

STATES OF JERSEY

OFFICIAL REPORT

WEDNESDAY, 15th SEPTEMBER 2010

PUBLIC BUSINESS – resumption	4
1. Draft Annual Business Plan 2011 (P.99/2010): fourth amendment (P.99/2010 Amd.(4)) (paragraph 3) (continued).....	4
1.1 Connétable A.S. Crowcroft of St. Helier:.....	4
1.1.1 Deputy A.E. Pryke of Trinity:.....	5
1.1.2 Deputy T.M. Pitman of St. Helier:	5
1.1.3 Deputy P.V.F. Le Claire of St. Helier:	6
1.1.4 Deputy M.R. Higgins of St. Helier:.....	7
1.1.5 The Deputy of St. Mary:	7
1.1.6 Deputy J.G. Reed of St. Ouen:.....	8
1.1.7 Senator T.A. Le Sueur:	9
1.1.8 Deputy S. Power of St. Brelade:	10
1.1.9 Senator A.J.H. Maclean:	10
1.1.10 Deputy G.P. Southern of St. Helier:.....	12
1.2 Draft Annual Business Plan 2011 (P.99/2010): fourth amendment (P.99/2010 Amd.(4)) (paragraph 2)	15
1.2.1 Deputy G.P. Southern:.....	15
1.2.2 Connétable G.F. Butcher of St. John:.....	17
1.2.3 Senator B.E. Shenton:.....	17
1.2.4 Senator A.J.H. Maclean:	18
1.2.5 Senator F. du H. Le Gresley:.....	19
1.2.6 Deputy T.M. Pitman:	20
1.2.7 Deputy P.V.F. Le Claire:	20
1.2.8 Connétable D.J. Murphy of Grouville:.....	22
1.2.9 Deputy J.A. Hilton of St. Helier:.....	22
1.2.10 The Deputy of St. Mary:.....	23
1.2.11 Senator T.A. Le Sueur:.....	25
1.2.12 Senator S.C. Ferguson:.....	26
1.2.13 Deputy A.K.F. Green of St. Helier:	26
1.2.14 Deputy I.J. Gorst of St. Clement:.....	26
1.2.15 Senator F.E. Cohen:	28
1.2.16 Senator P.F.C. Ozouf:	29
1.2.17 Deputy M.R. Higgins:	31
1.2.18 Senator J.L. Perchard:.....	32
1.2.19 Deputy M. Tadier of St. Brelade:.....	33
1.2.20 Connétable J.M. Refault of St. Peter:.....	34
1.2.21 Connétable L. Norman of St. Clement:.....	35
1.2.22 Deputy A.E. Jeune of St. Brelade:	36
1.2.23 Deputy T.A. Vallois of St. Saviour:.....	36

1.2.24	Deputy P.J. Rondel of St. John:	36
1.2.25	Deputy E.J. Noel of St. Lawrence:	38

LUNCHEON ADJOURNMENT PROPOSED.....38

LUNCHEON ADJOURNMENT.....39

	The Deputy of St. Peter:	39
1.2.26	Senator P.F. Routier:	39
1.2.27	The Connétable of St. Helier:	39
1.2.28	Deputy J.A.N. Le Fondré of St. Lawrence:	40
1.2.29	Deputy S. Power:	41
1.2.30	Connétable D.W. Mezbourian of St. Lawrence:	42
1.2.31	Deputy G.P. Southern:	43
	Senator B.E. Shenton:	45
	Deputy M. Tadier:	46

1.3 Draft Annual Business Plan 2011 (P.99/2010): eighth amendment (P.99/2010 Amd.(8)) (paragraph 2)46

1.3.1	Deputy J.M. Maçon of St. Saviour (Education and Home Affairs Scrutiny Panel - rapporteur):	46
1.3.2	Senator A. Breckon:	47
1.3.3	The Deputy of St. John:	48
1.3.4	Deputy A.K.F. Green:	48
1.3.5	Deputy M. Tadier:	49
1.3.6	The Deputy of St. Ouen:	49
1.3.7	Senator P.F. Routier:	50
1.3.8	Deputy J.A. Hilton:	50
1.3.9	Deputy D.J. De Sousa of St. Helier:	51
1.3.10	The Deputy of Trinity:	51
1.3.11	Senator S.C. Ferguson:	52
1.3.12	The Deputy of St. Mary:	52
1.3.13	Deputy G.P. Southern:	53
1.3.14	Deputy F.J. Hill of St. Martin:	54
1.3.15	Deputy A.T. Dupré of St. Clement:	54
1.3.16	Deputy T.M. Pitman:	54
1.3.17	Senator J.L. Perchard:	56
1.3.18	Deputy M.R. Higgins:	56
1.3.19	Senator F. du H. Le Gresley:	56
1.3.20	Deputy J.M. Maçon:	57

1.4 Draft Annual Business Plan 2011 (P.99/2010): eighth amendment (P.99/2010 Amd.(8)) (paragraph 3)58

1.4.1	Deputy T.M. Pitman:	59
1.4.2	The Deputy of St. Martin:	60
1.4.3	Deputy D.J. De Sousa:	61
1.4.4	Deputy J.B. Fox:	61
1.4.5	Deputy A.T. Dupré:	61
1.4.6	Deputy J.A. Martin of St. Helier:	62
1.4.7	The Connétable of St. Helier:	62
1.4.8	The Deputy of St. Mary:	62
1.4.9	Senator P.F.C. Ozouf:	62
1.4.10	Senator F.E. Cohen:	63

1.4.11	The Deputy of St. Ouen:.....	63
1.4.12	Deputy M. Tadier:.....	64
1.4.13	Senator A.J.H. Maclean:.....	65
1.4.14	Deputy T.M. Pitman:.....	66
1.5	Draft Annual Business Plan 2011 (P.99/2010): second amendment (P.99/2010 Amd.(2)).....	67
1.5.1	Deputy G.P. Southern:.....	68
1.5.2	Senator P.F.C. Ozouf:.....	70
1.5.3	Deputy A.K.F. Green:.....	71
1.5.4	Connétable K.P. Vibert of St. Ouen:.....	72
1.5.5	Deputy M. Tadier:.....	73
1.5.6	Senator T.A. Le Sueur:.....	74
1.5.7	Deputy P.V.F. Le Claire:.....	74
1.5.8	Deputy A.T. Dupré:.....	75
1.5.9	The Deputy of St. Mary:.....	76
1.5.10	Deputy A.E. Jeune:.....	76
1.5.11	Connétable P.F.M. Hanning of St. Saviour:.....	76
1.5.12	Senator P.F. Routier:.....	76
1.5.13	The Deputy of St. Ouen:.....	77
1.5.14	Deputy G.P. Southern:.....	77
1.6	Draft Annual Business Plan 2011 (P.99/2010): twelfth amendment (P.99/2010 Amd.(12)).....	79
1.6.1	Deputy T.M. Pitman:.....	79
1.6.2	The Connétable of Grouville:.....	82
1.6.3	Deputy A.K.F. Green:.....	82
1.6.4	Senator A. Breckon:.....	83
1.6.5	Deputy J.B. Fox:.....	84
1.6.6	Deputy G.P. Southern:.....	85
1.6.7	The Deputy of St. Mary:.....	85
1.6.8	The Deputy of St. Ouen:.....	86
1.6.9	The Deputy of St. John:.....	87
1.6.10	Deputy P.V.F. Le Claire:.....	87
1.6.11	Deputy T.M. Pitman:.....	88
	The Deputy of St. Peter:.....	90
	ADJOURNMENT.....	91

[09:30]

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

PUBLIC BUSINESS – resumption

1. Draft Annual Business Plan 2011 (P.99/2010): fourth amendment (P.99/2010 Amd.(4)) (paragraph 3) (continued)

The Bailiff:

Very well then, we return immediately to debate upon the fourth amendment lodged by Deputy Southern concerning school milk and the next speaker I have seen is Senator Maclean.

Deputy D.J.A. Wimberley of St. Mary:

On a point of order, could I just ask in the interests of the order of the debate, it was very useful to have the Assistant Minister speak early because then we all knew what the position of the department was. It would also be useful, because I will be asking questions of the Minister (or would like to) but, of course, if he speaks first he cannot answer them. That is strictly a point of order as to ...

The Bailiff:

That is one of the conundrums of the rules of debate, Deputy, which has been in existence ever since the States has been in existence. It is for the Minister to decide when he speaks. Clearly, the later he speaks then the more he can pick up points which Members have asked; the earlier he speaks then people know what he says but on the other hand he is not available to answer the questions. But I am afraid you cannot ask him questions; it is not question time. Very well. So, Senator Maclean, do you wish to speak now or do you wish to speak later?

Senator A.J.H. Maclean:

I am very happy to defer for a short while if that would be acceptable.

The Bailiff:

Very well, we have some other speakers who wish to speak. The Constable of St. Helier.

1.1 Connétable A.S. Crowcroft of St. Helier:

About 10 years ago primary school children were asked about their views of the town park and many primary school children did drawings and sketches which they submitted to the States, only for the States to decide in their wisdom not to build the town park. At least that was 10 years ago and a whole generation of primary school children, I believe, grew up with a view that the States could not be trusted. Yesterday evening I was pleased the debate did not finish last night because I was able to carry out some consultation with primary school children that are known to me, and perhaps I should declare an interest, I suppose, at this stage. I said to them the reason their dad had been out of the house from before 8.00 a.m. for early meetings until after 9.00 p.m. for Honorary Police meetings was that we were considering abolishing school milk. I have to say they were absolutely astonished. This was the important matter of State that kept this particular parent busy during the day: to do away with their school milk. So I asked them a bit more about it and why it was important and truly out of the mouths of babes and sucklings a lot of wisdom came out of that. I discovered a lot about the socialising that goes on around school milk. I discovered that the children do not have to have milk; that some of them choose to have water or juice; that some of them look forward to school milk during the morning; that some of them have not had a proper breakfast and have come to school probably after a bag of crisps and a chocolate bar and this is probably the only nutrition they are going to get before lunch. I was also thinking that it would be ironic for the Island that has given the world the Jersey cow to be a jurisdiction that abolishes free school milk to children. That surely is a headline that somebody will pick up. These are not

rational reasons perhaps: I am sure we will hear why the health benefits are overstated; why the benefits for agriculture and to the dairy do not hold water. But I certainly want to have no part in a decision to abolish school milk in Jersey. I must say that if Deputy Southern who has given us a good long innings... if he does not succeed at this particular juncture, I shall certainly come back because I believe that free school milk for our primary school children is something we can afford to do.

1.1.1 Deputy A.E. Pryke of Trinity:

There has been comment by several Members on the health benefits of school milk for children. Over the years my department has been working with Education in building-up a Healthy Schools Programme and this is very important, not only in secondary schools - you would have seen recently a press release going out that now school lunches are going to be much more health-orientated and there is a set of criteria that the contractor has to follow, so we are very much health conscious. But also, the Healthy Schools Programme is rolled out in primary schools and a healthy eating programme is part of the curriculum. Out of the 28 primary schools, 7 have already reached it, 10 are working towards it and the other ones are just beginning. But part of that healthy programme is educating parents too on what should go in lunch boxes. As I said, brief comment has been made and much work is being done in schools about promoting healthy eating. A comment about Health: the M.O.H. (Medical Officer of Health) does not support the provision of the school milk on the basis of health grounds and she has been part of studies that have shown that children already get sufficient calcium from other food sources, some of which other food sources are fortified with calcium. I will just finish by saying that obesity is going to be more of a problem as we go on and I will just leave you with this thought that milk contains many more calories than a glass of water.

1.1.2 Deputy T.M. Pitman of St. Helier:

I am pleased to follow the Minister for Health and Social Services because I have to say anyone who says that low-fat milk makes you fat is talking complete and utter rubbish. It is not the word I was going to use. Among my many accomplishments, one of the stranger ones is I am a qualified fitness instructor. I know you are not surprised by that and my slim physique [**Laughter**] and if I am not as fit as I was, I think it has less to do with not drinking low-fat milk than it has for me getting home, like many of you, at 10.00 p.m. or 10.30 p.m. at night and probably scoffing a load of cheese and Branston sandwiches and not going to the gym as much. Yes, there is a lot wrong with a lot of milk products but honestly you show me someone who can get fat on the orange milk that we sell over here, and I do not mean the colour of the milk but the packets. You could probably get fatter on one of the Assistant Minister for Education, Sport and Culture's glasses of Jersey water. For someone who has worked with young people for 20 years, I can tell you that the bigger problem ... well I will give you one example. I worked with a young man whose mother was convinced he was overweight because of drinking milk but when we analysed it he was consuming 6 bags of sugar through Coke and fizzy drinks. Now I think that is something we need to look at. Unfortunately, we have seen previous Members of this House, including the former Minister for Education, Sport and Culture, come out with this type of stuff again and again. There is an awful lot of difference between full-fat cream milk, milk products and skimmed or low-fat milk. If we really want to tackle obesity - and I fully support the Minister for Health and Social Services - what we should be doing is encouraging the Minister for Education, Sport and Culture as well to get as much physical activity as we can back into school programmes, we should be giving the Minister for Transport and Technical Services a lot more money so he can encourage cycle tracks, and that is tackling the real issue. Like all of you, I probably got home last night and read an email from one of our most prolific writers of emails and letters - I think he lives in Grouville - and I think he is keen to take us back to the Keynesian times. If you do not want to vote for Deputy Southern's amendment, do it for the right reasons. Perhaps you just do not agree that our children should have milk. But do not do it under this false information that this little bit of milk is going to turn them

into - to use one of the words we invented in our family - some kind of “blubbersome” creature because it is not. All the healthiest people I have known, and I do not get there as much as I used to, but all the years I have trained in the gym, the fittest people I know are those who drank milk - not full-fat milk - and they took physical activity and they did not guzzle loads of soft drinks. At the time the last Minister for Education, Sport and Culture was telling us about how we were all going to become obese from school milk, the diet at school was still very poor. So I am pleased that the present Minister and the Minister for Health and Social Services are tackling that; that is great. There is a lot to be said for milk and I am really pleased to follow the Constable because he is quite right, there is a lot of social things that spin around that sharing of milk. I can even sympathise with the Constable of St. Clement because the one thing I did not like about school milk when I was at school was it was regularly left out in the sun, it was heated up and it tasted absolutely disgusting. But it was not the milk, it was the fact that it had been left there in little Tetra Paks. I am really showing my age now. So, please, if we are not going to support Deputy Southern, do it for the right reasons; do not do it because of misinformation. I think there is still a place for school milk. I think it is very reasonable to ask the Minister for this and please do support Deputy Southern.

1.1.3 Deputy P.V.F. Le Claire of St. Helier:

I remember going to school and I had not had breakfast on many occasions. My mother used to work with my father late at night playing music in hotels and with 5 children first thing in the morning it was not the easiest thing to do to get them ready for school. So on some occasions the older ones, my older brother and I, would have to fend for ourselves and get ourselves ready.

[09:45]

I invariably was not really up for eating first thing in the morning and we would go to school without having eaten anything but when it came to the milk time, I remember enjoying the milk when it was not left out in the sun, as Deputy Pitman has pointed out. Rather than repeating all of the things that have been said and cognisant of your ruling on this, I wonder if we might not think about keeping it in place for the time being while we conduct some survey of the parents and the children themselves, maybe through the Minister for Education, Sport and Culture. We have heard from the Minister for Health and Social Services that the Medical Officer of Health has conducted surveys that it is not warranted on health grounds but nor is taking vodka to school and we used to do that when we were 11... **[Members: Oh!]** but at St. Helier Boys it was mandatory. But the reality is there are a lot of things that are not healthy for children, including people smoking in public places and children’s playgrounds but we do nothing about that. So, rather than looking at this and crossing it off on the grounds that it has no health value because Health and Social Services need all the money they can get in all the other areas that they do not have money, I am wondering if we can keep this in place. There is an £11,000 profit to the dairy. I think we need to think about this carefully, about how much activity we would be reducing in the dairy if this was to stop and what that £11,000 profit would mean if the productivity was to stop, and ask the Minister for Education, Sport and Culture to conduct a survey of the parents and the children themselves. If we are going to go on to considering what the Medical Officer of Health has said about what is healthy for children, I know from our own experience - and I declare an interest with a son at school, having been through nursery school once again most recently - we would pay money for snacks to the nursery to augment their healthy eating and we were advised not to bring in things such as Coke and juice, *et cetera*, because that was not good for them; they wanted to promote healthy eating. It was quite interesting, especially from the Eastern European countries where my wife comes from and a lot of Polish people come from, but one of the things that most of the parents put up as to what they would wish to see in school was school meals. Hot school meals at lunchtime. In the U.K. (United Kingdom) where most people get a hot school meal and where some Members have come from, they will probably remember those meals. I have never had a hot school meal. I know there is a canteen at Hautlieu and it is well used but the value of a hot school

meal during the lunchtime far outweighs what can be crammed into a sweating lunch box and left in the corner for 4 or 5 hours. So if we are going to look at the nutrition and the health issues around children and what they eat and what they consume at school, then we need to do it on a far better and more open and honest approach than what we have considered so far which is what the Medical Officer of Health has said constitutes a healthy or qualified needed income for the Health Department. I am going to support Deputy Southern and I am going to ask the Minister for Health and Social Services, the Minister for Education, Sport and Culture and the Minister for Economic Development if this is passed to go away and to conduct a survey of the parents. We are talking about consultation all the time. We are doing one at the moment and I urge all members of the public, all parents and all States Members to go on to the States website today and look at the one that is out there for play, the issues around play; the playground issues. The areas where we would like to see our children have opportunities to play. It is a very good survey and the States have done a very good job in doing that and I would recommend it. But I would also urge the Council of Ministers to do a survey on whether or not the parents and the children want school milk. I urge Members to continue to support this until we have the information to make a proper decision rather than just a financial one. Because in the next amendment we are going to be arguing about whether or not we should support Jersey Finance with another £400,000 of taxpayers' money to go off swanning it around the world for an industry that has just cost everybody all their jobs. They can far afford to support themselves. If we are looking at cutting overall States spending and not adding taxpayers' taxes on to issues, we can cut that £400,000 from the budget. The world will turn on its head in about 20 minutes and all the arguments we have been hearing will go the other way.

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

We have just heard from the Minister for Health and Social Services about the Healthy Schools Programme and the healthy eating programme and how they are educating parents into what should go into lunch boxes. Now that is fine and commendable but I found it shocking to learn that in a wealthy Island as Jersey is reputed to be that many children do not go to school with a lunch box or even have breakfast. Now, I found it absolutely shocking that the youth workers at First Tower are, for example, providing hot meals for children because they do not get a hot meal at school, so there are an awful lot of children who benefit from the free milk that we give them. It may be the only real nutrition they get during the day and I certainly will not be voting for any cut in this provision.

1.1.5 The Deputy of St. Mary:

Yes, first of all, I would like to thank the Minister. I think he absolutely did the right thing because at the end of the debate we will have the Minister replying to all the points made and then we will have the proposal and that really is the way it should be done and I thank him very much for that. I was going to focus on the wider implications for the dairy industry, but I would like beforehand to say just how much I was struck by the Constable of St. Helier's comments and now Deputy Higgins'. It does worry me. I was going to go down the route of suggesting that the actual economic benefits to the dairy industry of going this route are very, very small, if indeed they exist at all. So the issue I was going to put to Members was how do we signal our support for the dairy industry and make sure that it is there? That was the question for the Minister about how to reconcile the 2 different accounts we are getting in the amendment and the comments. But there are issues now I see that are stronger than I thought about school milk itself: its social role and the no meals issue. I think Deputy Le Claire had a very good point that it might be a good idea to find out what its role is before we think about cutting it. So I have been influenced by what people have said quite a bit in the way that I might end up voting, although I am still open. To go on to the wider issue, in the comments of the Council of Ministers they say that they are not cutting support for the industry, with the exception of the cessation in support for school milk there will be a net increase in the total of direct and indirect government support payments to the dairy industry in 2011 and elsewhere they say that they are not suggesting cuts specific to the dairy sector in 2011 or

2012. But what we read in Deputy Southern's proposition is that on page 13 he claims: "The overall reduction in support to the dairy industry, 'part of the D.N.A. of the Island', amounts to at least £650,000 over the coming years." He points out that the price of land is also increasing because of the success of the potato sector. So we are getting 2 different stories here. We are getting: "We are continuing our support for the dairy industry at least for the next 2 years" and on the other hand we are getting cuts to the dairy industry being put forward by the proposer and that is a big contradiction. I want the Minister to clarify exactly what the level of support for the industry is and so on in the light of the fact that what we are discussing is £180,000 support for the dairy industry in the form of school milk. Now, I take the argument that it is not a terribly efficient way of supporting the dairy industry but in fact the Minister is perfectly free after the survey to find out about the social issues and the health issues about food and diet. He is perfectly at liberty, if we vote this money back in, to use it to support the dairy industry through other mechanisms which he already uses. We know that Ministers can do this, in fact, even across departmental boundaries. So the issue then is support for the industry. I have here the J.M.M.B. (Jersey Milk Marketing Board) and R.J.A. and H.S. (Royal Jersey Agricultural and Horticultural Society) submission on the *Rural Economy Strategy 2011-2015 White Paper*, so this is their last word on the whole consultation process around the rural strategy. They set out their vision and I was sure that Members would say "amen" to this but after the debate yesterday, I begin to wonder about certain attitudes here. But this vision is really spot-on: "Preservation of the Jersey breed as a viable herd in its Island home; maintenance of productive capacity of the Island's farmland and combining grazing livestock within an arable rotation and the benefits of that; contribution towards self-reliance in society with the production of a wide range of locally-produced essential foods; preservation of the landscape with its patchwork of fields and meadows which are only of use to livestock and are the richest in biodiversity; a positive contribution to the environment; fauna, flora, air, water and soil with low-intensity agriculture that uses minimal artificial inputs" because of course the cows provide a different form of input: "Maintenance of road verges and countryside features; greater opportunities for the informal leisure; use of grassland by the wider public." That is their vision. That is how they start their submission and I cannot imagine that any of us would disagree with that kind of vision and yet here we are talking about support for the dairy industry. So do they need the support? They claim that they do. They claim that they are working hard, they are the only sector that has totally open books on their profitability, their costs are completely open to the department and yet they say they currently work on extremely tight margins and as such significant changes in revenue flows will directly affect farm profitability. There is a chart in the proposer's document on page 11 which shows you that they are nowhere near the 20 per cent E.B.I.T.D.A. (Earnings Before Interest, Taxes, Depreciation and Amortisation) which they need for sustainability. They are nowhere near that. The Minister said that they were somewhere near 10 per cent. They are not near 10 per cent; they are at 5.9 per cent in the current year, I believe. They point out that there are cuts in Quality Milk Payment and services in the White Paper and of the magnitude proposed they will have to be passed on and that will imply an increase in the wholesale milk price of 10 to 12 per cent contrary to the agreed strategy which is to become more and more competitive with other jurisdictions and to head-off the possibility of imported milk. So this is a different story we are getting from the people at the sharp end. Of course, it is special pleading, they are the industry, but we have to decide on whether we support that vision and on whether support for the industry does help that vision stay a reality because it is reality now. In their closing comments: "The next 5 years [not the next 2 years; the next 5 years] will require a cautious approach to changes in government support to the agricultural sector as any recovery is likely to be slow; a cautious approach." I just want to ask the Minister about the figure that Deputy Southern uses of £685,000 cuts in support for the dairy industry and whether or not we should not consider leaving this money in the budget subject to surveys about the value of using the budget as school milk but keeping it there as support for the industry to be used in that way. That is all I have to say, thank you.

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

You spoke about a conundrum, but I think this is one of the difficulties that this States Assembly faces in trying to seek, on the one hand, to reduce budgets and re-prioritise the resources available; and addressing some of the other areas that we feel quite passionately about. School milk, I believe, is one. The reality is that we are faced with our “cutting our costs” pursuit. We also know that the economic argument that is being put and is being repeated by the dairy industry (and I believe it is sincere)... we have heard it on many occasions used to support various decisions that this States Assembly has made, to improve and help the industry stand on its own 2 feet. There is absolutely a benefit from milk in the provision of milk to some of our school children. I think I pick up and would highlight one of the issues that Deputy Higgins raised. We do have concerns of a small minority of young people that are coming to school with a lack of proper food. Is it solely our responsibility? No. Should we do something about it? Absolutely.

[10:00]

I again thank the Deputy for highlighting the fact of one of the practical ways that we are helping these young people through the Youth Service, in this case; others it is through schools. More importantly, it is through helping and supporting those parents that are struggling to recognise perhaps their responsibilities in bringing up their children. Is it necessarily an argument to just maintain school milk? No. No, I think we have to be smarter. I think that the dairy industry absolutely needs support and there is a good case for them to continue promoting and providing school milk to children because I would expect that it would encourage those children later in life to continue utilising that product. That is a commercial decision. Yes, we can all argue about health benefits and the whys and wherefores of milk. That is not the issue. The issue here is that we have difficult decisions to make, not only in this Business Plan but in the next coming years. This is not a priority. If the choice is school milk or sufficient resources so our children can learn at school, I know which side I am going to fall on. Thank you.

1.1.7 Senator T.A. Le Sueur:

One of the benefits or drawbacks, depending on which way you look at it, of being in the States for many years now is that you hear the same debates time and time again. Many years ago when I was President of Social Security we had the debate on school milk then and we managed to get rid of it out of our Social Security obligation or objective and it was decided that maybe it was more appropriate as a health requirement. We debated that a second time and we decided it was not a health requirement so we moved it to Education because maybe it was an educational requirement. We debated that a third time and we decided it was not an educational requirement but it was quite simply support to the dairy industry. I thought that was where it was now acknowledged, having been debated 3 times, that this funding is no more and no less than support to the dairy industry. Yet the comments and arguments that we have heard yesterday and today have ranged over a wide range of areas, very few of which, with the exception of the Deputy of St. Mary, relate to the support for the dairy industry. But in fairness the proposer of this proposition is very clear that it refers to support for the dairy industry and in the second part of his proposition, which we will be debating later possibly, he talks about phasing-out the support for the dairy industry over the following 3 years. So he is quite clear that this is an economic justification for this money and if further justification were needed it is because the money rests in the budget of the Economic Development Department which has responsibility for the rural economy. So when we debate this we should be debating it in the clear knowledge that we are debating support or subsidy to the dairy industry. Now if we feel that we need to continue support to the dairy industry, let us at least be honest and say why we are doing it: in support as a form of subsidy. It is not a form of educational benefit, or health benefit, or social benefit; it is an economic benefit. To Deputy Le Claire, yes, I am sure if I asked parents if they would like the Government to continue giving them free school milk the majority of them would say yes. If I asked people: “Would you like to pay more taxes?” the majority of people would say no but there is no such thing as a free lunch or a free pint of milk. If we are going to give free milk then something else has to give. We would cut out some other

service or we increase taxes, and let us not forget that fact. It is a matter of priorities. Is this ongoing support to the dairy industry, in addition to the other support given by E.D.D. (Economic Development Department) in various forms in the rural economy, is this additional support also necessary? In my view, in the current economic times the answer is no, sadly, perhaps for some and therefore I have no alternative but to suggest that this proposition should not be accepted.

1.1.8 Deputy S. Power of St. Brelade:

Briefly, 50 years ago I was 5 and I went to a primary school in the middle of Limerick City and I remember the pervading smell of sour milk but I did what I was told and I drank that milk. **[Interruption]** I have the odd occasion when I do not behave but normally I tend to do what I am told still. The comments of the Council of Ministers in relation to Deputy Southern's paragraph on this are fairly clear: that this has been around the Houses on a number of occasions. It has been through the Minister for Education, Sport and Culture's assessment, it has been through the Minister for Health and Social Service's assessment and it is clear from E.D.D. that it is not a benefit or a subsidy that is needed to support the dairy industry. Whether it is 40 or 50 years ago or whether it is today, there are children who go to school for whatever reason and they have not had the benefit of a breakfast, either that is through parental choice or that is because they refuse to have that breakfast or whatever the set-up is in that family home. I constantly hear this sort of clamour that: "The States must do this. The States must do that. The States must provide some form of support to the parental governance of Jersey" whether it is to the Minister for Health and Social Services, the Minister for Education, Sport and Culture, the Minister for Home Affairs or even the Minister for Housing at times that we have to pick up and catch up for all the sins of the Island. Well we do not. Whether it is 40 or 50 years ago or whether it is today, for whatever reason, some children do go to school and they are not provided with sufficient provision for food early in the morning. Breakfast was always regarded as the most important meal of the day. Most of our primary schools (I am subject to correction by the Minister for Education, Sport and Culture) and our secondary schools, if not all, do provide some form of service where children can access some food. So, the argument that we have this morning is a simple economic one, and I will repeat today what I said yesterday: we are in a situation where we have to find ways of saving money. It was very clear yesterday with the amount of support for Deputy Vallois' ninth amendment that a lot of States Members want to go further than the Council of Ministers have. Some States Members do not want any cuts at all but the strong message coming out right now across this Assembly that reflects the mood of the public out there is we have to start saving money **[Approbation]** because the alternative is a swingeing budget in December. If that goes ahead, I can hear the clamours of protests now. My view is this is a "nice to have". It would be nice to continue to supply the subsidy but with looking at reality out there my view is I think the Council of Ministers have it right and I urge Members to reject Deputy Southern's amendment in this case.

1.1.9 Senator A.J.H. Maclean:

I have held back in the interests of being helpful, in particular to the Deputy of St. Mary who had some questions. The Deputy of St. Mary raised one particularly important point and that was the level of support for the dairy industry: do we support the dairy industry? Well absolutely we support the dairy industry from the whole process of moving the dairy from where it was to its current modern facility that it operates, to a range of facilities that are provided for the dairy industry in terms of subsidy support grants like Quality Milk Payment and other areas of agriculture that benefit from the Single Area Payment. The £600,000 Quality Milk Payment is currently afforded to support the dairy industry and there are many other areas in which we are supporting them to develop their export markets: ways in which the industry can become sustainable longer term; looking at higher-value products in the export market. All of these things are happening, we are working with the industry to deliver that and it is absolutely right and proper that we should be doing so. I will just pick up a point that Senator Breckon raised last night about grants in general. I think he was concerned about the level of grants, particularly to the agricultural industry. I should

say to him that over the last few years grants as a whole have been slowly and in a measured way reduced from agriculture. They have come down by close to £2 million and over the next few years there will be a continued reduction but it will be done in a measured way in order to ensure that the industry can stand on its own 2 feet. It is not something that Jersey is doing alone; it is happening elsewhere and it is absolutely right that we should be looking to support the industry, to increase its productivity and to be able to be more sufficient as we move forward into the future. The Deputy of St. Mary also made a comment about how easy it is for money voted as part of the Business Plan to be moved around among departments. What I would say to him in this regard - and he also made what I thought was quite an extraordinary suggestion - that if this is voted through we could use it to support the dairy industry and not necessarily for milk for school children which is the purpose of this clear proposition. In any event, what he was trying to say ...

The Deputy of St. Mary:

Would you give way?

Senator A.J.H. Maclean:

I am not going to give way. But what I think he was trying to say was we can move our budget around. What I would say to him and to other Members is if a decision is taken by this Assembly, I certainly - and I do not know of any Minister that would choose to go against the decision of an Assembly, if this was to be supported, Deputy Southern's proposition - I would not seek to then try and use the money for some other purpose. It would just be a completely unacceptable position to be in. Do we move money around in our budget? Yes, we do. Of course; we are the Economic Development Department. We operate quite simply to capitalise on the budget we have. We move it around to deal with threats and to deal with opportunities as Members would expect. We need a maximum return from the investment of public money that we put into all the areas of the economy that we support. I would like to pick up on the Constable of St. Helier who made a very emotional speech earlier on. He said he had consulted, I believe, with some children; I was not quite sure if it was his own children. I have to say I have also consulted with my children. I am probably conflicted in this area of school milk because my children are recipients of school milk at the moment. Or certainly they have the offer of receiving it and certainly I had a totally different opinion or view from my son when I asked him the same question last night about school milk. So, there are always going to be opinions and I think what the Constable of St. Helier was proffering was an opinion, an opinion that he is perfectly welcome to pass on. What he did say, which was probably one of the most relevant comments that I think I have heard in this debate was that, yes, to school milk and some children like it and, yes, it is given at a time where there is social interaction but also he said children can choose between that and water and juice and quite often do. It is a choice, a choice that we are not paying for. It is a choice that they have and that is absolutely as it should be. I think if we consider that, it is a very important point. I would also like to just deal in conclusion with some final comments. First of all, we have had a long debate historically about school milk. Deputy Southern has got some stamina, I must say, the number of times he has brought this back and he has been quite successful. But we are living now in a different economic climate to the one in the past when he has brought it forward. Indeed, the last time he brought it forward and when it was successful and supported by Members it was done so with an outcome at the end, when the new dairy was in place. At that point school milk was going to be one of the subsidies that was helping and assisting the dairy industry that was going to be phased-out and was going to end with a new dairy. I remember the Deputy standing there and saying that very point. Here we are, now he is suggesting: "Well let us just go on a little longer. We have got the new dairy but let us just carry on a bit more." It is a different climate we are living in; it is not the time to be continuing on with that particular subsidy. We have heard from the Minister for Health and Social Services, we have heard from the Medical Officer of Health, we have seen plenty of evidence in the U.K. who also over many years have been reducing support of school milk to children. The health benefit is not there; the economic benefit is not there. I think it was Deputy

Le Claire who raised this point about the dairy making a profit, yes, £11,000 for school milk but the Deputy probably did not realise that that was in 2006. Today the dairy is losing money on school milk; around about £6,000 and that is from their own figures. So it is not supporting the dairy in terms of a subsidy. Finally, the proposition itself is flawed and it is flawed for one simple reason. The Deputy has brought forward a proposition that seeks we maintain school milk for next year 2011 and then to reduce it by a third in the following year and then a third and a third.

[10:15]

Well having spoken to the dairy it is not economic for them to do so. They cannot make money and, in fact, they will probably cease doing it altogether because they simply are going to lose too much. They are losing money now. If you reduce the form of subsidy from government it is going to be even less affordable. It just does not work; it is as simple that. I would implore Members to, however difficult this seems and however emotive it is, for obvious reasons ... I remember, not because I was about at the time, but I have certainly read the newspaper articles about when Margaret Thatcher took milk away in the U.K. in the early 1970s and was known as “Thatcher the milk snatcher” and I know how Members feel. It sounds terrible but the world has moved on in all respects from health, diet and from an economic point of view. I would implore Members to reject this albeit well-meaning proposition and maintain our aim. We have to cut costs. This is one, I am afraid, that has to go. Thank you.

