calculations and I am not very good at switching off the signs. But we are talking here about a difference of 34 pence an hour, which is, obviously, in terms of the Employment Forum, significant. I accept that. That works out at £12.58 a week if you take a 40 hour week, less if you take 37, which is round about £654 a year for people to live in Jersey with the costs that we face. I tried to work it out; what does that mean in terms of annual income? On my calculation, it is about £17,890. As States Members we enjoy, or at least we are all eligible, for a payment of £46,500 a year, which is an hourly rate, to do the same calculation, of £22.35. Well, I can hear you say probably that is par for the course. I do not accept that, because I think we have a situation and again the strategic policies that Deputy Maçon highlighted for us is a bigger picture. Not just income inequality, but us being locked into maintaining a low wage economy. Is it right, I ask, that we have policies that are encouraging what we are relying on, low wage employment, marginal businesses? How might we be supporting that? Well, obviously, income support is an in-work benefit and, of course, we have seen, we know that we have an issue that I really hope the Chief Minister comes for and we can debate about our increasing population in the Island where, for the last 10 years or so, we have increased our population by 1,400 people a year on average. One of the things I wanted to find out and I would be sure in my membership on that Board, is what is the proportion of low wage employment in there and what are the industries we are looking at? I think it is time and I have advised the Council of Ministers - and I do not easily go against them - but I think the principles where we will have to address population policy and I see a strong connection between making a decision to maintain a low wage economy and what we do about managing our population. I think we have got locked into a set of restrictions and that is why, at the end of the day, the Government has to sometimes rise up over some of these processes and exercise leadership. I have struggled with this, but I feel it is morally right and there is nothing, I have the highest regard for the Minister for Social Security and the Assistant Minister and I absolutely understand everything they are saying, because the role of the Employment Forum and consultation processes are really important. There is no disrespect there, but I think sometimes we have to exercise a balance and where that balance lies, so I am going to support the Proposition.

#### **2.1.4 The Connétable of St. John:**

The minimum wage used to be a living wage some years ago. The living wage is, of course, nothing new. We can go back 2,000 years to the vineyard owner, who employed some individuals from the start of the day. Halfway through the day he went and employed some more individuals and at 4.00 p.m. he employed some more and at the end of the day he paid them all the same, because that was a living wage. So, it is nothing new that concept and I am a strong supporter of the living wage. However and this is an important point, the Employment Forum looks at the entire package and that is what is so important and needs to be taken into account. If you look at the agricultural and, to a certain extent, the hospitality employees, part of that package is the maximum that an employee can charge for accommodation. The figures we agreed only yesterday is that the maximum you can charge for accommodation is a little over £4,000 a year; in other words, around £80 a week. If you have a seasonal worker, who is working in agriculture, they come here for a short period of time. They work every hour they can, because that is what they want to do and shall we say they work 70 hours a week? This then equates to a wage of between £550 and £600 a week, from which is deducted £80 for their accommodation, leaving them with an in-pocket of approximately £500. This sector is the one that is most affected by the minimum wage and yet the Proposition merely comes forward for a wage increase, without the corresponding accommodation increase. As a result, I cannot support this Proposition, because it is a package and this package is carefully worked out by the Forum. It is worked out in conjunction with the expertise throughout the industries that all come together and I urge Members, for the sake of those industries that rely on providing not only accommodation but also providing the workforces, that we support those industries. It should also be noted that as they are employing seasonal workers who come to the Island, work and go home, they do not ever gain residential qualifications, so they are not a burden on our infrastructure. They are not increasing our

population, so again that is an important factor to be taken into consideration. I would urge Members to reject this Proposition.

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

Before we start can I just ask a point of order? It is to do with membership of the Assembly. Obviously, I am not saying people do employ people on minimum wage, but I think it is a fact that we should know if there is anyone here who is engaged in any business that does pay the minimum wage, that will be directly affected by this extra increase.

**The Deputy Bailiff:**

Yes, Deputy, I think you are in order to suggest that if anyone wishes to make a declaration of interest on that basis then they should do so.

**Deputy M.R. Higgins:**

That would be fine, Sir. If we want transparency, I would like to know who does employ people on minimum wages.

**The Connétable of Grouville:**

Just for the avoidance of doubt, I do not employ anybody on the minimum wage, but obviously I was involved in the agricultural industry.

**Connétable S.A. Le Sueur-Rennard of St. Saviour:**

Likewise, Sir and I do not employ people under the minimum wage.

**The Deputy Bailiff:**

On the minimum wage.

**2.1.5 Connétable R.A. Buchanan of St. Ouen:**

I rise to talk to this Proposition on the basis that, firstly, I think I need to state that I do agree with Deputy Ward's comment about a low-paid society. They are very valid and I think all of us would like to see people with lower paid jobs paid better, not least because Jersey is an expensive place to live. Even if you have accommodation provided, it is still an expensive place to live. However, I have in my hand the letter from the Jersey Farmers' Union, which I am sure you have all had and I think they do express some valid concerns, not least that this has come about without consultation from the Employment Forum. Notwithstanding anything else about the consultation process and the opinions that might be expressed in either direction this will come as a bit of a shock to them, which is unfortunate to say the least. Also, the point I make with that is if you are running a small business in Jersey this year, we have imposed on you an awful lot of costs already. Social security has gone up, inflation goes up and now we are asking employers to put the minimum wage up by 9.8 per cent, an awful lot to find if you are a small business. If you are sat there, you have to find this extra money because we have said you have to, you have to look at your bottom line and find out where you are going to find it. In my mind, there are only 2 places you can find it and that is by letting staff go, or increasing your prices, all of which would have an unfortunate effect not only on the people you have to let go, but also on the inflation rate in our Island. This will be a challenge and it will be a challenge in what is, at the moment, with the uncertainty still with Brexit and I make no excuse for trotting this out. We still do not know what is going to happen and we do not know what the effect on our economy is. The indications coming out of the U.K. are that we are in for some difficult times. If you are sat there running a small business, you are faced with all these problems and now you are going to have to pay acceptably your lower paid workers a bit more and you have to find that from somewhere. My concern is it is too much, too quick. I would support this next year, heading to this figure, but to impose it this year, when we had a big jump last year, which the letter from the J.F.U. (Jersey Farmers' Union) points out quite clearly that the rise was so steep that they brought it in in 2

steps in April and October, so they have already had to find a lot of money last year. This year, once again, they will have to do this. For me it is about timing. We need to give them a bit of breathing space to find out where they are going to find the revenue from, without adversely affecting people's employment, because we do not want people to lose their jobs, especially the lower paid, because in this Island it is quite difficult to find other employment and if you have accommodation with it, it means you have to move your family with it, so the effects are unfortunate. Also, we are trying to contain costs. Senator Farnham has talked at great length about trying to keep inflation under control and if we add a substantially over-inflationary pay rise to their pay bill, those costs will almost inevitably come out in the costs of those goods. I have difficulty in supporting this at this stage. If we were talking about this Amendment next year, getting to the minimum wage, I would certainly support it, because I approve of the principle, but for me it is just too much too quick and, as such, I am sorry but I am going to have to vote against it.

[11:45]

### **2.1.6 Deputy M. Tadier:**

I would like Members to keep an open mind on this so far, until they have listened to all the debate and the reason I say that is because this is not just the annual debate where a Reform Member, or Deputy Southern, puts an Amendment in and then we get the letter from the Jersey Farmers' Union and then we get the same old arguments about why we have an Employment Forum; the industry cannot tolerate this. This is a slightly different debate, because it is about a decision that the States already made 10 years ago where there was a consensus. I would go back to that point and say although it was not this Assembly that made the decision, in order to get ... it was probably a much more conservative Assembly 10 years ago that looked at it and to get that Assembly to a position where they recognised all the salient facts where, OK, there is not a silver bullet and there are different parts of the industries that cannot necessarily afford to pay high wages, but we will at least set in train this principle, which is in 10 years' time we will get to the modest point where the minimum wage is 45 per cent of the average wage. It is still less than half of what most people in terms of a mean on the Island are getting. We are not even getting to that point, so when the Constable of St. Ouen says it is too much too quick, no, it is not. It is too little, too slowly, because this has taken 10 years not to get to. The decision of this States Assembly is whether, or not, it can make a modest decision to honour a decision that a previous Assembly made and some of us were in this Assembly at the time and many of us would not have been, because that is the right thing to do. It is about honouring a modest decision and, of course, there was a caveat put into that decision at the time that said subject to economic conditions. I am waiting for the Minister to stand up and say that economic conditions in Jersey are terrible, because that is not the message that they travel all around the world telling people. They say: "Come to Jersey, we are a stable jurisdiction. We are a jurisdiction presumably where we have a continuity of thought, where previous States Assemblies make decisions and they honour them. Where everybody is welcome and where we pay decent wages and everybody can aspire." Indeed, they have got their own policies. We have got our own policies, which the States Assembly has endorsed, which is to reduce income inequality. Now, how do you reduce income inequality if you cannot even honour a modest Proposition 10 years ago to lift people out of relative poverty. That is the first point I would make. The other argument, which constantly gets put forward is what is the point in having the Employment Forum if we are just going to ignore their decision. Well we do not ignore the decision. We take into account what they have said. We also take into account, like I have said, the Propositions that former States Assemblies have made and the fact that we have got a policy. That policy has never been overturned. If somebody wanted to come back and rescind the decision, which says we should get to 45 per cent of the average wage, fair enough, let us have the debate. But that policy remains in place. I think we need very good and very strong reasons to renege on that promise that we made to our Island. I would also say, let us just face the reality. This is not about a criticism of the Employment Forum. This is about accepting that the reality is, in the industry, there is not an equality of arms. There is an asymmetrical relationship between

employer and employees. So, while it is quite understandable that people who own businesses in the retail industry, perhaps in the agricultural industry, will be well organised to be able to write that letter. How on earth does the Romanian, or Portuguese, or wherever they come from, the worker who is working in that *côtil* think: “Actually, once I have finished doing this *côtil* and I get back to my portacabin at half past 6, 7 o’clock and eat my bowl of gruel how do I then ... I must make sure that I have got time to make a submission to the Employment Forum. I hope that they accept submissions in Romanian” for example, or it could be somebody, who works in the hospitality area. We have to accept the reality that there is not an equality of arms and that employers will always hold the upper hand and be able to provide qualitatively and perhaps quantitatively more and better evidence to the Employment Forum than the worker at the *côtil* face, if you like. The other point to make and I fully do understand the argument that is being made by the Constable of St. John about the offsets and that agriculture is the main industry which needs to employ at the minimum wage. Interestingly enough, there is no employer in this Assembly, even though we have some who do work in agriculture, who employ at the minimum wage. We have been told that one Constable, who is involved in the industry, pays wages significantly above the minimum wage. She is setting a very good example. What we should be asking is that the rest of the industry also set that good example and that we honour the position. Deputy Maçon is quite right. If there is a more fundamental piece of work that needs to be done to look at why certain industries struggle to pay higher wages and this is a modest increase. As I said, it is not going to £11 an hour, which might be considered the living wage. It is just keeping up with where we should be going anyway. Then we need to sit down and have a conversation about that. That is exactly where the productivity analysis, which Deputy Ward also is offering new money for, comes in handy. I would like to think that the minimum wage - because it is not just agriculture which is affected - any industry can pay the minimum wage. If you are a locally qualified person, you will not be living in these portacabins. You might want to live at home, or you might want to rent your place, or pay off your mortgage. Why should you be excluded from a career in agriculture, just because the agricultural industry cannot keep up with a wage that will pay the rents. Of course, there is a debate then about income support coming in and subsidising low wages. I would much prefer to see that the offsets for accommodation were perhaps higher, so that they reflected proper rents and that we paid everybody a wage which could afford them independence. So, yes, of course if you come over to Jersey to work for 6 months, or for 6 years, in any industry, be that agriculture or hospitality, that you might want to accept the accommodation that is provided by the employer, but you may not want to. I mean, why would you want to necessarily live in the place that you work all the time. You might want to get away from it and feel that you have got a break. I do speak as somebody who has worked in those conditions in the past. I would say that just because people are willing to do it, does not mean that it is the right thing to do.

