

STATES OF JERSEY

OFFICIAL REPORT

TUESDAY, 18th SEPTEMBER 2007

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

PETITIONS

1. Goods and Services Tax: Petition

The Bailiff:

I understand that the Connétable has a petition to present.

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

Yes. I have been asked to present the petition organised by the Jersey Consumer Council requesting the Treasury and Resources Minister to take no further steps to introduce G.S.T. (Goods and Services Tax) until public finances have been examined independently to identify potential savings and until alternative methods of raising funds have been investigated. In case members do not know, a total number of 19,209 signatures have been approved on this, and I would just like to take the opportunity first of thanking the staff of the bookshop for undertaking this mammoth task in extremely short order, before, of course, thanking the Consumer Council and everyone who has signed the petition, most notably, I think, members of the senior citizens in the Island, local traders and businesses and the general public, so many of whom have been willing to put their name on this petition. I would ask that the Minister concerned and the States pays due attention to the significant proportion of Islanders who have signed the petition. I will formally hand it over to the States, Sir.

The Bailiff:

Very well. The proposition, Connétable, is accordingly lodged and you ask that it be referred to the Minister for Treasury and Resources?

The Connétable of St. Helier:

Yes, please.

1.2 Senator T.A. Le Sueur (The Minister for Treasury and Resources):

Clearly I acknowledge the views of a significant number of people in the Island, which I totally understand. Given the importance of this subject, Sir, I ask that I would be able to present a report at the earliest possible stage in order that we can deal with this and resolve it one way or the other. I am sure that I will get every co-operation from the Connétable in making sure that that does happen.

The Bailiff:

Very well, thank you, Minister.

PUBLIC BUSINESS

2. Annual Business Plan 2008 (P.93/2007)

The Bailiff:

Now we come to Public Business and the first item is the Annual Business Plan 2008. I ask the Greffier to read the opening lines of the proposition.

The Greffier of the States:

The States are asked to decide whether they are of the opinion to receive the Draft Annual Business Plan 2008 and, paragraph (a), approve the summary key objectives and performance criteria for 2008 of the following States-funded bodies as shown in the annex to the Draft Annual Business Plan.

2.1 Senator F.H. Walker (The Chief Minister):

This is the second Annual Business Plan since the introduction of Ministerial government. It covers a year of unprecedented importance and change for the Island. 2008 will see a complete change in our benefits and taxation systems, a new over-arching social policy, a new direction for health, a new Social Housing Plan, the development of a new Island Plan, a new population policy and much more, so a significant year indeed. The 2008 Business Plan sets out the Council of Ministers' business proposals and confirms our determination to protect all aspects of Island life, maintain high quality public services and use our economic success to provide proper and full support to the vulnerable members of our society. It also sets out our proposed spending limits, the schedule for the disposal and management of States-owned property and the legislation programme. The Council of Ministers has promised that Jersey will live within its means, and this Business Plan delivers on that promise. We are indeed fortunate to be able to fulfil our promises without putting an unmanageable strain on our finances. The States made wise and well-informed decisions in agreeing the fiscal framework and we now have firm and clear evidence of confidence turning what was an economic downturn into real growth with increasing opportunities and employment for local people and increasing tax receipts on the back of it. May I remind the House what the key elements of this framework are: firstly, economic growth with an emphasis on local employment; secondly, combating inflation, which is, of course, a never-ending challenge; thirdly, the introduction of indirect taxation in the form of a Goods and Services Tax; and last but not certainly not least, increased efficiency in the delivery of public services. The economic picture for Jersey looks bright and the latest financial forecast based on the new health and vitality of Jersey's economy, which has enabled us to cope with the severe hit of the Zero/Ten regime in remarkable fashion, is very positive and robust. In 2006, a better than expected economic performance resulted in a £22 million surplus in States' finances and the Treasury and Resources Minister sees no reason why this pattern should not continue. But, as always, there is no room for complacency. If we are to secure a financially sustainable future, we not only need to protect this surplus, we must also continue with the agreed programme of fiscal reform to ensure that there is no underlying long-term deficit. We must not mortgage the future. Our best estimate of tax losses with the move to Zero/Ten is between £79 million and £94 million per annum. However, the actual figure will not be accurately known until 2011. Provided - and it is a big provision - the States sticks rigorously to the limits set out in this Business Plan, then no new taxes beyond those already set out in the fiscal strategy will be needed before 2012 at the earliest. That is no new or additional taxes other than those already set out in the fiscal strategy. If any remedial measures should be required in the future, they would be phased-in so that budgets would again be in balance by 2015. If necessary, interest on the strategic reserve could be used to make up any shortfall in the interim, although this could not be a long-term solution. I think it is a remarkable achievement that we have been able to absorb the losses in tax revenue of Zero/Ten without even resorting to using the revenue on our investment in the strategic reserve. Now, I am not scoring points here, but this is a fact. In Guernsey, in contrast to us here in Jersey, they are budgeting to use not only the revenue but half the capital from their strategic reserve as well. We are not budgeting to touch a penny from our strategic reserve at this stage but, of course, we could if it became necessary or if the States wished. I think this is an achievement we do not dwell upon sufficiently and it is one from which we should all take a considerable amount of comfort. One of the objectives in the business planning process has been to ensure that the financial implications of the new Strategic Plan are fully identified and included in the approved financial framework. This has been fundamental to the various prioritisation processes and the requirement for departments when submitting and costing their bids. This is absolutely essential if we are to operate the financial discipline which will be required over the planning period to maintain balanced budgets. There are a number of amendments to the Business Plan which could seriously impact on the ability of the States to maintain its services to the public of the Island, but we will come to those, of course, later in the debate. Contrary to some widely held misconceptions, the States has reduced its spending year on year by £35 million and has cumulatively saved some £100 million since 2004. I do ask at this point, do we in the House - do members - really believe we can take out another £20 million or so each year without seriously