The Bailiff:

Does any other Member wish to speak? Very well, I call upon Deputy Southern to reply

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

I am grateful to all those who have taken part in this debate, particularly those who have spoken up in favour of my proposal. I remind Members that my proposal is not to maintain free school milk willy-nilly for ever. My proposal is to phase-out the support for school milk over a period of time which will enable the dairy - or should enable the dairy - to get alternative sponsors and alternative backing to continue with school milk. I believe that is certainly what the dairy suggested would be a reasonable way forward to me and certainly did not say: “Whatever you do, school milk is doomed, we are going to stop.” That is not the case. If we pull this funding now, yes, school milk will stop. If we phase it out in a reasonable and, I believe, responsible manner which we should do, then school milk might continue because the dairy will seek alternative funding. A number of speakers, starting with Senator Breckon last night and the Deputy of St. Mary and indeed the Chief Minister today, have addressed the issue of what it is coming down to is the economics of the dairy industry. Well I refer Members to my report in which I go into some depth and it is all very well to say: “The dairy industry must learn to stand on its feet” and that we are progressively withdrawing support although the Minister for Economic Development seemed to suggest that all this support was being maintained. Nothing could be further from the truth. So let us have a look at the state of the dairy industry and in particular the role of subsidies to the dairy industry because as many Members will be aware, an agricultural industry in Europe which is not receiving some subsidy is doomed to fail. There is no way we can maintain agriculture in Jersey in competition with the subsidies which still go into E.U. (European Union) farming and hope to survive. Bear that in mind. We are told that the Jersey Dairy 5-year business plan previously indicates that by 2011/2012 the E.B.I.T.D.A. - the profit margin - could reach 17 per cent on Jersey farms. On page 11 of my report I show where we have got to by 2009 and 2010 and we are at 5.9 per cent; 5.9 per cent when the aim is 17 per cent by 2011. Jersey farmers in the dairy sector are not highly profitable yet. Then we examine what we are doing overall in the whole series of cut, cut, cuts in the dairy sector and for agriculture and on page 12, I outline some of them. For example, it says on page 12, and this is a part of the plan: “Royal Jersey Agricultural and Horticultural Society Service Level Agreement will not be renewed from 2014” a reduction of nearly £250,000 and they say that this is perfectly acceptable; it is not necessary the service that they do. The dairy tell me that this is

completely wishful thinking. What they are doing is running the insemination programme and the monthly milk recording service and they say that is: "... an essential element in promoting the quality and traceability of our dairy products." This in turn: "The availability of these services is a vital part in negotiations to obtain export contracts for high value-added products. To cut this service would seriously damage efforts to raise export targets. The statement made about the diminishing need for such a service is misleading." That is what the dairy is saying: "You want us to maintain our dairy service, the herd on the Island, and part of that is selling high-value products into the U.K. That requires the absolute rigour of recording exactly what this product is and why it is such high quality. Without it we do not stand a chance of getting into Marks & Spencer; of getting into Tesco; of getting into where we need to be. Without it, I am afraid, we are going to see the slow decline of the industry on the Island." In addition to that, we are maintaining the Quality Milk Payment until 2013 when we will put a 10 per cent cut in. This 10 per cent cut that we are aiming for: 2 per cent; 3 per cent and then 5 per cent will be rolled into 2013, so we are just pausing with that part of the axe until 2013. That subsidy will be being withdrawn. If you look on page 11 of my chart you can see in the graph the element in bright yellow that is Quality Milk Payment and you will see that reducing from 2013, it gets smaller and smaller. On the graph - that is only a 6-year scale - you could extend that to 2018 when you will see Quality Milk Payment getting smaller and smaller and smaller and by 2018 it will be gone. There will be no Quality Milk Payment and I list some of the cuts that are about to be taking place. So R.J.A. and H.S., I have just mentioned, school milk, Jersey Product Promotion Limited... again, shall we give them help promoting their products for export or whatever? No, that is going to be discontinued from 2013, a reduction of £140,000. Countryside Renewal Scheme, a reduction of £140,000. Quality Milk Payment I have obviously mentioned already, a reduction of £250,000 by 2010. If you add those up you get the best part of £1 million reduction in support to agriculture. Yesterday we saw the commitment to Tourism, I would say, be substantially reduced; wither on the vine. Now we are seeing £1 million worth of reductions in subsidies to this industry are going to be made. About £650,000 of that is directly applicable to the milk industry. I am suggesting that while we are intending to do that, while we are reducing support for this industry by £1 million, the very least we could do is be reasonable and rational in phasing-out, rather than cutting immediately, support for school milk. That is the economic argument and I believe it is a substantial one. Amid what are a series of very serious and I believe not rational cuts to our agricultural industry and our dairy industry in particular, we may endanger the entire industry. It may well be that by 2018 when the herds are producing properly as they should be and the bull semen is having its effect and the herd is up to standard, will we see us able to compete with cheap milk from abroad? Perhaps not. This is only a minor step along the way but nevertheless it must be set in the context of £1 million worth of reduction by 2018 in support for the dairy industry. That is the context. Crossing our fingers and hoping that everything works out is not the way to behave. Time and time again I have heard today - I heard it from Deputy Power, I heard it from the Chief Minister - that if we restore this money then we are talking about taxes rising. No, we are not. I heard it from the Minister for Education, Sport and Culture. He says: "If it is the case of cutting school milk or cutting resources so that people can learn, then I know which side I am on." No, but that is not the case. This proposition does not say: "Maintain school milk and cut your funding for books." It says: "Maintain school milk and take £180,000 from the £6 million we put aside to lay people out of work; to restructure." That is all it says. Not a penny on income tax. Not a penny on tax. That is what it says. Remember that. So that is the economic case. I believe the case for supplying school milk on the grounds, for example, there has been a survey done. The dairy industry has conducted a survey. It conducted a survey of primary school head teachers and said: "What is the take-up in your school? How much do you value free school milk?" Overwhelmingly, with one exception, every primary school head teacher bar one - that is before we go to children, before we go to teachers, before we go to parents - said: "Wonderful; absolutely vital for our kids; an important element in the day; an important element of their nutrition." One headmaster said: "I could do without it. We could do without it. I am not impressed by it." We still have kids going to school

without breakfast. We still have kids, despite the efforts for healthy eating, of which fat-reduced milk is part of a healthy diet and it is all about balance, as Deputy Pitman said. We are not talking about full-fat milk, we are not talking about obese kids through milk. We are talking about obese kids through 3 packets of crisps and a Coke in the morning and educationally, Minister, that child with its 3 packets of crisps and its Coke fuelled-up at break time is running around the classroom for half the morning. We would much rather that it has the milk than the Coke and perhaps it can study; that is the educational argument. The health argument, I believe, it is part of a healthy diet. The survey says that head teachers certainly welcome and would have the free school milk maintained. Long-term in terms of milk on this Island, I believe it is important to maintain as well. I thank Members for their tolerance in putting up with me for the fourth time on this debate and I urge Members to vote for a sensible and reasonable way forward, phasing out this particular service for subsidising school milk, in the hope that the dairy can work out alternative ways of funding this through alternative sponsorship and that this House does not earn the accolade of being the people who removed school milk. Could I ask for the appeal?

The Bailiff:

The appel is called for then in relation to the amendment of Deputy Southern. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 14	CONTRE: 30	ABSTAIN: 0
Senator A. Breckon	Senator T.A. Le Sueur	
Connétable of St. Helier	Senator P.F. Routier	
Connétable of St. John	Senator P.F.C. Ozouf	
Deputy of St. Martin	Senator B.E. Shenton	
Deputy J.A. Martin (H)	Senator F.E. Cohen	
Deputy G.P. Southern (H)	Senator S.C. Ferguson	
Deputy of Grouville	Senator A.J.D. Maclean	
Deputy P.V.F. Le Claire (H)	Senator B.I. Le Marquand	
Deputy of St. John	Senator F. du H. Le Gresley	
Deputy of St. Mary	Connétable of St. Ouen	
Deputy T.M. Pitman (H)	Connétable of Trinity	
Deputy M.R. Higgins (H)	Connétable of Grouville	
Deputy D.J. De Sousa (H)	Connétable of St. Brelade	
Deputy J.M. Maçon (S)	Connétable of St. Martin	
	Connétable of St. Saviour	
	Connétable of St. Clement	
	Connétable of St. Peter	
	Connétable of St. Lawrence	
	Deputy R.C. Duhamel (S)	
	Deputy J.B. Fox (H)	
	Deputy of St. Ouen	
	Deputy of St. Peter	
	Deputy J.A. Hilton (H)	
	Deputy of Trinity	
	Deputy S.S.P.A. Power (B)	
	Deputy I.J. Gorst (C)	
	Deputy A.E. Jeune (B)	
	Deputy A.T. Dupré (C)	
	Deputy E.J. Noel (L)	
	Deputy A.K.F. Green (H)	

[10:30]

The Bailiff:

On the order paper we come next to a further amendment of Deputy Southern, but I raised this with Senator Shenton, it appears to me, Senator, that yours, in fact, is greater. Yours includes the lesser, does it not?

Senator B.E. Shenton:

If Deputy Southern's is lost I will withdraw my one.

The Bailiff:

The alternative, what we would normally do, I think, is take yours first on the basis that it is the largest change and then Members can decide on that, and then they can decide on Deputy Southern's.

Senator B.E. Shenton:

Sadly, with hindsight, I should have done mine in a slightly different way because it is 2 separate issues, one is Jersey Finance and the other is the regulation of non-finance industry entities with the J.F.S.C. (Jersey Financial Services Commission).

The Bailiff:

Are you happy for Deputy Southern to go first?

Senator B.E. Shenton:

I am, yes.

1.2 Draft Annual Business Plan 2011 (P.99/2010): fourth amendment (P.99/2010 Amd.(4)) (paragraph 2)

The Bailiff:

Very well, we will proceed on that basis. The Greffier will read the amendment of Deputy Southern.

The Greffier of the States:

Page 2, paragraph (a) after the words "withdrawn from the Consolidated Fund in 2011" insert the words "except that the net revenue expenditure of the Economic Development Department shall be decreased by £400,000 in order to reduce the level of support for Jersey Finance Limited and not proceed with the comprehensive spending review proposal on page 62 of the Plan ED-S8 "Additional support for J.F.L. (Jersey Finance Limited)".

1.2.1 Deputy G.P. Southern:

I will wait for the adrenaline to go down a little. As they used to say on Monty Python: "And now for something completely different." Deputy Southern stands up and says: "Cut some funding please." Because that is the dominant philosophy and whether you are tourism and you are struggling, or whether you are agricultural and the dairy industry and you are struggling, we are cutting our support for you. We are cutting our subsidy to you, that is the new political dogma. For once, I am saying: "Right, let us push it through. Let us be consistent." Another industry that is struggling is the finance industry, the bedrock, the dominant industry in the Island. It is struggling to the extent that its profits in 2009 were halved. A sad day. It reduces our income substantially. Halved to only the total net profit in the finance sector of £809 million. £809 million. I would like Members just to hold that sum in their mind as we debate the possibility of transferring £400,000 of the £2 million support that we give the industry from Government, with its reduced revenues, to the industry itself and say: "Hang on, the new political philosophy is wherever possible you stand on your own 2 feet. We are not prepared this year to increase your support, your subsidy by £400,000." That is what we are talking: £400,000 against £809 million profit. We have had 2 Scrutiny Panels examine the way in which we support the finance sector and both of them, it seems to me, have come to the same conclusion, that there is a rather large

imbalance for Jersey Finance Limited, the body that was created to promote and support the industry. There is a severe imbalance between the levels of support that Government puts in and that which is put in by the industry itself. If Members will turn to page 8 of my report they will see that in the first year of main operation, after it was set up in 2002, Jersey Finance Limited received £250,000 from Government and added to that £345,000 from subscriptions from the industry. You can see the growth of that funding across the years, 2003 it was imbalanced. We were £400,000, the industry was £379,000. By 2004 we had added up to £600,000, the industry was still at £376,000. 2005 we are talking £600,000 again, and £400,000. 2006 £750,000 from the Government, £400,000 still only from the industry. 2007 £1 million versus £400,000. 2008 to 2011 £2.2 million. £2.2 million of support to £650,000. A ratio of 3 to one. So we put in 3 times the amount that the industry itself does. I remind Members that we have just reduced the tax bill of those industry members from 20 per cent down to 10 per cent. So they are paying less tax into our coffers than ever they were and our bill for supporting the industry stands at £2.2 million and they are putting in £650,000. That is the way it has grown. I will refer now to page 7 of my report, where I talk about the words of the Minister for Economic Development talking about the thrust of the policy that he is applying to support from the Government, support from his department, to the economy of the Island. I think that really is a point that needs to be emphasised, he says to the Scrutiny Panel, because in all respects what we are trying to do and what we are attempting to do, as we go forward into years 2 and 3, is to work more closely with organisations that receive grants to ensure that there is a better return on the investment we use, and allow the individual organisations to be more effective, both in raising private sector sourced funding themselves and being more effective in what they spend and getting a better return. The thrust is stand on your own 2 feet. When Jersey Finance was set up this was the ethos. Senator Walker, no less, who set up Jersey Finance Limited, stated this organisation, Jersey Finance Limited, would only work effectively if the industry considered it to be its own creation and essentially accountable to it. If it were wholly funded by the States it would become yet another government body to be criticised from a safe distance. He then went on to state: "The States would be invited to make a commitment to match the industry's funding pound for pound." So what we committed to was this is Jersey Finance Limited to promote the industry. We want it to belong to you, the industry members, and we shall support you in doing that pound for pound. Initially, in those early years, that is what it was. Around about £400,000. But, like anything else, Government spending grows like Topsy under various Ministers for Economic Development while the ownership of the organisation fades because the accountability is hardly there. Now we have £2.2 million of support from us, through the taxpayer, to this particular body and £650,000 from the industry. It will only work if the industry feels that accountability, we will match it pound for pound. Well, it is now £3 for every £1, that is what we are talking about. That is the matched funding. Is it not time to allow Jersey Finance and its members to stand on their own feet? I believe we should be consistent and that is what we should be doing. I will just refer Members to 2 of the bits of transcript from the recent hearing of the Economic Affairs Scrutiny Panel. This passage in particular is fascinating. The Deputy of Grouville said: "Sticking with Jersey Finance Limited, as we are on the subject, they are setting up an office in Dubai, are they?" The Chief Executive Officer says: "There is funding for a third office. The exact location is yet to be absolutely finalised. I very much doubt it will be in Dubai. It is going to be in the Middle East somewhere." The Deputy of Grouville says: "Those monies will come from where to set up this office?" The Chief Executive Officer: "Well, the initial funding to pump prime, that came from fiscal stimulus and was within the fiscal stimulus bid, E.D.D. (Economic Development Department) committed to make the recurring element of that funding, that is from 2012 onwards, available from our budget, because if you set up a third representative office the very worst thing you can do is to set it up and then close it down 18 months later." Now what does this mean? This means that in the timed, temporary and targeted, the 3Ts of the fiscal stimulus package that we were told was being strictly adhered to, somebody forgot about one of the Ts. We said: "Okay, have this fiscal stimulus money, set up a new office. That is a good idea." But this is continuing funding. We are not supposed to be doing this. This is

fiscal stimulus. So the commitment is there without this House even having a nod. Ministers for Treasury and Resources and Economic Development effectively agree an economic stimulus package that requires a commitment to continued funding. It is a *fait accompli*. So what we come into now, in the Annual Business Plan, is something that has already been decided. We set it up with fiscal stimulus, it is supposed to be temporary, knowing full well that we would have to have a budgetary input for that. I am not saying that that office is all well and good. I am not saying close it down, forget it, we are over dependent on the finance sector. What I am saying here is that commitment should not have been made because the Annual Business Plan is where we decide things and the new philosophy says stand on your own feet, subsidy has been withdrawn.

[10:45]

So I am saying that that funding, that £400,000 for that office, should come not from our taxpaying money, in the light of all the other cuts that we are making here, there and everywhere, but should come out of the industry members themselves and their £809 million-worth of profit. I think that is a reasonable position to take, and that is the position I will support. I urge Members to support it equally; what is sauce for the goose, agriculture and tourism, and whatever, our health service (because that is coming up), what is sauce for the goose is sauce for the gander. I urge Members to support this proposition.

The Bailiff:

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

1.2.2 Connétable G.F. Butcher of St. John:

I wonder if I could get an answer from the Council of Ministers in relation to a table on page 7 in their comments on this proposition. It is stated in there that the States for next year, for 2011, will give a grant of £2.2 million. The J.F.L. **[Interruption]** ... it is stated that the proposed grant for the J.F.L. of £2.2 million with the J.F.L. putting in £600,000. There is a *pro bono* figure there of £2 million, which I am presuming is a figure calculated somehow or other by their membership as to what time they put into looking at legislation and various things, which is fair enough. What I would like to know is how much time outside of the £2.2 million is put in by officers, the Minister for Treasury and Resources, *et cetera*, going along to various functions supporting the ... there does not seem to be a *pro bono* figure in there to compensate for that, and I would like an answer on that.

1.2.3 Senator B.E. Shenton:

As Members will be aware, I also looked at this funding within the Business Plan and I was aware that this funding for Jersey Finance had increased substantially over the last few years. You have got to bear in mind this Island's best times in finance was a time when Jersey Finance did not exist. There is no doubt that we are going through tougher times, partly as a result of the regulation that we now have on the Island to make this a much cleaner, tidier and more compliant Island jurisdiction. But what I felt was that as chairman of the Public Accounts Committee, going through the Business Plan in a dispassionate way, I was reminded of the fact that the Comptroller and Auditor General, back in 2008, said that the funding for Jersey Finance should be cut. Back in 2008 and 2009, not only was it not cut but it was increased fairly substantially. The Council of Ministers have come up with some *pro bono* figures of work put in by finance industry members to compensate for this. But you have got to bear in mind that before Jersey Finance was formed Colin Powell and his department worked tirelessly with the industry, and there were no *pro bono* figures there. They were working for the benefit of the Island and primarily for the benefit of themselves as the industry. It is all very well for people to stand up, and it was notable that I believe that the Small Society or one of the members of the Small Society was, I believe, on the board of Jersey Finance itself. I mean this is a substantial increase in budget at a time that we are meant to be cutting our costs to the times ahead. I found it rather amusing, for example, that Jersey Finance have targeted India as a place to extract wealth from the wealthy individuals and corporations down

there, at the same time that we are giving the country overseas aid. I know back in the murky 1960s and 1970s governments used to use their overseas aid budget as a method of extracting business. Now, I am fairly certain that nothing like that would ever take place in Jersey, but at a time that we are looking to increase the budget of Jersey Finance, so that we can get more money out of countries like India, I just wonder exactly where we are standing. I work in the finance industry and the message I seem to be getting from every member of the public is: "Yes, we must cut costs as long as it does not affect me." The message about taxation is the same: "Yes, we must increase tax but make sure it does not affect me." Working in Jersey Finance, with my amendments on state salary and other amendments, it does affect me, or will affect me. But it is the right thing to do and I honestly do not think the Council of Ministers have made the case to increase yet again the funding for Jersey Finance as an entity, and I will be supporting Deputy Southern's proposition.

1.2.4 Senator A.J.H. Maclean:

Despite the comments just made by Senator Shenton and despite the global slowdown, our finance industry is still the largest contributor to the Jersey economy. This is likely to be the case certainly for the foreseeable future. The industry generates around two-thirds of all government revenues and provides 12,500 skilled jobs. Interestingly though, compared to similar jurisdictions, such as the Isle of Man or Guernsey, Jersey Finance receives significantly less in terms of government grant than their equivalent promotional bodies, it is a worrying competitive disadvantage. In 2009, for instance, the Isle of Man announced that their government was injecting £5 million into promoting the Isle of Man as an offshore centre. That figure did not include technical work such as that undertaken by Jersey Finance. The Isle of Man also have a long established office in the City of London. Guernsey Finance received £1.92 million from their government and industry for discretionary promotional work alone. They have also set up offices in Shanghai recently and are particularly active in India and the Middle East. Despite receiving proportionately less funding in 2009 and 2010 Jersey Finance outperformed both Guernsey and the Isle of Man in several key awards and the Global Financial Centres Index. In addition, their press engagement was up significantly by something like 190-odd per cent and they opened 2 representative offices on top of providing a full and comprehensive technical programme. Finance centres further afield invest even more in their finance sectors with the Ministry of Finance in Singapore, for example, committing something in the region of 680 million dollars this year in protecting the country's fiscal position; they are seeking to attract business creation and international investment. Qatar is thought to be maintaining its spending at 16million dollars on promotional activity commenced in 2008. The funding of Jersey Finance is a vital investment and that is the key bit that we need to focus on. This is an investment in the revenue generating capability of the finance industry and by default, of course, the Island to the significant tax receipts that it generates. In this respect it is certainly a frontline activity and our main source of tax revenue. Jersey Finance is widely acknowledged as having a highly positive effect on flows of business and inward investment into Jersey. If evidence were needed, the fact that approximately 20 per cent of business now emanates from emerging markets has a strong correlation to the market diversification strategy that was instigated by Jersey Finance. They have opened representative offices in the area and have strong overseas visits programmes to these particular regions. The grant support for Jersey Finance is based on detailed business plans and objectives, which are specific, measurable, attainable and relevant. They are subject to constant review, monitoring and reporting, and I can say that my department is satisfied and I am certainly satisfied that these objectives have been delivered well and that the grant to Jersey Finance does represent appropriate value for money. It is worth remembering that Jersey Finance gets only 15 per cent of the Economic Development budget in terms of a grant. That is compared to significantly higher grants which go to other industries that we were discussing just yesterday, such as tourism with close to 40 per cent. The Jersey finance industry has largely avoided the significant disruption and negative headlines seen in other major economies. This is due in no small measure to the skilful navigation of the international challenges

by Jersey Finance and the persuasive and articulate case that has been made about the Jersey proposition. This activity has significantly enhanced Jersey's reputation internationally with the media with international opinion formers and with the global finance industry. In an intensely competitive and uncertain world we cannot afford to undermine this capability. Jersey Finance has 190 member firms representing the vast majority of the local finance industry and includes all the major trade associations which it represents, who they meet and correspond with on a daily basis. Jersey Finance promotes and defends Jersey as a jurisdiction against critics and competition to ensure that business is attracted here. In addition, it acts to protect the corporate image of its members, especially during the financial crisis, when they were unable to comment on various issues such as the G20. Jersey Finance has consulted with industry and the majority of its members - clearly the ones that have not spoken to Senator Shenton, I suspect - but certainly the majority of its members felt that Jersey Finance needs increased funding, if anything, to be able to compete with competitive jurisdictions. The main reason has been the continuing financial crisis and focus on Jersey and other international financial centres by the E.U. (European Union), the U.S. (United States) and others. In addition, the level of competitiveness and investment by other competitive jurisdictions, especially emerging markets, such as greater China. Given that the States received approximately £300 million from the finance industry, and that a further £380 million is spent in the local economy, a reduction in support for the finance industry might be taken as a lack of commitment to this key industry at a critical time. This could well affect future investment decisions by major brands if they feel that the States commitment to the finance industry is weakening. This would undoubtedly be exploited by our competitors and by detractors of Jersey. International finance brands are jurisdictionally agnostic and make comparisons between jurisdictions based on competitiveness of the platform provided and the degree of support and commitment promoting, improving and developing that platform. They can switch booking centres very easily and members should be under no illusion as to the impact of cuts into the medium term strategy supporting the finance industry. Less promotion and development will mean less revenue and therefore lower tax receipts at a time that we can ill afford it. There is no logical reason why an international brand would inject more capital into a jurisdiction simply to make up a retrenchment of investment by the jurisdiction itself. It simply will not happen. The finance industry provides a very substantial in-kind contribution as a result of government funding of Jersey Finance. It is estimated that the value of this *pro bono* contribution of industry professionals who engage with Jersey Finance, providing technical consultation which informs the development of financial services legislation, is in excess of £2 million per annum. In the absence of a contribution from the States, the States, I suspect, would struggle to fund the required technical and industry input to legislative development in the future. A reduction to the grant allocation would lead to the conclusion that the States of Jersey is under-funding its support for the finance industry. This would be based on any sensible measure such as contributions to G.V.A. (Gross Value Added), employment or in relation to other competitive jurisdictions and their current commitment. In contrast a significantly higher grant is made to other industries which contribute significantly lower amounts to the economy contrasted to the finance industry.

[11:00]

While the grant to Jersey Finance in cash terms is a material figure - and I accept that - it is, in relative terms, modest when related to the contribution of the finance industry to the Jersey community and to the Jersey economy. I have to make it clear that this is not the time to be considering any form of reduction in support to Jersey Finance, although I should also mention to Members that during the course of this comprehensive spending review, as we move into 2012 and 2013, it does not mean that Jersey Finance is going to be immune through that particular process, and that is exactly as it should be. What we are saying is that in 2011, with the work that is necessary to underpin the finance industry, and to ensure, most importantly, that we protect the jobs and protect tax revenue, we must maintain this grant at this current level.

1.2.5 Senator F. du H. Le Gresley:

I am very uncomfortable with the fact that we are going to give more money to Jersey Finance particularly because later on today, tomorrow, maybe next week, we will be debating my amendment to the Business Plan, and I am not going to go into the detail of that because it is not relevant, but the fact is that the Minister for Social Security will be trying to persuade the House to remove £439,000 from his budget to cut the Christmas bonus for 3,500 people, completely, utterly: they will never receive it again after this year. Now, I have to say to myself, would I prefer to see those 3,500 people receive their Christmas bonus or would I prefer to see Jersey Finance have another £400,000? That is the sort of debate that we have to have. It is very easy to sit here and listen to the Minister, who has made his case very well for the finance industry, but when I read the report of the Council of Ministers - the comments to Deputy Southern's proposition - I, in common, with the Constable of St. John, find difficulty in understanding the *pro bono* contributions. The figure we are given is £2 million. How has that been worked out? What hourly rate are we talking about? £100 an hour, £2,000 an hour? I have no idea. But it is very convenient that these figures make the proportion ... 54 per cent, we are told, will be the proportion of the J.F.L. members' contribution. Well, it is very convenient for the purposes of the argument of the Minister. I do question the *pro bono* contribution and how it has been worked out. What I really wanted to say is we have had Senator Shenton saying - and he is involved in this industry - he does not really see, in his opinion, why we should be putting more money at this difficult time to support Jersey Finance, and I share that view because we are making difficult decisions today and we increased, according to the figures provided by the Council of Ministers, in 2009 they had an extra £400,000. Today we are saying that in 2011 they want £2.2 million, and where does it end? Yesterday we debated tourism and we agreed that we would not give more money to tourism. We accepted the Minister's proposal there. But I think today we have to put down a marker and say ... I voted for the extra £5 million, by the way, of cuts and here is a start. We can say today that £400,000 will not be added to this budget, that is a start at our £5 million. So I would urge Members to think very carefully about whether they have a conscience and whether they think it is fair to take benefits away, benefits which have been established by law, by the way, not at the discretion of any Minister, benefits that are available by law, take that money away from the people who live in Jersey and give it to the finance industry to have their office continued in the Middle East. I know where my priorities lie.

1.2.6 Deputy T.M. Pitman:

I have to observe that if we are going to finish by 9.00p.m. - I am happy to work through the night rather than come back here for 3 weeks - Members have to cut their speeches down and not repeat, so I am not going to go over some really good points that the proposer has made and the Constable of St. John. Senator Le Gresley, I share his discomfort. No, I am wholly uncomfortable. I could not be more uncomfortable with this. I mean I think Deputy Le Claire... I never would have put it as one of his attributes, but he must be psychic. He was saying the world was going to change and apparently has changed back again from 20 minutes ago with the Minister for Economic Development. The world has changed and although some in the industry would like to forget it, we all know why it has changed and who is responsible. But of course that is the global finance industry and its role in that is for a discussion - a debate - another day. I said at the start that I would support any cuts that are justified and if ever a cut was justified, as Senator Shenton really and Deputy Southern have pointed out, this is one. At £809 million profits, in a couple of amendments time I will be told, I am sure, that helping children learn about their place in the world at Durrell is a nice to have at £33,000 yet here we have this quite stomach churning, sickening, suggestion that this industry needs this money. I am afraid the world has changed and we either are going to have consistency and honesty and integrity or we are not. I think everyone must get behind ... I would have supported Senator Shenton on this, I am going to give him a good metaphorical kicking later, but I was going to support his proposition on that and I will definitely be supporting Deputy Southern on this.

1.2.7 Deputy P.V.F. Le Claire:

Senator Le Gresley has changed my mind. I was going to stand up and say ... I was going to make a speech something along these lines. Let us throw our cards on the table, we are not very happy with the way we have been treated over the last 24 hours, but the finance industry needs our support and I was going to support the Council of Ministers. But I think, listening to Senator Le Gresley, he has managed to hook my sense of community and what it is we are doing here. We are going through a process in this Business Plan, which is quite insulting really. We are being asked to play the corporate game and approve this Business Plan because it must be done under States of Jersey Law. At any stage of the game that we are not onside 100 per cent we are verbally abused, ridiculed or admonished by our counterparts who are asking for our votes and our support. We are asked to go along to these presentations, we are asked to support the industry, we are asked to support the Council of Ministers and, as much as I can, I try to do that for the better of the Island. But the last 24 hours has been stomach churning. It does not help when the media is only willing to print what the Council of Ministers say and if you want to read the words of wisdom or the quote of the day, then you have to go to the Council of Ministers to find those words of wisdom or the quotes of the day, because no words of wisdom or quotes of the day will come from the other benches unless it is misquotes or paints them in a bad light. They tend to comment upon our contributions as baffling, weird, or the length of our ties. Regardless of whether or not the Chief Minister, the Minister for Treasury and Resources, or the Minister for Economic Development think that our contributions are fantastic, because they have got an agenda as well. They are all on message, corporate Jersey, and that is the problem with this particular amendment, is we are talking about corporate Jersey here. We are not talking about finance going off into emerging markets. If 20 per cent of our business is coming from emerging markets it is certainly not being dragged in by States employees. The finance industry will go after the finance industry's gold. The finance industry pays its members and its brokers lots of money and looks after them very well, as any member of the finance industry will tell you, that knows about this. Senator Shenton, I am sure will back me up. You pay the people that make the money the most money and those are the people that go out and find the money and those are the people that make the relationships, and those are the brokers in the stock markets. They are not the people that sit in the back offices or go swanning off to big fancy champagne lunches that run in tandem with these sorts of exercises. My problem with all of this is that we are being told that the politicians know best. Well, if we look at the finance industry and the series of events that has occurred within the finance industry over the last few years we can see that the vast majority of the problems have come about by poor regulation, because the politicians got it wrong. They always get it wrong when it comes to finance because it is such an influential industry, and so many politicians who come into politics to support it and lead their communities, whichever way that industry wants it to go, will support it regardless and admonish and criticise and punish anybody else who steps out of line. The whole community gets washed along with it. There may have been a time when the Island was awash with money from the finance industry. It may have been pouring upon our heads and we may not have known what to have done with the money in previous debates when we were overwhelmed with it, but it could still be argued that we should not have been awash with money, we should have been flooded in money because the finance industry itself in Jersey has always made very, very good money. From a profitability perspective each employee in Jersey in the finance industry makes 3 times as much money as anyone else anywhere else. It is right to support the finance industry. It is right to support financial regulation. It is right to support money laundering legislation. It is right to support financial crimes task forces in the States of Jersey Police. It is right to support an independent Jersey Financial Services Commission, which we have done, which we have set up. It is right to have a presence in Brussels. It is right to have employees in Brussels who are going to put our positions across as international ambassadors. What we are talking about here is whether or not we think we can cut a few strands, £400,000 from the overall budget and increased money to a body that goes and promotes. It does not promote Barclays Bank. It does not promote NatWest Bank. NatWest Bank and Barclays Bank promote themselves. It goes along and it promotes Jersey as a place to do business. It is almost like a tourism function really. So I am not going to support

the Council of Ministers on this because I think the Council of Ministers and the people that are going to support them are just too mind-washed by this. This whole process that we are involved in, this Annual Business Plan, the fact that we have got to be here and be playing a part in it is just appalling.

The Bailiff:

If I can bring you back to the amendment, Deputy.

Deputy P.V.F. Le Claire:

The amendment is asking us not to give £400,000 to Jersey Finance. I will hear in no doubt strong terms from the Minister for Treasury and Resources why it is my speech was appalling. I know he is not liking it. Other Members are shrugging and nodding their heads already. But the reality is, is that I did not like the fact that we have not got the money for school milk. In my view it was not about dairy, it was about school children. We did not milk the cows to give it to the bulls. We milk the cows to give it to the children. I am concerned and my mind has been changed by Senator Le Gresley who has made the point about the Christmas bonus. The people on low income support, the people who are unemployed, 1,200 people unemployed in Jersey. Are they being reskilled? Are they being retrained? Many of those people within the finance industry will never get jobs back in the finance industry. I do not think it is right at this time, when we are cutting budgets, and we are cutting money, to put more money into promoting the industry. I think the industry will promote itself as and when it needs to, where it needs to, as it wants to. I think we are just going along to wave the flag. It makes our politicians look good. That is what it does. I do not think it brings in that much more money. I think the industry itself will go and get the money and I think this is more of a let us tag along party for the politicians and their friends. That is what I think it is and that is what a lot of people think it is. So I am not going to give them another £400,000 to swan off.

[11:15]

1.2.8 Connétable D.J. Murphy of Grouville:

I find myself here in a very difficult place. As a Member of the Corporate Services Scrutiny Panel, we lost our vote yesterday on getting a £5 million cutback across the board, or selectively across the board, should I say, and I was very disappointed with that, and I determined then that I would try to recoup that by my own vote going through the whole budget. I find myself put in a position where I had to vote against the school milk and if I am going to be turned into a milk snatcher then I find that I have no compulsion whatsoever in supporting Deputy Southern on this amendment. I feel that the finance industry are certainly very important, are most important to us. They are also the most competent people to take on a challenge like cutting their budget. Surely the finance industry themselves are capable of seeing the position that we are in as a government and they must cut back their costs as well as us. So I am very sorry, I shall not be supporting the Council of Ministers, I shall be supporting Deputy Southern on this.

1.2.9 Deputy J.A. Hilton of St. Helier:

It has been a very interesting debate this morning, and I have to say I do rely on a certain extent to members of the public contacting me and knowing their views on different things. I have listened to Senator Shenton this morning and been persuaded by his argument and the argument put forward of other Members as well. Certainly for me, how I have tried to approach this debate on cuts and savings, and certainly as far as the Home Affairs Department was concerned, was to look at the different things and think: "Well, is this essential or is this a nice to have?" Certainly, as far as this amendment is concerned, I have been convinced by what Senator Shenton has said. The budget is jumping from £1.8 million to £2.2 million. It is an increase of £400,000, and I have to balance that against a cut that is coming up later in the debate. Actually it is a cut to do with the Child and Adolescent Mental Health Service, which I am really struggling with. So the question I am asking

myself is I have to make a difficult choice, like we all have to make difficult choices. If there is a cut I can support ... I did not support the additional £5 million yesterday but if there is something I can support I can support this. I have also been further persuaded by the report that has been widely distributed among the public in Jersey from the Small Society, and if you look at the back of the report and they are banging on about savings, they did not want an £80 million of savings and £20 million worth of taxes. They were asking for £100 million worth of cuts in this report and the report was compiled by people, the Chamber of Commerce, the Institute of Directors, the Jersey Association of Trust Companies, Jersey Bankers Association, so if it is good enough for them and they say in the report ... they talk about cutting the grants payable. They talk about cutting all the grants payable by, I think it was, 10 per cent ... yes: "Grants to organisations supported by the States should be reviewed on a case by case basis with a view to achieving an over reduction of 10 per cent over 3 years saving approximately £4 million." If it is good enough for the Small Society to promote cuts then it is good enough for me and I will support Deputy Southern on this occasion.