[12:00]

I was happy to work in the French Alps for 6 months, living in what was probably illegal accommodation, being paid less than the minimum wage, probably under the table. I do not know, because I was quite happy that I did not have to pay any rent and that when I came back home I would have a sum of money, which I did not need to touch when I was out there, because food was provided, *et cetera*. But that is just one person. That is not a way that you build an economy. So, when we were told by, I think, Deputy Wickenden, that we have to make sure that we do not damage the economy, we also have to make sure that the economy does not damage us. We have to make sure that the economy does not damage our people and that there are not unintended consequences. So we are not even talking about a living wage today. We are talking about paying people the bare minimum, which enables them to live in an increasingly expensive Island. I will finish by the last point, which I probably should have started with, without wanting to get too philosophical, is that humans are the only species that pay to live on Earth. Indeed, some humans charge other humans to pay to live on Earth. The reason that I mention this... and that might be seen to be axiomatically true and obvious to everyone. Others might say: “Actually that is a good point. I had never thought about

it in that way.” The reason I raise it is that, in the past, in terms of how costly life was for people, and this is perhaps going back to the troglodytes, is that accommodation did not cost anything or in terms of the energy used it was very low down and it was people’s food that was very costly. You had to expend a lot of your energy and a lot of your biological economy went on procuring food for yourself. You would have to go out hunting, you would have to grow food and do that over a long period of time. That would be costly. We have got to the situation where, in fact, food is too cheap and accommodation is too expensive. If we can find a way and if it is all right to have caps on what can be charged for people in the low paid sectors, in the agricultural sector, why do we not just have a rent cap anyway and say: “Because we have a minimum wage, all rents in the Island should be set at a wage, which people on the minimum wage can afford to pay” because we already do it for that sector. What level of state intervention are we prepared to tolerate, because we already tolerate it in the agricultural sector? Or do we want to pay people a decent wage where we can say we want to step back as a Government, because I have always understood that while Jersey politics tends to be quite paternalistic, it is also paradoxically quite *laissez-faire*. I think we have to accept the fact that if we are building certain economies and certain industries on low wages then the income support system and the States has to pick up the slack. I want to see a system and this is a way to enforce that step, where we say employers pay a little bit more so we can keep up to date and be competitive with other jurisdictions, which might be seeking to employ some of the people we want to get over here and relieve some of the burden on the income support on the supplementation. I would ask Members to seriously consider giving this their support. It does not mean that other issues, like living wage and working conditions and supporting low paid industries, cannot be done at the same time.

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

I would like to make some brief comments in this debate and I was prompted to do so really by the Constable of St. Ouen, who suggested that - of course as is often argued when there is debate and discussion about minimum wages - that employers will be letting people go. Most of the employers in the Island, that I speak to at the moment, talk about the great difficulty they have in finding anyone to employ in the first place, particularly and even in the areas that were traditionally considered to be of low pay I hear that there is a great deal of pay inflation currently going on. So, what is being proposed here is not only meeting a previous commitment, albeit a previous Assembly, so it could be argued that employers have known for some time that this was coming, because there has been a great deal of publicity on this matter. It is a shame that we have not heard exactly from the Employment Forum as to why they did not propose the 45 per cent in this year’s ... perhaps the Minister for Social Security could enlighten us and remind me what it was that the Employment Forum were proposing and why they did not propose this increase to the 45 per cent rate this year. Also, the move to the productivity plan, I most certainly agree and I hope that Members, if they cannot accept part (a) then they will most certainly accept part (b) because this is what many businesses are already doing and I know there are some examples of very successful businesses in the Island where they have seen the importance of meeting not only a minimum wage, but a proper living wage and taken the steps and the initiative to make changes to the way they do and run their business, implementing systems that enable them to employ fewer people yet to pay them a living wage. I am really proud of those businesses, they have taken that initiative themselves. But it is sometimes the role of Government to encourage others to follow good examples. I think part (b) is a really fundamental part and I really ask Members to consider supporting that, if they do not think that part (a) is achievable this year. Myself, I am very minded to support part (a), as well. My only reservation, I think, is the cost of living and the imposition of the increase in the cost of living has caused. I am afraid to say, from decisions of this Assembly, such as the 6 pence on a litre of fuel, that is what members of the public are talking about. We already knew at the election that the cost of living was a real issue and something that bothered people in their everyday lives, yet we sought to increase the cost of living time and time again by increasing the cost of fuel and the cost of alcohol and other such items, without paying heed to the compensatory impact and the way that we can



mitigate those, the difficulty that some people do have in meeting their everyday costs of living. So it is simply that concern that might cause me to take the Constable of St. Ouen's view and perhaps ask that part (a) is reconsidered next year and that we try to meet that next year rather than this. I still could be yet convinced. We do need to do an awful lot more and we do need to consider, as an Assembly, in a much greater depth, the impact that our decisions have on the cost of living, the people who rely on us to think of them every day when we vote on those matters. If there are parts of our Island economy that would really struggle with this, perhaps the Government should have brought an Amendment to, say, carve out agriculture and find another way for agriculture to cope with the cost of wages. But we have heard from Members who are involved in that industry that they do not see themselves paying a minimum wage in any event. So perhaps that is not necessary either. In that case the argument against part (a) is a non-argument because I think we might all struggle to find businesses in the Island where the minimum wage is being paid in the first instance. I hope that has been rather helpful and I just would ask Members to consider very carefully the way they go.

**Deputy I. Gardiner:**

I would like to ask a point of order during the debate, a potential conflict of interest for me. Is it possible?

**The Deputy Bailiff:**

There was an assertion that any Member, who is paying their staff minimum wage, should make an indication to that effect.

**Deputy I. Gardiner:**

I do not pay to my staff minimum wage, I pay above minimum wage. At the same time, there is a consideration to extend hours and to get a new person in and definitely for this person it would be as a start minimum wage. So, I am not sure, because they basically come without any knowledge for some period of time, so I am not sure. I would not pay minimum wage for anybody who works more than X amount of months and definitely close to living wage. But I do feel conflicted in this place.

**The Deputy Bailiff:**

Yes, you currently do not have a direct financial interest and therefore do not need to withdraw from the debate.

**2.1.8 The Deputy of Grouville:**

I have got a lot of sympathy and concur with a lot of what the last speaker said, because I too am a supporter of the living wage and there is something about taxpayers having to subsidise employers, especially when they are big employers from the U.K. in retail, or whatever, they are paying their staff minimum wage and we are having to subsidise their employees. That sticks in the craw really. So that is why one of the main reasons I would like to see us get to a living wage, so that we no longer have to enhance the profits of these off-Island companies, who could and should be paying more to their staff. That having been said, I would like to see the Employment Forum come forward with far more narrative than what they do, because I feel we go round in circles in this Assembly. The same points are made every year. We have the same arguments and we receive the same letters from the same industries. They are all very valid. The same points are made, but I would like to understand far more narrative behind the proposals. For example, the agricultural industry - and I have made this point time and time again - there surely should be something in the element of the accommodation, I do not know if it is pitched at the right place for what we are trying to achieve. It might be pitched right for the accommodation provided, but I think, if we are wanting to support agriculture, possible more than the U.K. retailer, then we have... I am sure there is an element in there that could be looked at. So, the accommodation that is provided with agricultural workers and tourism, too. I would like to understand the Employment Forum's thinking behind that and what work they are doing into just saying £80 and if there is room for manoeuvre in that amount. Because

they are coming forward to us, to advise and they know far more than most of us. They look into it. So I need to know their thinking. I also want to know and I am sure they have because they are considering all the wider elements. For example, in agriculture, gone are the days when I grew up on a farm where we used to get our Breton farmworkers from across the sea. They would make the boat journey, they were part of our extended family, they came over every year, 9 months of the year, went back. It was great. Now we are looking at Nepal and Kenya for the hotels. We are in a different ballgame, so if those elements have got to be taken into account, all those airfares that have got to be provided, visas, goodness knows what, to bring a workforce over here, then that surely has got to be considered, because I would far prefer to see our fields farmed than some sort of countryside husbandry put out, because we have just bankrupted agriculture. So we have got to consider everything and I am sure the Employment Forum are looking at these things, but I would like to know in here their thinking behind it. I too want to aim for the living wage. We have got to be minded too of the little one-man band, the plumbers, the carpenters, who are paying for one or 2 people, who are not part of the big industry. There are so many factors that should they be considered in the round, one rate in the round for the whole lot?

[12:15]

I guess there should be a living wage and a minimum wage but, should there be... can Government - or can we - suggest things to the Employment Forum that could achieve what we want to achieve. My aim is not to subsidise low income support, the big industries, the big companies, mainly from elsewhere.

#### **2.1.9 The Connétable of Grouville:**

I would just like to pick up on something that the Constable of St. Saviour said and a couple of Members have picked it up, as well. She said that she pays well above the minimum wage, but she is in the dairy industry, which is slightly different to the growing sector. The dairy industry has a degree of protection, in that there is no imports of milk allowed, whereas the growing sector are putting their produce into a worldwide market and it is a very different situation. Very difficult to... The price of food is too cheap in the worldwide market and it is very difficult for them to compete and pay high wages.

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

Could I just respond to that please?

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

I can put you on the list.

#### **2.1.10 Deputy J.A. Martin:**

The Employment Forum are, as one of my Assistant Ministers said, by law in the Employment Law, asked to go out and consult on the minimum wage. Senator Moore has asked where their thinking is, so has the Deputy of Grouville. There is a 70 page in-depth report on this. It is on the website and it makes really interesting reading. Now, I am not saying there was not a States decision to get to 45 per cent and we agreed to it. There was an Amendment by Senator Gorst - who was the then Chief Minister - to put in about the economy and the competitiveness of different industries. That was to always take that into consideration and the Employment Forum go out and they consult. They give us some good information and they then come back to me and my Assistant Ministers and report. I sit there, look them in the eyes and say: "Why?" And they will say: "Right, we had a broad consensus" and if you look of the membership, it is a broad consensus of employers, employees and very good people you would probably know in the community. This year this is what they said, it was from here to here. Some said it should be higher and some said much lower and they have gone down the middle. It has not reached the 45 per cent of the aspiration that we want to do. Now, the Deputy of Grouville has accused taxpayers picking up the bill and they do. But you have to remember

there are different elements on that bill. £30 million go out to landlords, whatever the landlord is. There is only £70 million. There is the whole total of income support. You are near enough. There is an element there, massive costs. Last year, we were able to give back £1 million to the middle, because we had overestimated on what income support would be. The reason when it was looked at is because employers are paying people more money, more an hour. The living wage is an aspiration. I absolutely do support, but it is an aspiration. The legal requirement for an employer is the minimum wage. That is what we set. Now I am here, I know Senator Moore wants to support part (b). What is productivity? What are we going to do? Are we going to make that £300,000 do anything? To me, if we have got some industries that cannot survive on the minimum wage, it has to be an easy subsidy scheme and not carve out, because again I am sitting there saying that would not work. We do not have a youth rate. We do not have differential rates. Absolutely great we do not and I would not support that. If you can do the job, you get paid the wage. I do not care if you are 16 or 60, you get paid the wage, because you are doing the job and you are good at the job, you get paid. They trot out, I do not know that many farmers, but if you look at page 26 from what the industry force in 2017 and to what it is in the last ... 95 per cent reduction in the number of rural businesses growing outdoor crops; 95 per cent. That has gone down. I also speak to people on H.A.W.A.G. (Housing and Work Advisory Group) in farming, on retail and they do come in and say: "Do you know what, we are not even taking out the offsets. We still cannot attract the staff." About cannot attract the staff is not really about the wages. We also, on H.A.W.A.G., are holding the population line. People are begging us: "Please let me employ people under 5 years." "No." We are saying no. They are saying: "We are offering over 5 years, £11, £12, £13 an hour for a basic job and they are not coming forward, because we do have high employment. Also, if you read the report from the Employment Forum, they quote the F.P.P. (Fiscal Policy Panel) about the downturn possibility of the economy this year. Now, if you really believe that, because that was quoted at me when I tried to do the long-term care charge at one per cent. Senator Moore brought an Amendment that said: "No, the economy is going to downturn early in 2020, we cannot support that." The Assembly sided with Senator Moore and believe the economy was going to downturn. So, which one is it now today? Can we support just that little bit extra? I know the Deputy is asking for October. Have we done enough to support the industries that possibly will go out of business? I do not think we have. Even with the 70-page report I do not know enough; who, possibly today, Deputy Ward's Proposition will put out business. If I do not know enough and if we have not got the right scheme in place to support them, because we want ... it does not matter about being paid, we have our agricultural industry to subsidise, I would say, our countryside. All the great bits about Jersey. Now if that starts not being there and you must remember a lot of the agriculture industry has got into bed with the big supermarkets in the U.K., their contracts are like 2 years ahead and they want something for nothing. They want to sell our food expensively, because it is the Jersey Royal, they are paying something that they were paying last year; absolute nothing. So, I do have sympathy for a few of the industries. I have sympathy with what we want to achieve and I think I am a bit like the Constable of St. Ouen. We need to move fast. We are not going to do it. We cannot do it by 2020. We have not got enough safety nets in place for the businesses that may go out of business. If, hand on heart, you can say: "No, I support the minimum wage, we said this", it did have caveats about the economy and about the competitiveness and everything and just believe that we all said we were going to get to 45 per cent of the mean by 2020, by all means vote with Deputy Ward. I am saying if you have got anything that you think this may put more people out of business, or just give up, because it is just so hard, do not vote for Deputy Ward. We will do our best to get this in as early as possible. That is all I can say.

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

I am going to be brief, mainly because I have already made my mind up on this and the reason being, I am true to form. For the entire time that I have been in the States, I wanted to see an increase in the minimum wage. I also want to see a living wage. I want those as soon as possible. We do have income inequality in this Island and there are very many people who are poorly paid and I think it is

a disgrace. We are a wealthy Island. We have to look at, perhaps, alternatives in the way that we can support agriculture and all the others, but I do not believe that we should hold back. The States gave a commitment many years ago for this 45 per cent. I believed in it. I am sure a lot of those who were voting at the time did not and are just kicking the can further down the road and some of the arguments I have heard this morning are still people saying: “We cannot do it now, maybe next year, maybe the next year” but it is always further down the road. Basically, people who argue the case: “We are not doing it now, we can do it later and I will support it later”, that day will never come. I do think that if we really do believe in income inequality, then we should be supporting this measure and support what the States did agree. I am a cynic and I do think some of them were delaying it, but there were others, who were very much committed to it. I am. One of the reasons why the States does not have much respect outside in the wider world is the fact that we make these commitments - 45 per cent by 2020 - and we never deliver. So, I do believe that it is time for action rather than words and that we should be honouring the commitments we have made. I have said as much as I want to say, I have been consistent. I always will support this type of measure and I hope other Members will too. Do not kick it down the road again, because the solution will never ever come and, as others said, we will have the same old arguments time and time again. Let us just grasp the nettle and deal with it.

### **2.1.12 The Connétable of St. Saviour:**

The Constable of Grouville is quite correct, I am in the dairy industry and we do have a set price, unlike the growers, who have to take what they are offered. We are talking here about subsidising the industry; if you think very hard - and you will not do it today - it is the housewife, or the person who is buying the products in the markets, who is subsidised, because the farmer does not get a true receipt back for the time, the effort, the work and the rent and all the trouble that they have to put in. But, that aside, we are talking about me and I do pay above, for the simple reason up until about 4 or 5 years ago, I was virtually farming on my own and one night, having finished here, I went back and milked my herd. I came in at about 10.00 p.m. and it was cold, it was a November evening and I sat on the radiator and I thought: “This is ridiculous, at 70 I am doing this work and I need help.” So, I then got in touch with the Milk Marketing Board and at the time, being the only organic dairy farmer, I said: “If you do not find me help, or give me more money, I am going to have to pull out, because I cannot afford to keep anybody on my wages.” They came up and I had an extra penny. I know you might not think it is very much, but it was a lot of money. So, I had an extra penny, so for the last 4 years I have been working on the same amount of money per litre, but I have made it. But having sat on that radiator at 10.00 p.m. at night, cold and damp and old, I thought: “Who would work in these conditions for a small wage?” It is totally wrong. I have got 2 guys working for me and I have a relief milker that comes in. They get above the minimum wage, because I am very grateful that they are doing it. One of them, in particular, is very grateful to have a job and when I see that person’s face, they are absolutely thrilled that they have a job, they are working, they have money in their pocket, they got out, they meet people and they have a purpose to get up in the morning, because they are going to have a decent wage. What you have to think about is: would you work for what you are offering? Hotels are very different, because they can always put the price up and if nobody comes, well, that is with them. But when you are a farmer, you are governed by (a) the supermarkets if you are a grower and, like myself, you are governed by what the dairy are prepared to give you. So you have to think very hard. I am going to support this, because it would be against the grain for me not to do it, being as I pay my guys over and above. But I do think you have to think seriously: would you do the job for what you are offering the people?

### **2.1.13 Senator S.Y. Mézec:**

I am pleased to follow what was an excellent point from the Constable of St. Saviour. I want to start by asking a question, which I am not posing rhetorically; if there are people who are speaking after me, I would like to hear them give this question a go. That question is simply this: is it too much to

ask for that if you are working full time, you ought to be making enough money to have a basic standard of living? Is that too much to ask for? Is it the case that there are human beings out there, who are intrinsically not worthy of a basic wage to live on and who do not deserve that dignity? If there are people who believe that is the case, I would love to hear their reasoning for it. We are in a situation where we are being asked to vote for a Proposition which - I will be perfectly honest - I think does not go far enough. I would happily vote to make the minimum wage the living wage overnight and I simply do not believe the doomsday predictions there are that this would cause havoc to Jersey's economy.

[12:30]

When the minimum wage was first proposed as a concept, people who opposed claimed that it would cause mass unemployment and it would wreck the economy and all the evidence shows that that has not been the case. It has been referenced that last year was a particularly high rise in the minimum wage by Jersey standards, so I ask the question: is there any evidence whatsoever that that has had a negative impact on Jersey's economy, because I have not seen any whatsoever? We are told - as Deputy Tadier mentioned in his speech - that Jersey's economy is doing well. If that is the case, I then ask the question, why are ordinary working people not feeling it? I have raised these statistics before and Members will continue to get fed up with me raising them, but in the last 10 years the number of people in Jersey earning above £1 million a year has quadrupled and, in the same period of time, relative poverty in Jersey has gone up. Again, I keep asking the question: how long can that carry on for? Are we, one day, going to reach a point where we acknowledge that that trend is unsustainable, it simply cannot carry on for ever, before it will lead to a situation where one person has everything and everybody else has nothing? At some point that trend will have to be addressed. We keep hearing excuses and excuses for why that cannot happen. I have been quite tired in this debate hearing that phrase: "I am a supporter of the living wage, but..." Well, no, there is no "but", if you support the living wage, then vote for Propositions that help take us there. The minimum wage in the U.K. as of, I think, April this year is due to be £8.72 an hour, 40 pence higher than it is due to be in Jersey, despite the fact the cost of living is higher in Jersey. If we vote for Deputy Ward's Proposition, we still will not reach the level that it is in the U.K., but at least we will be closer to it. In fact, such is the indignity of it that the minimum wage in Guernsey is £8.50, so even they are doing better than we are and the cost of living is greater here than it is in Guernsey. One year I brought a Proposition to raise the minimum wage by an extra 2 pence and it still got voted against, because these workers were not worth that 2 pence an hour, apparently. But part (b) of that Proposition asked the Government to commission a report that would investigate what the impacts would be if there were particular rises in the minimum wage. They examined 2 scenarios; they examined the scenario - and this was in 2017, so almost 3 years ago now - what would happen if you went to 45 per cent of the mean wage then and there. No waiting, no kicking it into the long grass; what would happen if you just did it in one go. They also looked at what would happen if you raised it to 60 per cent of the median wage, so 2 different ways of getting there, 60 per cent of the median is higher than 45 per cent of the mean. Their predictions were not a lot would happen in terms of negative side effects. They said there may be a little bit of unemployment, but the economic stimulus effect that there would be from putting more money in the pockets of the lowest paid people would make up for it and that would lead to more job creation. It would have led to 14,800 people in Jersey getting a pay rise, because it does not just affect those on minimum wage, it affects people in the gap between minimum and where you are aiming it to be. Something that would have tangibly had an effect on reducing income inequality in Jersey, which the Assembly then rejected, even though we had this evidence from Oxera that it would not have negative side effects. Now we are asked to do what the States Assembly has already determined that it would do. We said we would get to 45 per cent of the mean wage by the end of 2020 and, as things stand, we are going to fail, because we are not having a second rise, or a big enough rise this year. I simply cannot accept the doomsday predictions that this will have a negative impact on our economy. They are inconsistent with the line that the