1.2.10 The Deputy of St. Mary:

The issue here is consistency. We are talking about support for strategic industries so the question in my mind is - and the Constable of Grouville in a way alluded to this - if the finance industry is given a restricted budget then they will just go away and do what they can with what they have got. We have applied that principle to the other industries so I shall be interested to see when voting time comes what happens. But that is by the by in a way. The Minister made a good case for supporting a strategic industry and, in passing, I just want to mention he pulled out of a hat Singapore, the Isle of Man and Qatar. I wish that information had been in the response of the Minister so that we could check whether that support in the Isle of Man and Singapore and Qatar is comparable to what we are talking about here, but he pulls it, like rabbit, out of hat in the debate. I do not find that very helpful. In fact it is not helpful and it is a great shame, but I would point out that Qatar, which presumably has oodles of oil money and then is thinking it is going to run out, we are going to need to diversify, they have got 60 million dollars, or whatever it was, to promote a new industry in the form of finance. So it is completely not comparable to our situation. But again that is by the by. His important point was that the lack of commitment and support, if we vote for Deputy Southern's amendment, it would show a lack of commitment and support and that would have an impact. It would have an impact on the possibility of more business and so on. It would have a knock-on effect on the industry. But I have to ask Members whether the same is not true of tourism. If we fail to demonstrate our commitment to tourism then what happens to that industry? We see in the report of the proposer this fascinating bit about the fiscal stimulus bid which E.D.D. took to fund an office in the Middle East - and we have this from the Chief Executive Officer for Economic Department on page 8 of Deputy Southern's report: "Because if you set up a third representative office the very worst thing you can do is set up and then close it down 18 months later." We did exactly that with the £500 million, we voted the extra ... sorry, the fiscal stimulus package put extra money into tourism, it worked magic and then we have decided yesterday not to carry on with that, to pull it, to show our lack of support for tourism and here we are being asked to show our support for the finance industry. I find that quite difficult. The main argument the Minister seems to be using that we treat the situation differently with regard to finances for tourism is: "Ah, but the department spends a lot more support in tourism than finance and so this £400,000 must stay in." He uses the figures that 35 per cent of his budget goes on tourism and 16 per cent, I think, he said goes on the finance industry, and I want to look at that, and the Constable of St. John asked that question about what other support is there for the finance industry, and mentioned Ministers going to meetings and so on. Well I asked a written question about just that, back in June, about the support that the finance industry receives, not from the E.D. Department, not from Economic Development. I itemised various aspects of support for the finance industry that come from the Chief Minister's Office and elsewhere and asked for details. So Members might like to hear just how much support we give the finance industry apart from the money we are talking

about, the £2.2 million. The Chief Minister's Department shows that the Business Plan 2010 shows there are 3 F.T.E. (full-time equivalent) staff working on issues related to international finance. That is 3 staff, very highly paid working in the Chief Minister's Department on these issues. Other staff in the department provide support as and when necessary and this support is estimated at around one F.T.E., so that is 4 full-time equivalents of very expensive people. We are looking at £800,000 already; £200,000 each is my guess at what these people are earning. Then I asked about legislation. A list of the legislation is attached and it is a huge list. It covers 2 pages of A4 in just the last 3 years. The Law Draftsman's office estimates the time spent on this legislation as a whole amounts to approximately 1.5 to 2 F.T.E.s - let us call it 2. You cannot draft that lot without considerable input of manpower, both preparing the drafting instructions and doing it. Two whole pages, every line is another law or another regulation. Two F.T.E.s, at least, highly paid. So we are now well over £1 million in staff costs associated with this industry. That is fine. I do not have a quarrel with all that. I am just pointing out the facts. £2.2 million from E.D. plus another £1 million. Now from the police, we have been basically instructed by I.M.F. (International Monetary Fund) to tighten up our act with regard to financial crime and investigations of fraud and so on, and there is in the budget a growth request, which Senator Shenton tried to remove, I cannot remember whether it is still in or still out, he was trying to reduce that allocation, but the Minister for Home Affairs was asking for another £1 million to boost the financial crimes capability within the police force, because you have to keep up with these guys, because if you do not the reputation of the entire industry is at risk. So you have to have compliance enforcement capability, and that is another £1 million, so we are now on £4.2 million. That is not all. Then we have the support in the courts and in the proposition of Article 11(8) refunding requests, P.64 of this year, we were asked to vote a large sum of money extra on the hoof for court costs. I think it added up to about £8 million all together. Now, in that breakdown of the spending requirements for 2010, we have estimates from the different departments, and these are very revealing. The Law Officers' high cost fraud cases, £3.69 million; £3.7 million estimated for high cost fraud cases. Those are not you and me hitting each other with a glass bottle, those are directly connected to the finance industry. The Home Affairs base budget shortfall, court and case costs, primarily as a result of increased number of financial cases and an operation requiring forensic computer analysis, £1.7 million. So, if somebody can keep the score, that is now £5.4 million, knock off a bit because not all that would have been finance related in the Home Affairs one, so call it £5 million. Judicial Greffe, due to fraud, drugs and family law cases, the estimate for 2010, £4.7 million. Can you keep the score somebody, because it is a lot of money? Let us say the half the Judicial Greffe is for finance, that is £2.3 million, so we are now over £7 million. We are now on £11 million; £2.2 million from E.D, £2 million in additional staff costs at Chief Minister's and Law Draftsman, and £7 million in court costs. That support is part of what the government does because this Island is a finance centre. Those costs are not borne by industry except, of course, through their tax receipts. That is what we are talking about, £11 million, and so when the Minister for Economic Development says we support tourism to the tune of 35 per cent of our budget and we only support finance to the tune of 16 per cent, sorry, it does not stack up. We support finance a lot more than he says. So what we are looking at is a small budget cut in the overall mechanisms that the Island provides for the finance industry. Now the Minister's defence, although we are way adrift now with £11 million, but the Minister's defence is: "Ah, yes, but they do a lot of work *pro bono*." Other people have alluded to this, the £2 million, and said they are very uncomfortable. Well I certainly almost laughed out loud, and then I remembered when I used to run a cycle hire business. I remember as clearly as if it was yesterday writing a little note to the head of European marketing at the time saying: "Did you realise that when you put into your foreign brochure, your French language, German language brochure, that Jersey is wonderful for cycling?"

[11:30]

This is going back to 2003, 2004, before the network, or anything like that, that Jersey is wonderful for cycling. You are laying yourselves open to having dissatisfied customers because if a German

comes to Jersey and finds there is nowhere to put the bike, there are no routes, there is basically no facilities for cycling at all, he will not go home a happy bunny and, of course, that will spread because bad news spreads faster than good news and you are damaging the market you are trying to create. He took me very seriously. I had a meeting with them and then it went into product development and the upshot of that was 2 or 3 years later the Jersey Cycle Network plus parking facilities almost everywhere for bicycles. Did I do that *pro bono*? Did I charge £350 an hour for that? Did I get it written down somewhere that that was part of Tourism's budget? No, I did not; partly because I was doing it because I thought it was the right thing to do and partly because I was running a cycle hire business and I have clearly got a little interest in seeing Jersey as a better place for cycling. So I really do find this idea that the finance industry is sort of putting up ideas for new products and then helping to frame the legislation ... I do find saying that that is some kind of reason why we should find the extra £400,000 very peculiar; in fact laughable. In conclusion, I do not disagree with supporting strategic industries. We ought to support finance, we ought to support agriculture and we ought to support tourism. But if we do we should do it across the board. We should do it fairly and case by case because obviously the conditions in different industries are different. But what we seem to be doing is supporting finance if we vote against this and deciding not to support tourism and, and I find that inconsistent. I find that not the right way to go. I have shown that finance gets far more support than tourism. We have rejected tourism. We have rejected agriculture. So it is going to be interesting to see which way the proponents of small government will vote on this amendment.

1.2.11 Senator T.A. Le Sueur:

I can well understand that several Members may find this amendment tempting to adopt and I have to try to explain to them why that is a fallacy. I think that we may be in danger here of letting our hearts rule our heads. I am reminded that we spent a lot of time yesterday debating whether or not to add another £5 million to our savings targets and we spoke at length about the balance between increasing our saving measures and increasing taxes and confirming generally a dislike or distaste for increasing taxes. But I remind Members that we are debating a business plan as a whole and that business plan is dealing with a problem of remedying a deficit in the order of £100 million. There are 3 ways of addressing that deficit. We spoke yesterday about 2, about taxation and savings. But there is an important third way, a way which is the most comfortable for all of us, and that third way is to stimulate economic growth. If we fail to stimulate economic growth we have to make further cuts or raise further taxes. So I urge Members not to forget that there are 3 elements to this Business Plan and that economic growth and economic benefit to the Island is important, just as minimising tax increases or savings are also important. I say that in the context of the industry which contributes far and away the most to the revenue that we need to pay for the services we want. When Senator Le Gresley argues that he would sooner pay £400,000 in Christmas bonus than £400,000 to the finance industry, I would remind him and remind Members generally that it is because the finance industry generates the sort of revenues that it does that we are able to pay Christmas bonuses, we are able to pay social benefits and we are able to pay for healthcare and education and the other services that the Island needs; an industry which, as the proposer said, generates over £800 million a year and from that we get a significant amount of tax revenue. If we increase our investment in that very successful industry can we generate an increased return of more than £400,000? I would very much think we can. There is a substantial multiplier in the finance industry. As I think somebody mentioned, the return per employee from each member of the finance industry is significantly higher than that from any other sector of the economy. So we undermine the finance industry and its profitability at our peril. Not for £400,000; that is, if you like, a drop in the ocean. It is the greater message of not investing in the finance industry, not generating the bedrock of our revenue, which is the message that this could generate. In their comments on amendment 9 the Corporate Services Scrutiny Panel warned of the dangers of us trying to micro-manage and I think this is, yet again, another example of that because what we have here is a situation of investing. Not just to generate more revenue and more business,

which is very good in itself; it is also generating an atmosphere which creates more employment opportunities. At a time when we have got unemployment running at significant levels are we going to send a message to the finance industry: “No, we do not really want to develop the industry; we want for you to cut back or go elsewhere”? Make no mistake, the industry takes signals from governments. It takes a signal from us; it takes a signal from Guernsey; it takes a signal from the Isle of Man, from Singapore and from anywhere else in the world. If the signal from this Government is: “We do not want to invest in the finance industry, thank you very much; we are quite satisfied with where we are”, are they going to want to invest, as they have done, in creating new opportunities in the banking industry, in other aspects of the finance industry, creating new job opportunities? This amendment is very tempting but it is a very dangerous short-term solution. Indeed it is not even a solution. It is a misapprehension that by cutting this £400,000 we save money; whereas by cutting this £400,000 we miss the opportunity to generate far more. Thank you.

1.2.12 Senator S.C. Ferguson:

I am pleased to be able to follow the Chief Minister. He talks about red tape; sorry, economic growth. The best way is to cut expenditure and the red tape and let the private sector get on with it. I quoted Alesina and Ardagna yesterday and the evidence - not the theory, the evidence - is that you cut expenditure, you stop the growth in the size of the Government wage bill and you let private industry get on with it. The signal that we would give from cutting overall Government expenditure and reducing the size of the State has a much better informational content for the industry than £400,000 for Jersey Finance. Now, I do not often agree with Deputy Southern, as you all well know. Yes, obviously we will get the comment: “In times of difficulty you must not cut the marketing budget.” But in light of all this, the best people to advertise are the industry themselves; not a quango and definitely not the State. Has this organisation become too much of a quango? Has it really looked at its expenditure? Is it really a lean mean machine? Members have mentioned the *pro bono*. I do not like estimates of *pro bono*. I have been around long enough to know that it usually ends up costing more, whether to the person you supply it to or the person who supplies it. I prefer the certainty of arms-length transactions. Deputy Hilton mentioned the Small Society and their recommendation to cut 10 per cent on grants. Well, that is quite interesting because my amendment, which will come later - much later - is to deduct 10 per cent of grants and subsidies. Now, the Jersey Finance Company is listed as part of that section on the £40 million worth of grants. So I presume that they are happy to be included in the overall cuts. In actual fact in 2009 the figure, according to E.D.D., is not £1,800,00. It is £2,089,000. So there is a disparity there already. I suppose, in effect, if this amendment is passed then my 10 per cent of £40million is gradually being reduced. I mean if this goes through we are only looking for £3.6 million. Yes, I appreciate the comments of the Chief Minister. I appreciate the fact that he does not want to give the wrong message to the industry. But I think the House must remember that a better message to the industry is that we are genuinely looking at cuts in Government - for a small government - and we are looking for small tax rises and I think that is a very much sounder message to get across.

1.2.13 Deputy A.K.F. Green of St. Helier:

I have not got much to say except the Chief Minister was talking about sending out a signal to the finance industry and I think the signal, if we accept this amendment, is clearly one of: “We value you” because in accepting this amendment we are not making a cut when lots of other departments and lots of other areas have had cuts made. We have had some very difficult decisions to make and all we are doing is refusing to make an increase. Not making a cut; we are refusing to make an increase. We are maintaining the *status quo*. What a fantastic signal of support for the industry when everyone else has had to make cuts. So I urge people to support the amendment.

1.2.14 Deputy I.J. Gorst of St. Clement:

I should make the declaration of interest, even though it does not mean I have to withdraw, that I have an interest in a finance company; as have other speakers this morning. I also just want to

touch on a comment made by Senator Shenton and reassure him and the Assembly that Jersey's overseas aid budget and grants are not connected with trade in any way, shape or form. If Members wish to look at the comments that the Chief Minister kindly lodged on our behalf, they will see the excellent work and the value that the projects in India, in particular, have achieved. While I have agreed, and the Commission has agreed, that it will review its policy with regard to granting money to India, it was with some irony that we received a request yesterday for emergency funding for India for flooding which is affecting, as we speak, over 10 million people.

[11:45]

75,000 homes have already been devastated or severely damaged and that is the background against which members of the Commission have to make sometimes difficult decisions. However, I can assure him that we do challenge those grant applications which refer to India and, as I have given that commitment, we will review again that policy. But simply to say, it is not quite that straightforward but I can give the assurance that our aid is not connected with trade in any way, shape or form, nor is it government-to-government aid. We are absolutely certain and clear on that particular policy and I believe that that is why we are able to achieve the great benefit that we are, that perhaps other governments and other communities do not achieve through their overseas aid budget. But to move directly to this amendment, the finance industry in Jersey is an industry which competes in the international marketplace. Whether we like it or not - and some political views takes exception to this - jurisdictions are competing against each other. It is against that background that we, as a government of our jurisdiction, have to understand how our main industry is operating, what its position is in that international marketplace and whether we, as a government, feel that we want to support it, encourage it and promote it in those marketplaces where its competitors are strengthening. Perhaps we should look at where our competition or marketplaces are weakening, and look for other opportunities where we can promote that industry. It is only fair for me to acknowledge, and I do understand the comments and sentiments of Senator Le Gresley when he talked about the conflict between promoting the finance industry and the cutting of benefits that we are having to do as a community here. I also understand the feeling of Deputy Hilton when she referred to some of the comments emanating from, I think, the Small Society. With particular regard to that, we have an obligation not simply to take information or pamphlets which are thrust under our nose at face value but to try and see what is the balanced approach that we should be taking; what is in the benefit of our community. Yes, I think we, as an Assembly, believe that we should be cutting our expenditure but we must also be responsible and acknowledge where it is that we must protect that spending and perhaps, in some instances, where it is that we must increase that spending. I, in my department, have some very difficult balancing acts. We will get on to some amendments to my budget hopefully later this week. Senator Le Gresley came down on the view that he would rather maintain the Christmas bonus than give this money to the finance industry. The Christmas bonus is not the only benefit which I administer. The main benefit, as Members know, is the income support benefit. The levels of income support and the levels of benefit which we must give to members of our community has a direct correlation to the economic activity within our community and the buoyancy of the economy and the number of jobs in the economy and the number of jobs being created in the economy. Why do I mention that? I mention that because I believe it is by promotion of our main industry that we will see the job levels maintained and it is hoped that they will be increased. We need to be and have a mind to creating jobs in our economy, as we heard Senator Le Main saying yesterday, for local individuals. However much we might dislike it, this is a responsibility of government and of us as a government to ensure that the economy does grow and that jobs are created for members of the local community. That is why, in this instance, I must disagree with this amendment because I believe that that job creation, that wealth creation, that revenue creation, is just as important and, on balance, we should be supporting those elements of what this budget will achieve. I have very little doubt that it will achieve this because it has achieved it in the past. As I tried to say, we all know that our economy, in common with other economies in Western Europe, has struggled and

continues to struggle in the current economic climate. The markets for the finance industry which we have traditionally exploited - I use that word carefully - are within Europe. Those markets, as we know, are suffering as we are suffering and have and are declining. We must look to other areas of the globe, other geographical regions of the world, to supplement those declining markets and it is only through quantum leaps of money like this that we will be able to open offices in other parts of the world; that we will be able to promote our jurisdiction, which is what it is that we are doing. We have a lot to be proud of in what we have achieved in our finance industry. Unfortunately we, as a community, have somewhat of a love/hate relationship with the finance industry. I think that we all recognise that we need it. We all recognise the benefit from it but sometimes we focus on the difficulties that it has created for us, the downsides of creating perhaps a relatively high-cost economy, and we major on those things rather than the benefits that it brings to us. I ask Members today not to major on those downsides but to recognise its benefits and to continue to offer support to it. Not uncritically. We have heard the Minister say quite clearly that, while this is his proposed budget for 2011, in 2012 and 2013 he will be working with J.F.L. to understand perhaps how this budget can be cut as well. Deputy Southern, it seemed to me, the main thrust of his argument in moving this amendment was that he did not believe that the partnership was equal. I understand that sentiment and I believe that it is in that particular area that I would expect the Minister for Economic Development to be challenging Jersey Finance for their 2012 and 2013 budget. But that, to me, did not give any rationale whatsoever for us today cutting their budget without having undertaken that particular piece of work. Senator Ferguson said that she asked the question of Economic Development: "Have their costs and expenditures been looked at?" I cannot say that they have but I suspect that they keep them under review. I believe that that is part of the work that the Economic Development Department will be doing when it comes to regard the 2012 and 2013 budget. As I have already said, I recognise that the decisions before this Assembly in the Business Plan are not straightforward. They are not easy. There are some difficult decisions and perhaps, surprisingly, this is one of them. But I would urge Members who are considering cutting this budget at this time, rather than the downside of the industry - that, perhaps, "hate" side of the relationship that we have - to think more of the love side and see the benefit that it gives to our community. I want to see more jobs created. I want to see more people in work and by cutting this particular budget I believe that we are limiting that potential. Although the economy is not my specific department, I do support the Minister for Economic Development's budget and maintaining it at this particular level. I urge Members to consider carefully before they decide to support this amendment.

Deputy M.R. Higgins:

Sir, can I seek a point of clarification from the Deputy? He mentioned at the start that he has an interest in a finance company. Could he tell Members whether the firm is a member of Jersey Finance and if not, why not?

The Bailiff:

It does not seem to be a point of clarification at all. It is simply a question. Members are for ever asking for points of clarification which are really just points to be made, and I am going to try and be strict on stopping points of clarification which are not points of clarification at all.

[Approbation]

1.2.15 Senator F.E. Cohen:

I do not exaggerate when I say that I believe the financial services industry stands at a precipice on which our very standard of living depends. We rely entirely as a community on the financial services industry. It affects the incomes or benefits received by virtually every single Islander, whether their income is large or whether their income is small. We are in a very competitive environment. We compete against Guernsey, Switzerland, Luxemburg, the Cayman Islands and indeed many others. I do not believe that offshore business is desperate to come to Jersey. It can

go to any of the other jurisdictions I have mentioned, and indeed there are many others. I have no doubt that we need to court business by providing the right legislative and regulatory framework and by promoting business in the way that our various services presently do. The vast majority of job prospects for those seeking work presently and job prospects for those in the future and our children will rest with the financial services industry and we should do everything we possibly can to nurture this industry. I am in no doubt personally of the difficulties that the Island faces in relation to the competitive nature of the financial services industry because I have heard a number of stories recently. I was contacted only a few weeks ago by the representatives of someone who was considering moving their assets to Jersey but was so concerned about the potential changes that may take place in the Island as a result of some of the matters that we are presently discussing that they had decided to move their funds elsewhere. It was a matter of very significant value and certainly involved many hundreds of millions of pounds. We need to be in a position where we are actively promoting our financial services industry because it is the bedrock of everything that we do, and I do not exaggerate when I say that. We should at this time be increasing our investment in supporting the financial services industry and I hope that Members will consider very carefully when they vote on this particular matter.

Senator J.L. Perchard:

Sir, could I ask for a point of clarification from the previous speaker? Interestingly, he said that he was aware of somebody who was considering investing their fortunes in the Island but decided to go elsewhere. Would he inform us as to where and why?

Senator F.E. Cohen:

I would be more than happy to do so privately to the Senator, but I think I have gone far enough in terms of private correspondence that I entered into.

1.2.16 Senator P.F.C. Ozouf:

I am really quite concerned about the way this debate appears to be turning. There are 3 ways, as the Chief Minister has said, that the Assembly can deal with a deficit: cutting spending, increasing taxes or boosting economic growth. While this debate is certainly about spending and the message is absolutely received in terms of the need for spending, and I think that that is going to be an important consideration as the Council of Ministers next week goes through and starts the second stage of the comprehensive spending review, we also, in both this debate on spending and indeed the budget, have to have an eye on that third really important area of maximising our revenue. Within the £100 million deficit calculations that we have carried out at the Treasury, we have built in some economic growth. I understand this and it is not in any way a criticism but I am extremely worried about some of the complacency that may exist about just how difficult it is going to be to secure some of that economic growth in the future.

[12:00]

It is important not to be unrealistic about economic growth. I am not going to promise things that we cannot deliver. I am not going to promise, for one moment, that we can grow our financial services industry to evaporate the £100 million deficit. I hope that we can do and reach the targets that we have set out for economic growth; I hope that we can exceed them. I spend all the time that I am not spending on tax and spending... I do, as Members will know and have done since I was the Minister for Economic Development, I spend a lot of time on the international financial services agenda with the Chief Minister and Senator Maclean. We have a partnership with the industry and government which is the envy of many of our competitors. Some Members have almost questioned the *pro bono* work that is being carried out by the industry. The *pro bono* work that our industry carries out is extremely widespread. It is in terms of market strategy groups, it is trust working parties on evolving our trust law, funds working party, something that has taken up an enormous amount of time in dealing with the real threats of A.I.F.M. (Alternative Investment Fund Managers)

and Brussels regulation. What we have done in Jersey is almost being regarded as the model in terms of industry participation and industry participation and advice in the whole area that sometimes government is telling industry: "We are going to be raising regulatory standards." This Assembly passed many I.M.F.-linked laws in the last couple of years, which were difficult for industry, but we had industry representatives from across the board that are spending their time on helping us making the right decisions. It is no exaggeration to say that we save, as the States of Jersey, hundreds of thousands of pounds from the free advice that we get from the *pro bono* calculation. It is appropriate, as the Constable of St. John has said, that Government also spends time with this industry and securing its future. It is really important. It is £300 million worth of tax in corporate and personal taxes. It employs over 12,500 people. It is hundreds of millions of pounds worth of money spent into the local economy, which is all the benefit that we see outside of the financial services industry. I think that every Member of this Assembly who has supported some of those financial laws that I spoke about, some of the measures that we have taken in this Assembly to secure our financial services future, should share in the pride of the success of our financial services industry. Today we are, I am afraid, at the risk of sending a message about our support for financial services. We have been phenomenally successful in Jersey over recent decades. One of the reasons we have been so successful is that we have moved appropriately and we have evolved what we do. Many people have rung the death bell for the financial services industry over many times. I can remember my father talking about this even in the 1980s. It has not happened and it will not happen providing that we continue to keep the right regulatory standards and the right players in Jersey. Regulation, stable political environment and our court service, delivering world class judgments, if I may say so, in the area of trust world and promotion, they all play their part in having achieved the success that we have today in financial services but very importantly in the future. A statistic that may interest Members; two-thirds of the finance industry participants - because they are regularly surveyed as part of the excellent work that J.F.L. and the Statistics Unit do - expect the U.K. business to decline. Twenty per cent of financial services players expect European business to decline. To make up for this inevitable decline, as markets readjust, as the global power plates shift towards the east, many of our financial services' players must turn to the growing areas of the world in Asia and the Middle East for business. We cannot be complacent. Some of this will not happen by accident. I know that Senator Shenton does not support some of the work of Jersey Finance. I know that he is sceptical. He clearly speaks to different people than I do in terms of support for J.F.L. The world has changed, as I have said, and it will continue to change. He spoke about the simple world whereby I think he spoke back to the world of the 1980s where we had one department in Cyril Le Marquand House that dealt with regulation and promotion and the whole of government affairs and, of course, the director of International Affairs, Mr. Colin Powell, was central to that. He managed to secure fantastic growth for Jersey's finance industry but the world has changed. Mr. Powell used to wear-out shoe leather on the streets of London and that was vital to secure some of the major brands that we have in Jersey today and indeed other key players. Indeed some of the growth, as Deputy Le Claire is quite rightly saying, in the future will happen without action from government or from J.F.L., but I am afraid does not understand the world that we now live in. Shoe leather now needs to be worn-out not only in London, which we are now doing, it needs to be worn-out on the streets of Shanghai, of Abu Dhabi, of Hong Kong and indeed in Mumbai. Indeed Mumbai; I know that Members have said that they are uncomfortable with some aspects of, on the one side, putting in overseas aid money into India and on the other side promoting financial services. Deputy Gorst has quite rightly said the issues, there are massive poverty issues with India but India will lift millions of people out of poverty because of economic growth. Economic growth, a factor of that, is access to capital markets, access to money to invest in their industries, of which Jersey has a useful and vital part to play. The quango that Senator Ferguson spoke about - and she and I agree on a lot of things but we do not agree, I think, on some aspects of her views on J.F.L. and the J.F.S.C. (Jersey Financial Services Commission) - secured entry for Jersey companies on the Hong Kong stock market, listing capability that was almost something that other competitor jurisdictions within the

Crown Dependency, the northern one, stole a march on us. I am afraid that we have to promote and secure new financial services entities. Because of mergers and consolidations within the banking industry there has been a reduction in banking licences. We need to secure some of the new global powerhouses in terms of banking on our financial services and our banking industry register. I met the Jersey Banker's Association last week, some would say that they are self-interested and would not want to see competition. Actually they want to see us approach and secure banking licences from some of the top 100 in financial institutions which will be different financial institutions in 10 years' time. They want to see Jersey's offshore financial services industry become increasingly diverse in terms of its geographic nature. Jersey Finance is the vehicle that we use to secure this growth. I will agree with Senator Shenton on one thing, I think that what J.F.L. did, maybe 5 or 6 or 7 years ago in terms of flag-waving, was questionable. I went on a trip to the Middle East when I was a relatively younger States Member and I questioned whether or not those flag-waving trips were really worthwhile in terms of taxpayers' money. Under the leadership of the Chief Executive of Jersey Finance they have changed enormously in what they do. They are a hugely respected organisation in what they do and I have been privileged to go on some of the trips with Jersey Finance, and I have worked hard with members of the industry and officials from Jersey Finance in terms of securing business. This is hugely important to our future economic growth. We need economic growth to keep all of the taxes, that every single Member is concerned about, low. We need to secure economic growth in order to avoid bigger taxes in the future. Sending a message that we are not interested in securing new business from the G.C.C. (Gulf Co-operation Council) which is what this additional money is which is about putting an individual and an office in the Middle East, will send a serious message, I am afraid, about this Assembly and Jersey support of financial services. I am afraid our competitors will be licking their chops at the prospect of Jersey perhaps sending the message that we are not serious in growing. We need to get back to basics. This is about jobs and it is about tax revenues. Opportunities and business from traditional markets are declining. This extra funding is critical to develop significant opportunities and I am not complacent but I am confident this will help develop the opportunities in the new and existing areas which we must be trading in. Our competitors, as the Minister has said, are investing heavily. He is not misrepresenting any of the facts in his remarks. They are investing heavily in the developing world in Asia Pacific where business will be so different in 10 and 20 years. This is an essential investment to ensure that we have that tax revenue and we do not have to make deeper cuts. I urge Members to send a strong signal that we support financial services and we want growth in order to keep our taxes low.

Deputy T.M. Pitman:

Sir, is it possible to ask a question of the Minister?

The Bailiff:

It is not question time, no, unless you were seeking a point of information, it is not, no.

Deputy T.M. Pitman:

If it is a clarification I am happy to do it. [Laughter]

The Bailiff:

Well, clarification, in this Assembly, I am finding is not usually clarification at all. It is a desire to make a point or ask a question which should be dealt with in debate. Does any other Member wish to speak? Deputy Higgins.

1.2.17 Deputy M.R. Higgins:

I am pleased to have sat through most of the debate, there have been some very interesting points made. The Chief Minister referred to the importance of the increased grant, as has the Minister for Treasury and Resources, to Jersey Finance to achieve higher economic growth, mentioning there was a third very, very important element of dealing with a deficit. I agree, there are 3 elements that

you use to reduce a deficit; it is either cutting spending, increasing taxes or achieving economic growth. However, the Chief Minister and the other Ministers have admitted to the Corporate Services Scrutiny Panel that they do not have an economic growth plan. All you have to do is read the transcripts, speak to the different members of the committee, and they will tell you. Nor have they started on it. When they talk about economic growth it is a bit hollow if there is no plan in place. Yesterday also I opposed the cuts to the tourism budget because I believe that we should invest in the industry because of its contribution to economic growth, yet the Council of Ministers and their supporters voted against it. Let us look at the causes of the current recession; it was caused by the excesses and abuses of the global finance industry and, most notably, in the United States and the United Kingdom. What Members probably will not remember is what I said during the debate when we discussed the economic stimulus plan. What I said there was that financially induced recessions tend to be longer and deeper than normal recessions and this is based on a paper by the I.M.F. and some Nobel Prize-winning economists, so financially induced recessions tend to be longer and deeper. Therefore, that paper said that other sectors of our economy are likely to grow before the finance industry. This was one of the reasons why I was supporting the tourism industry because I believe it may recover before the finance industry recovers. Again, the evidence that I have seen from a number of economic reports is that it may take many, many years for the finance industry to recover to the levels that existed before the financial meltdown. That does not mean to say we should not support the industry. I believe we are supporting the industry and, as Deputy Green has already highlighted, we are not cutting the money we are giving to them, we are, in a sense, ring-fencing what they have got at the present time because we are cutting everything else and so therefore it should not be seen as knocking the finance industry or not supporting them. In fact just going back to the idea of the economy, obviously ever since I have been in this House I have gone on about the dependence that we have on finance. One of the things you should realise too is because of our commitment to the finance industry our recession is deeper than that of Guernsey and the Isle of Man and the reason being that they have a more balanced economy. They are not solely dependent on finance and we are. We have to be aware of the fact that, yes, it is a great contributor to what we do but there are also down sides to that.

[12:15]

Deputy Wimberley also mentioned a whole series of ways that we are supporting the industry. He came up with a whole long list, which I think it came back to about £11 million by the time he was finished, in terms of other contributions. But Senator Ozouf was not totally forthcoming when he talked about the 3 measures that you can help reduce a recession. Okay, cut spending, we are looking at that. We have not yet addressed raising taxes but when we do I can assure you the finance industry is going to be well insulated against tax rises because the policy that is going to be coming out from the Council of Ministers will be: "We have got to be tax neutral, we cannot affect these financial service products, we cannot put any taxes on them because if we do we will not be competitive." In the same way the industry is paying 10 per cent tax on its profits. That sum is lower than it could be in many other centres in the world and the finance industry feels that 10 per cent is acceptable, but what I am saying to you is we are already subsidising the industry by making it competitive in that way of having them here. What I am saying to you is beyond what Deputy Wimberley has said, is the contribution of the States to the industry, bear in mind when we come to taxes he will be making further contributions because I am quite convinced that the vast majority of this House are more likely to vote for G.S.T. (Goods and Services Tax) - which I will not be - than to put money on companies and especially on the finance industry. In conclusion then, I believe that we should support Deputy Southern's amendment on this particular one because if we do not I think that the population of the Island will be most unhappy with this House.

1.2.18 Senator J.L. Perchard:

It has been very interesting this debate and a word that stuck out earlier was that we need to be consistent, and I intend to be consistent, but I would like to ask the proposer, when summing-up, to

help me. I have studied the annex to the Business Plan and if Members have it perhaps they would turn to page 26, it is quite important that they do. While they are doing that I will just remind you of what is being said by a few speakers and not challenged, and I accept that it may be true. We are not cutting the contribution to J.F.L. and we are maintaining the level of support to J.F.L., that is what we have been told. I want to know where that is evidenced on page 26 of the annex to the plan, top left-hand corner, finance sector? Follow that line across and you will see the figure of £762,000 which is the increase proposed for 2011. That increase is to be awarded to provide funding for Jersey Finance Limited, the second box down: "To provide funding for Jersey Financial Services Commission" and the third box down: "To support the finance industry, particularly through developing new legislation." Where in this document or, in fact, the draft Annual Business Plan does it say that J.F.L. are to receive £400,000? I am struggling with this and I am then struggling with the fact that they will not be getting a reduction in their support. Senator Shenton points me to a document with comments from the Council of Ministers, but we are talking about amending the draft Annual Business Plan. If Deputy Southern could assure me that there will not be a reduction in the support to J.F.L. to the 2010 levels I may well be supporting his proposition because I intend to be consistent throughout this debate. Every pound that we spend we will have to raise through taxation.

1.2.19 Deputy M. Tadier of St. Brelade:

Double-think: I have got a BlackBerry now so I do not need my laptop when I can look these things up on the internet. It is the power of holding 2 contradictory beliefs in one's mind simultaneously and accepting both of them as true; a useful tool in politics, in particular if you are a Minister it would seem. We have heard about consistency today. I am glad that Senator Perchard stood up and made that correct speech, in my opinion, and I am glad that he is being consistent. I also want to acknowledge the correct and good contributions from the Constable of Grouville and from other members of the panel, which we heard from yesterday. There have been speeches and very passionate speeches about the public wanting us to control public spending, and I think that is true that they do not want to see waste. This seems like one of the most sensible amendments that has been brought forward and I think because of that it is likely to get through. As we have heard already we are not even cutting the funding to Jersey Finance, we are simply not increasing it. Quite a sensible thing to do and quite consistent in a time which, we are told, we must be tightening our belts during a recession. I remarked on the words, in particular, of the Minister for Economic Development earlier when he said that it is not simply about the money, it is about sending the right message out to the finance industry, to send a message of support out, and that if we do not pass this it will send the wrong message. If we are to believe the Minister for Treasury and Resources the finance industry will leave, no new business will come here, they will all go somewhere else, which would be supporting their finance industry more. This, of course, is complete nonsense. Senator Ferguson is quite right when she says that the finance industry is capable of promoting themselves for themselves. I spoke to somebody from Jersey Finance a while back and I was not aware that this was an employee of Jersey Finance. We were not even talking about Jersey Finance, we were talking about the subject of tuition fees at university and simply she added into the conversation - I probably should not tell you this: "But personally we should not be subsidising finance at all, they are quite capable of doing it themselves." That was somebody at the coalface and that is somebody who obviously I cannot name but that was the case. This is something I had not even really thought about before. I tend to be more of the opinion of the Deputy of St. Mary. There is nothing wrong, *per se*, with subsidising key industries at the right time but it has to be consistent and, during this time, I do not think it is appropriate to increase the funding for Jersey Finance. In the long term we should be looking for a system of levying from the industry which is proportionate and *pro rata* across the board for them, so they can contribute to Jersey Finance. But, in a different sense as well, it is questionable to have too much of a closeness, I think, particularly between the Minister for Treasury and Resources and Jersey Finance. I have no problem with Ministers or Jersey politicians going abroad on diplomatic visits; that is something which is key,

that is something which should be promoted and in fact I would certainly support a review or the appointment of a Foreign Minister. I think that is the way that Jersey needs to go if it is going to raise its image on the world stage, not simply for finance but for Jersey in general. That is the way I think we would need to be going. But the reason I think there needs to be something of a separation is when we are dealing with countries like China, India and various developing countries; it is quite right that finance or tourism go up there themselves to promote themselves but what about when there are conflicts of interest? We know that China does not have a great human rights record. We know that India also has dubious practices going on and we do not need to list them here. That is a fact, you only need to look at Amnesty and other civil society organisations. As well as promoting the Island it is the job of the government in Jersey to raise these issues on the world stage when relevant, not necessarily publicly but certainly behind closed doors. Can these things really be done if we are going to be complicit? Our main focus politically is to promote the finance industry or any other industry. I think that is why we need a clear separation, certainly have Ministers who go abroad, who will promote Jersey in lots of ways but diplomatically and let the industries promote themselves. I also agree that rather than necessarily handing up £400,000, let us put it in context, it is almost £500,000 that we are dealing with, at a time when we are supposed to be cutting back, what we should be doing is selling policy. That is what the government traditionally has done to promote growth in the finance industry, sometimes even with questionable policy like the L.L.P. (Limited Liability Partnership) back in the 1990s which caused a hell of a stir in which ...

The Bailiff:

I do not think that is a parliamentary expression.

Deputy M. Tadier:

Sorry, Sir. I will take back the words “hell” and “stir.” I do apologise, but it created a massive impact politically. We know that there were resignations and I do not even think the L.L.P. law was used, it was simply a Jersey ... in that instance was used for nefarious, in my opinion, purposes. Nonetheless, we should be setting good and constructive policy in Jersey to help all of our industries. I would urge Members to support the amendment of Deputy Southern, to listen to the evidenced research and opinion of the Economic Scrutiny Panel and to reject the spurious and misleading claims of the Ministers.

1.2.20 Connétable J.M. Refault of St. Peter:

I find the longer this debate goes on the more confused I am getting with the right way to go with regard to this amendment. The one thing that draws me back is the word “consistency”. Yesterday the majority of Members of this House voted not to have any further cuts. What are we doing now? We are voting to have further cuts. We argued yesterday that we needed to bring these cuts into place with thought and with measure and in appropriate places, not just say we are going to take these cuts away and let departments have to fund them themselves. Economic Development, I believe, are already making their contribution in cuts this year, they are all required to do, the 2 per cent, and now we are asking to make further cuts on top of this. We are not allowing them to make the judgments which we require them to do, as Economic Development, on the best way to apportion the cuts. We are telling them we want them to do them in a particular way where we are possibly less in grasp with the evidence that they are using to make these judgments. I thank Senator Perchard when he turned to page 26 of the Business Plan and, to be honest, I had not looked at the detail before and I did, as a result of Senator Perchard’s intervention. What are we looking for this money for? “To provide funding to Jersey Financial Services Commission for anti-money laundering unit to extend its activities to non-financial services entities.” This is the global one of 762 which includes that amount of money that is being voted for today.

The Bailiff:

I think at the moment, Constable, this current amendment only relates to the first of those items which is providing funding for Jersey Finance Limited, not to the succeeding ...

The Connétable of St. Peter:

Okay, I take your point. Thank you very much for that direction, Sir. Moving on from that then I am also very much aware, from my involvement within W.E.B. (Waterfront Enterprise Board), as a director of W.E.B., that the amount of activity that is going on behind the scenes to do with Jersey Finance and the Minister for Treasury and Resources, and the Government of Jersey as a whole, to secure new business for Jersey, to promote and increase the actual funds coming into Jersey to pay for the various central things that we require as part of our society and community. Without the ability to go out and seek those extra funds encouraging companies that are already here to consolidate even further their operations here to bring more benefit, more G.V.A. from their product to Jersey, then I cannot see how we are going to achieve that development at the Waterfront and also improve the offering to everybody in Jersey. Thank you very much, Sir.

1.2.21 Connétable L. Norman of St. Clement:

It was Deputy Tadier who said that this £400,000 will probably go through. I would like to put it stronger than that, I think it is absolutely essential for the future of this Island that the States do defeat this amendment because those who are thinking of supporting the amendment or minded to support the amendment, are playing a very dangerous game indeed because the finance industry, as a whole, is our major industry and without it or having a major reduction in it, then Jersey will be nothing. Our competitors realise that. Our competitors realise there would be nothing without their finance industries and are putting more and more money into supporting it. I am talking about places like Guernsey and the Isle of Man. Those are our competitors, those are the people we have to watch, those are the people that we have to compete with, those are the people we have to match our expenditure and our marketing effort with.

[12:30]

We really have to do it. A couple of Members, or 2 or 3 Members, this morning have spoken about the global financial crisis and have blamed the banking industry for that. Well maybe they are absolutely correct. The finance industry throughout the world has got to take responsibility for that, but what is our response to that? What is their response to that: "Well let us give the financial industry in Jersey a good kicking to punish them for that." Who are we going to be punishing? We are going to be punishing Jersey's economy because if the finance industry is significantly reduced, Jersey is nothing. We can put tens of millions of pounds into supporting tourism, tens of millions of pounds into supporting agriculture, but will even that raise enough revenue to create the jobs that we have now through the finance industry, the infrastructure that we have in Jersey, the tax receipts that we have in Jersey which pays for all the social benefits that we all enjoy, including the Christmas bonus which Senator Le Gresley, quite rightly, wants to protect. As I said, Jersey Finance Limited already gets less government funding than Guernsey and the Isle of Man. What we are doing by not attempting to match what they are doing is to hand jobs and tax revenue to Guernsey and the Isle of Man, and that is not something we should even be thinking about contemplating. The world of global finance is changing. It is consolidating and when the finance industry looks to consolidate it will look where is the best place to go? Do we need a presence in Jersey, Guernsey, Gibraltar and the Isle of Man? Perhaps some of them will say: "No, we do not. We need to consolidate perhaps in one of those areas" and they will look to where the best skill base is and Jersey will do very well on that score. It will look to where the best infrastructure and office facilities are. Not doing quite so well at the moment, but when the finance sector is created then we will, and it will look to which jurisdiction supports and wants the finance industry and sends the right messages out to the finance industry. If we had picked up this amendment certainly we will score very, very low in that area. The Jersey Finance Limited grant of support is not immune from that C.S.R. process and certainly they will have to take their cuts as well as

everybody else in 2012, 2013 and so on. But this money, as we have been told, is specifically to invest and to encourage business from Asia and the Asia Pacific, the new economic powerhouse where business is grown, where our competitors already are and where we have got to be. If we are not there then we are going to lose out big time. This will show a total lack of commitment to our major industry and our major tax provider. As I say, we are playing, if we adopt this amendment, an extremely dangerous game. The risks involved in going with the amendment really to me are far too great to contemplate.

Senator B.E. Shenton:

Sir, could I have a point of clarification? I believe that the Constable's wife is a senior figure in the finance industry and that the Constable's household benefits. Should he have made that declaration at the start of his speech?

The Connétable of St. Clement:

If that had been the case, Sir, I would have done. It is not the case.

1.2.22 Deputy A.E. Jeune of St. Brelade:

I have been on something of a see-saw while listening to this proposition debate, but I have decided not to support the proposition because I have a concern as to the message that could be seen to being sent out in respect of Jersey Finance. But, as I said yesterday, when speaking to the amendment of Corporate Services Scrutiny Panel, in 2012 and 2013 business plans must show real cuts and I look forward to the Minister for Treasury and Resources telling us what returns we have received in 12 months' time from now. As the Chief Minister said: "It is tempting for those, particularly, of us who want cuts" but I will resist. Thank you.

1.2.23 Deputy T.A. Vallois of St. Saviour:

I feel compelled to speak after the Constable of St. Clement's speech. I was a previous employee of the finance industry and I support all industries in this Island. I am not going to put one above the other. We do need to have an economic growth plan first before we start shroud-waving and shouting out about whether we are cutting Jersey Finance Limited's £400,000. This is an actual increase on their current grant that they have of £1.8 million. I will quote from Jersey Finance Limited about our comprehensive spending review, which was from the internet about how we should be cutting spending and they say: "But more fundamental questions need to be addressed. The current government approach has all the hallmarks of a tactical and pragmatic reaction to a looming problem as opposed to a carefully crafted strategy. Bigger questions need to be asked and answered. How large should government be? What is the appropriate size, range and quality of public services for a jurisdiction with a little over 90,000 people? What can be achieved by ensuring that the provision of services is both affordable and proportionate? Have the structural causes of the inefficiency been addressed? What savings could be achieved if government were the funder in regulatory services but not the provider?" There is a specific paragraph which they point at: "Every avenue must be explored, examined and exhausted before we turn to the option of raising taxes. Whomever they may be levied on, tax takes value out of the productive side of the economy, it raises costs for employers, the cost of living for employees and has a negative effect on competitiveness, reducing employment and economic activity in the process." What we are asking is keep the level of funding as it is, at £1.8 million, go away, do C.S.R. part 2 and then come back with the evidence to suggest that that £1.8 million is worth the £1.8 million, and we will consider whether we need to raise it or need to reduce it, just like we will with anything else that comes to us in C.S.R. part 2, whether that means having to reduce Education, Health or Home Affairs. That is what we should be doing. I am not prepared to stand and start shroud-waving. I think we should keep the current funding for Jersey Finance Limited at its current amount and if the Council of Ministers can come back and prove me wrong then so let it be.

1.2.24 Deputy P.J. Rondel of St. John:

I would like to ask whether the Minister for Economic Development has been misleading the House or talking with forked tongue because ...

The Bailiff:

No, you cannot accuse another Member speaking with a forked tongue. [Laughter]

The Deputy of St. John:

I withdraw it, Sir.

The Bailiff:

Do you withdraw that, Deputy?

The Deputy of St. John:

Yes, Sir. Yes, I did withdraw it, Sir. I recall what the Minister was saying and there were going to be cuts across all grants in the forthcoming year or 2011, part 2, and yet I look at this and I look under the rural section; there is an increase of £112,400, I look under the dairy service support payments; an increase of £37,400, rural initiative; £5,900 (at page 26), and I hope I am reading this right because that is the way I am reading it, it is increases and not decreases. If we are going to be having cuts annually for the next 3 years therefore these figures should be dropping. I hope I am reading it correctly.

The Bailiff:

I think the figures in brackets, according to this, are decreases.

The Deputy of St. John:

Yes, Sir, but the one above it, if you look at those which are not in brackets, are increases, correct?

The Bailiff:

The ones that are not in brackets are the increases.

The Deputy of St. John:

Correct, and there is a number of those which are not in brackets which is £112,000, £37,400, £5,900, *et cetera*, so therefore the Minister has been telling us grants in general are going to be cut by percentage and that is totally incorrect. On one page alone in this document it shows that in certain areas that there is going to be increases and it would be interesting to know how the Minister will explain that, although he does not have to because he has already spoken. But we were told in 2008 by the Comptroller and Auditor General who said that funding should be cut, and I need to know why the Minister has not taken this across the board in relation to this particular item. I accept that, yes, we have to support our finance industry, I accept all of that but when I see things in their own documents ... I will give way, yes, because I do stand to be corrected if need be. Thank you.

Senator A.J.H. Maclean:

I think if I could help to clarify for the Deputy, in total the support is being reduced by £299,000. What I was also saying in my remarks earlier, both today and yesterday, was that grants generally in the agricultural sector have been reduced over recent years since 2005 by nearly £2 million and over the coming years will be reduced by a further £1 million, but it is going to be done on a gradual basis in order to take the industry from the position it is in at the moment through to where it needs to be in a more supportive self-sufficient manner. It is clear in the bigger sense.

The Deputy of St. John:

Yes, okay, I will accept that and withdraw the comments that I made about the Minister, but with that said, when you look at it page by page, it is laid out in such a way that you have your pluses

and your minuses but, that said, I am likely to be supporting this if there are any more speakers to convince me because the finance industry, in fact, they may be the devil at the moment but that is all we have - that is all we have. What our agriculture brings us in and what it does not is about the same when you look at the actual tax take. Our tourism, which was a leader in the 1970s and 1980s, has been on the decrease year on year, and we just see it by the numbers of people arriving on the Island. We have to support what we have got and what we have at the moment is, unfortunately, just one string to our bow and therefore I am minded in the next few minutes, if we vote before lunch... If it is after lunch, if there are other speakers... but listening to the debate we have got to support what we have and all we have is the one string to our bow. Thank you.

Deputy C.H. Egré of St. Peter:

Sir, I am minded that we are now coming up to lunchtime. If there is no one else liable to speak I would suggest that we sit through until the end of this particular debate.

1.2.25 Deputy E.J. Noel of St. Lawrence:

Yesterday we debated the Corporate Scrutiny Panel's amendment number 9, which I welcomed as it is the correct type of amendment. It was about policy. It was about setting the envelope. The Economic Development Department are making their C.S.R. targets and will in fact probably exceed them. We must stop this micromanagement. E.D.D. must be allowed to allocate their budget as they think fit for the best outcome for this Island, and that is supporting our premier industry, which is our finest industry and diversifying that industry. This additional fund is about diversification. It is about tapping into new global markets. Deputy Jeune makes a valid point; this additional £400,000 will reap many benefits, secure employment and secure our tax revenues. Our economy is export driven, we export our knowledge and if it is to continue to succeed we need to send out the right messages. The Constables of St. Peter and St. Clement have made very valid points and we ignore them at our peril.

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

The adjournment is proposed then, do Members agree to adjourn?

The Deputy of St. Peter:

Sir, I had suggested just now, that if there were no further speakers that we might finish this debate before lunch so that we can carry on a new debate after lunch.

The Bailiff:

Does anyone else wish to speak, obviously apart from the proposer? Very well then, Senator Routier.

[12:45]

Senator P.F. Routier:

Thank you, Sir.

The Bailiff:

Well now, wait a moment, it is now 12.45 p.m. then. Do Members agree to adjourn?

Deputy M. Tadier:

Sir, can I propose that we have a vote to stay until 1.00 p.m.?

Senator P.F.C. Ozouf:

Sir, there are meetings at lunchtime, including the Chief Minister addressing the Chamber. He is not here and Members know that and I propose the adjournment.

The Bailiff:

Very well. The adjournment is proposed, we will then adjourn now and reconvene at 2.15 p.m.

LUNCHEON ADJOURNMENT

[14:15]

The Deputy of St. Peter:

Sir, before we start this afternoon's session I would like to remind the Assembly that we are now only one-fifth of the way through the whole of this debate and that is taking into account the number of amendments that have been withdrawn. I have had notes passed to me in my role as Vice-Chair of P.P.C. (Privileges and Procedures Committee) suggesting that we curtail the length of speeches. It is not within our remit to curtail the length of speeches but we rely on the sensibility of the Assembly and the self-discipline in order to manage the business that we have. If this morning was anything to go by we appear to have forgotten those disciplines and I would just like to remind Members. At the moment the intention is to sit through until 6.30 p.m. this evening but - as a pre-wording - tomorrow I would suggest that we may have to sit through to 7.30 p.m.

The Deputy Bailiff:

Thank you, Deputy Chairman. The debate now resumes on the amendment of Deputy Southern, amendment 4, paragraph 2. Senator Routier.

1.2.26 Senator P.F. Routier:

Keeping it in mind what the P.P.C. Vice-Chairman has said, I will be as brief as I possibly can be. I think what I hope Members will need to focus on is what this debate is all about. The money that is being suggested to be taken away from the J.F.L. budget is money, which will be used for opportunities, which are out there in the wide world. There are opportunities in the Far East and the Middle East which we need to grab. We need to be in a position to be at the forefront of our competitors who are out there now champing at the bit trying to get the business for their own jurisdictions and we need to be doing the same. This particular amount of money is specifically for that opportunity which is out there. There are several opportunities which need to be grasped and we need to grasp them the best we can. The question that needs to be asked, I fully understand, is that could they do that piece of work without this additional money? Could they sharpen their pencil with their existing budget and achieve it and go out there and do this particular work without having this money? Every year the E.D.D. goes thoroughly through the Business Plan of J.F.L. and every year there is quite a long discussion about how they use their budget and how they go out and promote the Island. From the information that I have, and from the meetings that I have been in, I am confident that they are using their funding correctly. I do want to urge Members to think about the opportunities that are out there that we should be grasping. What we need to recognise is that the business opportunities that are out there also create jobs in Jersey. The jobs in Jersey are important to us. We must ensure that local people have the opportunities within the Island to develop the economy, and we need to be sure that they are in work. I urge Members to reject this amendment because we would be shooting ourselves in the foot by not taking the opportunity of developing our finance industry. It is the mainstay of our income to the money we want to spend on social matters, the money we want to spend in our hospitals, schools and social services is money that we need and we need to nurture the finance industry so I urge Members to reject the proposition.

1.2.27 The Connétable of St. Helier:

Very briefly because most of the arguments have already been made, in order to be consistent Members who wish to see extra money applied to certain services, in particular the social ones,

from my mind there was the school milk, which of course has now been lost, but there are others coming up like secondary language teaching in schools. To be consistent we have to identify areas of saving in the budget, and that is why some of us will be supporting cuts which the Council of Ministers oppose. We have to find compensatory savings. I do not believe a vote in support of this amendment is a message that we do not support the financial services industry any more than my voting against reinstating the tourism budget yesterday meant that I do not support tourism. I have a very good record for supporting event-led tourism, particularly that that happens in St. Helier and I believe I have a good record of supporting financial services in St. Helier and I intend to continue to do that. What will happen if this Assembly votes to cut back this expenditure? What should happen, the first thing that we will do is if the Minister for Treasury and Resources and the Chief Minister are serious about its importance they will reprioritise their budgets to make sure that this money is found. They will also adjust the proportion that is paid by the private sector for this kind of work, and we see in the reports presented to us that there has been a steady drift between what the public sector is providing and what the private sector is providing. That gap has widened since 2008 when Scrutiny recommended a pound for pound contribution. I believe that if we support this then I do not believe the sky will fall in. I do not believe the finance industry will receive the wrong message from us. They will certainly realise that we are consistent with our message yesterday, narrowly defeated, that we believe the overall envelope of States spending should be reduced so I certainly will be supporting Deputy Southern and I urge other Members to do so.

1.2.28 Deputy J.A.N. Le Fondré of St. Lawrence:

I have been listening to the debate with a lot of interest, as I am sure a number of Members have been, because there have been some quite valid and different philosophies being aired here. Overall, I am going to say, I am very encouraged with the very tough line that is being taken on expenditure and I hope that will carry on in the months to come because this is just the first of a number of debates. That has to be the right thing to do and I think it will be interesting to see what happens when the C.S.R. results come out between now and Christmastime. But I think we also need to remind ourselves and I think particularly what the Minister for Treasury and Resources has said more recently, as well as obviously other Ministers who have made some valid points themselves, that we need to resolve the deficit by a mixture of a number of components. Obviously we have got the options of raising taxes which, I have to say, is about far down on my priority list as possible, reducing expenditure or the bit that we keep seem to be missing is the increase in economic growth and I think we have really got to focus on that in this instance. I view J.F.L. or Jersey Finance as a marketing activity for our largest industry. I do not think there is much we cannot really quibble about. I find it very encouraging that the contribution - and that is noted in the comments - from the industry in total is greater than what we put in, even taking into account the present proposed increases in that project. I do regard, or I consider the fact, that doing investment at this time into our largest industry we need to be doing. We need to be ensuring that our presence in the global market is as strong as possible and just to think about that; Jersey Finance Limited is respected by the industry, as far as I am concerned, in the majority. We will never satisfy all the people all the time and I would say, in no small part, they are responsible for keeping the major players here, for keeping the communications line going, their professional output has significantly improved over the last years, as far as I can see, and also for attracting new businesses. Put into the context of what we know that the U.S., the U.K. and Europe have been going through in the last few months and years, they are in decline or there is little or no growth forecast in the foreseeable future. Those, at the moment, are our key economic sectors where our finance industry derives its business from, therefore I think we do need to be positioning ourselves strongly elsewhere. If you do not continue to invest in that type of thing you probably do start to go into a degree of decline. Remember that context and then also think about the sum of money that is involved and what do we get for the money that has been invested thus far. I have asked the question and I have specifically had an email come through. I have had a variety of examples but the one I will just quote: "A recent example submitted for license consent sets out 2011 personal

tax forecasts of £500,000 and corporate tax of over £600,000 [that is for a certain number of people operations - quite small, 5 people] with forecasts of 10 people, so therefore your personal tax would increase, and a corporate tax of £2.4 million in 2013.” The point about that is marketing is always very difficult to pinpoint and how do you equate the pound you spend on marketing for the pound of revenue you get? But if those are the type of things that we are going to be getting and if one can basically attribute £400,000 for increase in presence in the Middle East and India or wherever, for those type of returns with the consequential impact on the finance industry and on our revenues with a further consequential impact that we do not have to, ultimately, put up taxes by so much and I think it is worthwhile spending at this time. We do have to keep an eye on that matter and on that basis I think we should let Economic Development spend the money as they see fit, hold them to account and not support this amendment. Thank you.

1.2.29 Deputy S. Power:

Sometimes my faith in this Chamber is restored in a debate like this because there are very clearly defined lines of argument for and against the amendment of Deputy Southern. There have been, on both sides of this this morning, some absolutely fantastic speeches and this is when this Chamber comes into its own. It is largely irrelevant whether the Minister for Treasury and Resources is worrying at the moment or whether we are going to win or lose this debate. The fact is that this Chamber has come into its own this morning. Members may not remember this but today is the second anniversary of Lehman Brothers in New York City going into bankruptcy, and it is not that long ago that we were in financial meltdown in the western world. There was a lot of bad lending, there was a lot of bad activity by the banks and the result is what we saw with the meltdown of Lehman Brothers. I think for a few hours in the City of London that particular week it was a question of whether there was going to be a global meltdown of the finance industry. Thankfully that has been avoided and the economies of Western Europe are going to pay the price for quite some time. We are not in that position. Thankfully we are not in that position, but I can tell you this, from my own reading of the financial press, there is not much money in Ireland, there is not much money in the U.K. and there is not much money in Western Europe at the moment and, as a matter of fact, there is not much money in North America. Where is the money? Where is the money at the moment? Where are the countries that are expanding? Well the southern hemisphere, certainly, they have not had the recession we have had. I think in the world Chile is ranked number 6 at the moment, but the real money is in the Far East and the real money is in the emerging markets. I would draw an analogy to Jersey today to Jersey 200 years ago; at that time Jersey was almost on its knees and then the fishing industry opened up off Nova Scotia and Gaspé Bay and Jersey went out and grabbed a piece of that and paid dividends for this Island now. I would say that today we are looking at an ever-competitive and increasingly difficult financial services industry, it pays all the bills on this Island.

[14:30]

We are and need to be represented in this enormous market so, in actual fact, what I would say today is that Jersey Finance is out fishing for us. Anyone that says that we question the increase in the budget of Jersey Finance from £1 million to £1.4 million to £1.8 million and now to the proposed £2.2 million, could justifiably say: “We cannot afford it at the moment.” But my view is like Jersey 200 years ago, we have got to go out and get some business and I think that is where we are and I pride myself in being a realist. The Corporate Services Scrutiny Panel yesterday, the ninth amendment, was another excellent debate and it brought home to me, as a Deputy Minister and as a member of the Council of Ministers, how closely balanced this thing is right now and how strong the message is that we have got to cut. But not only do we have to cut we have also got to maintain and diversify the industry we have already got. I cannot see any other way of doing that apart from supporting what we have already got. Some statistics for you. I sit on the Migration Advisory Group. At the moment, up to June 2010, there are 46,360 people ... or there were 46,360 people who are private sector employees and that number has largely remained static in the last 2

years. The total number of private-sector (j) employees is about 1,000 and is about static as well. However, I will give you some statistics on (j) purchase consents, which is directly related to the finance industry: 2006 2,039; 2007 1,881; 2008 1,617; 2009 1,375; and to date, 905. It is evident that the market started to slow in 2008, the same time as Lehman Brothers went into bankruptcy, and contracted by a further 20 per cent in 2009. This is more evident now that the number of (j) purchases in the local residential market has dropped by 60 per cent between 2007 and 2009. I think that is relevant to the future of the finance industry. A standard lease-only (j) has an average salary of £46,000. A purchase (j) on the other hand has an average salary of £90,000 and pays a lot more tax. So that market is contracting. Now, I have to say, as a good Islander, what is good for Jersey and what is good for the future of Jersey, it is those that pay tax; those that live here and those that pay tax. At the moment that market is contracting so we have to watch how we resuscitate and how we maintain the finance industry. I think that Members must realise that the financial services industry today compared to 20 years ago is an enormously different industry. It is now global and we are competing head-to-head with large jurisdictions that we have to compete with, and we will have to compete to fight for our share. It is not going to be easy. Some reference was made this morning to Small Society and Small Society wanting us to cut more than we are cutting now, up to £100 million. I have taken the opportunity to phone one of the signatories on this Small Society list today. He is an individual member of Small Society and I asked him his views on increasing the Jersey finance budget. His view is it was a 3-year plan to increase it up to £1.2 million and then it would be reviewed at the end of 2011. He said to me: "We really need to let them open up in the Far East and I think it will benefit. Even though the Far Eastern banks and those industries will compete with my bank, I think we should do that." So, I rely on this person's judgment. I will repeat something I said to Members earlier in the year. I spoke to a Jersey woman who is the marketing director of a financial services company in Jersey, born and bred here, and she was called into her bank some time ago and she was told she had to cut her budget, her marketing budget, by 40 per cent. She has had to do it with the same resources. Now, we are not asking this Assembly to cut anything by 40 per cent; we are asking to cut by 2 per cent. One of the problems I had with the ninth amendment yesterday was it was right ... even though I can live with some of it, this is an example where we have to make an exception. Many of the firms in the finance industry are cutting their budget, but the one guy I talked to today said that this £400,000 in the grand scheme of things is justifiable because E.D.D. have already met their 2 per cent. So I see the need, as difficult as it is, in a recession - remember, it is the second anniversary of Lehman Brothers - to promote Jersey abroad. I see an acute need to promote Jersey abroad. The money is not here. The money is not in the U.K., the money is not in France, the money is not in Western Europe or North America, the money is out there in the Far East. It is clear to me ... this is probably not a politically correct statement, but it appears to me that the Chinese economy and one other Far Eastern economy looks set to dominate the agendas of many royal economies for years to come. A good friend of mine in America said to me recently that: "I would not be surprised if China bid for the United States fairly soon", but that is another story. So I see the need to promote Jersey abroad. It is a big, big world out there and I think Jersey's name has got to be hung up on a brass plaque in Shanghai, in Mumbai, in wherever, Hong Kong, Singapore, and we have got to fight for our corner of the financial services market. I say this because there is a huge need to diversify our economy. It is not being diversified as quickly as we would like. It will have to be diversified. But for the moment we have to protect the goose that lays our golden egg and we only have one golden egg. So, I commend Deputy Southern for his amendment, but I will be voting against it.

1.2.30 Connétable D.W. Mezbourian of St. Lawrence:

I am sure Members think that most things have been said, but while Deputy Power was speaking one thing did occur to me and that is that no one has said how Jersey Finance spend the money that is given to them by Economic Development. I would just suggest that surely it is up to them to prioritise their spending. So whether we approve this amendment or not, as far as I am aware, no one is going to tell them what to do with the money. If investing in the Far East is of paramount

importance, and I think we recognise that it is, it is surely up to them to identify that and cut their cloth accordingly. I believe the strongest message that we can send to the international finance industry is in fact that we are a well-regulated jurisdiction, that we are a jurisdiction that they can come to and be cared for and looked after here. That is what we should be ... that is the message we should be sending out and I think that is the message we do send out. If we look at page 26 of the annex, Economic Development are saying that they want to increase the funding for developing new legislation for the benefit of the industry. I repeat, it is up to Jersey Finance how they spend the money that is given to them. It is not for us to tell them what to do. We have to prioritise and so do they. Thank you.

Senator A.J.H. Maclean:

Could I just clarify a point; hopefully some clarification on what the Constable just raised. Jersey Finance have to provide a clear business plan each year. This particular additional funding is identified for specific opportunities in the Asian-Pacific market. It is very clear in there and I hope that is helpful to the Constable. Thank you.

The Deputy Bailiff:

Does any other Member wish to speak? Then I call on Deputy Southern to reply.

1.2.31 Deputy G.P. Southern:

Well, congratulations, Members. One of the most enjoyable debates I have had in many a year, I think. I look forward to seeing the result. I hope Members will bear with me since it is just after lunch if I do sum up properly rather than rapidly, as I promised to before lunch. We started with the Constable of St. John who quite rightly focused straight on what is this *pro bono* work that is being done and how come it adds up conveniently to around £2 million. That theme was repeated through several speeches and most obviously picked up by the Deputy of St. Mary who went into some length about the total - it may have been the total - of something like £11 million or £12 million-worth of assistance that we give this particular industry. So the balance is still in the right place. I think of spectacular relevance is the contribution - the last contribution - by the Constable of St. Lawrence stating that: "Hang on, we are prioritising, we are re-prioritising, we are sorting out our budget; it is up to Jersey Finance Limited to sort out its budget equally." Perhaps it spends less time promoting itself locally with those supplements that always appear in the *J.E.P.* (*Jersey Evening Post*) about every 3 months saying how good we are and how much we give to charities and spend a little more abroad. It was also interesting to hear from Senator Shenton, who pointed out that we not only have 2 Scrutiny Panels which looked at the financing of Jersey Finance and said: "It should be pound for pound" but the Comptroller and Auditor General also independently has come to that. When he was looking for savings that could be made from an accountant's point of view he said: "There is one that can be done." Now, for the sake of Senator Perchard, who asked the question about is this really ... is it a cut? Is it a lack of growth? What are we doing here? Is it £400,000? The answer is on page 6 of my report where I say: "Of the £750,000 allocated to J.F.L. and to J.F.S.C., £437,000 is described as additional support for J.F.L., Jersey Finance, and the cost of developing new legislation." The Chief Executive Officer then goes on to say: "Shall I give you a breakdown: £400,000 of that £437,000 is the additional J.F.L. grant as the grant has gone from 1.8 million in this year to 2.2 million proposed for next year." So there it is; it is the increase and the £400,000 just says: "We are not having that increase." I hope that is clear to the Senator. One of the things that was mentioned by several Members - and I am grateful that they did - was the magic word "consistency". It is the theme I started with. We have a new philosophy, it says: "Industry in Jersey will, to as far as an extent as we can make it, stand on its own 2 feet. Support will be withdrawn." This is a philosophy of the Council of Ministers. Yet they managed to stand up one by one and find reasons why that philosophy, why that approach, could apply to everybody else, universal rule, but not to the finance sector. It was interesting, I was reminded, I think it is Sam Pepys who said: "When one sees a dog stand on its hind legs and preach

one is not so much shocked and surprised by the quality of the preaching but that the dog can do it at all.” To hear Minister after Minister find a way to justify moving against their own agreed policy of: “Industry will stand on its own 2 feet; support is being withdrawn” for a variety of reasons was simply amazing. I was amazed they could do it at all, not whether they did it well. It was also interesting to see ... and there must have been some telephone bill going on this morning in the Chamber because BlackBerry’s were going like mad **[Laughter]** as the Council of Ministers rallied its forces and incidentally got to lunch, which is always a useful time to talk to people quietly and out of the glare of public debate, and what was spectacularly interesting was ... I think there were 2 bits really, when Senator Maclean swapped seats and ended up behind Constable Norman and tapped him on the shoulder and said, obviously: “We want a contribution from you.” **[Laughter]** Constable Norman’s face, I do not think I can do it. **[Laughter]** I think it is called ...

[14:45]

Senator A.J.H. Maclean:

Can I ask the Deputy to just allow me to correct him? I was inviting the Constable to lunch. **[Laughter]**

Deputy G.P. Southern:

Were you? One wonders if Constable Norman’s vote was guaranteed then. **[Laughter]** How many other people went to lunch on Senator Maclean this lunch time? No, no, no. But his face did an awful shape and he said: “Oh God, no. Do I really?” Then he came in. Well, what a wonderful speech it was, typically of Constable Norman, what a way with words he has. What he said is if we do not give this extra £400,000 to Jersey Finance Limited it will be like giving them a good kicking. Well, really. I have been on the receiving end of a good kicking in this House and it did not look like somebody had taken £400,000 off my particular budget. The other one - and I must mention this for the sake of it - was when Senator Ozouf slid along to the bench and equally said to Senator Cohen: “We want you to give a speech as well. Come on, you chip in. Chip in.” You could see his face do a completely different shape. **[Laughter]** I think his eyes went sort of round and round in his head. **[Laughter]** It was: “But I do not know anything about this. **[Laughter]** I was quietly drifting off. What are you doing to me?” Lo and behold, he came out with a gem. It was wonderful. Right? It is one I think I have heard him say before and it is the analogy with a precipice. So the slightest little draft, do not breathe, do not breathe, Members, because you might tip Jersey Finance over the edge. It is a long way down. The end of the world argument. He is on the precipice. Well, really. Well, it has been a good debate, a very good debate. Can I just point out while we are talking about: “There will be no jobs coming here for ever and ever” and while I have got him in my sight, oh yes, nice to see that (j) purchases are still holding up relatively well considering we are in the middle of a recession; 1,300, was it, down from 2,000? Okay, it is down, but (j) purchases, okay, fine, it is not that bad. **[Interruption]** No, I will not give way. There will still be business coming to the Island. I point out finally that the sum of £400,000, which we are not going to give to J.F.L., I hope, among 190 Members of that particular institution amounts to around £2,000 each. So what we are saying is if you want this centre, if you want this office, then chip in. Chip in. Because if it is worth it to you then please chip in. £2,000 per company is not enormous; it is affordable in this day and age given - and I will come back to it - the £809 million profit collectively that you made last year. I urge Members to support this. I call for the appel.

The Deputy Bailiff:

The appel is called for. I invite Members to return to their seats and I ask the Greffier to open the voting.

POUR: 14		CONTRE: 30		ABSTAIN: 0
Senator A. Breckon		Senator T.A. Le Sueur		
Connétable of St. Helier		Senator P.F. Routier		
Connétable of St. John		Senator P.F.C. Ozouf		

Deputy of St. Martin		Senator B.E. Shenton		
Deputy J.A. Martin (H)		Senator F.E. Cohen		
Deputy G.P. Southern (H)		Senator S.C. Ferguson		
Deputy of Grouville		Senator A.J.D. Maclean		
Deputy P.V.F. Le Claire (H)		Senator B.I. Le Marquand		
Deputy of St. John		Senator F. du H. Le Gresley		
Deputy of St. Mary		Connétable of St. Ouen		
Deputy T.M. Pitman (H)		Connétable of Trinity		
Deputy M.R. Higgins (H)		Connétable of Grouville		
Deputy D.J. De Sousa (H)		Connétable of St. Brelade		
Deputy J.M. Maçon (S)		Connétable of St. Martin		
		Connétable of St. Saviour		
		Connétable of St. Clement		
		Connétable of St. Peter		
		Connétable of St. Lawrence		
		Deputy R.C. Duhamel (S)		
		Deputy J.B. Fox (H)		
		Deputy of St. Ouen		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy I.J. Gorst (C)		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		

The Deputy Bailiff:

[Aside] Now, we come to the next amendment, which is in the name of Senator Shenton. Do you wish to continue with this amendment, Senator?