Government is putting out about where the economy is. It is inconsistent with our own ambition as a States Assembly, which was adopted unanimously, that reducing income inequality would be one of the priorities for this term of office and reducing income inequality is something that requires action. It is not going to happen automatically. It is not going to happen if you keep your hands off and say: "Well, it will just naturally happen" because, for the last 10 years, the exact opposite has happened. It does require us, as an Assembly, to say thank you very much to the Employment Forum: "Your work is helpful and it is interesting, but we are going to go a little bit further, we are going to make that political decision." There is no reason in law, or otherwise, why we cannot do that. I saw a post on Facebook earlier today, which I thought raised quite a nice point, it was a conversation between a boss and an employee and the boss said: "I pay you just enough so you will not quit" and the employee says: "Well, that is OK, because I work just hard enough to not get fired." [Laughter] This raises the point about productivity, about staff loyalty. If people feel more comfortable in their lives and know that they can pay their bills, you will get a happier workforce, you will get a healthier workforce because they will not be as stressed out about worrying how they are going to pay the bills and you can invest in them and you will get the long-term benefits from that because of their loyalty and because of the skills that they will develop because of that. At some point, we are going to have to get the memo here that paying poverty wages is not good enough. It requires positive action to end that situation, so people who are working full-time, people who are not lazy, people who are not sponges - or any negative prejudice that there sometimes is of people on low wages out there - these are decent, hardworking people, working full-time hours who deserve to earn a decent wage that is enough to live on. If a business cannot afford that, I say that it is the fault of the business, not the worker and the Government should be prepared to say that we will be on the side of those low paid people in Jersey, because it is in our interests, as an entire community, that we reduce income inequality, that we support those people to have decent lives, able to afford the basics that they need. To reject this Proposition is to go back on a previous States decision on the flimsiest of grounds, when there is no evidence that there are any negative economic consequences from this. So, I commend Deputy Ward for bringing this Proposition. It was nice for myself to have the respite for not bringing it myself, when I have done in previous years. I say to Members that if this is rejected, it will not be the last you have heard about it, it will keep coming back every single year until we have the guts to take some positive action to reduce income inequality and stop giving lip service to it.

**Senator L.J. Farnham:**

Sir, may I just say, having looked at the clock and had a brief discussion with the Chairman of P.P.C. and one or 2 Members outside and depending, of course, on how many Members wish to speak, test the water as to whether Members might want to just work past 12.45 p.m. and perhaps until 1.30 p.m. or 2.00 p.m. to finish this debate, rather than come back this afternoon?

**The Deputy Bailiff:**

The adjournment is not proposed. How many Members wish to speak? Deputy Southern, Deputy Perchard, Deputy Morel and the Constable of St. Mary. I am in the hands of Members. It is up to Members whether they wish to propose adjournment, or not. Currently the adjournment has not been proposed, so we shall continue until it has been proposed.

**2.1.14 Connétable J. Le Bailly of St. Mary:**

In order to attract people from overseas to work in the low paid industries it is necessary to pay a wage that will be attractive enough to get them here in the first place. We have an employment problem. We do not have enough people to do low paid work. If the wage is set too low, there will not be a workforce, because these people will not come to Jersey, they will find alternatives. Very often, local people doing the same work in the low paid industries are paid more, because they do not live in the same accommodation so have higher costs, paying rents and supporting a family.

There are many employers in the low paid industry who wish to keep wages to a minimum. They may not have an industry in the future if this continues. The Deputy of Grouville mentioned the building industry. The building industry does not have a problem with low wages; it is too competitive to get staff, so wages are high. Fortunately, or unfortunately, these costs are passed on to the client. The farming industry cannot do that. The problem arises with where do they access staff if the current supply dries up? How far afield do they seek staff? Do they start to get people from Asia, who work for peanuts? If that happens, we will end up with a major cultural problem in Jersey. Do we really want that? I will support the Proposition.

**Deputy G.P. Southern:**

With 4 minutes to go, I am going to need a 2-part speech, unless we go on into lunch time and, in my experience with going on into lunchtime is that people get hungry and they do not listen to what you are saying and they do not vote for you. So, if it is me next - and you say it is - then with 5 minutes to go I would propose the adjournment.

**The Deputy Bailiff:**

There is you to speak, Deputy Southern, there is Deputy Perchard, Deputy Morel and Deputy Ash, and then there is of course Deputy Ward. So the adjournment is proposed?

**LUNCHEON ADJOURNMENT PROPOSED**

**Deputy G.P. Southern:**

I propose the adjournment.

**Deputy M. Tadier:**

Can I second that, Sir?

**The Deputy Bailiff:**

That is seconded. [Seconded]

**Senator L.J. Farnham:**

I would just amend that Proposition to ask if we could go until 1.00 p.m. so Deputy Southern can deliver his speech. There is a presentation at 1.00 p.m. by the airport. That might be more convenient to Members.

**Deputy K. Morel:**

I do not believe you can amend on the hoof a proposal, in this case the adjournment, I think that needs to be voted on and then if it is to be ...

**The Deputy Bailiff:**

I think we either adjourn, or we do not. Those in favour of adjourning please show. The *appel* is called for. So *pour* if you wish to adjourn now, *contre* if you wish to continue sitting. I ask the Greffier to open the voting.

<b>POUR: 23</b>		<b>CONTRE: 15</b>		<b>ABSTAIN: 0</b>
Senator T.A. Vallois		Senator L.J. Farnham		
Senator K.L. Moore		Connétable of St. Saviour		
Senator S.Y. Mézec		Connétable of Grouville		
Connétable of St. Lawrence		Connétable of St. John		
Connétable of St. Brelade		Connétable of St. Mary		
Connétable of St. Peter		Deputy K.C. Lewis (S)		
Connétable of St. Ouen		Deputy J.M. Maçon (S)		

Connétable of St. Martin		Deputy G.C.U. Guida (L)		
Deputy J.A. Martin (H)		Deputy of St. Peter		
Deputy G.P. Southern (H)		Deputy of Trinity		
Deputy of Grouville		Deputy of St. John		
Deputy M. Tadier (B)		Deputy M.R. Le Hegarat (H)		
Deputy M.R. Higgins (H)		Deputy S.M. Ahier (H)		
Deputy S.J. Pinel (C)		Deputy J.H. Perchard (S)		
Deputy of St. Martin		Deputy I. Gardiner (H)		
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy R.J. Ward (H)				
Deputy K.G. Pamplin (S)				

So the States stands adjourned until 2.15 p.m.

[12:43]

## LUNCHEON ADJOURNMENT

[14:15]

### The Deputy Bailiff:

We resume the debate with Deputy Southern.

#### 2.1.15 Deputy G.P. Southern:

I am not going to be, in fact, that great length that I may have suggested I might have been before lunch; however I do hope that people had a good lunch and are now replete and their glycaemic index is at the right level and then maybe there is a chance I will be heard, because that is important. This is a major debate. Now, some people have said: “Yes, it is a major debate, again. It is the same old.” I would argue that it is not the same old. It is not Reform Jersey plugging away for increasing the minimum wage on its own because it is morally right, or because it is economically sound; it is also about productivity. That is where, it seems to me, we have a whole picture in front of the Assembly today. The starting point must be in the Common Strategic Policy, we agreed to reduce income inequality. That is our stated aim. It is described as an aspiration, but it is an aim, it is a goal. How do we do this? Of course, the most obvious way to do that, to reduce income inequality, is to raise the income of those at the bottom end, those on minimum wage, probably also, in many cases, being supported by income support. The higher minimum wage is the way to do it. We have adopted a policy that says what we are aiming to do is achieve 45 per cent of the average wage by the end of 2020. It could not be clearer. By the end of 2020, establish 45 per cent of the average wage. We have not done that and that has got serious effects. It meant that this latest advice from the Employment Forum is to - as Deputy Martin said - take a middle, safe line in the absence of any productivity deal. So, what does that mean? “The States’ objective is the minimum wage should be set at 45 per cent of average earnings by the end of 2020. We have also further requested the Council of Ministers to investigate and propose a programme to deliver productivity improvements in low-paid sectors, with outlined proposals to be delivered in April 2018 and a detailed plan by December 2018. So, this has been a long-term instruction to the Ministers to do a productivity



package. I certainly want to ask the Minister for Economic Development, Tourism, Sport and Culture - and I have been asking him, as he knows full well, for approximately the last 3 years, certainly 2 of those years - "where is your productivity plan?" The answer is: "We have not done one." That limited what the Employment Forum could do last year and it has still got a knock-on effect this year, because it has not been delivered. As the Council of Ministers stated in the C.S.P. (Common Strategic Policy): "We will urgently develop a comprehensive economic framework that will deliver the economic evidence to assess and prioritise how and when we act." The Chief Minister committed himself to deliver a productivity plan; when he did that, he could not have thought this would not be in place until 2021. So what we have got is a plan to deliver a productivity plan by 2021. Too late for the calculation for the advice from the Employment Forum for 2020. One has to ask why. Where has it gone? Why has it taken so long, when the Minister knew that the advice from the Employment Forum, the whole issue around minimum wage, was hanging on that development and it failed to happen. So, there is a promise from 2018, which is not going to be delivered until 2021. In doing that, what we should examine is what that means. The recommendation we have ended up with for 2020, the Forum notes the forecast economic slowdown in 2019 and 2020, which was predicted, but I ask Members again - as Deputy Martin said - where is this slowdown? Have you seen it? I have not seen it. Is there any evidence of it? No, there is not. The economy is doing very well; one might say it is booming. We have got full employment and, as the Minister herself said, wages have been rising. Wages, it turns out, have been rising at a far quicker rate than what we are attempting to do here - which is to chase up the bottom end - and we are falling behind. We have fallen behind since 2018, 2019, 2020. We note the £30 increase in the level of the mean weekly earnings back in 2018/2019 and what we are saying is if we deliver the rise as it stands, advised by the Employment Forum, then effectively that rise will be around £12 a week, £12 a week compared with £30 elsewhere. If we look at today's figures, what we will see is there is an average wage of £770 per week and the rise in average earnings is 2.6 per cent. You can do the sums; if we do the increase suggested in this Proposition, which amounts to 82 pence, then we will go halfway to the current rise in average earnings at the moment. So, our minimum wage will be slipping further and further behind what average wages are doing. One has to ask how long can that go on for. As some people have said, what we must be aware of is, yes, there is Brexit coming and what does that mean; that means no freedom of movement, probably. Where are we going to get our workforce from? As some people have already mentioned, it is becoming harder and harder to attract that workforce. It is not just the barmen and the farmworkers of this world, it is those people working in the nail bars; importantly, it is those people who might be supplying domiciliary care; it is the care in this community at the very basic level, where people might be on minimum wage, although already we can see that, in many sectors, we cannot find the workers and wages are starting to go upwards. Again, we are falling behind with the minimum wage on the level that we might be. They are getting left behind. If we cannot deliver domiciliary care, care in the home, what happens to our new Care model, where we are supposed to be getting closer to home, to deliver community services? The answer is, it is getting harder and harder to deliver. It may well trip the whole thing up. So, it was quite a pleasure to realise that, today, we have got 2 parts to this Proposition. It is not just because we think it is the right thing to do, or because, economically, it makes sense to treat your workers properly and well. Part (a) says raise the minimum wage by £8.66 from 1st October through a 2 stage - remember 2 stage was introduced last year, because of this same problem. It then goes on to request the Minister for Treasury and Resources to transfer £300,000 in 2020 from the General Reserve to the head of expenditure for Growth, Housing and Environment to increase the budget for economic framework and productivity support for 2020, to deliver a productivity plan for low pay sectors before the end of 2020. We are not just saying for the good of it, because it is morally right, because it is economically sound. We are saying because we can support the low pay sectors, if we get our act together, not in 2021, because we have been promised it since 2018, 2019, it should have been there. So, if we wish, we can go with a larger increase, in the knowledge that the Minister, I hope, will deliver something by the end of 2020, ready for 2021. Why does that make me feel really grateful,