Senator B.E. Shenton:

Well, I think it would be a little unfair on protocol because if this amendment went through it means that Jersey Finance would lose the funding that we have just said that they can have. Bearing in mind that we have just had a debate on it and although it was a very close fight I think it would be unfair on the Chamber to ...

The Deputy Bailiff:

So do you seek to withdraw?

Senator B.E. Shenton:

I seek to withdraw this, please.

The Deputy Bailiff:

Very well, thank you. This amendment is therefore withdrawn.

The Deputy Bailiff:

We now come to number 15 on the order of debate: amendment number 7, paragraph 5, in the name of Senator Shenton and I ask the Greffier ...

Senator B.E. Shenton:

Given the speed that we are getting through this Business Plan and the insistence of certain Members to speak on every single amendment, I would like to seek leave to withdraw this and I will ask the P.A.C. (Public Accounts Committee) to take up the concerns that I have. One of the reasons is this concerns the migration policy and the last thing I want to do is start having a debate about the migration policy because I think that will be another day's debate. So, if the House would allow me I would like to withdraw this and I will take it up with my P.A.C. hat on.

The Deputy Bailiff:

The amendment is withdrawn.

Deputy M. Tadier:

Can I make a similar statement. It appears as number 23 on the running order on behalf of the Education and Home Affairs Scrutiny. We will be withdrawing amendment 8, paragraph 1, which is on page 8 for Members reference, which is to do with decreasing the budget which would go towards the grants of private schools by 2 per cent. We are withdrawing that and there will be a statement being circulated very shortly, which I will read out in due course.

The Deputy Bailiff:

Thank you, Deputy. That is also therefore noted to be withdrawn.

1.3 Draft Annual Business Plan 2011 (P.99/2010): eighth amendment (P.99/2010 Amd.(8)) (paragraph 2)

The Deputy Bailiff:

We come next to number 18, amendment number 8, paragraph 2, in the name of the Education and Home Affairs Scrutiny Panel and I ask the Greffier to read the amendment.

The Greffier of the States:

After the words "withdrawn from the Consolidated Fund in 2011" insert the words "except that the net revenue expenditure of the Education, Sport and Culture Department shall be increased by £88,000 in order to maintain the post of educational psychologist and not proceed with the Comprehensive Spending Review proposed on page 62 of the plan ESC-S3 (Restructuring the Special Educational Needs Service and the way emotional and behavioural support is delivered to primary school children) and the net revenue expenditure of the Treasury and Resources Department shall be decreased by the same amount by reducing the allocation for restructuring costs."

The Deputy Bailiff:

I therefore call on the Chairman of the Education and Home Affairs Scrutiny Panel to propose the amendment.

Deputy T.M. Pitman (Vice-Chairman, Education and Home Affairs Scrutiny Panel):

Deputy Maçon will be acting as rapporteur for this.

1.3.1 Deputy J.M. Maçon of St. Saviour (Education and Home Affairs Scrutiny Panel - rapporteur):

I will keep my speech very brief. Members will have read the attached report to this amendment and the comments from the Council of Ministers and the Education and Home Affairs Scrutiny Panel. After reviewing the Education Department's cuts the panel finds itself unable to support the cut of an educational psychologist post. Much has been done at looking at the services that are delivered to vulnerable children, including the Williamson Report, the serious case review, the Scrutiny reviews into vulnerable children, and the school suspension review. It is clear that there

have been failings by the States in these areas. One of the main reasons that we, as an Assembly, have not given enough funding to these core services - this is a core service - to the children of the Island, and it is not a subsidy to the businesses as other amendments have been; it is something that as Government we should be providing as the States have a responsibility to educate every child of the Island, especially those children that have learning and emotional/behavioural difficulties. Losing this post will reduce the level of service that children with learning and emotional difficulties receive; those that need our support the most. I hope that the Education Department will acknowledge that as human understanding of cognitive processes increase, the need for such services increase. As more conditions are identified, more children are diagnosed and better treatment and management programmes are developed. This service is ever-growing in need. While the department may suggest that those delivering the current service have been freed from other duties, they have taken up their time; however, evidence given to the Scrutiny Panel is that in some cases it has taken 8 years for fighting parents to get to the point where their children get close to these services. While I can understand the reasoning as to why this post is up for the chop, the person who has held this post is retiring and it is easier not to replace a post which is vacant rather than make another person redundant, but is the easy option the right option? From everything that we have learnt over the past year is that if we do not support vulnerable children, as is our responsibility, then it only comes back to bite us and will inevitably cost more in the long run, whether that be in re-entering the education system as an adult, on income support and social security, or through the Home Affairs Department. Now, on occasion there will always be those who will find their way, who will be able to reach the top, but we know that statistically those who do not get the support will find themselves somewhere at the bottom. We must also recognise that those who do not get the service, it will have an immeasurable impact on the individuals' lives along the way. I shall not go into the reports as Members will already be familiar with all the issues and will be aware of the reports, or at least they should be. It is down to each Member's own political perspective about what services the States of Jersey should provide to the public and if a reduction in this core service is to be supported. I present this amendment and allow Members to choose the path that they wish the Island to follow. Thank you.

The Deputy Bailiff:

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

1.3.2 Senator A. Breckon:

This may be considered by some Members to be micro-management, but I think what we have discussed before is what is necessary and what is nice to have. From my own experience, which I want to share with Members for a couple of minutes, I do not think it is a nice-to-have service; it is a must-do. I know the person who is retiring. I bumped into him when we were doing some of the Scrutiny review on the services for vulnerable children. If you look at the cost of £88,000 or £100,000 or even £200,000, when you think of a young person who may go through the system with difficulties, emotional or behavioural difficulties, not do very well and challenge our system, perhaps the criminal justice system, the family courts, whatever it may be, family services, how much does that cost? We have heard recently, publicity ... it has gone from the court services, the cost of providing services for young children and young people who find themselves in these circumstances. So the question Members might ask is: "If we are going to put a fence at the top of the cliff, are we going to put an ambulance at the bottom?" Although this may seem like a small amount of money, a person in this post can make a terrific amount of difference to a young person and their family and they can turn things around. One of the things that came out of the Scrutiny review was non-stigmatised, quality intervention at a low level. Here, perhaps circumstances have gone past that, but then if we are investing in that ... there is another post later on within the mental health services for children, C.A.M.H.S. (Child and Adolescent Mental Health Service), that is supposed to be taken out as well. But not long ago Members were signing-up to the Williamson

Report implementations - we must do this, that and the other - and then when we have got an opportunity to have a nip at it, here we go.

[15:00]

So, yes, we all signed-up, we are all going to do it, and then here is your chance: “Well, that is okay. Somebody is retiring. Do not replace them.” But then what happens to these young people who have to wait 3 months, 4 months, 5 months, 6 months for an assessment and they are in limbo in this time? What is happening to the young people and perhaps causing difficulties in a family situation? That is really where we are going to be because I know - because we are the Scrutiny Panel and we looked at some of these services - they are stretched already. If we look at the C.A.M.H.S. service, they were doing an excellent job under difficult circumstances. What we are doing is we say: “Well, there is an opportunity here. £88,000: what is that?” If we look at some of the money we wasted on some of these suspensions and things like that, this is peanuts. This is peanuts. So, again, I am in favour of putting this in because it gives priority. I mean, if we look at it in global terms, it is a fraction of a percentage point of the whole thing. I have not measured it, but it is a very small part and I hope, and I know, it is not about micro-management and sometimes it is about standing up and speaking up for people who cannot do it themselves. It might be okay for the Minister for Education or the Minister for Health to say: “We can manage around this” but at the same time, the same as the Minister for Home Affairs, they are doing some excellent work bringing the services together. I would say that despite what the Council of Ministers say as a group of individuals, as well as collectively, this is something worth arguing for because it supports the very people who need our support but sometimes are not able to ask for it. They are not like the finance industry, that we have just heard about, where they can beat their own drum. Sometimes these people cannot and if they are vulnerable in the community then we should be looking after them and this, in my opinion, should not have been taken out. I commend and will support the Education Scrutiny Panel for putting it back in and bringing it to our attention.

1.3.3 The Deputy of St. John:

Given that the person concerned is retiring from his post, I presume we will be picking up the bill in other areas because I should think this particular type of work will be required to be carried out by somebody. If it is not done within Education it will have to be done at the hospital through one of their psychologists, I would have thought. Having spoken or sent a note to the Minister for Health and Social Services asking whether or not her department can cope with the additional work, and she acknowledged that they could, I am caught between the devil and the deep blue sea because I want to support fellow Scrutiny Panels, but I presume that within their review... and hopefully when your sum up, rapporteur, you will tell us whether or not you spoke to the Health Department and asked whether there was sufficient capacity within that department to take on this work and, if so, what was the reply you got. I hope that the Minister for Health and Social Services will speak on this particular issue. But it is very difficult for Members. We need to know, and it is a shame we were not told within your speech in the beginning, whether or not you have gone down the route of checking with other departments to make sure this area has been covered. That is where I am coming from. I am keeping it short. I just would like to know those answers, thank you.

1.3.4 Deputy A.K.F. Green:

I am pleased to follow the Deputy of St. John because I might be able to help to answer some of his questions. The removal of this educational psychologist post is truly about working smarter, not harder and not about making cuts. At this moment I would like to pay tribute to the excellent work done by the team but until recently a considerable amount of their work that was undertaken by them was not truly educational psychology work. It was aligned more with the work of social workers and other health professionals. We have had an investment of £3.2 million - Williamson - which has allowed us to look at what we are doing and realign our services. The funding and

action that has come about as a result of Williamson has enabled us, as I say, to re-organise and focus and we are going to re-organise the educational psychologist into geographical areas allowing for multi-disciplinary working. To use E.S.C. (Education, Sport and Culture) jargon we will be cluster-working. That is the first step towards community-based support working with Health and Social Services, with clinical psychologists and social workers based in schools, as well as working with charities and other voluntary organisations. This is truly about making a difference, about getting in there and getting in the community. I think Senator Breckon said something about we need low-level quality intervention. This is exactly what this is about. So do not see it as an £88,000 cut. See it as a £3.2 million investment between Health and Education, and this is truly working much more effectively for young people and I urge Members to reject the amendment.

1.3.5 Deputy M. Tadier:

Obviously I have got an interest in speaking on this as a member of the panel which came up with this amendment. I do not know where to start with this. It seems so counter-intuitive in the social context in which we are. We know that suicides in general in Jersey have gone up. We know that is partly due to whatever factor, but I am sure the recession and financial pressures have an impact, we know that family units are under increasing pressure and that the strain for family units is also becoming more and more palpable. Early intervention, in the words of the Education Department, is what is needed. I simply do not know why we are in this position today where we are cutting a psychologist when in fact, if anything, we should be increasing it. Now I know that Members here want to save money, and in the tourism debate I certainly spoke on the understanding that investment would be exactly that, it would bring in more money in the future and I know that those who voted for the last amendment to do with finance did it on the understanding that it is not money being wasted, it is an investment which will bring a return. Now of course we cannot use the same argument exactly for a psychologist. It is not going to bring us any money back in that sense, but what it will do is it will save money in the future, because I believe we need to look at it in the sense of a stitch in time saves 9 or prevention is better than cure. I think certainly money saved in the future is also money earned, so we have to look at it from the financial point of view, and it certainly makes sense, but from the social point of view as well. Let us just quote from Education, Sport and Culture when they say that. It is in our report: "That a more proactive approach needs to be taken in supporting families and children with efforts being targeted towards providing non-stigmatising services and early interventions." I believe the Deputy of St. John is quite right, if it is not done in schools it is going to be done somewhere else, presumably later on, because it may not get picked up at source and that they are going to end up in the hospital. As we know, early intervention just simply makes sense. It is important that we have the staff who are trained on location. If we cut the amount of staff, however we try and swing it, however we try and paint it, the bottom line is there will be one less psychologist and they will not be providing the services that they would have been before. I think quite clearly we have to support this proposition, this amendment. I really do not think there is anything more to add apart from the fact that it will be a dark day, I think, for Jersey if we go down this road after the decision that we have just made to throw money at the finance industry. I think we need to start getting our priorities right and saying that Jersey is not simply an aircraft carrier for the finance industry and the Jersey Government is not simply here to defend the interests of finance. We are a society, people have to live here, and with all the complexities and with all the chagrin that goes with it. So I think we do need to support this. It does make sense socially and economically, and I hope that Members will be supporting this amendment.

1.3.6 The Deputy of St. Ouen:

Let me start by saying that I fully understand and recognise the concerns that the panel Members have made in the 2 speeches. I would also like to reassure not only them but all States Members that as a department we are absolutely committed to supporting all children within our care, including those vulnerable and those with special needs. I am fortunate enough for almost a year

now, or just perhaps over, to form part of the new Children's Policy Group that links my department with the Department for Home Affairs and Health and Social Services. As part of that new group we have set out our stall which picks up the points that Senator Breckon made regarding early intervention and targeting support where it is required. We have learnt, I think, sincerely from lessons of the past with regards the Williamson report, and obviously the subsequent Williamson Implementation Plan. We are committed in the process of developing a Children's and Young Person's plan. You might ask what this has got to do with the educational psychologist. Absolutely a lot, because one of the pieces of work that is being undertaken is to identify all the services that we currently provide to support our children and young people. This has helped us to recognise that we need to be smarter about how we utilise not only those resources and the manpower but the funds available at our disposal. It is true we need to focus on early intervention and with early intervention you do not need the intervention of your child psychologist. You need the care of the social workers and of the family nurses and all the others and teachers that access these young people at a very young age and deal with them. In this particular matter, we have 6 educational psychologists. It is right and, in the past, I can understand perhaps the reason why we have built up the number to 6. I am afraid that the reality is that we have probably filled in gaps that have been left by the departments. I believe that that is no longer an issue, and as I say because of Senator Breckon's panel and other Members raising continually this issue about dealing with vulnerable children and our young people, we have learnt and listened. This is a matter, as I say, of not reducing support, just being smarter in how we deliver it.

1.3.7 Senator P.F. Routier:

I will be very brief. On the face of it this amendment, when I first read it, I probably shared some of the concerns which the Scrutiny Panel have highlighted, that taking away an educational psychologist has got to be wrong. But having looked into it a bit more deeply, and to listen to the speeches of Deputy Green especially and the Minister just now, that the investment that has been put in by the Williamson programme, we are given assurances that there will be a service which is appropriate for the needs of our Island community. I have quite a history of knowing the workings of the educational psychology team and knowing that there were demands put on them and, sometimes in the past, they used to be fairly slow in reacting to the needs of children. But that was before the investment that has been put into Williamson, and I am taking the assurances of Deputy Green and the Minister on face value, and I will take them and be watching and monitoring very, very carefully. If I hear from families of people with learning disabilities that there are some failings in the system certainly I will be on their backs as soon as I possibly can. But I take them at their word and that I will support them in this case and not be supporting the amendment.

[15:15]

The Deputy Bailiff:

Before I invite any other Members to speak may I say for the benefit of those Members, who are in the coffee room or elsewhere and are able to listen, that we are on the bare minimum for a quorum of the Assembly at present and should there be Members in the Assembly Room who need to go out there will be a problem, so it would be useful if Members would return to the Assembly Room. Does any other Member wish to speak?

1.3.8 Deputy J.A. Hilton:

This amendment is one of 2 that does give me real cause for concern. Having had personal experience and dealt with constituents who have needed to use the Special Educational Needs service it does concern me. What concerns me a little bit more after listening to the speech of the Minister for Education is when he said that he believed ... he talked about Education having 6 psychologists, but he believed that Education had filled the gaps of other departments in the past. That concerns me because if he does believe that he has been filling the gaps of the other departments and this post goes, there is going to be a gap because nobody else is going to pick it

up. Even though I accept that there is an additional £3.2 million worth through Williamson I am still just very, very nervous about this post and the Health and Social Services post, for the C.A.M.H.S. post, basically. This does concern me because it is work involved with our most vulnerable children and young people. I have listened to what has been said and I think, like Senator Routier, because I do not know enough about the restructuring that has gone on, I will go with it, but I want to express my concern about this. The other point I wanted to make, and it was a point I made this morning, we all have choices to make in this States Assembly about how we spend what money we have got and I did say to the Ministers yesterday - in an email to all Ministers - that I would be watching very closely when we go into the second round of cuts about exactly what areas the Council of Ministers were going to target. What bothers me about this cut in Education, particularly, and the cut in Health is the fact that I know the department pays a grant of £587,000 this year to St. George's School and St. Michael's. I have a problem with that because both of those 2 schools cater for the children of the most wealthy people in this Island, and I am wondering why are we paying grants of over half a million pounds to schools where quite frankly the fees are pitched at such a high level only to our most wealthy ... I am quite prepared to give way to the ...

The Deputy of St. Ouen:

As a point of information, and for perhaps the benefit of all States Members, this particular area is being addressed and we do recognise that the fee-paying colleges and schools are going to have to contribute more to the education that is provided.

Deputy J.A. Hilton:

I was not particularly referring to the colleges, I am referring to St. Michael's and St. George's. My understanding as far as private schools go in the U.K., they do not receive any grants from the Government at all. They are completely and utterly self-funding, so while we are cutting all these posts that are helping the most vulnerable people in our society, and giving a grant of over half a million pounds to 2 schools who cater for the children of our most wealthy residents, you may understand why I have got a bit of difficulty with this. On this occasion I will not support the amendment but, like Senator Routier, I am going to be watching very, very closely when we go into the second round and if I hear through all the contacts that I have with people who have used these services that in fact there has been a detrimental effect then I will come back.

1.3.9 Deputy D.J. De Sousa of St. Helier:

Firstly I would like to echo Deputy Hilton's concerns. I was previously a special needs teaching assistant in the U.K. I know the valuable work that can be done. I know of families that have struggled for 8 years or more to get a diagnosis for these children. Their education is suffering. I also know of a family that have a disabled child of over 21. There are clear signs of autism but they still cannot get a diagnosis. I do not see how we can afford to make a cut like this. We have just agreed to inflate what funds we give to the finance industry by £400,000 and we are willing to take away a psychologist that can assist in diagnosing and assisting our children.

1.3.10 The Deputy of Trinity:

I very much understand the concerns of Deputy Hilton and Deputy De Sousa and some States Members. It goes back really to the Scrutiny report which Senator Breckon did, and there it was very much highlighted how we needed to put more investment into vulnerable children and children, of course, across the board. This is what we did with the Andrew Williamson review and the result of that is that we have had a significant investment and, with the help of States Members and with the budget last year, it was approved at £3.2 million with the extra bit this year, hopefully. So without saying this, this is significant investment and is not only within Children's Services, it is across the board from Education and other areas. But I think as the Minister for Education, Sport and Culture said, it is part of the C.P.G. (Children's Policy Group), we need to make sure that the

money is not just put into what is already there. We have got to use this money wisely, as Deputy Green said, and smarter. That is the most important thing. All services change, nothing stops still and when putting this money in we must make sure that it hits the right people, that it is going to the children it is supposed to be. One of the priorities is that we put extra money into the C.A.M.H.S. service, and that will be explained later when we get to C.A.M.H.S. But in doing that we need to look at the whole service as well. It is not just putting it in, full stop. We need to make sure that the service changes and is more effective for the children that we need to look after now. One of the key emerging priorities in the Children's Plan, and I know the States Members have had a busy summer, but we did have an update by the Children's Policy Group at the beginning of September to see where we were. I urge Members please to get involved, because this is important. The Children's Plan is a first for Jersey and it is showing the need to invest in early intervention, and it is getting upstream of behaviour and health problems. That is the most important thing, we want to be early down the line and some investment is already in M.A.S.T. (Multi-Agency Support Teams) to pull social workers within all the secondary schools and a cluster of primary schools. So we do support the vulnerable children and we want to make sure that all children are cared for and are looked after and receive early intervention. We need to use this £3.2 million we have had from the Williamson review and Andrew Williamson came back and looked at it again, to make sure that it is used wisely and to the right effect and into the areas that really need it. Regarding where we have, I think I pick up that point and perhaps it is something that we need to discuss at Children's Policy Group on how we get it over to all States Members. But from my point of view, please, I urge States Members to be part of the Children's Plan consultation which is important and obviously I support the Education, Sport and Culture Minister's proposition with this educational psychologist.

1.3.11 Senator S.C. Ferguson:

I am just intrigued. I do not seem to remember any review which has looked at the question of the educational psychologist. I wonder if the rapporteur can clear this up for us, and if there was no review to what degree did the panel discuss this with the Minister? In what detail did you discuss it? Did you raise your concerns with the Minister?

The Deputy Bailiff:

Just one question, please.

Senator S.C. Ferguson:

I am sorry. Yes, thank you, Sir. I was carried away. Were these concerns raised with the Minister during the briefings and discussions on the Business Plan?

The Deputy of St. Ouen:

Just to address that particular ...

The Deputy Bailiff:

I think it was aimed at the rapporteur. Does any other Member wish to speak?

1.3.12 The Deputy of St. Mary:

I will be brief. It is just one point and it is consistency again. Senator Perchard yesterday said: "I support Health, I support Education" and then he proceeded to support them and I pointed out that you can compartmentalise your mind, strangely, and say that you support but, when it comes to voting, the money, that does not go into the same part of your mind. Senator Breckon, in contrast today, said we all supported Williamson, we all signed-up to Williamson and both Ministers have now spoken and said: "£3.2 million, Williamson" and that is, no doubt, progress. I went to the presentation about the Children's Plan and it was an impressive presentation: well thought out, comprehensive. I do believe that we can be clever in this area, we can be leaner than we are now, we can intervene early and provide the right environment, too. I thought there were gaps in the

presentation, certainly, but it was a good basis and, if it is possible to do the job for less, fine, I am at ease with that. But what this is now is, effectively, we voted £3.2 million for Williamson and then we un-vote a year later, we make a cut in exactly the same area and I just find that a bit strange because, effectively, this is a cut in the Williamson budget, it is a cut in that same area of support for our vulnerable children. So I thought I was convinced by Deputy Green's intervention about the effectiveness and we are restructuring it all and the teams will work differently, but the pudding has not yet been eaten, or we have not quite got there yet, and I would prefer not to make the cut. It is up to them, if they can do it for less, that is fine, but I do not want to see the danger that they tailor the services that these children need to something that we have already cut down below what it should be, so I think I should be supporting this.

1.3.13 Deputy G.P. Southern:

The Education and Home Affairs Scrutiny Panel are to be praised for bringing this astute piece of proposition and I say that because, clearly, they have thought through what is being proposed and there are 2 moves here described as restricting this Special Educational Needs Service and the way emotional and behavioural support is delivered to primary schools, and that is separate from the decision to do away with an educational psychologist. They have clearly spoken to the Minister and the officers concerned and decided that the restructuring, the closure of the St. James Centre and the moving of that unit without the required head and staffing structure, without the overheads of a different building, into one of the other schools, is clearly an efficiency saving. It is clearly going to be more efficient and that service will still be provided.

[15:30]

There is no problem with that and the panel has agreed with that, however, it is also clear that removal of a senior post in dealing with emotionally and behaviourally-challenged students is a service cut and it does not appear to me to be particularly well-rationalised or a case has been made that this should happen without any replacement, without any substitution, without any attempt to say: "We do not need this particular post, we need something slightly different" which might be cheaper. There has been no attempt at that, it is just saying: "There is somebody who is retiring" and look out for this as we go through these cuts, what are the convenient cuts? Someone is about to retire at a time when we want to make cuts. One can almost see the Chief Executive Officer rubbing his hands and saying: "Oh, goodie, here is an easy one. I do not have to sack anybody and we can just not replace." I have not yet seen, and I have not heard, the case that the educational psychologist does not need replacing in some form or other. I am very much aware that the report following on from Williamson on the co-ordination of services for vulnerable children absolutely required Education and Health and Home Affairs to work closely together to co-ordinate those services. Again, I have seen no evidence that this decision has been collectively arrived at and anyone has said: "We can cover it over there, we can cover it there, you do not have to worry about it, it is covered." This is a reduction, this will impact on vulnerable children. If Senator Ferguson would like to turn again to her own report under appendix B by Dr. Susan Harkness, she will find on page 104 under Education, Sport and Culture, second: "Cuts in spending for those with S.E.N. (Special Educational Needs) and emotional and behavioural problems are proposed. Restructuring of the service may improve the efficiency and minimise the impact of these cuts." Fine: "However, those affected are more likely than other pupils to be concentrated among less-well-off households and may increase their risk of social exclusion if the quality of provision suffers." There we are, an external expert called in to say: "Well, what is the social impact of some of those changes?" and she says: "Watch out for this one, a reduction in this service and a reduction in the level of help available to these kids will worsen social inclusion among those least well-off", the groups that we are supposed to be protecting. The cost of that in the long run, who knows, the Home Affairs bill, who knows; the Education bill, who knows; the Health bill, who knows. The long-term cost of neglecting those kids and not providing the right service, of cutting this service now, could be enormous. This could be short-term gain for long-term pain.

1.3.14 Deputy F.J. Hill of St. Martin:

I have not spoken very much - I think it is only the second time and, like I said before, I am not minded to support many amendments - but I am speaking on this particular one because, having had experience with, I think, probably one of the most inefficient services I ever had to deal with, and I have spoken to the Minister for Education, Sport and Culture about it... and there was a time in the good old days when the President of Health would be standing up here and beating the drum to say: "This is what we need, this is a core service" and we have had the same thing from the president of Education: "This is a core service we badly need this." But the days are gone now because it is all collective thinking and you just vote by numbers, so we know which way the votes are going to go already. I can tell Deputy Maçon that you are not going to win with this particular amendment, even though the argument will defeat the opposite, shall we say. But - and Senator Breckon mentioned it earlier - the importance of early investment in this particular aspect is so, so important. We have been talking about consultation with the Children's Plan and we are going to have the restructuring and, yet, already we are making a reduction, so how can we have consultation if a decision has already been made, so it seems almost pointless. As I said, I felt my experience with this particular department had been one of great inefficiency. In actual fact, I took one of the mothers that I had been dealing with with me to see Mr. Williamson and so he knew first-hand what was going on. As I say, this is one of the areas I believe that we should really be investing in, not making cuts and, I am sorry to say - I do not want to be defeatist - but because of the way in which we are so structured now in the House, as I say, unfortunately, it will be defeated. But I would only hope that this efficiency is so great that you can now cope with one Member short. It must go to show that what was going on before in those departments was totally inefficient so hopefully we can see something inefficient, but I will be supporting the amendment, but I have my doubts whether it will get through.

1.3.15 Deputy A.T. Dupré of St. Clement:

First of all, I am very sorry that the Deputy of St. Martin had so many problems, I am sure that we will certainly try our best to help everybody that we possibly can.

The Deputy of St. Martin:

It was the child that had the problem and the family, not me.

Deputy A.T. Dupre:

We know how important educational psychologists are these days to our vulnerable children and also our teachers are very good at picking these things up very quickly. We also have got to be very grateful for somewhere like The Bridge because they have this wonderful parenting plan and this is something, as we were saying, needs to start right at the beginning. Our educational psychologists are going to liaise more closely with their Health and Social Service colleagues, including the clinical psychologist and our now school-based social workers; this is what was recommended in the Williamson plan. There will be more opportunities for joint support work which we think is quite important. Our core services and frontline services will not be affected by this. I feel that this is joined-up thinking and not a retrograde step.

1.3.16 Deputy T.M. Pitman:

Obviously, I feel obliged to speak though, I have to say, I think Deputy Maçon did an excellent job in highlighting the key issues, as did Senator Breckon and Deputy Southern who showed their usual common sense and enlarged on that. What I really want to focus on is surprise, really, that the Scrutiny Panel has even had to bring this amendment because, like Senator Breckon and Deputy Southern, I sat on the Vulnerable Children's Services Review and I also chaired the School Suspensions Review, and I can only say that anyone who sat on either panel could never come to the conclusion that the Minister for E.S.C. has managed to reach. I am sorry to say that, but it is true. We have just heard from one of the Assistant Ministers of Education that our people are very

good at picking up things. Time and time again, we heard from people who had had to wait up to 8 years to get diagnosis sometimes for their children. That was not a one-off. The Deputy of St. Martin also came and visited the review that I did with a parent and yet we have the... I do not want to say cheek, because that is not the right term, but when we talked about early intervention, how can 8 years even been mentioned in the same breath as early intervention, and I think we ...

The Deputy of St. Ouen:

Please, Sir, could I ask for some clarification?

The Deputy Bailiff:

Deputy Reed.

The Deputy of St. Ouen:

Could I ask the Deputy as to whether the actual individual had to wait for 8 years or was it 8 years to find a solution?

Deputy T.M. Pitman:

Yes. Of course, one of the cases, I am happy to tell the Ministers because there are people who were advised not to get a diagnosis; very professional, I have to say, and I know that is not the Minister's fault, but I am saying I know things are not perfect and I know the Minister has made some real inroads and I think he is taking things on board. What I think the panel feels so strongly about is that this is a retrograde step. Senator Breckon's analogy about do you have the ambulance at the bottom of the cliff or a fence or the top, I think, is so apt. I have been really surprised to hear someone like Deputy Hilton, who I know cares about young people, and Senator Routier mentioned it too, that they were not going to support this although they had deep concerns. Well, I would say to them: "Are you really happy to run the risk of children's health being put at risk here?" If you have got concerns, surely, I would always err on the side of caution if I had such feelings. I think it is very unfortunate that the public are going to listen to this when we have got a headline like this, talking about 12 years a family were failed for. As has been said, we have gone through Williamson, the Vulnerable Children's Review, School Suspensions Review. We had money voted to improve things with Williamson and then, as the Deputy of St. Mary has highlighted, we are, effectively, taking a chunk back out of that. It just does not add up. Really, if Members cannot support this, I think we are going back to being seen as a government who does truly know the cost of everything and the value of nothing. I said yesterday that there were too many people, I felt, who perhaps could not marry-up the social with the economic and it seems that that is where we are, and I think it is time for the Council of Ministers, maybe, to come clean. If people do not count, say it. If we are just some grey, miserable monstrosity of concrete and glass where people count for nothing, let us be upfront, let us say that, because that is certainly the way we are going with the objection to some of these amendments. I think I am going to sit down because it is making me very angry because I have seen a lot of damaged children and I have seen a lot of staff interviewed, whether it was on Senator Breckon's panel or my own, where we saw staff giving 120 per cent, day in day out. We saw people who were making themselves ill with commitment, going far beyond the call of duty. They were doing a good job but the impact on them when, perhaps, they knew that they were not going to be able to help someone maybe for months. Is that the society we really want for the sake of, what are we talking, £88,000? Is that the society we want? It is not the society I want. I would beg Members to please support this. I am not too ashamed to beg when it is something that is worthwhile and, again, I applaud Deputy Maçon for putting the case across. I know Deputy Le Hérissier, had he been here, would have been echoing that. This is important, people are important and children are most important of all and, if we can just vote that an industry that generates £809 million profit cannot look after themselves and stand on their own 2 feet, like every other industry is being asked, and yet we can quibble over £88,000 to protect young lives then, quite frankly, this Government is a disgrace.

1.3.17 Senator J.L. Perchard:

Can I remind Deputy Pitman and Members that last year the States voted an extra £3.2 million to fund Children's Services, in particular, the area of vulnerable children; a fantastic, significant investment and we all must take some credit for that. It was a long, arduous process and it took longer than we all wanted, but a significant investment improving the lot of vulnerable children. Now, a year later, after the dust has settled, the departmental experts have said: "Perhaps we have got too much weight in the area of C.A.M.H.S. and that we can manage with one less." Perfectly reasonable after the fallout of the trauma of the whole Williamson process to say: "Yes, we have over-catered, over-egged the pudding in this area" and this is what we are being told. What is being suggested by Deputy Pitman and others is that we try and force money into the hands of a Minister who says: "I do not think I need it and, if I did, I would probably use this money in another area of my department." Let us be realistic, I was not going to speak, I was particularly hurt by the last speech of Deputy Pitman because he implied that there are lots of uncaring people in this House, and I know there is not. I know it has been terribly difficult, the route we have been through in the last 3 or 4 years with regards to vulnerable children and the learning experience and all that has passed, certainly in my 5 years in this Assembly, and I certainly was offended by his comments that we are an uncaring lot, because we are not. **[Approbation]**

[15.45]

1.3.18 Deputy M.R. Higgins:

I am disappointed to hear the last speaker because this newspaper, which is the *Jersey Evening Post*, 15th September - today in fact - has a quote here. It quotes Advocate Tim Hanson, who is a partner of Hanson Renouf, and who represented one of the accused boys in the Family X case, and he said that: "The costs were incurred by virtue of Senator Perchard's steadfast refusal to agree that Family X received the correct care and that all experts said they needed ..." If we cannot look after our children, what are we here for? We have seen enough failures in this Island in the past and, as many speakers have already said, this is the first line of defence, it is identifying them and getting them into a system to try to give them help. Do not pare this one down, support the proposition, please.

Senator J.L. Perchard:

Just a comment. I hope the Deputy does not believe everything he reads in the *J.E.P.* and particularly from a lawyer who charged Children's Services nearly £400,000.

The Deputy Bailiff:

Senator, if I may say so, I was going to pull up Deputy Higgins on the use of the name of the lawyer, which is not in accordance with usual practice, and it invites the sort of response that you have just added; that is the reason for the practice. Could I call on Senator Le Gresley.

1.3.19 Senator F. du H. Le Gresley:

I will be very brief. I would like the rapporteur to just clarify, because I hope I am not the only one confused, but in the amendment report on page 6, the Minister told the panel that there are currently 4.8 full-time educational psychologists and this would reduce to 3.8 from November 2010 with the retirement of one of the current post-holders. But the Minister has told us that there are currently 6 educational psychologists so I would like clarification as to how many we have.

The Deputy of St. Ouen:

The difficulty is with how we count staff and the fact that you can have 6 physical individuals, because one or 2 might not work the full week, are counted as 4.8 when it comes to full-time equivalent workers.

The Deputy Bailiff:

Does any other Member wish to speak? Then, I call the rapporteur to reply.

1.3.20 Deputy J.M. Maçon:

Yes, just to clarify what the last speaker has asked - the numbers - it is currently 4.8 full-time equivalents; it is going to be proposed to go down to 3.8 full-time equivalents. I hope that answers his question. I would like to thank everyone who contributed to this debate and, in the main, everyone has remained in a dignified manner in addressing such an emotional issue or something which could have easily spiralled into something else. We have heard from all the Members who reviewed Williamson, who looked at it; all of them have said that it is incredibly important for us to protect this post. Each of them had to review this. Had that panel known that Education wanted or had plans to reduce the post to one educational psychologist, do you not think that they would have, in their report, said that, no, that is something they totally disagree with. In fact, for the staffing, in their review, they said one extra psychiatrist, 2 extra clinical psychologists, 2 family therapists, 2 cognitive behavioural therapists. Had they known, it would have been as well one extra educational psychologist. Also, the question of: "Is there capacity or do we have over-capacity?" We have heard from individuals who have done reviews into these services saying that the staff are stretched, the staff have been pushed, there is a need for more resource. Now, yes, we adopted Williamson and the funds to support the children that are going to that will, of course, be greatly appreciated and will improve the service. But, again, it will take time for that to come into place, and also that does not mean to say that, all of a sudden, the need for that post suddenly evaporates. Senator Routier and Deputy Hill both said that they would observe and watch this. How many times have other people just watched this and looked at it and observed it? Deputy De Sousa gave a passionate speech about her experiences and her knowledge in this area and explained how she understood the importance of such a post. Senator Ferguson asked whether the Scrutiny Panel had reviewed this. Yes, in our Scrutiny hearing of the C.S.R. we challenged the Minister and his department about the explanation for this and what came through was that, though they were of the belief that the need suddenly evaporates, it was also a saving that they could make given the pressures that the States were under. Though I have to say the Deputy of St. Mary, I felt, hit the nail on the head when he said: "What is the point? We voted so much more in Williamson, only then later to take a cut in the same area" it is just a bit of a nonsense, is it not? That is why the Scrutiny Panel also lodged this amendment because what is the point of giving with the one hand and taking with the other from a particularly vulnerable section of society? I would like to link what the Deputy of St. Martin said with what Senator Perchard said. Senator Perchard said that we have given money to this and they have turned round, in the department, and said: "We have got too much weight", but the problem is, are these not the same people who, year on year, time and time again, did not allocate the resource, did not give the funding to this and what did we find boiled-up? All these different issues which in the end costs us, the taxpayer, huge amounts of money because that investment was not given in the first place. That brings me back to the comments of the Deputy of St. Martin when he says: "These are things we have to invest in." We have to invest in them because, if we do not, the cost which comes back to us... well, we have seen it, we have been through it, we know what it is like and it has been nasty. It has hurt a lot and it has cost a lot of money. Deputy Dupré said that teachers are good at picking up issues and, first of all, I would like to praise our teaching staff, because they do a very good job [**Approbation**] for our children of the Island bringing them through the education system. But, of course, everyone is an individual and, while some teachers are very good at picking up different behavioural and emotional problems, some people are not. From the Children's Suspension Review, we had various families and their children before us, discussing the different things which had not been picked up through the system, and I think this is the point: many of our young people do get through the net and it is simply because these things are not seen, you cannot tell what is going on. Sometimes you will pick these things up but we had, in our School Suspension Review, a lot of the time, other issues being labelled as bad behaviour and not having the appropriate services delivered to them. Again, part of the reason for that was a fear of resource about there not being enough there. The

thing is, we have to give that resource there, we have to provide it because, if we do not, those who need it will not get it. I hope that has responded to all the questions and points asked to me. I put this amendment before the House. I am sure that Members will be aware of what has happened before us, the services that we have had to improve and how it is a nonsense to give with one hand and then to take away with another. I make the amendment.

The Deputy Bailiff:

Are you calling for the appel?

Deputy J.M. Maçon:

Yes, please.

The Deputy Bailiff:

The appel is called for. I invite Members to return to their seats and invite the Greffier to open the voting.

POUR: 13		CONTRE: 33		ABSTAIN: 0
Senator A. Breckon		Senator T.A. Le Sueur		
Senator F. du H. Le Gresley		Senator P.F. Routier		
Connétable of St. Lawrence		Senator P.F.C. Ozouf		
Deputy of St. Martin		Senator B.E. Shenton		
Deputy G.P. Southern (H)		Senator F.E. Cohen		
Deputy of Grouville		Senator J.L. Perchard		
Deputy P.V.F. Le Claire (H)		Senator S.C. Ferguson		
Deputy M. Tadier (B)		Senator A.J.D. Maclean		
Deputy of St. Mary		Senator B.I. Le Marquand		
Deputy T.M. Pitman (H)		Connétable of St. Ouen		
Deputy M.R. Higgins (H)		Connétable of St. Helier		
Deputy D.J. De Sousa (H)		Connétable of Grouville		
Deputy J.M. Maçon (S)		Connétable of St. Brelade		
		Connétable of St. Martin		
		Connétable of St. John		
		Connétable of St. Saviour		
		Connétable of St. Clement		
		Connétable of St. Peter		
		Deputy R.C. Duhamel (S)		
		Deputy J.B. Fox (H)		
		Deputy J.A. Martin (H)		
		Deputy of St. Ouen		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy I.J. Gorst (C)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		

1.4 Draft Annual Business Plan 2011 (P.99/2010): eighth amendment (P.99/2010 Amd.(8)) (paragraph 3)

The Deputy Bailiff:

Very well, we now come on to the next amendment in the name of the Education and Home Affairs Scrutiny Panel amendment, paragraph 3. Can I ask the Greffier to read the amendment?

The Greffier of the States:

After the words “withdrawn from the Consolidated Fund in 2011” insert the words “except that the net revenue expenditure of the Education, Sport and Culture Department shall be increased by £33,000 in order to maintain the annual payment to Durrell to allow free entry and teaching time for school parties and not proceed with the comprehensive spending review proposed on page 62 of the plan, ESC-S5, (‘Cease annual payment to Durrell to allow free entry and teaching time for school parties’), and the net revenue expenditure of the Treasury and Resources Department shall be decreased by the same amount by reducing the allocation for restructuring costs.”

1.4.1 Deputy T.M. Pitman:

Obviously, I stand up to go into this with a slightly heavy heart after that. But to cheer things up a bit, I should say that Durrell - or the zoo as we knew it when I was a child ... Well, the Scrutiny Panel held a meeting in the zoo, looking at this... **[Laughter]** and I should just add that the fact that the Chairman, Deputy Le Hérissier, has not been seen since is purely coincidental; at least, I have that on very good authority. In lodging our amendment, the panel expressed how disappointed we were to see such a cut proposed and I will not call it a saving, as I am afraid I believe it is not appropriate to call the Minister’s proposal such. I would personally go much further than the panel’s expression of disappointment because I think if this amendment is not supported and this cut of £33,000 is allowed to go ahead then, frankly, I think we are sending out the message from Government that, again, I have said it once and I am going to have to say it again, that we know the cost of everything but the value of nothing. Worse, I think we are sending out the message... for this is the world-famous Durrell after all, the truly wonderful, institution I think we would all agree, that has been synonymous with Jersey and the very best of Jersey for half a century. We are sending out the message that Jersey is in such a dire state of affairs that you could almost say we should be closed for business, other than our prime industry. I think that is very sad because, tied into that, we are sending out the message that our children’s education, and as a key part of that, developing their understanding of their place in a much wider world, is really no longer important. While the panel also noted the Minister’s comments that, in his view, the cut would not mean that the trust would no longer be available as an educational resource, suggesting that schools will manage to find alternative funding arrangements - and he has not explained exactly how that will work but I am sure he will - I am afraid the panel views this as being unlikely to say the least. Indeed, from education staff that I have spoken to, the likely outcome will be that a long-standing and much-valued educational experience for young children will quickly be lost under other pressures. I think we can probably all see that that is quite likely to happen. Now, the Deputy of St. Mary often reminds us - and I am glad that he does - about the importance of maintaining the quality of life, of maintaining the ability to keep a sense of wonder in all things that we are lucky enough to have here in Jersey. This proposed cut from the Minister is the sort that cuts deep into the very heart of what the Deputy often reminds us of so aptly. I was speaking to him earlier and I was trying to recall, and it is a famous quote I think by Mr. Durrell, when he described the world as being something like a spider’s web where, if you yank it in one place, then that has implications elsewhere. Maybe the Deputy can give it to us off by heart, I cannot, but I think I really have an understanding of the meaning. In our report, we stated the concern that this is a year that has seen Durrell making up to 14 staff redundant already. They will also, by necessity, be reducing the number of endangered species in its care, which Members might not see as being linked, scaling-down its hugely important work overseas to try and help fill an expected deficit of £1 million this year. We also pointed out, and I would ask Members to focus on this, that the actual cost to Durrell of providing the teaching materials and the free entry to our children, is far in excess of this £33,000 grant.

[16:00]

It is the panel's view that, with Durrell being such an integral part of what makes Jersey special, having the worldwide reputation that cannot but help contribute to Jersey's own, I have to say, the Government should be doing our utmost to support the charity through this difficult time. Members can say that that is different to the benefit to our children; well, I see the 2 as really going hand-in-hand. It is, after all, surely more important to protect our children's educational opportunities to go and look at a group of meerkats in their sandy enclosure than to lose this simply because a bunch of political ostriches were too stubborn and short-sighted to take their heads out of the sand. I hope none of us is going to fall into that category today. Protecting this educational opportunity at such a comparatively small sum, I think, is far more merited than handing over £6 million to Treasury and Resources, that appears to be expanding faster than the universe, without any sort of clear justification where every last penny is going to go. Before anyone says it, I am going to say this is not a nice-to-have, and I hope no one is going to use that saying. Learning about humanity's place in the world, as I say, how we fit in with the natural environment, the respect for other creatures we have to share it with, the impact of what happens if we do not, surely, in its way, that is every bit as crucial as our finance industry. We heard the buzz words coming out earlier about the multipliers; well, getting our children free into Durrell for learning opportunities, pretty unique learning opportunities, surely that has got multipliers in the knock-on impact that has of helping young people to develop into well-rounded citizens with respect for everything around them. For £33,000, I am really not quite sure the justification that the Minister has got for removing this. I cannot believe he has done it willingly, and I would just remind him that he has not even identified all his cuts so hopefully we can push him in a direction of identifying something else, something not as important. This is young children we are talking about and, if you get a good start in life, a good idea of where you stand and what is important around you, that life is not just all about money and profit, it is about that sense of wonder that the Deputy speaks about, and I think that stands people in good stead for the future, and £33,000, I have to say, is money well spent and I would ask all Members to support that. Durrell is in a difficult time, this is not about Durrell's finances directly, it is about our young people and I think, to use the cliché, investment in young people is an investment in the future. Please support it.

The Deputy Bailiff:

The amendment is proposed and it is seconded? **[Seconded]** Thank you. Does any Member wish to speak?

1.4.2 The Deputy of St. Martin:

I do not wish to speak but I would like to ask whether the Assistant Chairman or Deputy Pitman, is anyone in a position to tell the other Members of the House, do we make a grant of any sort to Durrell? I understood we used to but do we make a grant of any sort to Durrell?

The Deputy Bailiff:

The question was put, Deputy, no doubt the Minister will be able to deal with that in due course, unless you wish to speak now, Minister?

Deputy M. Tadier:

Just as a point of clarification, maybe the answer can be given now because that will probably influence speeches.

The Deputy Bailiff:

Do you have that information, Minister, now?

The Deputy of St. Ouen:

Sorry, Sir. I was not prepared to speak at this time, but I can say that the overall grant to Durrell from my department is £33,000.

Deputy I.J. Gorst:

Although the questioner has not asked me directly, I can confirm that, over the last number of years, the Overseas Aid Commission has funded projects via Durrell for their work in Madagascar.

1.4.3 Deputy D.J. De Sousa:

I just want to briefly tell Members a story and just think on this when you are voting on this one. I have a family that I recently helped with a housing issue. Their young teenage daughter, through going to Durrell with the school, found out about Giant Stick Insects, you may well laugh, she spoke to the people that were in charge of that area at Durrell, they provided her with the insects, with everything to nurture and look after these insects and, in a very short space of time, that young lady has learnt more than Durrell did in many years because she is one person looking at this. She would not have been able to do that, probably would not have even had the interest if she had not have gone to Durrell. We do have children on this Island whose families cannot afford to take them, the only way they can go is through the school. It is another form of education. We need to nurture and teach our children a broad base of education. Every part of that education is important. Just think about that, please.

1.4.4 Deputy J.B. Fox:

This is one cut that I think we can do without. I am a member of the governing body of the only primary school in the Island with one, and I am a town Deputy, and when I first became a Deputy, some 10 years ago, it was quite obvious that in some of the primary schools, certainly, in town, that the young people, because they did not have the opportunities that some people elsewhere had, thought that cow's milk came out of cartons. Fortunately, that has improved through education and our children are able to go out and, being on a governing body, I occasionally have the opportunity of going out with them, and we go to see farms out in the country that are organic or have animals or whatever. But there are very few town children's parents that necessarily have the time or the money, and I am not saying that they all cannot afford it but, because of circumstances elsewhere, not necessarily would take their children to such places as Durrell and because of the cost. I think my membership of Durrell is about £67 a year, I do not know, but it is something like that. But I think this is a very important one. Last year, I had the opportunity to go to Mauritius when my son got married, but I took the time out to go and see Durrell's project in Mauritius looking after the pink pigeons and parakeets, *et cetera*, and it is invaluable the work that they do. When our young people go to visit Durrell, they do not just see a wildlife that they would not see anywhere else, they also find out that we are just a small cosmic part of a much larger environment and organisation and I think this is very important, so this one will be one of my exceptions, to move that we are in favour of this amendment.

1.4.5 Deputy A.T. Dupré:

We fully recognise that Durrell has a worldwide reputation for protecting many of the world's endangered species and the part it plays in the Island's economy and community. The department has been faced with some difficult decisions as we have sought to reduce our budget and, although it is proposed to cease the annual payment to Durrell, we believe this does not mean that the trust will no longer be available as an educational resource. The department is fully committed to continuing our partnership with them, it is therefore right that schools should make alternative funding arrangements in the same way as they are required to do when visiting other facilities, which are subject to entry charges. Durrell often has a free day during the school holidays or sometime during the year. There is no reason why the children cannot go when it is absolutely free. I would like to assure Members that our department is fully committed to developing a greater awareness of environmental and conservation issues and will continue to work closely with all partners to ensure that the excellent efforts already undertaken in this area will continue to be promoted.

1.4.6 Deputy J.A. Martin of St. Helier:

Before anybody says anything, I am a lady Deputy and with the unpredictability of changing my mind [**Laughter**] and I really only want to draw someone's attention because... especially following the Assistant Minister for Education who should have really read her speech first before she read it out, and got the words completely right. It says: "Fee-paying and non fee-paying schools it is expected will continue to utilise." Fee-paying schools will; non fee-paying schools, maybe, and it will be the ones who cannot afford the £2.50 or the £5 for the coach there and back who will not go. Every year, all the fee-paying schools provide 2 spaces in the last year for vulnerable children and families of low income to go on the trips, they put their names in the hat and that is how they are picked. The fee-paying schools will find the money, the non fee-paying schools, possibly, but if they do not pay their £5, the children who need it will not go and that is as simple as that. It is a swingeing cut and that is what I cannot support.

1.4.7 The Connétable of St. Helier:

I would just like to know from the Treasury and Resources representatives here what the effect will be on that department if there is this compensatory saving made, as is proposed in the amendment, so that we can balance the needs of school children and visiting Durrell with the possible effects on that department if they lose the £33,000 for restructuring.

1.4.8 The Deputy of St. Mary:

I just want to highlight something that has not been mentioned before, although it is in the report. We are talking here about £33,000 which allows 30 primary schools and nurseries, 3,600 students, 600 adults in a single year. That is an astonishing opportunity that we are purchasing with this small amount. I notice that the comments of the Minister say that Durrell will continue to provide the service; that is not the picture that I get from the report of the proposition, which says that Durrell will try to find some way of doing this. But I think it is a slap in the face for one of the greatest assets of this Island, people give their heart and soul to that place and here we are saying, basically: "Sod off, you do not matter."

The Deputy Bailiff:

That is not ...

The Deputy of St. Mary:

That is not parliamentary, I am sorry, Sir. So: "Just go away, we do not really care about you" and, as people have said: "£33,000; is work all there is, are we a one-dimensional Island?" Surely not. We can afford this and this is a vote, it is about opportunity versus loss of opportunity for our children.

1.4.9 Senator P.F.C. Ozouf:

The first thing I think to respond to the Connétable of St. Helier, I made some remarks yesterday about all of the amendments that were going to be taking out money from the restructuring pot. I will not repeat at length what that is, but it is a £6 million sum of money which is designed to achieve the second stage of the comprehensive spending review, mindful of the fact that in the past the fundamental spending review was salami-slicing. It did not put in place the kind of transformational change the departments are going to have and it is regarded - and it is said - that we are going to need to put in investment in processes; and yes, in terms of redundancies in some areas in order to do that. This is not a large amount of money so I cannot say that we are on the precipice of a failure in relation to the failure, as I think we were in terms of Jersey finance because it was a 25 per cent cut of what the Minister was going to spend. It is what it is and it is neutral, I cannot say anything apart from that. I am in a dilemma: I will vote against the amendment because I think that we have to ask Education to live within their budget, but I understand Members' difficulty is that they are finding it quite difficult in order to send a signal in terms of what the

respective priorities are. If Members, perhaps, want to send a signal that they think this is a very high priority, they want to hold the feet of Ministers to the fire to cut budgets, then perhaps they should abstain. Maybe that is the message in order to send it, it is a difficult issue. I will not speak any longer than that.

1.4.10 Senator F.E. Cohen:

We stand at a precipice [**Laughter**] but it is a different one, it is a precipice of good sense. The Minister for Education, Sport and Culture has worked extraordinarily hard to endeavour to deliver savings and I know how difficult it has been for him, and I congratulate him on the efforts that he has gone to and the diligence with which he has carried out the task.

[16:15]

But I am afraid, in this case, I intend to support the amendment. I believe that Durrell is a first-class organisation, it is one of the very best world-class organisations in our Island and I wish to see them continue to be supported, particularly in this way, with this wonderful facility being offered to our school children, so I will be supporting the amendment.

1.4.11 The Deputy of St. Ouen:

I can fully appreciate the feelings that Members have about this particular amendment and this particular issue. Durrell is well known, it has fulfilled and has become a part of Island life and, as such, no individual particularly takes pleasure in proposing a reduction in a particular amount of money, however large or small - or relatively small - that sum might be. However, in this case, we believe that it is appropriate that the present form of funding, which is a basic grant to Durrell, is no longer appropriate. The Scrutiny Panel themselves has done me a favour when, if you turn to the actual eighth amendment on page 8, they identify under table 3 the number of schools and nurseries that have participated in Durrell's formal learning programmes. It shows quite clearly that not all schools and nurseries participate and there are a number of reasons for that: (1) schools follow a curriculum and they have programmed into their curriculum different aspects of different learning experiences and some of them will coincide with a visit to Durrell, others will not. For other visits, as we have heard Deputy Fox mention, the schools are not provided grants, or we do not provide grants for the schools to visit the farm or other facilities. The schools determine when it is appropriate to have those sorts of visits and they will arrange and organise them linked to, and this very important, an overall learning experience in part of the curriculum that they are programmed in for that particular year or year group. Does it mean that we want to end our partnership with Durrell? Absolutely not. Does it mean that we have not spoken to Durrell about the ways forward? That is untrue, because we entered into constructive dialogue with them. Yes, absolutely they will say, and they have said to us: "We would prefer to have the £33,000 because we are facing difficulties." I have faced, 6 months ago or less, equally major issues to do with Jersey Heritage Trust. Did I say to them: "No, everything has stayed the same"? The decision, though difficult, was: "I am sorry, but you have got to cut your cloth to suit and then we will look at what we need to do." With Durrell, we have said to them we will continue to work with them, we will allow the schools to determine when it is appropriate for the children to attend Durrell, and they will utilise the funds that are available to them within the school budget, to determine how best to utilise that facility and support the young people that will attend Durrell in the same way that these young people attend other organisations and businesses on this Island. I would also like to add that... and I am pleased that the Minister for Planning and Environment stood up and said: "Look, hang on a minute, I have got concerns here" because we are in partnership. What we are in partnership with - and again it is not my initiative, it is the Minister for Planning and Environment's initiative together with, I believe, the now Minister for Health and Social Services - to develop the Eco-active and Environment Week with the Ecology fund. That is supported by the private sector and private businesses coming in and providing that support. That has now developed further and in 2009 - last year - we created, and I have got to refer to my notes, the Eco-active Sustainable Schools

Framework. It does not sound so sexy but what it means is, instead of looking at one week, we are including it as part of the whole school curriculum. Again, that is supported by the Ecology Fund and private sector. Durrell plays a large part and major role in that, they are absolutely committed to continuing and supporting that initiative. Yes, there will be an impact for Durrell in the short term as we withdraw the grant. Yes, it will help my department deliver the savings that are required. Will it have any major impact on the education and learning experiences of our young people? No. I therefore hope that, although I accept the sincere comments being made by the panel, that Members will reject this amendment.

The Deputy Bailiff:

May I say to Members with a good deal of hesitation that the Business Plan looks at net expenditure allocation of £652,881,000. This amendment is in relation to £33,000. There are 46 amendments yet to come and we have been debating this amendment for nearly half an hour. Does any other Member wish to speak? Deputy Tadier.

1.4.12 Deputy M. Tadier:

Was it Oscar Wilde who said something to the effect of: “Not everything can be measured by money?” I think there was some comment about a cynic. Of course, I take the direction of the Chair ...

The Deputy Bailiff:

No direction was given, Deputy.

Deputy M. Tadier:

I take the comments of the Chair on board, I think it is valid that we all do that, I do not intend to speak for long. But Durrell is a very important matter and I did not get to respond earlier, but Senator Perchard talked about the amount of money in the previous amendment with the psychologist. The point is it is not about the money for me, it was about the post, and this is a similar thing, it is not so much about the money here, it is about the actual ability of children from all sections of society who are in the schools to be able to go up there. I wanted to emulate some of the demagoguery that we heard from the Minister for Planning and Environment, and I want to say that we are in a war here, we are in a war to protect Durrell, but it is not ordinary warfare, it is guerrilla warfare. **[Laughter]** But enough of this money business. But more seriously, of course, we know that it would be one step too far, I think, to say that the future of Durrell is at stake here. I think what needs to be said as well, which has not come out yet, is that we are not expecting this and we are not asking for this grant to carry on *ad infinitum*. We have spoken to the actual Chief Executive at Durrell; we thought it was important to go up there and to meet him in person, and he is doing a great job up there, it has to be said, at restructuring Durrell, rebranding it, making it more business oriented so that it can be more focused to standing on its own 2 feet. As somebody who is a member up there, to walk around, even within the last 3 months, it is encouraging to see the new signs, *et cetera*, the new marketing techniques that they are employing so they are certainly doing something right. What the Education and Home Affairs Scrutiny Panel is asking is that, during this transitional stage - and it is a transitional stage - in order to allow Durrell really to get on their own feet... because it is a tentative point at which they are at, they have not been in this programme for very long with these changes. A little bit like us in that sense; we are going through restructuring, it is the wrong time to be taking away this £33,000. The £33,000, it has been said, is the only grant that they receive from us, putting aside all the money that they have received from the fiscal stimulus. That really has not come up, and it is right that that has not come up, the fiscal stimulus is something separate; the point of the fiscal stimulus was to stimulate the economy and it has gone out to many different sectors and that has been used wisely. But this grant is something which is completely different. I really do find it hard to take when I hear comments from one of my colleagues that: “It is okay because parents can afford to pay for their children to go to the zoo.” It

costs quite a lot of money, especially for people on a tight budget, and the budget is getting tighter nowadays, to pay for children and a whole family to go to the zoo, if you do not have a membership and you want to go up there on a one-off, I think it is roughly about £10 for a child and slightly more for an adult, so a family, let us say, of 3 children and 2 adults, you are looking at already over £50 for them to visit. The good thing about this is that it allows children from all backgrounds, as I said, to go up there, but it also has a long-term effect. It means when they grow up - when they are adults - they have first of all, an appetite and they are more likely to go back to Durrell and to spend money there and to help to sustain Durrell's long-term viability. But it also gives them an appetite for learning about ecology; about the world in general, but also about Jersey because Durrell is, really, an anchor when it comes to attractions in Jersey. I think, if nothing else, we need to be sending out a clear message. We could ask, again, as came out in the finance debate about Jersey Finance, what kind of message does this send out to Durrell, to our school children, when we say we are going to be cutting this straight away. As I have said, remember, we are not asking for this to go on completely, we would come back next year and we would liaise again with Durrell and we would probably suggest that this should be reduced by half and then phased-out probably the year after that completely, or within 2 years; so this is a planned way forward and we expect, by that stage, that Durrell should be able to fend for itself. Whatever the outcome of this debate, I would encourage Durrell to keep the free entry for students. I think it is important for them and, as I have said, it does have a knock-on effect for Durrell. But I am not in a position to guarantee that. The comments of the Council of Ministers when it says: "It is expected that these provisions will carry on", it is exactly what it says: there is no definite guarantee there. It is simply speculation. We expect them to do this, but it is not really based on anything tangible. If I can lastly draw a parallel perhaps with the flashcards to the museum, I think it is tragic that the flashcard system to the museum was scrapped for whatever reason, whereby students could go up there and visit for free, exactly because it does have a knock-on effect. It gets them involved in local culture and they are more likely to go there with their families and go back to the museum in the future. So I think these things are slightly interlinked. If I can address also that there almost seems to be an ideological or dogmatic approach with some Members that they simply cannot vote for any additional spending because the Council of Ministers have set their budget and anything on top of that should not be added. Now, if I can just confront that very quickly, this is purely academic in one sense because in reality it is not simply the Council of Ministers' Business Plan. It starts off as a proposal from the Council of Ministers, but it is up to us to make it our own. Now, if we think that something has not been put in there which should have been or something has been put in that should not be there - if that makes sense - it is up to us to do that. So it is purely academic because if the Minister had not cut this we would not be arguing about it. It would simply be in there, the budget would be more anyway, and so we could simply adopt that. So, let us not get too hung up about what is in and what is not, let us focus on what should be in there and what is right to be in there. So, I simply make the case Durrell does provide excellent value for money in this respect. The output we get from it, the hours of classroom teaching at Durrell itself, far outweighs and far out-pays the £33,000 that is put in there. Let us keep it for this year. Let us review it next year, reduce it next year, and then phase it out over a 2 or 3-year period.

1.4.13 Senator A.J.H. Maclean:

I will be relatively brief, you will be glad to know. A Member did ask the question - forgive me, I cannot remember who it was - about grants. **[Interruption]** Deputy of St. Martin. I can confirm that from my point of view I am aware of the stimulus funding which has been awarded to Durrell which is a pound for pound £1.5 million. We put in £1.5 million; they raise £1.5 million. So it is a £3 million project. In addition, the Tourism Development Fund has put £100,000 into supporting Durrell and their development of the facilities. I must say they are fantastic facilities at Durrell. I think Members would agree generally with that. I have also had a discussion with the Chief Executive and he has explained to me that there is a teacher specifically in this area of conservation. There are something like 500 pupils that go through, but it is his very realistic

expectation that they can replace this grant with private sector funding. Ideally, he would like it to be phased over a 2 or 3-year period, but he realises the difficulties that that presents.

[16:30]

We, as an Assembly... this is a theme that we are running through now. We realise we have to make cuts. We realise we have to make difficult cuts. We realise we have to make cuts in areas that are highly emotive. This is another one. We have done things like school milk and all the rest of it. We have to support the Minister and reject this well-meaning amendment and stick to the aim, which is saving money, ensuring that we cut our costs down so that we can minimise any future tax rises. The theme is the same all the way through. I hope that clarifies the position for Members.

Senator F.E. Cohen:

Could I just ask for a point of clarification in relation to the last speech? It seems to me that the amendment is proposing that the funds will not come from the hard-up Minister for Education, Sport and Culture but from our kindly grandmother Philip. **[Laughter]** Is that correct?

The Deputy Bailiff:

That does appear to be the effect of the amendment.

Senator P.F.C. Ozouf:

I have been called many things, but a grandmother goes a little too far, I think.

The Deputy Bailiff:

Does any other Member wish to speak? If not, then I call on the Vice-Chairman to reply.

1.4.14 Deputy T.M. Pitman:

Well, I do thank everyone who has contributed. Perhaps I am a bit too emotional about this. Maybe Members might understand with the last month that I have had, maybe some things touch me more than they should. But I care passionately about the children of this Island and this is, as Deputy Fox said, a cut we can do without and, as Deputy Martin said, a swingeing cut. I can do it fairly quickly as I would like to go through what people have said. Deputy De Sousa, I think, really said something of great importance. It was about the need to nurture our young people and those families who cannot afford to go, something Deputy Fox took up. Deputy Dupré mentioned about how this would probably continue. Well, I do not know if the Deputy spoke to any people within the teaching profession, as I did, who do not want to give their names but they had great concerns. I will leave it at that. Deputy Martin reminded us that she had a woman's prerogative to change her mind and who would dare argue with her. **[Laughter]** I am glad she did. Swingeing cuts, kids who cannot afford to go will not go. How very true because that is what was coming out from the teachers I spoke to. The Constable of St. Helier asked what it would cost the Treasury, which I think the Minister - Mr. Wolf - did answer slightly. The Deputy of St. Mary highlighted the astonishing value in what we are purchasing and I think how right he is. I want to focus on what Senator Ozouf said because he said he was voting against because he was in a dilemma and I appreciate that, but he also suggested people who were against should probably abstain, I think. If you were going to vote against, please take the Senator's advice because you know he is always right. Senator Cohen, well, he was on a precipice but I was pleased that he was climbing out to support the amendment, so I appreciate that greatly. The Minister for Education, Sport and Culture, I do understand the difficult position he is in. I do not feel this is something he really wants to do. Where I have to disagree with him is with his impression that this will continue, because if the amendment is not supported Durrell were quite clear to us they cannot guarantee that. We should all bear in mind that this £33,000, which is not a big sum... it costs Durrell more than that to keep this happening. There is a value, as so many have said. It is a lot more than money. Deputy Tadier probably confirmed what a lot of you on that side of the House suspected, that he was committed to

guerrilla warfare. Not about money, it was about the opportunity, and I think again he is very right. Senator Maclean talked about some grants from his department, and I have to say how pleased I was to hear about those, some commitment, because Durrell, as I said at the start, really is synonymous with what has made Jersey special over the years. We heard before from the Council of Ministers what message we would be sending out to finance if we did not support them. Well, what message are we sending out to our children if we can no longer support this? What message are we sending out to tourism, which Durrell is a huge part? What message are we sending out to Durrell themselves? It is an institution I am proud to have given support over the years. I am pleased that so many people supported this in their comments, and I would say, please, if you were going to vote against give us the benefit of the doubt. Abstain, as the Minister for Treasury and Resources has said, and let us please protect this for our children. It is a worthy cause and for £33,000 it certainly gives great value for that money.

The Deputy Bailiff:

The appel is called for. I ask Members to return to their seats and I will ask the Greffier to open the voting.

POUR: 14		CONTRE: 31		ABSTAIN: 1
Senator F.E. Cohen		Senator T.A. Le Sueur		Deputy T.A. Vallois (S)
Senator A. Breckon		Senator P.F. Routier		
Connétable of St. Ouen		Senator P.F.C. Ozouf		
Connétable of St. Helier		Senator B.E. Shenton		
Deputy of St. Martin		Senator J.L. Perchard		
Deputy J.B. Fox (H)		Senator S.C. Ferguson		
Deputy J.A. Martin (H)		Senator A.J.H. Maclean		
Deputy G.P. Southern (H)		Senator B.I. Le Marquand		
Deputy P.V.F. Le Claire (H)		Senator F. du H. Le Gresley		
Deputy M. Tadier (B)		Connétable of Trinity		
Deputy of St. Mary		Connétable of Grouville		
Deputy T.M. Pitman (H)		Connétable of St. Brelade		
Deputy D.J. De Sousa (H)		Connétable of St. Martin		
Deputy J.M. Maçon (S)		Connétable of St. John		
		Connétable of St. Saviour		
		Connétable of St. Clement		
		Connétable of St. Peter		
		Connétable of St. Lawrence		
		Deputy R.C. Duhamel (S)		
		Deputy of St. Ouen		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy I.J. Gorst (C)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		

1.5 Draft Annual Business Plan 2011 (P.99/2010): second amendment (P.99/2010 Amd.(2))

The Deputy Bailiff:

Very well. We come now to the twentieth amendment in the name of Deputy Southern. I ask the Greffier to read the amendment.

The Greffier of the States:

After the words “withdrawn from the Consolidated Fund in 2011” insert the words “except that the net revenue expenditure of the Education, Sport and Culture Department shall be increased by £67,000 in order to maintain the level of modern foreign language assistants in secondary schools and not proceed with that element of the Comprehensive Spending Review proposal on page 62 of the Plan ESC-S4 (‘Redefining core business for schools and colleges at ESC’) and the net revenue expenditure of the Treasury and Resources Department shall be decreased by the same amount by reducing the allocation for restructuring costs.”

1.5.1 Deputy G.P. Southern:

Sir, I would ask you as President of this Assembly to bear with me for a minute. *Messieurs et Mesdames, soit Deputé, Connétable ou Sénateur. C’est notre tradition ancienne de parler français. Nos prières sont toujours en français. Nous faisons nos divisions en français. Cette tradition historique, qui fait une partie importante de notre culture, est menacée. Les étudiants dans nos écoles nous donnent d’énormes raisons d’être fiers quand ils achèvent des résultats excellents dans les examens en la langue française et en d’autres. Ces résultats sont améliorés énormément par la qualité des jeunes français qui sont venus dans l’île pour assister nos étudiants à maîtriser la langue française depuis plusieurs années. Moi, je n’étais pas éduqué à Jersey, donc mon français n’est pas parfait.*

The Deputy Bailiff:

Je crois que ce sera un débat très court.

Deputy G.P. Southern:

It is, however, our tradition to speak French, a long tradition, one that we still maintain in our prayers and in our voting. Our students do, indeed, achieve excellent results in language examinations in the U.K. by comparison with others. Those students are assisted enormously by the quality of the teaching they have and, in particular, by the use of foreign language students, a living young face to speak French or other languages to. The fact is that that tradition is threatened and the quality of our results are threatened by the move proposed by the Minister for Education, Sport and Culture to cut back on the use of modern language assistants, especially, I would say, French language assistants. It is largely in French that the cut is happening. There were 8 temporary language assistants appointed on short-term contracts. It is usually one year extendable to 2. Of those 8, which we are not intending to replace this year, 5 of them were French language assistants. So it is about French. It is also about Spanish and Italian, but it is mainly about French. All to save ... how much did I say? All to save £67,000, a relatively small amount but one which produces enormous quality and results. Of course, there is some provision still left behind. There are 5 permanent appointees covering ... actually, 4 full-time equivalents, so there will be still some input going into our secondary schools - there will be no input in primary schools; the early learning will not be delivered to the same extent - but that will be restricted entirely only to examination classes. That is the only input that will happen. It does represent a substantial reduction in that input. At that stage, I will just take a quick look at why it is so critical, but before I do I will remember to state that, of course, I tried to bring this before the Annual Business Plan recently because I believed that the department was pre-empting the decisions which could and should have been made in this House. I brought it at the time; I brought it late, as I remember, on a Thursday night. It was last thing after a 4-day session, I think, and I lost it narrowly by 23 votes to 20. Now, we have had a few close votes this time. I am hoping to reverse that vote this time, and I hope we are fresh enough to be able to do that. Many people on that day said: “I cannot support this proposition because it is too early. It belongs in the Business Plan debate.” I know we are

having a long Business Plan here, but Members said: “We should be deciding this not at this stage but at ...” and a lot of Members, it seemed to me, withheld their votes because of that. So it is entirely appropriate that today we can deal with it. I want to start with a statement about why it is so important. It says here: “The role of the language assistant is central to the delivery of effective teaching and ultimately to the standards achieved. Exam grades depend on them. As one teacher put it to me, you cannot teach modern languages without an assistant.” So, let us be very clear. This is not just ordinary assistants, this is specifically for language learning and that oral language learning. As one of the permanent French assistants put it to me: “It is absolutely vital that we get these young people into the classroom because not only can they make connections which we cannot because we are now in our 50s - we are no longer young - but they also bring in the latest phrases, the latest *argot*. It is really *au courant*, whereas we are not.” That engagement, one to one or one to small group, is when people really blossom and learn how to speak the foreign language. It is an important element. That teacher went on: “Unlike many ancillaries, they are teaching staff. They work in tandem with a class teacher or alone with small groups. They give invaluable attention to individuals and groups to stimulate genuine communication in the target language. They effectively bring the foreign country and its culture into the classroom.