if we can make that happen and we can, by a vote, today? Because, if we could do that, then it is highly unlikely that we will need such a big debate on the minimum wage this time next year, because we will have sorted it. We can sort productivity with the will of this Chamber and an instruction to the Minister to go and do something by 2020 and we walk out with our heads held high, saying not only have we delivered on the minimum wage and trying to reduce income inequality, we have also delivered on our productivity plan. It looks like, certainly for the near future, we can hold our heads up and say we are doing the right thing and we are fulfilling the pledges that we made in previous votes. I am asking us today to meet what, in principle, we have already agreed to and put it into practice. It is possible to do. I hope that Members will vote for parts (a) and (b), but if you think (a) is still too strong, then certainly vote for (b) to give the Minister for Economic Development, Tourism, Sport and Culture a boost to say: "Get on with it. We are expecting this by the end of the year, not next year, the end of this year." Thank you.

### **2.1.16 Deputy J.H. Perchard of St. Saviour:**

I would like to start just by reviewing the definitions of the minimum wage and the living wage as presented in the most recent report of the Employment Forum. Quite rightly they define minimum wage as being based on economic forecasts and labour market and competitiveness.

[14:30]

When they go on to define living wage, it states: "Unlike the minimum wage, the cost of living features heavily in decisions about the living wage." They quite blatantly and explicitly acknowledge that the living wage is about the individuals being able to afford to live in the Island, given the cost of living. They, therefore, inherently acknowledge that the minimum wage does not do that: "Unlike the minimum wage, the cost of living features heavily." The cost of living, therefore, in the definition given by the Employment Forum, does not feature in the calculation of the minimum wage. For us, as a Government and as an Assembly, I think it is really important that we question such definitions and we think about the purposes of having these 2 different types of wage. I would argue that having a minimum wage, that does not take into account the cost of living, is not just fruitless, but also a little bit shameful. What we are saying is we are happy for some people to be paid a wage that does not take into account the cost of living and, therefore, does not give them enough off which to live. We must ask ourselves, if we were in such a position - as my good Constable pointed out - would we accept a wage that did not take into account the cost of living? Would we, ourselves, be able to survive on such a wage and support our families and educate our children and pay for healthcare costs and everything that goes with it, on such a wage? Further, in the review, the Employment Forum surveyed employees and employers. In the 2019 review, they found that 78 per cent of employees, who earned £8.25, or less, said the minimum wage should be higher. That suggests to me that those people are struggling to afford to live on £8.25, or less, per hour. The Employment Forum also asked the following question of employers: "Do minimum wage increases impact the rates of pay for those who earn above minimum wage?" In other words, if we pay people at the very bottom a bit more, will people who earn more than them be affected? 71 per cent said yes and, of course, they would. But the question is this: is it right to pay the people at the bottom a little bit more and the people above them a little bit less, so that nobody is living on a wage that does not allow them to pay for things that they need to have a healthy, fruitful life and family life? There have been some quite odd circular arguments about the Government's position in relation to the Employment Forum's report. We have heard that the Government are relying upon the Forum for recommendations, as they rightly should, but within the report itself, the Forum makes very clear that the productivity plan - upon which they were waiting, in order to make their recommendations - was not brought forward in time. Therefore, naturally, the recommendations were affected by the lack of a productivity plan. So, the Forum were waiting for the Government, in order for them to make a recommendation and the Government have taken the recommendation, which was impacted directly by their lack of action. That, for me, is not a valid argument to say: "Well, therefore, we must accept

these recommendations.” We have to accept the fact that the recommendations are hindered by our lack of action. I also have a final point to make and that is, as a new Member - newer Member - it is tempting and indeed at times I think appropriate for me, as a backbencher, to accept the line from Government that: “We are working on this, we would like more time. These are the steps we are currently taking and this is the date by which we intend to make our submission to you.” There have been times, in this Assembly, where I have accepted that and I feel I have collaborated very well with Members of Government and been as supportive as I can be, in my role as a backbencher and scrutineer; and there are times where I have thought: “No, I disagree, I think that this is not an acceptable delay and I wish to try and force this through.” Most of the time, it has been the former, because, I think, as a newer Member, you want to give a chance, you want to give time and space and you learn, through doing, that what is and is not an acceptable amount of time to get things done. However, from my own personal experience of lodging a Proposition, that gave a reasonable timeframe in September of 2018 - and this is relevant simply from a process point of view - I lodged a Proposition and gave 6 months for the action to be taken. By the deadline, which was voted on by this Assembly, the action had not been taken. I left it another 2 months. The action had not been taken. I chased repeatedly, until half the action was taken. So, for me, from my own personal experience of process, I am not instilled with confidence that I can legitimately let such an important decision pass us by without forcing it through, because I do not have faith that one’s word is necessarily one’s bond all the time. Of course, this is more complicated and, of course, the economic framework is essential, the productivity plan embedded within that - and that is currently being worked on by the Minister for Economic Development, Tourism, Sport and Culture - is essential. But for me, the excuses of delay really are not appropriate, especially in this purported year of action, as stated by the Chief Minister earlier this month. So, with those points in mind, I will be supporting certainly part (a) of the Proposition. Just, very briefly, on part (b), I await to hear from the Minister for Economic Development, Tourism, Sport and Culture, because I am sure he will have something to say about part (b), with which I am likely to agree. But part (a) certainly has my support. Thank you.

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

Like many people in this Assembly, I am grateful to Deputy Ward for bringing the Proposition. I am not so grateful to the Government for putting us in a position where we have to discuss this Proposition, because had this Government and previous Governments done what they were meant to do, the work would have been done already - as Deputy Perchard has quite rightly said - and we would not need to discuss this. I had a conversation at lunchtime and, as I sit here and think about it, I think the person I was speaking to is absolutely right. We are suffering from a Council of Ministers which suffers from a lack of imagination, a lack of motivation and an inability to get to grips with the issues which really matter here. We are suffering from death by review and death by report. Inequality, which sits there as one of the priorities in the Common Strategic Plan, has not been dealt with in the slightest. Of course, there may well be - but off the top of my head I cannot think of - a policy, brought in by any Member of the Council of Ministers which is designed to deal with inequality in this Island and I mean that from across the range of Ministers. Across the range. You are all equally to blame for the lack of action in this area. As Ministers, I am talking about.

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

Yes, through the Chair.

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

Yes, through the Chair, even when it is plural. I am annoyed and I am perturbed that we are having to discuss this but, that said, I also have reservations with the Proposition before us and they are on many sides. It is because of what I am about to say that makes me more frustrated with this Council of Ministers and its inaction. The reality is inequality is a deeply complex issue, which is why this

Government should have been dealing with it from the word go and not waiting until the Government Plan came in. So, we are still hoping we might see some action in the next year or so. But inequality is a deeply complex issue and a minimum wage does not solve inequality. The minimum wage is one small aspect of that. As it is not the only ingredient, you have to look at the other elements, economic and social, which need to support changes in the minimum wage to help reduce inequality in the Island. I have just been reading through wage reports and we are talking 25 per cent of the Island find it hard to cope financially. This is an enormous amount: 25 per cent of Islanders say they struggle financially. But the minimum wage change is not really going to help that in itself. Can I give you a couple of examples? For instance, one of the arguments we say against bringing in a minimum wage on an *ad hoc* basis is that if you push up wages too quickly, it could lead to redundancies. It is interesting and we have heard from people today: "Business always says that will lead to redundancies, they always say that it will cost jobs." Well, the reality is that this year, as far as the jobs reports are concerned, of the sectors, 5 sectors saw a decrease in jobs on an annual basis, of which agriculture and fishing was one of those, it lost 80 jobs. We see that retail is the other one, they were the 2 that lost the most jobs, retail was down 110 jobs. These are 2 of the areas where we talk about minimum wage being most active as part of the pay scale. So, that does worry me. Obviously, there is no more rationale, unfortunately, behind those figures, but we have been told that Jersey's economy is booming and yet agriculture and retail are losing jobs. Finance is not. Telecoms is not. I think we do have to be careful when we are told redundancies are likely to happen, or jobs will not be created as a result of bringing in this rise in minimum wage, unexpected as it is by employers, because we see in those sectors they are losing jobs already. So, I think to say no to that and to dismiss that is incorrect and is not backed up by the figures. But the other side of it is if redundancies do happen, that creates a greater welfare dependency in itself and so you then have to look to Social Security to pick up the burden that you pushed onto it there. But another impact, which has not been, to my knowledge, discussed here today and I am quite surprised, is that if you push up wages too quickly, they get passed on to the consumer and result in higher prices in the shops. Higher prices in the shops directly impact on inequality in this Island, because they make it harder for the poorest to buy goods and to partake economically in the Island. So, just that alone, just looking at pushing up wages, you can see 2 issues, which result in greater inequality. Another issue with redundancies, I forgot to say, was if you make redundancies, you get greater productivity. If a business makes £1,000 in revenue this year on 2 people, if you lose one of those people, they will make £1,000 next year on one person, that business has become more productive; but what you have done is cut the number of jobs in the Island. So, you do have to be very careful, when approaching this in such an *ad hoc* manner. I will give you another example of how policy can impact unexpectedly on inequality in the Island. Recently, I was reported in the media - and my mealy-mouthed contribution about climate strategy - I was trying to say that climate policies must not increase inequality. Yet, the very first climate measure, that we have seen brought forward by this Council of Ministers, did exactly that; it increased inequality, by putting 6 pence on to the price of petrol - 4 pence of which was for the Climate Fund, so it was driven directly by the climate strategy - that created a regressive tax, which hurt the poorest in the Island more than it hurt the richest in the Island. Every motorist, who is on minimum wage, or is struggling financially, now has to pay more of their income for petrol, in order to help with that climate fund, than any wealthy person filling their car does. It was unintended, but we see our inequality is affected by well-intentioned policies.