[16:45]

They are a cheap and effective way - notice, cheap and effective, this is efficient use of staffing - of providing native speaker input to language learning. This is especially important in the current climate where there are fewer trips to take staff and students abroad.” This is a vital element of language teaching which we are proposing to cut, and we are cutting it substantially. If you turn to the comments by the Council of Ministers ... oh, have we got a whip out on this? I thought we had a comment by the Minister for Education, Sport and Culture. Obviously, he is not on his own on this. If you turn to the comments, you will see the table on page 2 and the figures along the bottom. It says: “The allocation of language assistant hours required by each school is based on the number and level of exam groups required by each school.” This is not what the schools and the head teachers have asked for and are used to. This is the result of being told by the Minister or his Chief Officer: “This is what we are going to do. We are going to cut back on your language assistants. If you are only to get them in exam classes, how many do you need?” So it shows the requests made by the schools for language assistant time to support examination groups over the coming year. Alongside are the actual allocations. We have Les Quennevais 8, which is met; Grainville 10, which is met; Le Rocquier 6, which is exceeded; Haute Vallée 13, which is met; Hautlieu 33 [every class in Hautlieu is effectively an examination class - they are building to either G.C.S.E. (General Certificate of Secondary Education), A-level or A-plus] 32 allocated; J.C.G. (Jersey College for Girls) 21, and they have been exceeded, we can give them 24; and Victoria College asked for 20 and got 20. There is a little column along the bottom that says, quite proudly: “Look, we have more than met the demand.” The real demand, as it used to be, is as follows: Haute Vallée 22, so this is a reduction. There should be a column “amount of reduction.” This is a reduction of 9. Grainville required 23, a reduction of 13. Le Quennevais had 14; this is a reduction of 6. Le Rocquier had 13; this is a reduction of 5. Hautlieu had 34; this is a reduction of 2. Jersey College for Girls had 31; this is a reduction of 7. Victoria College had 25; this is a reduction of 5. So, substantial reductions in the amount of language assistants going into these particular schools, some of which ... **[Interruption]** I will finish, you will get your go later, Minister. Some of which are those producing those excellent results of which we are so proud. Furthermore, in their comments it says in the reasons: “This saving has been offered as part of the comprehensive spending review for the Education, Sport and Culture Department. Exit surveys taken in the past 2 years showed that language assistants were required to undertake some non-specialist tasks suggesting there was some spare capacity in the system. By focusing the work of language assistants solely on the support for language teaching, it is expected that standards will be maintained.” Well, I find that a singularly weak reason to take such drastic action. If for some reason language assistants are being used for other tasks because it is convenient, then simply you get hold of your management and you

say: "Use them properly. Why are you misusing a resource that we are giving you? Sort it out." You do not cut the service because it is being misused. You discipline your management and say: "Do it properly." Then, finally, it says: "Deputy Southern correctly states that the plan is only to use assistants with exam groups" and then it goes on - and how little this person knows about what goes on in schools: "However, when these pupils begin their exams in May the language assistants will then be available to help support other pupils for the remainder of the term." If only that was the case. No, when the examination season comes round, part of those exams and a vital element that gets you the grade AS and the A-plus are the oral exams. Who trains up for that? The language assistants. Who runs those exams? Very often the language assistants. They do the question and answer. They do the conversations. It is a comfortable face and it works. So, they will not be freely available for teaching elsewhere anyway. In any case, even if that were not the case, the contracts used to run from October to May. They were not there come June and July to give extra assistance. They have probably gone. For those who are thinking: "Wow, here we are in September and the normal run has been October to May." They are usually a year, 2-year contracts. There is no reason why we should not, if we decide to do so, start these people from January in this particular year and run through what will be an 18-month contract and appoint them so that we are covered for next year. The point is that we should not be withdrawing this particular help, which is so uniquely efficient and effective at producing results for our students, at short notice. If we are going to do this, we should be giving at least 2 years' notice that we need to set up something else and do things differently. It should not be one of these knee-jerk reactions: "I need to save some money. This is a good one." While I am on that point, I ask Members just to think carefully and think with your head as well as your heart about why this particular cut. Is it inefficient? It is not. Is it cost effective? Very much so. Why this particular cut? Because these 8 positions are short-term contracts and it so happened that this year most if not all of those contracts have come to an end. They did not have to sack anybody. That is why this has been selected and all the guff and all the reasons and all the abstractions brought out to say: "We had to do this because ..." I think they boil down to this was the simplest thing, the simplest way we could achieve a nice chunky cut just like that and appear not to be doing any harm. I think the harm is done and I think this is one that with our tradition we should draw back from because I believe it is a step too far. So, I maintain the proposition and I await your opinions.

The Deputy Bailiff:

The amendment is proposed and seconded? **[Seconded]** I call on the Minister for Treasury and Resources.

1.5.2 Senator P.F.C. Ozouf:

In this Business Plan debate there have been some interesting bedfellows. While this is going to be a long debate and there have been some clear messages given on a number of issues, I am afraid on this occasion I am not going to support the Council of Ministers' line. But there is a "but". I should declare that I am a senior committee member within the Alliance Française. I have no pecuniary interest, but I am involved in language teaching. Members will know that I have a very long-standing, strong view - and I hope that Members respect that - of the importance of language and the French culture in our Island. Indeed, over the summer I was greatly privileged to have been selected by the local Assemblée parlementaire de la Francophonie to be an election observer in the presidential elections in Rwanda, paid for by the Francophonie. I was the European parliamentary representative for this election which, of course, was covered around the world. For 5 days I conversed in French and was entirely having to deal with French issues in Rwanda in French. I was with a very high-ranking mission of leading politicians, former President of Cape Verde, Foreign Minister of Mauritania, Foreign Minister of Bulgaria, President of the Supreme Court of Mali. I was on a really interesting mission, hopefully representing Jersey. I was very much the junior member. Why was I there? I was there because I could speak French. I could understand it because I understood the subtleties of everything that was being said. Rwanda is, like

Jersey, a country with a dual language. In fact, 3 languages: Rwandan, French and now English. Like Jersey, they are struggling to hold on to, in an increasingly Anglophone world, their French culture. I was reminded and acquainted with the importance of culture and languages and, in particular, the French culture. I was reminded of the path that my own life took because of my language teaching and because of my knowledge of languages that has enriched my own life. I learnt in Jersey schools French, Spanish and German. French and Spanish was reasonably good tuition; German, I had my moments with the teacher. I mean no disrespect to our local teachers, they are fantastic, but it is the one-to-one, it is the one to small group interaction with a native speaker which is absolutely vital in learning languages. If I may say, this has been forcefully put to me by language teachers in Jersey. I did not learn languages by sitting with an exercise book doing the curriculum. I learnt languages because of the speech, because of the interaction. I learnt languages and, indeed, I kept speaking German because of the weekly interaction I had with the language assistant. The discipline of having to speak the language on a weekly basis and knowing that you had to speak the language made me continue with German. I would not have continued if that was not the case. The importance of that 5 to 10 minutes - that is all it is - a week in terms of languages is absolutely essential. It cannot be understated. I want all departments to save money. I would prioritise, and I know and I am sorry that I am going to upset the Minister for Education, Sport and Culture, but in politics you have to stand by some principles and my principles are that I would prioritise languages and the importance of our French culture above other things that he would. I respectfully say that we are going to have to agree to differ on this issue. I want the Education Department to live within their budget. I want them to do so by providing language assistants to our primary schools. All they are proposing to do is to leave language assistants to those children that will be taking examinations. I think that that is wrong. I think that we will lose the vital knowledge of language and particularly French to our young people. I imagine that there are savings to be made in relation to language assistants. I certainly think the colleges should be paying for their own language assistants. If language assistants, if I may say very respectfully to Education, are not being used by some schools then I suggest that they may not be directed towards those pupils that should be interacting with those language assistants.

[17:00]

I cannot let the Minister for Education, Sport and Culture off the hook by just giving him an additional budget because that may be the easy way out, so I think the only way that I have is to abstain for the amendment. I cannot support the abolition and the removal of French language assistants. For whatever we are going to hear, French language assistants are not the experience that is given by teachers. If you learn languages, if you understand that, then you will understand the importance of that one-to-one reaction with the language assistants. In supporting a cut for education language assistants, I would be tearing-up one of the most important things that I have stood for and that I have addressed this Assembly on many occasions. Some may say that I am so obsessed with languages I even got the French language put on the bank notes, but I think that is an important statement of our culture and the importance that we are not simply an Anglophone Island. We are a dual-speaking French Island as well and that is important. I think that we cut language assistants in primary schools at our peril. I will be abstaining from this vote.

1.5.3 Deputy A.K.F. Green:

I am pleased to follow the Minister. I know he is very passionate about this and I know that lots of other people are passionate about it. We have spent hours - and I mean hours - looking at how we could get the 2 per cent cuts that we had to do, and it has not been easy. A lot of these things we would rather have left in place if we could have done, but that is part of the challenge. I have to say to the Minister for Treasury and Resources, if he is that passionate give up one of your posts, one of your new posts, and give us some money to pay for the language assistants. I am sorry, but I have to say that. I think Deputy Southern was talking about country and culture. Technology has moved on so much since the Minister for Treasury and Resources was at school, and we have very good

links with French schools, video links, video conferencing. You are picking up the culture. We have schools going to France all the time. I passionately believe that the amount of work that is going in, the different way that we will be teaching languages, will not result in a decline in service. There have been, as I said, many advances in technology: C.D.s (compact discs), the use of computers, the use of videos, and the introduction, as I say, of visits and so on. Deputy Southern was correct in saying that the requests from the schools in terms of the language assistants that they require for this new emphasis in the way that we wish to do things has been met in full bar one hour, exceeded in some cases, but has been met in full bar one hour I think. From memory, 33 hours were requested and 32 hours given to Hautlieu. In every other case it has been met absolutely in full and in some cases exceeded. What we fail to recognise is that delivery of languages has changed and it has changed significantly and for the better. Okay, if we did not have the financial restraints that we have at the moment we probably would have left this alone. Probably would have left it alone, but there are many things that we might have left alone. This is one cut, and it is a cut. It is a fundamental change in teaching. This is one we can make without affecting the service and without withdrawing something that is far more essential. We will still be spending £1.5 million a year on language teaching in our schools and I know that people will be passionate about this but that is where we are. We have our positions.

1.5.4 Connétable K.P. Vibert of St. Ouen:

Being quite a long-term President of the A.P.F. (Assemblée parlementaire de la Francophonie) of this House, I would be expected to support this proposition, and I will. I will not abstain; I will support the proposition. I have to maybe declare not only that interest but another interest. I have 2 grandchildren who have just recently started learning French at the primary school. I have to say that I personally am disappointed at the speed at which they are learning French. When I questioned this, the reason is because of lack of teaching staff to push them along. Obviously the teacher has a full class of children and can only do so much, and I accept that. I totally accept that. I accept that what is being proposed here will affect senior schools more than primary schools because at the moment there are no assistants in the primary schools. But, like the Minister for Treasury and Resources, I think that we should be expanding it and I think that we should be putting language assistants in primary schools. Because if they do not pick up French early on, when it comes to the decision time when they have to select which language they are going to carry on in, they tend to look at something maybe a little bit more colourful, maybe a little bit more attractive, rather than the basic French which is what they should have learnt in the first place. I have during my 17 years in this House spent a lot of time and certainly a lot of States money dealing with our French neighbours. I have been fortunate in that as President of the A.P.F. I have travelled fairly extensively across Europe and talked to French-speaking parliamentarians in many countries. We are working very hard and have done so for the last 15-20 years to improve our links with France - improve our links with our neighbours - in the knowledge that they are so close to us that we need to get closer to them. Some day we might need them much more than we do now, but we have to be prepared. French is still, after all, our second language - the second official language - and I cannot but say that I am just as passionate about French as the Minister for Treasury and Resources. He mentioned one-to-one with native speakers. I know that my daughter learnt French with a teacher, an excellent teacher, but a teacher with a very broad Scottish accent. I have to say that my daughter's French was limited because of it. I am not criticising the teacher, I am just saying that that is a fact. I recently woke up early one morning and put the television on. I saw there a senior educationalist on the mainland talking about learning French and pointing out that the student who gets the best grade A-level in French is not necessarily able to converse because they have learnt the practicalities of French but they have not learnt to talk one to one with a Frenchman. Now, I left school at 15. Okay, I had O-level French which was a reasonably good mark, but that was because I basically came from a family where there was a large amount of French spoken due to the fact that we employed French Breton workers. When I left school, I joined the farm with my grandfather and every day when I went out into the fields I had to speak in

French with the French farm workers because that was the only way I was going to converse with them. That is probably where I learnt the majority of my French, which everybody tells me is very good; I say is not particularly good, like Deputy Southern. I think that this is just one step too far. It is not a case of St. Ouen falling apart. The 2 Deputies from St. Ouen - one the Minister and Deputy Green - I realise have to support their department, but I think that Members should think very carefully about this amendment because I think that we are heading in the wrong direction if we do not keep supporting the language assistants in our schools.

1.5.5 Deputy M. Tadier:

Merci Monsieur. Qu'est que ça me rechauffe le coeur d'entendre le Deputé du Sud s'adresser à l'Assemblée dans une langue si douce. En fait, on devrait parler plus, et faire plus d'effort à parler plus souvent dans cette langue qui a tellement d'importance historiquement, culturellement, voire économiquement pour notre île. As you know, obviously I have a vested interest in this subject, along with the Minister for Treasury and Resources and along with the Constable of St. Ouen who has just spoken, and also with Deputy Southern. Of course, I speak a little bit of French. I hope even that one day my French will be of sufficient enough standard to be elected on to the French Parliamentary Executive, but who knows if I keep on practising. Seriously, I think the points have already been well made, as I said there a moment ago, about the historical, cultural and economic importance of French and the French links in particular with Normandy and other parts of France for our Island. It is interesting to note that we do have a Maison de Jersey which is in Normandy. Similarly, we have a Maison de Normandie here in Jersey, both of which do very good work. I think it is one step too far if we are really going to stoop to this level. I have to echo a lot of the words that Senator Ozouf was saying. Personally, for my life and for my path which has brought me here today, languages, in particular French but other languages, have played an important part. It is particularly close to my heart in the sense that I have been a language assistant abroad. I know exactly the importance first of all personally for the language assistant. It gives them a chance to come to Jersey to look at our Island, to go back when they eventually do go back and to spread the good news about Jersey. But also, there can be no substitute. The argument has been put forward here that we have new technology coming in that children can go on the internet and have video links and talk to other children in France. They can do all sorts on the internet, play word games, whatever. This is certainly something which needs to be encouraged but this is simply supplementary. It can never take the place of the language assistant in the classroom. We must remember that the primary job of the language assistant is to train students for the exam, for the speaking exam, as well as to get their level up to a sufficient enough standard. This would not be something that would be achieved over the internet. So, let us bat that myth I think straight away into touch. Interestingly, we have heard an argument from Deputy Green and his argument seems to have changed from the last debate, or certainly the focus of his argument has changed. Previously he was saying, along with other Members, we cannot do this now because there is no point in employing staff, making them go through a process and then to say the jobs are not going to be vacant. So I think if you are using that argument do not turn around and say: "We do not need these assistants anyway because we can restructure." Restructure by all means if you can be more efficient, but keep the teaching assistants and make it even more productive. The comments of the Constable of St. Ouen were very pertinent insofar as he said just because you get an A in a particular language does not mean you can speak it particularly well. I have this personal experience because I did basically a fast-track Spanish G.C.S.E. along with my A-levels. I do not want to talk too much about my own personal circumstances. I managed to get an A from that, but I would have got a better grade, I would have got an A plus, if I had have had more practice with a language exam. I am not complaining because the exposure that I had to the language assistant was very beneficial, but it is really that part which you need to focus on. It is one thing to be able to read and write a language; it is something else completely to be able to speak it confidently with all the benefits that brings to the individual and to society. I will just make one last point. There are other benefits from having the language assistant. It is not wasted because that frees-up much

valuable time for the teacher. What goes on in the classroom is very much different from what goes on in the smaller room, either one-on-one or in a small group with a language assistant. It frees-up time in the classroom for the teacher to spend more time with individual students who may be struggling, to explain grammar, *et cetera*, the basics of it that way. So it does make sense I think both economically and educationally. I think it is a shame that the Education Department cannot support this. I would implore Deputy Green to search his conscience rather than just necessarily feel that he has a loyalty towards the department and vote for this. I think it makes sense, and I would implore Members to do the same.

1.5.6 Senator T.A. Le Sueur:

I notice that Deputy Southern began his speech in French and then repeated the same words in English, translated them, and I would say to him, to Members, that I got the message the first time around.

[17:15]

In the same way, he made his case in July when a similar proposition was brought to the States and perhaps he has not got the message then when that proposition was defeated. But I accept his right to bring it back again today, just as I accept the position of Senator Ozouf and the Constable of St. Ouen. But we need to look at the overall problem we are facing. It is a problem of a £100 million deficit and the need to make significant savings in the way we do things. Now, it is Deputy Southern who has been bemoaning the lack of detail about what those changes might entail in general terms. I have made it quite clear that to achieve savings of the magnitude we are talking about will require us to do things in very different ways. So, although we are voting today an issue for 2011, I applaud the Minister for Education, Sport and Culture for taking the longer term view of 2011, 2012 and 2013 and how he is going to address the changing needs of education and the way in which they are going to make changes in the way they do things in order to contribute and play his part in these savings that we all require. We all have to play our part in making those savings. It is no use saying: "I will leave it to somebody else." Education has not only done it but they have taken the lead and they have looked longer-term. So, if we are going to deliver services in different ways, we have to consider what some of those better ways are. We have to accept that time does not stand still and the teaching methods we had in 1920 are not the same as teaching methods in 1980 and teaching methods in 2020 will be different from what they are now. The Minister for Education, Sport and Culture has recognised this and said: "Yes, we will consider new ways of doing things." Indeed, he is already embracing such ideas. Last week I was privileged to attend one of the regular meetings that we have with our colleagues from Brittany and in the past we have also had similar meetings with Normandy. There are working groups there of people with an interest in education from both Jersey and France, and I know that there are already existing video links between Normandy and the U.K. and other schools in the U.K. are similarly adopting new means of learning languages. So, I applaud the Minister for Education, Sport and Culture for also saying: "Yes, there are new ways, there are better ways, perhaps, of achieving our objectives in line with the overall States objective of reducing our costs." If we had unlimited resources no doubt we could do a variety of things, but our resources are not unlimited and we have to find the best, the most efficient ways of doing things now and, more importantly, in the future when we have to make some of the significant savings which are going to be required if we are going to achieve the objectives which we all agreed yesterday were necessary for keeping our tax increases to a minimum and making sure we maximise our opportunities for savings large or small. This is one step, an early step but a correct step, in the right direction.

1.5.7 Deputy P.V.F. Le Claire:

I think the Minister for Treasury and Resources' speech was delightful. It is not often in debates like this where the last 2 amendments I did not say a word. I was going to go for a hat trick but I do not suppose I will get there. There is a dilemma in trying to debate *en masse*, and that has been the

problem with this debate and it will be the problem for the rest of it. There is a problem in debating and agreeing *en masse* a package of things when you have not really been involved in the finite detail of those or you may disagree with some aspects of them. I applaud the Constable of St. Ouen for voting for this and I ask Senator Ozouf to do the same. I ask him not to abstain. I certainly think he has done a great job and he is doing a great job. He certainly does have my confidence in dealing with the Island's finances and tackling things head on, and I think he should be proud, as he rightfully is, in the associations he has had with France and the French language and the work that he is doing with it. If this amendment is defeated I would like to get together with him and the Constable and the proposer and talk about possible other ways of interacting with the French community. My wife is Russian and she regularly meets with Russian ladies in parties. There are about 26 of them that are in this grouping of Russian ladies in Jersey that are married to people in Jersey. It is delightful to see them all get together and speak their own language and their children speak their own language when they come together. We have a 5 year-old son who is growing up in a household that is a little bit mixed. He has a father whose mother was Scottish and whose father was French. His mother is Russian. We try to speak to him in English and we took him on holiday to France. We tried our hardest to teach him French before we went, and he is quite adept at computers. Whether they be Macs or PCs he is all over them. He is very quick to grasp things. He is reluctant to learn Russian, but he did not want to learn French at all. He did not want to learn French: no, do not want to learn French. We went to France and we started to integrate on our holiday with some friends who have 2 small boys. When they started to play our son, Alex, was being left out because he could not speak the language of the other 2 children. It was only when, after they had shouted at him about 20 times: "*Arrêtes*" that he started to pick it up. Within one afternoon of them being with us and him being in an area where they could play he picked up several phrases of French. **[Laughter]** I do not know what was funny about that, to be honest. Sometimes they go right over the top of my head. Anyway, the point I am trying to make is that despite our best efforts - I bought him C.D.s, I bought him D.V.D.s (digital versatile discs), I bought him books, I tried to sit down with him, I tried to do French learning on the computer - nothing was working. He was not interested until it became face-to-face contact with the individual that was speaking the language. He realised he was being left out unless he could communicate. Then it was *merci, bonjour, s'il vous plaît, arrêtes* - which was one he learnt to say quite well - and *donnez-moi, s'il vous plaît, à gauche, à droite*, all these things within one afternoon. I was not going to speak, but I was stirred to speak by the Minister for Treasury and Resources' speech about the fact that it is only 10 or 15 minutes that makes the difference. I witnessed that this summer. I witnessed my son picking up all of that French in that 10 or 15 minutes. I can say with hand on my heart now we are back in Jersey and I am back on the D.V.D.s, the C.D.s, the books in French and my son does not want to know. He has no interest again. He said to me yesterday: "There is no need for that now, Dad, we are not in France." I said: "Well, we are going to go to France again." "Well, I will learn it then" was his response. So it really would be great if he had and other people have that opportunity to mix with the real language. The real language is embodied in the real people that speak it, live it, breathe it.

1.5.8 Deputy A.T. Dupré:

I quite agree that the best way to learn a language is to live in the country and you have to learn it to get by anyway. That is the real way to learn. But what I think is important to remember is that we have confidence in our department and that they know that we can maintain standards in our schools in respect of our language teaching. I know that Alliance Française is arranging classes for children between 5 and 16 who have a French-speaking parent, which is something extra. May I also suggest to the Constable of St. Ouen that perhaps if you had been teaching your daughter French she would not have learnt it with a Scottish accent if she has learnt it from you. We employ specialised, qualified teachers in modern languages and they, together with our permanent language assistants, provide support to all age groups but especially to those pupils who are taking external exams. The use of new technology is an important resource and one that was not around in the

past. We must embrace this. We are actively encouraging links with French schools, and most of our secondary schools are now linked-up to this partnership. We have contacts in Ille de Vilaine and Normandy and will be having further discussions with our French counterparts when we meet in the next couple of weeks. I remember when my daughter was taking her O-levels, as they were at the time, and she passed French, Spanish and German. Although they were in groups, some as large as 16, they certainly did not have the luxury of one-to-one teaching. I would, therefore, urge Members to reject this proposition as it is unnecessary and time wasting, particularly as this proposal was rejected in our last States sitting.

1.5.9 The Deputy of St. Mary:

The Chief Minister tried to persuade us that there was a problem of resources, that we had limited resources. I just want to point out that that is a canard. What we need to be is pragmatic and not dogmatic, and the reason that we have limited resources is a dogmatic assertion by the Council of Ministers. I have said it before, have I not, that when my father was Director of Education and his President was John Le Marquand, who is looked up to as one of the greats of Jersey politics - he died last year or earlier this year unfortunately - his mantra when he stood up in the States was: "Nothing but the best is good enough for our children." He would use that phrase, as I understand it from my dad, as almost his opening shot. Now, 30 to 40 years later, this Island which has become probably twice as wealthy as it was then, cannot afford the best for our children in this aspect and I was waiting to hear the phrase "nice to have". I think it is in the back of people's minds that this is a little option. It is a little extra and we can cut it but my vision is for an Island where our children do have "nice to have's". They do have language assistance. In the old days, they had to fight for carpets in schools and curtains because the children, why should they have that? We are way beyond that now. We have had a programme of improving our school buildings, invested massively in them and that was quite right and the scaffolding is now round St. Peter's School, I see. They are getting the makeover process, bringing them up to date. Nothing but the best is good enough for our children. We put it into the buildings, we put it into the staff and this is really a small amendment, a small step to keeping faith with our young people and that is what we are talking about today. It is not a very difficult one and I urge Members to support the proposition.

1.5.10 Deputy A.E. Jeune:

It is interesting how we can all have different perceptions. I understood that the native language of Jersey was Norman French - Jerriais - and that years ago children learned from their parents and relatives. I understood from my father that when they then went to school, they were not allowed to speak in Jerriais because the teachers did not understand it. We do have technology which assists children today but I also wonder with Senator Ozouf's excellent mastering of languages, I would suspect that he heard those languages spoken at home. I will not be supporting this proposition.

1.5.11 Connétable P.F.M. Hanning of St. Saviour:

This is difficult because we are all having to make cuts that are cuts to services that are very close to the heart and we are going to do this repeatedly as we go through this Business Plan. I am supporting those cuts but I am going to make an exception in this case and support the amendment for the reason given by the Connétable of St. Ouen. He said that we must be able to deal with our next door neighbour. We must deal with them, speak to them and co-operate with them. It is essential in this world that we work together with them. Economically, it is essential. In the long term to achieve that, I believe we have got to improve the speech and the communications of our students.

[17:30]

1.5.12 Senator P.F. Routier:

Earlier, we have had a debate about the educational psychologist's post, and this is a very similar debate, to my mind. They are both areas which are close to people's hearts. The debate we had about the educational psychologist revolved, from my point of view, about having faith in the Education Departments, whether they were going to be able to provide the services which were needed to support children with special needs with the services that they were providing. So, during that debate, I supported them and had faith in them that they were still going to be in a position to provide that support. Now we are facing a similar debate where the departments and the Minister and Assistant Ministers are saying that the support for providing language support will still be there. There will be sufficient support for children to learn French and other languages and I am left with the same sort of decision again. Do I accept what the Ministers and Assistant Ministers are saying? Well, if I was to have a choice between having an educational psychologist or a language assistant, I would be coming down on the side of having an additional educational psychologist, but I am not in that position unfortunately, which is because we have made our decision about the educational psychologist, so I am going to maintain my position and accept what the department is saying and the Ministers are saying, that the support will be there for providing language support and I will be rejecting this amendment.

1.5.13 The Deputy of St. Ouen:

I fully understand the sentiments that have been expressed during this debate and the passion that has been expressed by certain States Members to maintain and develop French language in schools. I would like to give this States Assembly the absolute assurance that this proposition is not proposing to stop teaching French in our schools. That is far from the truth. We are absolutely 100 per cent committed to maintaining and developing the French language and, I hasten to add, other languages within our school system. Deputy Southern talks about language assistance. Well, we are talking about temporary language assistance. We have permanent language assistance that we employ within our department that supports language teachers. The teaching of modern foreign languages in secondary schools is delivered by experienced and well-qualified staff, who are appropriately resourced in our language departments, dedicated language departments. This is where we believe our resources are best directed. We need to take advantage of the new and modern technologies that do exist, video conferencing being just one. We are aware of the difficulties and, in fact, this came out in our discussions recently with our French counterparts in the Ille de Vilaine that sometimes it is difficult for exchange students to take place between this Island and France because of certain rules and regulations, and we made a commitment that that would be addressed and the Chief Minister also made that commitment. There are many opportunities that, as I say, exist for our young people. We do spend £1.5 million annually on the employment of specialist qualified teachers of modern languages in our provided secondary schools, £1.5 million. We have brought forward a proposal to reduce the overall budget by £67,000. This is not the end of the world. This is not going to affect the long-term relations that we have with our French counterparts. Far from it. This will enable us to work with partners like Alliance Française and others to seek to develop new ways of encouraging our young people to speak a language. Furthermore, with regard to primary schools, I would like to reassure Deputy Le Claire that over the last 2 or 3 years, we have spent a large amount of time and effort training-up our primary teachers to improve and enable their ability to deliver French to our young people because we place strong emphasis on this area. I would therefore ask States Members please do not necessarily be swayed by some of the arguments that have been made as I can assure Members that there are far higher priority areas within my department that are far more worthy of this money.

The Deputy Bailiff:

If no other Members wish to speak, I ask Deputy Southern to sum up.

1.5.14 Deputy G.P. Southern:

There has been again some criticism of me bringing this for the second time in a year but I remind Members that I do so because there was certainly a strong sentiment expressed to me in the previous debate that it was the wrong time to debate this issue. We have to wait for the Business Plan and so here it is, so I make no excuses about that. That was what happened in the debate. Members will recognise it as being late-on on the fourth day and it went down, so no apologies for that. I will be waiting to hear a strong argument from either the Minister for Education, Sport and Culture or his Assistant as to how provision is going to be maintained such as to maintain quality because one thing that we have got here is quality. This is, and I will repeat it again, it is a cheap, efficient and highly effective way of bringing out the very best in our students. It is tried and tested and it works. Now, the Chief Minister said we must do things in very different ways. He did not say, although he seems to imply, that we should change everything, do everything differently, even when we know it works - and this, believe me, works. You get highly effective teams, assistant and teacher, in classrooms in small groups dividing up the work, really highly effectively. You could not get a better model for how best to do it and I think Deputy Tadier was absolutely right when he said: "Yes, computers and video conferencing are all very well but they are not a replacement for a live young face on a one-to-one or one-in-6." That works and we know it works. That is the bit that completely encourages, and I think it was Deputy Le Claire who said the confidence to do that and once you have got that, you fly - you can fly. The ideal way to learn any language is by speaking to a native speaker. That is what works. Certainly my experience, my French, limited though it now is, was obtained by living in France for a year and after about 2 months, I decided I had had enough of behaving like a Trappist monk and started to speak to people in French and to give it a go and then you take-off. Now, what I will be waiting to hear also is we are talking about £67,000 and we are talking about a Minister who has yet to make his extra 1 per cent cuts. He has got £1.25 million of savings that he yet has not made so it is sitting there waiting to be used. If he can persuade me - well, he has not persuaded me - that £67,000 of that cannot be found somewhere, that there is an inefficiency somewhere that can do that in the 5 reviews that he is still conducting the way forward, then I think I am something like a French monkey's uncle or something. But it is, come on, £1.25 million still waiting to be sorted out; £67,000 is possible. While I am here, I was impressed by Senator Ozouf's statement and commitment. Certainly also he has opened my eyes to the importance of primary input as well, our youngsters. What it made me think of - and Deputy Le Claire also shared that experience - was of how quickly young people, your "tinies", learn, how quickly they learn and I was thinking, my grandson, he is just at 3 and how quickly he learns. Now this summer I am inordinately proud and I tell everybody I taught him to swim. We were at a swimming pool in the south of France and I taught him to swim and then I thought, no, and we taught him something else as well. We taught him to speak French. He now chats away and says: "*Je m'appelle Sam, j'ai trois ans, comment allez vous, bonjour.*" He is also very good with *ça va*, when he approves of something that is happening. He did that in about a fortnight. "We are going to France, this is what they say, this is how they speak" and he is quite happy just to chat away. While he was in France, he swapped into French very often, just naturally. Get them then, get them when they are young and the learning really goes in and it is possible and it is very quick. So to Senator Ozouf, I repeat his words back to him: "In politics you have to stand by your principles", and by Jove, he convinced me that this is one of the principles so I would urge him not just simply to abstain. Stand by your principles please and vote for this proposition. **[Approbation]** Finally, this is a matter not just of the head although I believe it is possible rationally to look at this exercise and say, this is efficient. It works. We should not be fixing it. It is not broke and our hearts *je vous en prie d'écouter votre coeur et votre tête et je vous souhaite de protéger notre culture, notre héritage et en plus nos liens avec la France et le monde de la francophonie. Votez pour cette proposition.* **[Approbation]**

The Deputy Bailiff:

Are you calling for an electronic vote? **[Aside]** **[Laughter]** I ask Members to return to their seats and I will ask the Greffier to open the voting.

POUR: 20		CONTRE: 25		ABSTAIN: 1
Senator P.F.C. Ozouf		Senator T.A. Le Sueur		Deputy T.A. Vallois (S)
Senator F.E. Cohen		Senator P.F. Routier		
Senator A. Breckon		Senator J.L. Perchard		
Connétable of St. Ouen		Senator S.C. Ferguson		
Connétable of St. Helier		Senator A.J.H. Maclean		
Connétable of St. Martin		Senator B.I. Le Marquand		
Connétable of St. Saviour		Senator F.du H. Le Gresley		
Connétable of St. Lawrence		Connétable of Trinity		
Deputy of St. Martin		Connétable of Grouville		
Deputy J.B. Fox (H)		Connétable of St. John		
Deputy J.A. Martin (H)		Connétable of St. Clement		
Deputy G.P. Southern (H)		Connétable of St. Peter		
Deputy of Grouville		Deputy R.C. Duhamel (S)		
Deputy P.V.F. Le Claire (H)		Deputy of St. Ouen		
Deputy J.A.N. Le Fondré (L)		Deputy of St. Peter		
Deputy M. Tadier (B)		Deputy J.A. Hilton (H)		
Deputy of St. Mary		Deputy of Trinity		
Deputy T.M. Pitman (H)		Deputy S.S.P.A. Power (B)		
Deputy D.J. De Sousa (H)		Deputy I.J. Gorst (C)		
Deputy J.M. Maçon (S)		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy M.R. Higgins (H)		
		Deputy A.K.F. Green (H)		

1.6 Draft Annual Business Plan 2011 (P.99/2010): twelfth amendment (P.99/2010 Amd.(12))

The Deputy Bailiff:

We now come to the twelfth amendment in the name of Deputy Trevor Pitman and I ask the Greffier to read the amendment.

The Greffier of the States:

After the words “withdrawn from the Consolidated Fund in 2011” insert the words “except that the net revenue expenditure of the Education, Sport and Culture Department shall be increased by £50,000 to maintain the overall budget for the Youth Service notwithstanding the saving that will be made through the restructuring of the senior management of the Youth Service as part of the comprehensive spending review, ESC-S7.”