[14:45]

Another aspect is increasing regulation. Again, increasing regulation, as well-intentioned as it often is, leads to higher prices. Often, the people you are trying to protect through regulation, get hurt by regulation, because their finances are hit hard by such regulation and inequality is increased. So, with regard to the minimum wage side of this, increases to the minimum wage need to be part of a greater framework, which look at all of the aspects and cannot be done, in my view, in an *ad hoc* manner like this. It is really important. Unfortunately, Deputy Ward, because he is just one Deputy,

was unable, I imagine, to undertake a proper consultation process with regard to his Proposition and that does stand against the Proposition. I do stand to be corrected by Deputy Ward, but I find it hard to understand how a single Deputy could have done that. But it is really important that such things are informed by consultation, from all stakeholders. Let me move on to part (b) of the Proposition, which is the productivity plan. Now, this again ... and I just spoke to Deputy Ward half an hour ago where I said it is in hand and I also keep reminding the Minister for Economic Development, Tourism, Sport and Culture that he has not delivered an economic framework, or a productivity plan; and he has been the Minister for Economic Development, Tourism, Sport and Culture for 5 years, not just the 18 months that other Ministers have been in. But I believe it is part of that economic framework - and we have had a briefing as a Scrutiny Panel - the work is ongoing and it is happening as we speak. For that reason, I think we do need to leave it. There is no point throwing a Proposition at the Minister for Economic Development, Tourism, Sport and Culture, which means that he has to change the work that he is already doing and create a new stream of work to deliver that one thing, whereas it is coming as part of a more rounded package of an economic framework for the Island. So, I think it is really important that we allow the Minister for Economic Development, Tourism, Sport and Culture to maintain his work in that area and, from a Scrutiny perspective, we will press even harder for him to deliver this. I do, every time we have a hearing, ask him about these, but it is very important that it is done as part of that rounded view of the economy and not just productivity. Productivity, by the way, is also something I want to ... a productivity plan, it is interesting; I read some of the responses from employers to the minimum wage consultation, undertaken by the Employment Forum. It is interesting, because the only people who can improve productivity are the employers themselves, by changing their working practices, by adopting technology, by becoming more efficient. Yet, there are comments here which say: "We are waiting for the productivity plan, we need the Government to deliver the productivity plan." No, we need the employers ... they are the only people who know how to make their business more efficient. The Minister for Economic Development, Tourism, Sport and Culture cannot go to an employer and tell them how to make their business more efficient and more productive. Deputy Perchard mentioned circular arguments; as far as a productivity plan is concerned, I do feel there are a lot of circular arguments going on and there is a lot of passing the buck. Each employer should have their own productivity plan. It should be part of their vision for the future and how they are going to improve their business. Yes, the Minister for Economic Development, Tourism, Sport and Culture, as part of the economic framework, can point as to how the Island can become more productive overall, but the agricultural sector has been leading in productivity over the past few years. The finance sector has been failing, for want of a better word, in productivity over the past few years. But is that because the finance sector has become deeply inefficient? No. Is it because interest rates, upon which the finance sector earns an enormous amount of money, have been at an all-time low for a long time? Yes, that is why the finance sector has lost productivity. It has got nothing to do with how hard they work; it has got nothing to do with the technologies they adopt. It is because interest rates have been historically low for 10 years now and, basically, if you add one per cent of interest to bank deposits, that increases your productivity straight off; there you go. So, I have been torn, because I do want to give this Government a jolt, I do want this Government to wake up, to stop putting things into reports, stop using those excuses and start delivering. Inequality was there on day one, as one of the most important issues - if not the most important issue - that the Government need to get to grips with and, 2 years, later politicians from all sides of the political spectrum, who form the Council of Ministers, have failed to do anything about it. All Members of the Council of Ministers need to take responsibility for that. We look to them for imagination and we are failing to see it. But, that said, it is not the responsible thing to do to just start putting up the minimum wage, without being part of the greater framework that I have said and so I think it is difficult to support the Proposition, as well-intentioned as it is. With the productivity plan, I think, rather than a productivity plan, which will be perhaps less useful than people believe it will be, less useful than I believe the Employment Forum will find it and less useful than, I believe, Deputy Ward would find it; it would be far more important to come up with a tackling inequality

plan and a tackling inequality framework. That would be a far better Proposition to bring to this Assembly and is one that I shall now endeavour to bring to this Assembly, to ensure that this Government has a rounded, fully structured plan to deal with inequality in the Island, because that is the most important issue that we need to deal with. We have seen almost no work towards that. So, while I will not be supporting either part of this Proposition, I will be supporting and ensuring that the Government starts to tackle the issues that really matter to this Assembly and really matter to this Island, which we have had 2 years of not dealing with those issues and we cannot go on for another 2 years of not dealing with those issues. Thank you.

### **2.1.18 Deputy L.B.E. Ash of St. Clement:**

It is like most of Deputy Ward's Propositions, they are very nice Propositions. His Propositions are always nice, they come from the heart, they are very well meaning. I have voted for some, I have voted against others, but they are always well thought out. I think the first thing we need to establish is no one would begrudge anybody earning anything here. If we could have a minimum wage of £20, £50, we would do it. It is what is best for the Island, best for the economy and best for where we are at the moment. Who would bear anything that we did? If we went ahead with this, who bears the brunt of this? It is not the banks, or the trust companies; they pay well above the minimum wage anyway, so they are not going to bear any brunt at all. Accountancy companies? Well, we have the Chief Minister and the former Chief Minister, both accountants, they are on £46,600, so they will not be bearing the costs and I think some accountants might be on slightly more. No, the cost will be borne by small businesses, the hospitality industry, the licensing industry and do you know where that will come back to be? That will be punter ... I should say: the customer. It will come back down to the customer. If this goes through and staffing costs go up in, for instance, a hotel, or in a pub, do you think the Liberation Group, or Randalls – I had better include both - are going to go: "Well, that is a shame, we will wear the cost of that, we will knock our profits down a bit." Of course they will not. They will put the price of a drink and the price of a meal up and the taxpayer and the normal consumer will have to go and pay that. That is where that will come from. Also, I would like to address a couple of things. There is a very old expression called "lies, damned lies and statistics". There were a couple today. There was Deputy Young, he said the States Members' average salary is £22 an hour, if you took it on that. That is if you are working 37 hours. Some people are working considerably more; myself, I am probably on £100 an hour. [Laughter] I thought I would get that in, before the rest of you did. But, some people here are working 60, 70, maybe 80 hours and they are not getting paid any more for doing that. If you are on the minimum wage and you work 60 hours, you are getting paid more, so it is not a correct comparison. I am not saying it is right, or wrong, but it is not a correct comparison to say States Members' salaries are £22 an hour, because we do not know how much each person works, so that is wrong. The other one I would like to come back to – and it got an "oh yes, disgusting!" - Guernsey's minimum wage is higher than ours, yes, shocking. Guernsey's tax allowance is about £5,000 difference to ours. We are at £15,900 before you pay any tax; they are at about £11,500. They would have to put their minimum wage up nearly £2 to be at where we are. So, this Government is doing a lot for people who do not earn a terrific amount, because we have a very high tax threshold before you start to pay it. One last thing and I do admit and I am a keen follower of Caritas, I am a big supporter of theirs, but we cannot get carried away with, 'life in this Island is shocking', because it is not. For the vast majority of people - and I agree there is a group of people where it is not good and we have to help them - and Caritas do a tremendous amount, but at times you sit in here and you would think we live in Calcutta. We do not. I was talking to someone the other day, behind the bar, she is a Bulgarian girl, 23, over here and she said: "I love Jersey." She is pretty much on the minimum wage, she said: "I come over here, I have to work pretty hard, but I can buy clothes, I can go out in the evening, I can pay my rent and I have a way better standard of life than I would back home. So, let us remember that to an extent, before we start making out that Jersey is a shocking place to live, because it is not.

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

With this debate, I believe every States Member has the same aspiration here, with the drive to take minimum wage into equality with the living wage. The debate is about over what period of time we do that, to maintain and protect certain aspects of our economy, that need protection from hasty decisions. Now, I do not always, in fact, I seldom agree politically with Deputy Morel and he is unfortunately not in the Assembly, so I cannot glare across the Chamber at him on this occasion - I will glare at Deputy Southern, instead - but at least he does understand the challenges around productivity and what it means and how different productivity in our economy is simply because of the makeup of our economy, with the dominance of our financial services industry, whose productivity has dropped, because of the changes to the banking sector, but we are employing more people than ever before in that sector. So, a fall in productivity in our economy is not always bad. Oddly enough, if we want to improve the economy overnight, if there was a sudden rise in Bank of England interest rates, that would impact on the financial services sector positively; that would help. Or, if we made a decision, which shut down an industry and we lost a few thousand workers, that would, ironically, improve our productivity, but we do not want that, because, as Members probably will remember me saying on a number of occasions, productivity is worked out by producing the outcome of business; that is all of business profits, add that to the compensation to employees, so that is business profits added to what businesses pay staff; that gives us the value of our economy and then we divide that by the number of workers in the relevant sectors and that gives us our productivity figures. Of course, with the number of workers increasing, our economy is successful, we have been creating more jobs, more career opportunities, we are putting more people into work, as our population has grown; but because we have seen a decrease in the profitability of the banking sector, that has reduced productivity, just by the very nature of the way we work it out. As Deputy Morel also pointed out, outside of the financial services sector, productivity has not been falling, it has increased in some areas slightly, it has been fairly flat in other areas and that is the challenge.

[15:00]

The future economy programme, it started off as an economic framework – and, if we can just go back slightly to the previous Chief Minister, who made an obligation in 2018 on an economic productivity plan, but since then there have been a lot of changes, not least our general election, which put into place a new Chief Minister and a new Government, a new Common Strategic Policy, new aspirations around that, a new Government Plan, quite significant changes to the global economy - it is quite correct to say that events have overtaken us somewhat in terms of the way we are going to look at our economic framework. An economic framework is simply understanding the equal and opposite reaction to every action we want to deliver; it is about understanding what the impact is right across the spectrum of our Island life with economic decisions. But, having looked at that, since this Government has come into office, we have since changed our aspirations in terms of creating an economic framework, because although we have embraced understanding fully the impacts across society of economic decisions, we have switched that to become a future economic programme and that is understanding our ambitions within the short, medium and long-term economic planning. That is what we are going to focus on. So now I can say that, subject to that, because the Government Plan has been approved, that means we can get on with the future economy programme work and that is one of the highest priority pieces of work for the Government and my Department in particular and improving productivity will be at its core. As I said, now that we have the green light from the Government Plan, we are progressing with this complex issue. The work that the officers are carrying out now will deliver economic evidence to assess and prioritise how we act with this challenge. The future economy programme will deliver a schedule of projects to identify opportunities and challenges for each sector of our economy, as well as the economy as a whole. Policy development and planning are designed to maximise opportunities and mitigate the challenges that have been identified, namely the productivity challenge is the core challenge. As the Common Strategic Policy says, it is about ensuring we implement these plans ultimately to improve productivity over the long term and create a sustainable and vibrant economy. At the core of the question today around

minimum wage, is the fact that the Forum would require a productivity support scheme, reassurance that a productivity support scheme would be in place. Funding for a new productivity support scheme is in place and it is not just a one-off lump sum we need, this is something that, if we are going to deliver a support scheme to agriculture, for example, because, let us be honest, it is not so much that the agriculture industry are not wanting to pay the minimum wage, or up their payroll, it is because they cannot afford to. I am sure they would like to and they have said: “We will, but we will need a period of financial support, productivity support, whether it be over 2, 3 or 5 years, to bridge the gap”, to bridge the change in the structure, of their industry.

**Deputy R. Labey of St. Helier:**

Could I seek a point of clarification from the speaker? Is he saying that the Government would give the farmers that support?

**Senator L.J. Farnham:**

That is the plan. If we are going to reach all of our aspirations to close the gap between minimum wage and living wage, there has to be financial support, there has to be a productivity support scheme in place for the sectors that cannot afford it. That is at the heart of the work we are starting now and I apologise to Members for not achieving this earlier, but it was impossible with the changing circumstances, the new Common Strategic Policy, the new direction of the Government, the Government Plan approval, which delivered and will deliver the funding that we need to put these sorts of schemes in place. But, yes, I am absolutely committed, as I believe the Government are and as I hope the States Assembly will be, in delivering productivity support to help certain sectors of our economy to bridge the gap over a period of time, a sensible period of time, a sustainable period of time, to enable those industries to offer close to our living wage aspirations. If we do it too quickly, there could be problems; we could end up harming more the people we want to help now, we could end up not doing them any favours, at all. I just wanted to also inform Members that there has been quite a lot of productivity work going on. To cite the lack of a productivity plan as a reason for approving this Proposition, is somewhat of a red herring, because productivity is being delivered in a more comprehensive way than, perhaps, previously envisaged.

**Deputy T. Pointon of St. John:**

Point of order, may I inform yourself that I intend raising the guillotine in half an hour?

**Senator L.J. Farnham:**

I will shorten the rest of my speech, accordingly.

**The Deputy Bailiff:**

Please carry on, Senator Farnham.

**Senator L.J. Farnham:**

Direct involvement of Government Departments, or States-owned bodies, in delivering productivity-related initiatives and activity includes Children, Young People, Education and Skills’ delivery of post-16 education strategy and degree-level apprenticeship programmes. The economy functions within the Growth, Housing and Environment Department and the Office of the Chief Executive, which includes the work starting now on the delivery of the future economy programme, working across the Government and closely with the U.K. to develop Jersey’s post-Brexit relationship with the U.K., Europe and other countries, including the U.S.A. (United States of America), Canada and Japan. These are all important building of potential trade relationships for life in a post-Brexit world. Locate Jersey are supporting high-value, low-footprint, businesses and individuals, to bring their highly-productive businesses to Jersey. Jersey Business also works with non-financial services areas of the economy, including retail, aquaculture and hospitality and is tasked with providing wide-ranging business support, advice and guidance to prospective and



existing Jersey businesses, on behalf of the Government. Jersey Finance recently completed a review of how financial service businesses can also improve their productivity. Visit Jersey works tirelessly, on behalf of our tourism industry and hospitality sector, to keep it flourishing and additional funding has been provided in the Government Plan to improve connectivity with the U.K. At the heart of Visit Jersey's business plans, moving forward, is to extend the season, to take up spare capacity in the hospitality sector, to make that sector more productive. Digital Jersey support and promote innovative and the start-up expansion of digital businesses and they are also about to start work on an initiative to identify digital skills gaps in industry. The new Digital Academy will run courses, in partnership with Skills Jersey, to enable local businesses and people to gain the skills they need to grow. The Government also makes funds available for the award of discretionary grants and competitively awarded grant schemes, targeted at specific productivity-led projects. These schemes include the Rural Initiative Scheme, the former Tourism Development Fund, of which a hybrid is being worked, Business Licensing Scheme, used to fund skills and business productivity initiatives, such as business improvement programme through Jersey Business and various grants to event-led projects, to help improve productivity in the tourism sector. That is some of the productivity work that has been going on over the last 4 to 5 years and is making a small, but important, contribution to our economy. But, having said that, I take on board the calls by Deputy Southern and other Members, Deputy Perchard, Deputy Morel and other Members of this Assembly, for my Department, in particular, to get on with the future economy and the productivity and the economic framework. I undertake to Members to put that on rocket boosters. Now we have the green light from the Government Plan, it is the highest priority for my Department and that work has begun in earnest. But I would say, I would like to finish just with some facts if I may: around half of our minimum wage workers are based in the migrant sectors working in agriculture and tourism and these workers are not subject to the same financial pressures as local residents, so increasing wages in these sectors will have a negative impact on our traditional businesses, where it is difficult for them to increase prices, as they are operating in export markets. That is at the heart of the argument against what is being proposed today. I am undertaking to introduce a productivity scheme, to help those sectors with funding, because that is what they will need if we are going to force them to put their payrolls up towards the living wage. Being realistic, though, the work to do that and understand all the ramifications and disadvantages and benefits will take this year, so I would envisage we will be ready to introduce such productivity schemes, as Deputy Southern has mentioned, for the beginning of 2021. So, I share the aspirations of the Proposition; we are just a little bit out on timescale, so, hopefully, in the years ahead, we will all realise the ambition of having a minimum wage in line with the living wage, but with the proper productivity support in place for those industries that need it to achieve that.

**Deputy G.P. Southern:**

Could the Minister respond to the question I think I asked, which was: can he deliver anything in 2020, or 2021?

**The Deputy Bailiff:**

He is not obliged to respond to questions.

**Senator L.J. Farnham:**

I would like to make it clear that we have to put in place productivity support schemes for certain industries by 2021, at the latest and we intend to spend 2020 working on what that support might look like, by liaising and engaging closely with those industries.

**Deputy J.H. Perchard:**

May I ask a point of clarification please? Could the Minister clarify what he meant when he said that workers, who are on a minimum wage, who may see a sudden increase, would suffer more harm, than good, in their individual circumstances?

**Senator L.J. Farnham:**

If we force minimum wage up, without having productivity support schemes in place, some businesses, for example the agriculture sector and tourism and retail, tourism and agriculture, who work in the export sectors, they cannot simply adjust their business model and put up their prices to get extra income. That cost goes straight to their bottom line. As a result of that, we may well force many of those businesses to reduce the number of staff they employ; therefore, some of the people we could be trying to help, could find themselves without jobs.

[15:15]

**2.1.20 Deputy S.G. Luce of St. Martin:**

I rise to disagree with someone I do not normally disagree with: Deputy Ash to my right and agree with Deputy Morel, about the amount the Government has been doing to solve this problem, because it is a problem, in the last 2 years. In the last months of the previous Government, we were presented with a report about the living wage, the minimum wage and when we looked at the living wage, we were told the effect on the economy was broadly neutral and we all said: "If that is the case, we must do this, we must go for this living wage." But - and there is always a but - the but was we need to support those economies, those businesses in Jersey that need help, because they will be more affected and particularly retail, but most particularly agriculture. So, I say to Deputy Farnham, I hear his words, but I do not share his view that enough has been done to help those industries if we are particularly going to lift the minimum wage again, so shortly after we have done so recently and head for the living wage. Senator Mézec, in his speech, challenged the person who goes to the shop to buy produce, the effects of the recent rise in the minimum wage and I am somebody who now goes and does the shopping and particularly I look for my local vegetables and I have to say to Members, that in the last 12 months we have lost 25 lines of local produce and I know we have another 10 to come as a consequence of the decision we made recently about the minimum wage. So, farmers are being affected, the local housewife is being affected, she does not, or we do not, have the ability to buy local produce and I say to Members: we need these schemes in place that Senator Farnham talks about to help farmers, help retailers through these difficult times. They want to pay the minimum wage, but we need to help them find ways to do that, without having to stop doing these lines and cutting jobs and I say to Members: I cannot support this Proposition today. We need to be very careful what we wish for; once these farmers are gone, those who produce our local crops to be bought locally, they will not come back again.

**2.1.21 Deputy S.J. Pinel of St. Clement:**

I do not believe in long speeches so, therefore, it will be very brief. I have worked with the Employment Forum for more than 6 years, as both an Assistant Minister and Minister for Social Security. I, therefore, have first-hand experience of the way in which the Forum works and can confirm the balanced and thorough nature of the recommendations they submit to the Minister for Social Security. I have no doubt that the Forum will have considered all relevant factors and provided a recommendation on the minimum wage, which takes account of the interests of the whole economy. The Forum will have made a careful and balanced judgment and we should be careful not to undermine their independent work. A key factor for the Forum, in setting the minimum wage, is to take account of the position of growers and farmers; these businesses have little scope to increase their wage bill, because they only get a fixed amount for their products. A quarter of all agricultural workers are paid at a minimum wage. An extra increase in 2020 would create a significant issue for these businesses and would threaten our traditional farming base. I, therefore, fully support the Minister's position to stand by the Forum's recommendation; she is absolutely right to do so. I make

one further comment and that is to draw Members' attention to the financial implications of part (b). As the Council of Ministers' comment makes clear, there is no general reserve from which to transfer the money and the adoption of part (b) would leave us needing to find £300,000 of new money from a presently unidentified source. It would be an unfunded commitment, just weeks after we have passed a comprehensive Government Plan. Furthermore, as the Minister for Economic Development, Tourism, Sport and Culture has confirmed, it is additional money that is not required. The work and money for a productivity plan already forms part of the Government Plan. For these reasons, I cannot support the Proposition.

**The Deputy Bailiff:**

If no other Member wishes to speak, I call upon Deputy Ward to reply.