[17:45]

1.6.1 Deputy T.M. Pitman:

Well, I was quite tempted to pull this but then if anything has rubbed-off on me from Deputy Southern, it is being stubborn and when you are talking about principles and things you believe in, it is important to follow them through even if it should be that just a few people listen. I think this is an amendment. It revolves around a false economy but it is also about highlighting the folly in frontline staff in Jersey not being listened to when we consider cuts, as we are going to have to do in the coming months. So a couple of months ago, I inadvertently upset one of the former Principal Youth Officers, Mr. Kier Hardy, I believe, by not mentioning when I talked about a plaque that I had had erected in recognition of the success of the later Mr. Peter Gambles who did so much for young people, as did Mr. Kier Hardy. But I mention Mr. Kier Hardy now and Mr. Gambles, the late Sheila Mason, and the current Principal Youth Officer, Shirley Costigan because it helps make the point that it has taken these many, many years to get to the position where we finally have a

Youth Service or informal education service which I think it should be called. It is not only highly professional but it can justly claim to be well on its way to excellence. This cut, if we do not support the amendment, risks undermining that hard-won development when by simply maintaining the existing budget - because that is what it is it is, maintaining that long fought for budget, and redirecting the £50,000 to where it should have gone in the first place, frontline service delivery - we can push the service delivered up a notch further. That is important because in England at the moment the Youth Services in various places are really at the mercy of local authorities. Things are going, which I think will have long-term impacts socially, and I hope after the struggle that Jersey has had and some of the really good contributions that have been made by some Members of this House in getting us where we are now, I hope we do not see that begin to slip away. Is it worth it? Undoubtedly, because I am going to use that *cliché* again, the investment in young people is an investment in the future, 100 per cent. I was going to say that I was sympathetic to the difficulties of the Minister but as he knows, I have lost all my sympathy for him now. **[Laughter]** In fact, I have already crossed him off my Christmas card list. Never mind, I know it is not personal. This decision to cut, the impression is given that it has been justified by the current Principal Youth Officer's decision to take voluntary redundancy but this is only half the picture. It is an opportunistic cut I believe. I do not think it has been analysed at all, I am afraid to say, and I can understand in a way because that is the pressure that the Minister and all Ministers are under. But as Members will obviously know, I was a former youth worker and I have maintained since my election 2 years ago that the current management structure in the Jersey Youth Service was top-heavy and in need of restructuring and, further still, that the resultant savings could be better targeted at frontline service delivery where it could do the most good in providing value for that taxpayers' money. While this view of the management structure was consistently dismissed, even, I am afraid, by the current Minister and his Chief Officer as recently as a few months ago in Scrutiny, the accuracy of what I have been saying has been endorsed by a recent report. Now, it has not been published or made widely available. It is confidential so I cannot quote from it. I would probably have to eat it or something. But it certainly hammers home to me why are we, in Government, so in denial when things are wrong? Why do we not listen to frontline staff? This is how we allow the situation to build-up where certain people can say that our public services are bloated from top to bottom. It just is not true and as the Constable of St. Peter mentioned the other day, he too knows, as a former States employee. You speak to frontline staff, you do find out where savings can be made. But the report, if anyone wants to see it, is by a gentleman called Mr. Pryke. Perhaps you can discuss it with the Minister for Education, Sport and Culture. But how did I know that management structure was top-heavy? Effectively 5 managers to 13 senior professional workers when I finished, 13 professional frontline workers who supervised and managed all the great many sessional and volunteer staff below. I knew because I turned down one of these managerial positions when they were being put forward and I turned that position down because I qualified as a professional youth worker to be a frontline worker. These posts were to be predominantly managerial. They were sold, however, as frontline staff. It is a fact; it has even been repeated in this House on many occasions by the former Minister for Education, Sport and Culture. Just to hammer this point home, it might interest Members to know the reality that underlies all this. I may be unsuccessful but I am asking you to maintain existing monies and redirect them. If you speak to frontline staff, you will find that these sorts of scenarios happen almost across the board and in some cases I am saying this is a false economy but in some cases there are going to be savings made. Not get rid of the person at the coal-face. Look at the little empires above. So when these posts were considered and put together, to the department's horror, when they were assessed by the higher evaluating process which I think most Members are probably aware of, they came back exactly the same score and grade as the senior professionals they were going to manage. What did the department do about it? Well, this was sorted out by 2 individuals being brought over from the U.K. to reassess and would you believe that miraculously the result was that the senior professional workers' ratings whittled down by about 1½ points so that they were no longer the same, and we wonder why management within the States of Jersey is

so top-heavy. We did not look again at what we were creating because there was no plan, I am afraid, there was no analysis done in creating the structure, and I say that with no disrespect to some of the people who filled the jobs. There are some good people but why do we wonder that so many people have this very negative view of Jersey's public services, something which impacts on our staff? Because let us face it, they take a lot of stick. Everyone apparently is overpaid, not doing their job, and there are a lot of people out there working very, very hard. But I say to Members, what do we do now that we know this? Do we take away a chunk of funding that could, even if it helps steer just one young person away from the criminal justice system, for example, justify that £50,000 in one fell swoop? Do we take that big chunk away because finally through convenience through opportunity we are going to make a saving or do we use it and redirect it to where it always should have been, because this is the key? These jobs were sold as frontline workers. Now, there is some frontline work involved but they were never frontline staff and it should not be a situation where Ministers can come ... and I know it was not this Minister and I know it is probably other staff who have long gone but why should this be allowed to happen? This is where the problem lies in Jersey. So do we pull that away and take what has taken 4 Principal Youth Officers and 20-odd years to build up or do we maintain that and focus it to where it could do so much good? Now, I did do the report and I am conscious of time, so I am not going to go through it in great detail, but just 4 areas where surely this money could be used much better. Youth unemployment; you know, none of us are in any doubt the problem that we have got in Jersey at the moment. Anti-social behaviour; that is the biggest issue that I get approached about young people since I have been in the States. Most young people I would repeat, and I know you would all agree with me, are absolutely brilliant but a small number of young people make life very difficult for some members of our community. Political education; all of us surely were disappointed at how this unfolded at the last election, the way we made young people aware of their possibilities in voting or not and on the issues why they should vote and a particular interest of mine, anti-racism initiatives. I have been involved in some good ones over the years and this funding could make something I did with my staff which resulted ... it was a 9-month piece of work. I ended-up taking some young people, a group of 19 I believe, to Madeira which really changed some young people's lives and the views that they held. Just a part of this money could make that happen every year and although my bit of work was focused in St. Helier and St. Saviour to a degree, that could be Island-wide. Just think of the multipliers there for the knock-on effect. To put this in perspective, when we talk about £50,000, we pay our sessional workers - by which much of this work could be done - between £11.50 and £12.70 an hour, so it really does show we could get an awful lot for our pound. There has been growth in the Youth Service over the years but it is not unwarranted growth and we have got to the stage now - where I am sure the Chef de Connétables will correct me if I am wrong - I think every Constable has now persuaded their Parish Assembly to support informal education. I do not think there is one who has not - with partnerships - and really taking away this £50,000 after such forward steps is a backward step. You can say: "Well, okay, you are right, you have been proved right, but clearly the money is not needed for management so we should take it away and direct it somewhere else." But is that the best option? I feel passionately that it is frontline services where this money is needed. The money was intended and it was sold to you all, I am afraid, as frontline services, and I have spoken to the people in the Youth Service, including the Principal Youth Officer. Obviously she cannot make political statements but of course she would like to keep her budget even though she will no longer be here. The Minister says that things will not be impacted upon by removing this money. Maybe he is right but what I do not think he can argue with, if we kept that money there, then the positives, the outcome of that, of maintaining that budget, because it is not an increase, would be quite stupendous. As I say, 20, 25 years to get where we are today, 2 Principal Youth Officers have died in that time very unfortunately. It is a job that clearly seems to be something of a poisoned chalice but I do just implore people. I am honest. Deputy Southern gets annoyed when I say things like this, but I am not too hopeful of persuading people because I have seen the way the votes have gone today, but this is about young people and if nothing else comes out of this, I hope people will see

how the Jersey system works, where little empires build-up, where frontline services become secondary and where staff who tell you things are ignored. I have been ignored for 3 years, 2 years. There are other people in this Assembly who have raised the issue. I think Senator Ferguson has. I think the Deputy of St. Martin, Deputy S. Pitman certainly has. So with not much hope in my heart, I ask you to maintain the budget and support this amendment and let us continue and help the Jersey Youth Service to move that notch further on the way to being excellent because, as I say, the U.K. is going in the opposite direction very fast and there will be social implications. I do not want to see that happen in Jersey so with that, I make the amendment.

The Deputy Bailiff:

The amendment is proposed. Is it seconded? **[Seconded]**

1.6.2 The Connétable of Grouville:

I was reluctant to interrupt the proposer when he was in the middle of his proposition. I wonder if he could just elucidate a little bit that did he say there are 5 managers for 13 workers. Is that correct and is that normal?

1.6.3 Deputy A.K.F. Green:

I think my good friend, Deputy T. Pitman, probably made the case for me in some of the figures that he quoted. This is not like the other 2 amendments that we have looked at. This is a pure efficiency. This is a reduction in overheads without in any way changing the service delivery, and I will come back to service delivery later on. Some people might be surprised that we are opposing this amendment and we only oppose it because if we do not find the savings in places where we are making true efficiencies, we will end up taking the savings out of frontline services. Some people might think £50,000 is a bonus but there are lots of other places where we could make a real impact using that £50,000.

[18:00]

This is a true efficiency and my good friend, Deputy Pitman, has time and time again criticised the number of managers that we have in the Youth Service and I have spent a long time, not only speaking to the Director of Education, but speaking to the Principal Youth Officer about this. I wanted to be totally satisfied that when we made this management flattening of the structure that we would not affect in any way our service delivery to the young people. This is about reducing administration costs, about reducing management costs and, as I say, will not alter service delivery. I do get a bit cross with the Deputy when he keeps saying that we have got 5 managers for 13 workers. We have got 5 managers at the moment for hundreds of workers, many of them sessional and a lot of them volunteers but nevertheless still professionals and we value all the work that they do directly with the Youth Service and the other volunteer groups such as the uniformed services, Guides, Scouts and everything. There is a lot going on in the Island. Deputy Pitman made reference to a number of areas he would like to see development in, for example, youth employment. We are doing a lot in youth employment. Look at what is going on at Highlands, the highest enrolment we have ever seen supported, I am grateful, with the money from fiscal stimulus there as well. We have talked about development of C.V.s (curriculum vitae). That is something we are doing at schools, at college, at Social Security and I do not disagree with that but we are doing it and we can do more of it. The work undertaken at Highlands in the career service of Social Security is excellent in supporting our young people and for those that are more insecure and a trouble, take time, go and have a look at our Y.E.S.S. (Your Employee Self-Service) service, our Y.E.S.S. project. It is extremely good value for money. As a whole, we must reduce expenditure in this department. This reduction is not a “nice to have”. This is about the very survival of our economy, of our infrastructure, of our Island and people want to see efficient public service and not more taxes, and we all have an obligation in that respect. That is why we are spending so much time over the last few days debating this in time to go. Young people are essential to the

continuing prosperity of this Island. We all have a responsibility although it is particularly the responsibility of E.S.C. to ensure that they are fully-equipped to take up their various roles in the community. To that end, we have been very creative as a Ministerial team supported by the officers in the development of service provision with the excellent partnerships that we have with all the Parishes and, while I am on my feet, I want to thank the Constables for recognising that and the work that they do there. In conclusion, this is a true reduction in admin costs. This is not about reduction in services. This is not about saying to young people we do not value them. Quite the opposite. We are going to do a lot more within the Youth Service within the budget that we have. This is a true saving, a true reduction in management costs and not a reduction in service provision. Please reject the amendment.

Deputy T.M. Pitman:

I did not want to interrupt the speaker. Could I just correct something that the Assistant Minister said which is incorrect? Is that possible or do I need to wait?

The Deputy Bailiff:

You can ask him to clarify a point of correction if you wish.

Deputy T.M. Pitman:

Yes, it is just a point that senior workers manage all those staff, not the 5 managers. I did think the Assistant Minister might know that.

Deputy A.K.F. Green:

Everybody has responsibility through the structure for the management of all the people.

The Deputy Bailiff:

That exchange shows why it is better to wait to the end.

1.6.4 Senator A. Breckon:

Just a few comments. Again, I can well understand where Deputy Pitman is coming from here and we did work together on the Scrutiny review - on services for vulnerable children - and I must confess I was not aware of the range and quality of services provided by the Youth Service. Because of time restrictions - Deputy Pitman did not go, because he would say that, would he not, if he went to the Youth Service - then I did a visit and met with some of the people and saw some of the services, including the Outreach on Friday and Saturday nights and the Youth Engagement Scheme, which is fairly illuminating because there are youngsters as young as 14 or 15 who are not living at home and are called sofa-surfers. They are staying with mates or friends, or whatever else it is, and the Youth Service in La Motte Street are engaging with some of these young people and trying to get them back into school or back into the system and some of these kids do not have any money. They are just surviving off their mates or whatever it is and that was, I should say, an unpleasant surprise to me. But the question is, what is the cost of that if the Youth Service are picking these youngsters up, and I know because the Minister for Education, Sport and Culture and Deputy Green were there. I went to a presentation done by the Street Pastors about 8 or 10 weeks ago and they are providing similar services where they are out there in the town on a Friday and Saturday night, youngsters who may be vulnerable, maybe drunk or under the influence of something else, there are bottles and other things around and this shows that what we are doing is okay but there is still a need out there for other volunteers to do. Now, the other thing is when you look at some of the funding streams there have been... and I know that, for example, a Lloyds TSB Foundation has funded all sorts of things, not only facilities and equipment, but also the wages of some of the workers so I can well see where Deputy Pitman is coming from. What he is saying is well, okay, if we have got this money, if we have it in the system, if we need to fill this gap, then we can do that, but from my point of view, it is a safety measure and rather than reduce the money, let us ensure that the service is safe. Some Members that may be unaware of some of those things

should go and have a look and workers are out in and around the town on Friday and Saturday nights. I do not think they are around much before 9.00 p.m. and they are out until fairly late but it might be worthwhile some Members looking at that because, as I say, I was not aware of this Outreach thing and there are vulnerable young people out there. Now having said that, there are relationships with the Parish on joint funding, on facilities and all that sort of thing, and sometimes we can be perhaps pennywise and pound foolish and not know the value of things. You cannot always put a value on it; well, what is the cost of it and what does it do? We do not know that because if it keeps young people out of the criminal justice system through the Youth Service, then it is, as Deputy Pitman has touched on, money well spent. So again, from my point of view, we are pinching away at these little things when perhaps we should not, and I think Deputy Pitman is right to be beating a drum on behalf of the Youth Service because he has a professional knowledge of it and I do not think that is a conflict. I think if Members have that experience, then they should share it with us and I for one certainly will support this.

1.6.5 Deputy J.B. Fox:

I am going to support this because I think it should have been: “Yes, you can have efficiencies in the management.” Deputy Pitman has been referring to the heavy overload with management but, in fact, it was never designed for that. I was involved in it for the last 9 years apart from this last 2 years in Education, Sport and Culture and with responsibility for youth. Before that, I was a police officer for 16 years in charge of community policing so it is a subject I am fully aware of and have been living through it most of my adult life in one form or other. I would like to say though that with the tragic loss of 2 of our Principal Youth Officers who died, that affected ... sorry, am I interrupting another conversation of the Senators? The problem is we lost our succession planning. There was also the need for a great deal of extra responsibilities in things like Health and Safety and broadening the responsibilities of the youth officers and the staff in various forms, and I am not going to go into a lot of detail but that is why it occurred. But it is like the police force. You have a P.C. (police constable), you have a sergeant, you have an inspector, chief inspector and so on, and you have these things and they are there for a purpose but not obviously in such a wide range or form. But the important thing about it is that the world is changing and our children used to run around and find a lot of their own entertainment, *et cetera*, in the past but as the density of the Island’s population increases and the necessity for things like Health and Safety, there are a lot more responsibilities that have to go into it and part of this is supported by the Youth Service. A lot of the things they do is run things but they provide the support and, yes, the Deputy was responsible for Grands Vaux, but some of his supervisors, who are also responsible for other centres like La Pouquelaye, like First Tower, *et cetera*, around the Island, that did not have any direct Youth Service support and that is the sort of thing it provides. It also provides support and supervision especially in the country Parishes for their youth activities and that is an important area as well and thanks to the support of the Constables, we have already heard about Lloyds TSB, the Variety Club and a whole host of other voluntary and individual members and organisations that have supported it. We have gone a tremendously long way in bringing things forward and the E.S.C. has been involved with other things; with David Kennedy - in the community sports - whether he turns up on the beach or in the field, and goes around with the youngsters by their mobile phones, and instantly it is a success and you have got activity and it is better than being a couch potato. We have the other organisations as well that the Youth Service and others are involved in. We have heard a bit of the Outreach work. There is a lot of outreach work that goes on, not just within the Island. It is also taking our youngsters off the Island so you can see why it is essential. But it is not the only... It is a big family and there is an awful lot of people that for 10, 15 years and more have given their services voluntarily running youth and community centres, church groups, the Duke of Edinburgh Award Scheme, *et cetera*, but one of the big things that is happening, of course, is that with all the extra responsibilities... especially in Home Affairs and the shortage of Honorary Policemen that we have, especially in St. Helier, we have only got half the police, the Honorary Police that we should have. Although the Youth Service and the associate

people that look after young people are not there to be policemen, they provide a very valuable service in further educating our youngsters in the broadest things of life. We are trying now, especially in St. Helier, to open our community centres for after-school so that there is constructive use. It also gives an opportunity for after-school homework and things like that where they do not have it, school holidays, especially other important areas. I shall vote for this. I could go on for a long time but I will not because of the time.

1.6.6 Deputy G.P. Southern:

Yes, and briefly what Deputy Pitman is proposing is that rather than cut, we simply maintain the level of services and make it more efficient and more effective in this particular area. I think what is happening here... and again I come to the question of how have these particular cuts come up? Here I think what we have is a Cinderella service. We are talking about £1.4 million approximately on the Youth Service compared to £100 million budget overall for Education. So when it comes to divvying-up who is getting a cut - where can we trim - we can find areas to trim quite easily sitting round the table when there is one voice there speaking up for the Youth Service and whatever it is, 16 talking about various other aspects of Education. I wonder if that is what is going on here because it is again a relatively easy trim here rather than elsewhere. What I am reminded of directly - and again I use it in my own proposition about Education - Education, Sport and Culture have still to make £1.25 million of changes of cuts from its 5 basic reviews that are going on and again I will make the point.

[18:15]

If Members feel that this is important enough to maintain this spending in this critical pinch point, this area of Youth Service work which is very effective and could be more effective, then they simply have to vote for this and that does not automatically put the tax bill up - put the deficit up. What it does is puts the pressure back on the Minister for Education, Sport and Culture to say: "Right, play clever with your remaining £1.25 million. You have only delivered half the stuff so far. Find this because this a priority. Reprioritise elsewhere and deliver this saving elsewhere. Get on with it because we think this is a priority." So again, given the circumstances that this is the only Minister who has come without the complete package saying: "It is *fait accompli*, this is what we are doing, okay", so you can with good conscience, I believe, put that pressure back on him and say: "Deliver, we think this particular area is an important priority. Deliver elsewhere."

1.6.7 The Deputy of St. Mary:

The Youth Service was set up under Senator Jeune when he was president of Education, again, another much admired senior statesman of Jersey, and I guess it was in the seventies. I will point out again, as I did in the last amendment, that the Island's wealth since then has probably just about doubled. So here we are again making these judgments about what we can afford and what we cannot. In the time that this service was developed, as the proposer pointed out, under the 4 leaders of the Youth Service, as it was developed, the Island was not as wealthy as it is now by quite a long chalk and yet that was felt to be important and I am sure that they were right. It is really hocus-pocus, and I am going to take a different line here. It is hocus-pocus to say that we cannot afford this: 17 per cent of our G.D.P. (Gross Domestic Product) goes on public sector, public facilities, public expenditure. The O.E.C.D. (Organisation for Economic Co-operation and Development) average is around 40 per cent. It is nonsense to say that we cannot afford this or that. It is just that we have set ourselves, or the Council of Ministers has spun its way to public acceptance of the idea that there is not any money and therefore the Youth Service is faced with, or rather were faced with, possibly the likelihood that Members will not support this because we have not got £50,000 and it is just nonsense, complete nonsense. That is the main point I want to make. Now I will pick up what Deputy Green said about the original £50,000 cut being a pure efficiency saving. I accept his word on that, flattening the management structure. Yes, the over-management of the Youth Service, from what I understand, yes, but where I do have issue with him is where he said: "We are

going to do a lot more with the same money.” Well, who is this magician who can do a lot more with the same money, and we are not talking about flattening the management structure or doing away with people who are just pushing paper around. We are talking about the front line. They are somehow going to do a lot more for the same amount. It does boil down to whether we support our young people. I will just throw in one more idea, something we do not do, which is ask people what the effect of our services was on them a bit later in their lives. We do not do it and I wish we did. As far as I know, we do not do it. Someone stand up and correct me if I am wrong. Has this Assembly ever asked people 10 years on when they are 25 what the value of the Youth Service had been to them? Had they had contact with it? What did it do for them? Then we would have some idea of the value of what we do and the same, I might add, would go for educational services but that is another story. Why do we not do this research? Why do we not ask people about the value of what we as a government provide? Well, I wonder if the answer might be that we do not want to hear, or rather the Council of Ministers does not want to hear. The answer might be: “It was marvellous, I had great experiences from the Youth Services. It was very valuable to me. I learned a lot,” and we heard from the Minister for Treasury and Resources about the value of his language experience. That was a living testament to the value of something that has happened earlier and he made a passionate speech about language learning and how important it was and how we should have these assistants. The same should be the case here. We should ask those questions. We should find out about the value. If we find that everyone at the age of 10 years down the line says: “Well, I used the Youth Service and the various aspects and it gave me absolutely nothing and I cannot think of anything that it did for me and any advantage if conferred in my life,” well, fine, pack up, let us fold up the Youth Service. But let us find out, let us ask people what the benefit was. I suspect that there is a value and I am going to support this amendment until such time as research proves otherwise.

1.6.8 The Deputy of St. Ouen:

I must admit I am getting extremely disappointed that some Members continue to suggest that both I and my Assistant Ministers, and indeed the department, have not properly considered the savings proposed, including this one. I am also saddened by certain comments which suggest that we choose to ignore Members’ views because that is also far from the truth. We might not agree all the time with Members but we certainly do not ignore those views, and this includes Deputy Pitman. We do welcome and have welcomed his comments about the Youth Service since he has been in the States. He drew our attention to the fact that we needed to look at the management structure of the Youth Service. We did. We identified an opportunity and a need to address that matter. Deputy Southern asks, how have these savings been identified? I will tell you how: intelligently. **[Laughter]** We looked at the situation. We recognised that there was an ability for the department to restructure at a time when there was going to be change within the management of the Youth Service and we have taken advantage of it without altering any or impacting on any of our frontline services, which I will absolutely agree with Deputy Fox and others and Senator Breckon, are superb. As far as the Deputy of St. Mary is concerned, I think we have got to talk more together for the simple reason that we do conduct a young people’s survey each year to get a sense of what their views are, and also in 2009 a review was undertaken on the Youth Service. So we are aware of what is being provided, how it is being provided and where improvements can be made. With regard the job titles, I notice and I am extremely grateful for the Constable of Grouville because he and I shared a period of time on the Public Accounts Committee, and when we heard comments about managers, our eyes lit up and I could see from over here that flash appear in his eyes when he heard the fact that there were managers. I would just say that on occasion, titles can be misleading and do not reflect the actual duties of the individuals involved. To my knowledge, and I have spent quite a considerable amount of time working closely with the Youth Service, most, if not all of our managers, are out there actively engaging with and working alongside our young people. I think we have got an excellent Youth Service. I think we have got some excellent initiatives on the way. Do I want to affect it? Absolutely not. Am I going to be

coming back to this Assembly proposing wholesale cuts in the support that we provide our young people? No, absolutely not. The proposals that I will be bringing back to this Assembly and be making those over the coming months will, I believe, reinforce the fact that they will be intelligent and well-considered savings which will avoid where possible impacting on the most essential frontline services that our department provides.

1.6.9 The Deputy of St. John:

I am going through the budget book while I am quietly contemplating what is within it and I come across human resources under the Treasury and Resources Department which runs into millions of pounds and I sent a note to the Minister for Health and Social Security and to the Assistant Minister for Education. They have also got Human Resources Officers departments. Why are we duplicating? Most departments I know have a Human Resources Officer.

The Deputy Bailiff:

Deputy, can I ask you to address the amendment which is the Youth Service.

The Deputy of St. John:

Yes, Sir, I am, I am addressing the amendment, Sir. We need money ...

The Deputy Bailiff:

Excuse me, Deputy, we are not going to compare the Youth Service spending with every other spending within the States. Just the question of youth services.

The Deputy of St. John:

No.

The Deputy Bailiff:

Just the question of youth services.

The Deputy of St. John:

Yes, I accept that, Sir, the Youth Service within Education, and if we are duplicating in certain areas, why has that not been taken away? I am aware that all departments have Human Resources Officers. We do not need to duplicate. They have got officers that have got an office. They will probably have an assistant and whatever else within the departments. We had this years ago when I was in the old committee system and I thought that had been done away with. So the Deputy has made his proposition here and I think if we have got to get money, the Treasury should get their act together in the first place by making sure that we have not got any duplication. We do not need a Human Resources Department in the States at the same time if we are duplicating it within departments. We need one, we do not need both and that is where I am coming from, and I am getting more and more frustrated given that we saw the Minister a few moments ago vote on funding for languages when his own Assistant Ministers and Ministers were voting against it because there was no funding and yet the Minister for Treasury and Resources votes in favour. Now I am finding that we have got a scenario here that we are duplicating, that there is £2.5 million there. Some of that is being duplicated in the departments. It is time, through the Chair, Sir, that the Minister for Treasury and Resources got his act together and used that money where it is required, not to keep on taking it away. Take out some of this duplication.

1.6.10 Deputy P.V.F. Le Claire:

It is certainly getting late judging by the last speech and I am just wondering how much longer we are going on for this evening judging by the fact that they are unable to take your rulings, Sir.

The Deputy Bailiff:

Deputy, thank you, I have no other Member wishing to speak. I was going to call on Deputy Trevor Pitman to reply.

Deputy T.M. Pitman:

Sorry if you are bored, Deputy. It has been a long day.

Deputy P.V.F. Le Claire:

I am not bored. The last speaker was confused. **[Laughter]**

1.6.11 Deputy T.M. Pitman:

Although it is probably 53 of us who are confused by that... **[Aside]** the Deputy too, okay. The Constable of Grouville rightly asked if he had heard right when I said a ratio of 5 managers to 13. He did hear me right. When I first became involved in the Youth Service, there was a Principal Youth Officer and a training officer and another person for Arts Alive and Crabbé, *et cetera*. What I would say to the Constable is that if the Minister for Education, Sport and Culture can show me anywhere in the United Kingdom where they have that ratio, I will eat this confidential report **[Laughter]** because it does not exist and I have got many contacts and friends in the service in the U.K.

The Connétable of Grouville:

On a point of clarification, both the Minister and the Assistant Minister have said that these 5 people had other duties. They are not just managers. Is that correct?

[18:30]

Deputy T.M. Pitman:

If we get into the titles, we could be here for quite some time. **[Laughter]** **[Aside]** Just to stop the Constable in his tracks, when the issue of too many managers was raised in the States 2, 3 or 4 years ago, the response of the then Minister for Education, Sport and Culture was to change everybody's title. That is what we do in Jersey, I think. Deputy Green, as was picked up by the Deputy of St. Mary, said we are going to do more. Well, I too would like to know how these people can do more because perhaps he is not aware of a report in 2001 when a third of professional youth workers left the service due to stress-related illness. The main reason for that was because there was not enough support staff and if he would care to go and look at my old timesheets and people, he would see that many workers were doing 20 hours extra for no pay. They were doing it because they cared as we know happens in a lot of caring industries. As I say, a third of professional youth workers left in 2001 due to stress-related illness due to working too many hours. One of the things that was picked up was that people did not even take lunch hours. They worked through because they did not have the staff. They did not go off ill because there was no support staff. It has got a bit better thanks to people like Deputy Fox, the Deputy of St. Martin, Deputy Pitman, who have raised those issues. But how does he expect people to do more really? As the Deputy of St. Mary says, I think we need a magician. Senator Breckon talked about ensuring the service is safe, and that is really what this is all about. It is good that he mentioned people like Lloyds TSB, and I think Deputy Fox mentioned Variety Club, because they have been great. The trouble is, as we all know, there has been more and more demand on external sources of funding. I managed to raise more than £250,000 in my time and it got to the stage where so many people were going to beg and preside, the bowl just was not big enough. That is the reality and I am sure a lot of volunteer organisations will say the same. That bowl just is not there anymore. Deputy Southern talked about it being a Cinderella service and, yes, it has been and understandably in some ways, and I liken it to probably when Senator Perchard took over Social Services. I think he made that awareness that Social Services had been a Cinderella service and he began to do something about it. Same sort of situation. The Deputy of St. Mary said it was a nonsense to say we could not afford this and I obviously agree with him. We just cannot do more with less in this

case, I am afraid, not if you are talking bodies. The Minister for Education, Sport and Culture said that his decision had been taken intelligently. I do not think he meant that to sound as glib as it did **[Laughter]** and I am not questioning his intelligence. I might after the vote but not now. I just think, as has been highlighted, this was an opportunity to cut the budget. It is very convenient. The Principal Youth Officer is taking voluntary redundancy. That does not balance with analysis as far as I am concerned. I think that is the only people who spoke but I welcome and thank them all. It is a valuable Youth Service. I am not questioning the work that the Youth Service does because it is absolutely brilliant and what Members if they not aware should be, there are some wonderful people who get paid nothing at all in the Youth Service, absolutely **[Approbation]** and when we are talking about £1.4 million budget, as I have said, there are a lot of people who are paid but they do much more than that. They go far beyond the call of duty. In fact, I think being a youth worker must be one of the biggest causes of divorce probably because you never see your partner. As for me, yes, I got out on time. So with that I would make the amendment. I would ask everyone please to consider maintaining this budget. It has taken 25 years to develop and I ask everyone to support us and I call for the appel.

The Deputy Bailiff:

The appel is called for. I ask Members to return to their seats and I will ask the Greffier to open the voting.

POUR: 12		CONTRE: 33		ABSTAIN: 0
Senator A. Breckon		Senator T.A. Le Sueur		
Deputy J.B. Fox (H)		Senator P.F. Routier		
Deputy J.A. Martin (H)		Senator P.F.C. Ozouf		
Deputy G.P. Southern (H)		Senator F.E. Cohen		
Deputy J.A. Hilton (H)		Senator J.L. Perchard		
Deputy P.V.F. Le Claire (H)		Senator S.C. Ferguson		
Deputy M. Tadier (B)		Senator A.J.H. Maclean		
Deputy of St. Mary		Senator B.I. Le Marquand		
Deputy T.M. Pitman (H)		Senator F. du H. Le Gresley		
Deputy M.R. Higgins (H)		Connétable of St. Ouen		
Deputy D.J. De Sousa (H)		Connétable of St. Helier		
Deputy J.M. Maçon (S)		Connétable of Trinity		
		Connétable of Grouville		
		Connétable of St. Brelade		
		Connétable of St. John		
		Connétable of St. Saviour		
		Connétable of St. Clement		
		Connétable of St. Peter		
		Connétable of St. Lawrence		
		Deputy R.C. Duhamel (S)		
		Deputy of St. Martin		
		Deputy of St. Ouen		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A.N. Le Fondré (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy I.J. Gorst (C)		
		Deputy of St. John		
		Deputy A.E. Jeune (B)		
		Deputy A.T. Dupré (C)		
		Deputy E.J. Noel (L)		
		Deputy A.K.F. Green (H)		

The Deputy Bailiff:

If I may, there is one further matter which I would just like to raise. The next item on the agenda is amendment 8 paragraph 1 in the name of the Education and Home Affairs Scrutiny Panel. Members will have on their desks what is described as a statement by the panel, which I understood to be an explanation of the reasons why the amendment has been withdrawn. Now, the reason I say that is that if it is a statement, it would give rise to the opportunity for questions and I am sure the panel does not intend to be questioned on this statement and it is simply an explanation of why the amendment has been withdrawn. Is that correct?

Deputy M. Tadier:

That is right, Sir. I am sure Members will show goodwill and probably not want to ask questions so if Members are happy, I will just make this ...

The Deputy Bailiff:

I am taking it as an explanation rather than a statement.

Deputy M. Tadier:

Yes, that is right.

The Deputy Bailiff:

That is correct?

Deputy M. Tadier:

It is an explanation.

The Deputy Bailiff:

Very well. Then, in those circumstances, the explanation is received by the Assembly and the amendment is withdrawn.

The Deputy of St. Peter:

Sir, before we propose the adjournment, I do not know whether you, Sir, have been receiving advice during the day. I certainly have from various people about the length ... the way the debate is going at the moment. It has taken us 2½ hours to deal with .02 of the actual figures within the budget. If we do not raise our game, I put the Assembly on warning that we will be sitting next week on at least Monday, Tuesday and Wednesday and we just confirm that we will be sitting until 7.30 p.m. tomorrow. That is my proposition.

The Deputy Bailiff:

I am sorry, will you finish that last one?

The Deputy of St. Peter:

The proposal, as I had mentioned earlier, to sit until 7.30 p.m. tomorrow evening, Sir.

The Deputy Bailiff:

The proposition is made to continue until 7.30 p.m. tomorrow evening. Is that seconded?
[Seconded]

Senator J.L. Perchard:

Sir, I would like to make a counter proposition. I see, Sir, what sitting till 6.30 p.m. has done to some Members. I think 7.30 p.m. would be extremely dangerous. [Laughter]

Deputy G.P. Southern:

May I propose a counter proposal that we maintain 6.30 p.m. By my count, we have done with 15 of those items on the list and we have got 30 to go. Yes, we may go over into next week but I think we are doing better than we think.

The Deputy Bailiff:

I think that is not a counter proposal. It is just saying no to the proposition which has been put forward by the Vice-Chairman of P.P.C. This is a fairly straightforward matter. All those Members in favour of the proposition to continue until 7.30 p.m. tomorrow evening, kindly show? Those against? The proposition is defeated on a standing vote. As it is now just after 6.35 p.m., I am sure you would like me on your behalf to thank the Greffe staff and the ushers for working late.
[Approbation]

Deputy P.V.F. Le Claire:

We might also give a nod towards the media perhaps, Sir. I do not know if ... **[Laughter]** I am trying to get in their good books. I have upset them recently.

The Deputy Bailiff:

I am very grateful to you, Deputy, but the States, as far as I am aware, do not pay the media.
[Laughter]

The Deputy of St. Peter:

Just as a final comment, Sir, one of the suggestions that came across to me on a note was that we should ask the media to withdraw and we might speed things up. We cannot do that and will not do that.

The Deputy Bailiff:

Very well.

The Deputy of St. John:

Is it possible, Sir, that some of the votes are done on standing votes towards the end of the afternoon because I know the Greffe's Department have to work late on collating all these things late in the day.

The Deputy Bailiff:

It is the right of Members to ask for the appel and that has generally been asked for. The States will now stand adjourned until 9.30 a.m. tomorrow morning.

ADJOURNMENT

[18:39]