**2.1.22 Deputy R.J. Ward:**

Thank you to everybody who has contributed to this debate. This is a wish, for me, to increase the minimum wage, to have a living wage, to make peoples' lives better. I also wish I was a Jedi, so I could say to you: "It is OK to vote for this Proposition." There are a number of things; I thought, how will I approach this? I had made quite a few notes, because there are a number of points, some of them very similar. In terms of the negative points made here, the Constable of St. John, St. Ouen, Grouville, Deputy Wickenden - particularly negative - Deputy Martin, Deputy Morel, Deputy Ash... What I will do is I will sum up those points, I think, together, which is the easiest thing to do, because what we are seeing there is again this Assembly intellectualising, or simply using the same failed arguments to say this and that is that this wealthy economy is reliant upon and thankful for you for having a wage that we do not even consider as being one that you can live on. That is not healthy; that is morally wrong and it is something that we need to address. Now, let us get on to the more positive part of the discussion that we have had, the parts of this discussion where we may move this Assembly forward, which is so desperately wanted. I would like to say thank you to the Constable of St. Mary and the Constable of St. Saviour, I will come back to that, as well. Deputy Perchard made some very salient points regards the distinction - and this is where we need to start when we look at this - between a living wage and a minimum wage. I am talking about a minimum wage and I feel, to some extent, quite ashamed that I am only talking about a minimum wage. I am asking for a tiny increase in a wage we have accepted you cannot even live on. For me it is difficult, why would I do that? Because look at the debate we have had. We have such failed arguments from the past, that will not go away. If I was to bring the living wage, we would not have a chance. That is one of the issues that we have. But, at the same time, we also have a recognition, on this Island, by an increasing number of employers - particularly in hospitality and the issue of recruiting and retaining staff after they have been trained - that paying a living wage is the bare minimum that you have to do to attract and keep staff that we need, if we are going to have decent services. There was a really important point made about our Care model, we will rely upon carers into the future, all of us in this Assembly will rely upon some form of care at some time and that is a traditionally low-paid employment. That is why we cannot get staff and keep them. Now is the time to address this issue. The Assembly has failed to address an issue, which it voted for years ago and we are seeing, yet again, the same arguments that failed us then and are failing us now, so we have to move forward. There are a number of really good points that were made and I go back to Deputy Perchard, because it links into something that Deputy Young said and this is an issue of credibility for this Assembly. The issue of credibility comes about through this: having voted to say that we will, in the Common Strategic Policy, have at its heart a reduction of income inequality; at the first opportunity that we have to do something tangible and real about it, the Assembly rolls out the old arguments, which are not working and have not worked in the past and does the same thing, again. We lack credibility in this Assembly for any form of change and, I am afraid I have to say it, leadership for the Island. We are not leading the way forward; we are just simply stuck in the past. Now, let us talk about the debate itself, what has come up in the debate is the identification of specific sectors that will 'struggle'

with another increase in the minimum wage. That is exactly why a productivity plan can be directed, specifically directed to these areas and make the change. We have had a real contradiction now, we have had this notion that we have a productivity plan and it is really effective and then some Members have stood up and said: "But it is absolutely pointless to do it, because we need to have a wider view of inequality." Yes, we do need to have a wider view of inequality and what are we doing with that? Every time we try to address rents, this Assembly holds it back. So, wider, yes, I absolutely agree, but we have to make some changes. Let us be honest about this and I thank the Constable, who I look across the Assembly at and it is a sort of a gauge for me to know how I am doing, because when I am being scowled at, I know I have done something wrong and when I am being smiled at, I am quite happy and every so often I get a wink of the eye and I think: "Wow, I must have done something really well." So, it is becoming my moral compass; I have to be very careful with that. But what I would say is it is very interesting that the point made, which is: would you want to earn and live on the wage that we are suggesting? That is the key question we need to ask ourselves in this Assembly, because all of us have a moral aspect to what we do in this Assembly. We started this Assembly, this year, with a church service, where we talk about morality and we come into this Assembly and sometimes, I believe, we sort of put it to one side and we have to be very careful of that. The other points that were made - and I am pleased that Senator Mézec made some very good points, of course - the evidence and the link between the loyalty of employees and that productivity. If you train and treat your employees well and you pay them decently and you give them some dignity in work and they know they are valued, then they will stay. On a small Island, where there is an issue over population and training, that is absolutely essential. The Government should be driving that and it should be driving it first of all by saying there is a standard of wage that you will pay that is decent and then we will support you in that. We are not doing that. This is an opportunity to vote and do that. Some Members mentioned that people are working 60, or 70, hours a week and they are proud. That is not a good thing. Having to work excessive hours to get any form of standard of living is bad for the individual, bad for families, it is certainly bad for children and it is bad for our society. Is that really what we want to go to the rest of the world and say: "This is what Jersey is like, come and bring your business here"? Because, in the new world, post-Brexit, when we are looking outwards, it will be high-quality economies that will succeed, not a race to the bottom, which is the concern I have. Deputy Southern mentioned about the problem with care workers, which is very important that I mentioned, but I will mention it again. We seem to have, for those who oppose this, a vision of a low-wage, low-regulation economy and I would suggest, very strongly, that is not the solution to our problems. I do not believe that it is what the Council of Ministers want. I do not believe the Minister for Economic Development, Tourism, Sport and Culture would want that. I simply do not. I believe that anybody, who looks at the economics in our society, would say: "No, we need the opposite of that, we need a high-wage, high-skilled, high-quality, high-valued economy. But, to do that, there needs to be leadership and, if there has been a time in history to do it, it is now. With significant change around the corner, with our position in the world changing, with our relationship to Europe changing and we have to do it now. Plus, there is a greater understanding that low wages and income inequality leads to wider social issues than just the fact that peoples' homes are too expensive for them. We need to invest in our population. I will sum up and I will finish, because I know we have had a long day and it went on. This is a complex issue, you are absolutely right, it is a complex issue, but we must not, in this Assembly, in every single Proposition that is brought, say: "This is a complex issue, so we will not act on it now, we will kick it into the long grass, or we will come back to it" because that, with this issue, has happened again and again. The issue of the Employment Forum, the Minister herself said that the Employment Forum, visually it was the range of views was like that, from one extreme to the other, so we took a middle ground. So, what we are saying, as an Assembly, as elected Members, who people have put their faith into, we are going to say we do not really know, we will take your view, you do not really know, so we will put something in the middle and we will go with that. That is a failure of governance, of leadership and of Government. If that is what we are going to vote for today, please be aware of what you are voting

for and the public will not thank us for that. Certainly, as well and I will finish with this, the interest is that those people trying to survive and live on this Island, at any standard, on the minimum wage, it is nigh on impossible, you will be working excessive hours, or you will have a very low standard of living.

[15:30]

I was very disappointed in the Minister for Economic Development, Tourism, Sport and Culture when he talked about migrant workers do not have the same costs as others. I am sorry; that is a very disturbing statement and I do not believe that is the case. Any standard of living on this Island is expensive, for whoever you are and wherever you come from and I do not want to be part of a system that is that exploitative; that is fundamentally wrong. So, I will finish with a couple of things: there is a moral argument here, there is an economic argument, there is an argument about the future quality of life for people and supporting them. There is an argument most of all about what we are going to do as an Assembly. Are we going to make decisions, are we going to outsource those decisions, are we going to leave these decisions into the long grass for ever and in the end leave yet again, without making a positive change that we need to make to improve the life of people who live and work on this Island? I urge you to support both parts of this Proposition and give some hope to the future for those on the lowest incomes for now and in the years to come. Thank you very much.

**The Deputy Bailiff:**

Deputy Ward, do you wish Members to consider (a) and (b) separately?

**Deputy R.J. Ward:**

Yes; that would be best.

**The Deputy Bailiff:**

The *appel* has been called for. Members are invited to return to their seats. We are first voting on part (a) of the Proposition and I ask the Greffier to open the voting.

<b>POUR: 16</b>		<b>CONTRE: 21</b>		<b>ABSTAIN: 1</b>
Senator K.L. Moore		Senator L.J. Farnham		Deputy I. Gardiner (H)
Senator S.Y. Mézec		Senator S.W. Pallett		
Connétable of St. Saviour		Connétable of St. Brelade		
Connétable of St. Peter		Connétable of Grouville		
Connétable of St. Mary		Connétable of St. John		
Connétable of St. Martin		Connétable of St. Ouen		
Deputy G.P. Southern (H)		Deputy J.A. Martin (H)		
Deputy M. Tadier (B)		Deputy of Grouville		
Deputy M.R. Higgins (H)		Deputy K.C. Lewis (S)		
Deputy J.H. Young (B)		Deputy J.M. Maçon (S)		
Deputy of St. John		Deputy S.J. Pinel (C)		
Deputy M.R. Le Hégarat (H)		Deputy of St. Martin		
Deputy S.M. Ahier (H)		Deputy R. Labey (H)		
Deputy J.H. Perchard (S)		Deputy S.M. Wickenden (H)		
Deputy R.J. Ward (H)		Deputy of St. Mary		
Deputy K.G. Pamplin (S)		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		

**The Deputy Bailiff:**

We now move on to part (b) of the Proposition and I ask the Greffier to open the voting.

<b>POUR: 14</b>		<b>CONTRE: 24</b>		<b>ABSTAIN: 0</b>
Senator S.Y. Mézec		Senator L.J. Farnham		
Connétable of St. Saviour		Senator K.L. Moore		
Connétable of St. Peter		Senator S.W. Pallett		
Connétable of St. Mary		Connétable of St. Brelade		
Connétable of St. Martin		Connétable of Grouville		
Deputy G.P. Southern (H)		Connétable of St. John		
Deputy of Grouville		Connétable of St. Ouen		
Deputy M. Tadier (B)		Deputy J.A. Martin (H)		
Deputy M.R. Higgins (H)		Deputy K.C. Lewis (S)		
Deputy J.H. Young (B)		Deputy J.M. Maçon (S)		
Deputy of St. John		Deputy S.J. Pinel (C)		
Deputy R.J. Ward (H)		Deputy of St. Martin		
Deputy K.G. Pamplin (S)		Deputy R. Labey (H)		
Deputy I. Gardiner (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 M.R. Le Hegarat (H)		
		Deputy S.M. Ahier (H)		
		Deputy J.H. Perchard (S)		

**Deputy R. Labey:**

Was the Constable of St. Lawrence on that list?

**The Greffier of the States:**

I must be having a Parish block; it was the Constable of St. Saviour who voted *pour*, the Constable of St. Lawrence did not vote.

**The Deputy Bailiff:**

Thank you for spotting that. That concludes Public Business for this meeting. I invite the Chair of P.P.C. to propose the arrangements of public business for future meetings. Deputy Labey.

**ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS**

**3. Deputy R. Labey (Chair, Privileges and Procedures Committee):**

There is just one change to the published order of business on the Consolidated Order Paper. Deputy Tadier's bank holiday has moved now to the 4th February sitting. Following up from what the Minister for the Environment alluded to yesterday, I would like to propose, on his behalf, an in-committee debate on the Island Plan, which he has suggested - and which is an excellent opportunity for Members and for him to get a clear steer from Members on what their priorities are for the new Island Plan - and it would be an excellent forum for that. The Minister would like that in-committee debate on 10th March, so I propose that as part of the arrangement of public business, which I duly do now.

**The Deputy Bailiff:**

Any observations? Thank you. The States stand adjourned until 9.30 a.m. on Tuesday, 4th February.

**ADJOURNMENT**

[15:35]