affecting service provision? If we do, will we be prepared to live with the public reaction and other consequences of cutting services? As we have seen over the last 12 months or so, nearly all the pressure from States members from within this Assembly has been to increase our services and increase our spending. We have agreed a winter fuel scheme, improvements in prison education, an additional Scrutiny Panel and third party planning appeals. All very commendable in themselves, very commendable in themselves indeed, but they all cost money and it all adds up. We are faced with increasing pressure from the public to control better our States' expenditure. Key to our success in reducing States spending principally in central departments to the extent that we have has been the introduction of a performance management regime across the public sector. Again, there is a common widely-held misconception that public sector employees these days are not held to account and are not expected to meet performance criteria. That may well have been the case in the not too distant past; it is most certainly not the case today. The framework requires States' departments to report on performance in key areas quarterly through balanced scorecards every 6 months through the Strategic Plan initiatives update and annually through the new performance report. The focus is on ensuring that we get best value for our investment and at the same time continually improve our standards of service. So there is no doubt that we are taking performance seriously and no doubt that both Ministers and officers now for the first time are seriously and properly being held to account. The Treasury and Resources Minister will talk more about expenditure in his introduction, but Members may have noted that of the 7.3 per cent increase in planned expenditure year on year between 2007 and 2008, only 2.2 per cent relates to growth in services. What is more, this growth is totally restricted to the key social services that are so important to the more vulnerable members of our society. This is growth in health expenditure, protection of benefit payments, prison education and improvement plan, winter fuel allowance, further education grants and supplementation, which is the topping-up of the pension entitlement for low paid people in the Island. These are the areas - the core, key, social service areas - that have seen growth. Just about every other department and just about every other sector has experienced - suffered, if you like - a reduction in real terms once inflation has been taken into account. Unforeseen increases in U.K. interest rates, which are, of course, well outside our control, have pushed up the headline rate of inflation beyond where we would like it to be. This has had a significant impact on the amount that we pay out in benefits and, inevitably, public sector pay. However, it is worth noting that for June 2007 the underlying rate of inflation - that is the locally induced rate of inflation, effectively - measured by R.P.I.X. (Retail Price Index Excluding Mortgage Interest Payments) and which, of course, excludes the direct effect of interest rates, was lower in Jersey than in the U.K. at 2.3 per cent as opposed to 3.3 per cent. Indeed, the underlying rate of inflation in Jersey has been considerably below that of the U.K. for the last 4 quarters. This is excellent news. It is excellent news and it shows that our policies are working. All of this information has been made available and presented to States members at an early stage in the business planning process. There should be no surprises for members in the Business Plan before us today. Every Scrutiny Panel has had the opportunity to scrutinise the Plan in detail. The Council of Ministers proposed a programme to the Scrutiny Chairmen's Committee very early on in the process and this included giving all States members a copy of the proposed spending budgets at the end of March, nearly 6 months ago. I particularly want to thank the Corporate Services Panel under the chairmanship of Deputy Ryan, who took a very active role in scrutinising the overall framework which has been extremely beneficial. I would also like to commend the former Education and Home Affairs Scrutiny Panel under the chairmanship of the Deputy of St. Martin for their involvement, albeit at a rather late stage. A priority for the coming year will be to work even more closely with the Chairmen's Committee and this work has already begun in a constructive and helpful manner. We must ensure that a robust scrutiny process is in place before the 2009 planning process gets under way. This will give all States members every opportunity to influence our spending and priorities well before we hold the next Business Plan debate in 2008 in 12 months' time. The Annex to the Business Plan contains for each department a costed service analysis including the objectives and key performance indicators for each service. This year we have

provided additional information on how objectives, funding and manpower are allocated across services, how they compare to 2007 allocations, and the reasons for any material change. This is a further step - and an important step too - towards associating the delivery of objectives with the financial and manpower implications; a further step towards full and clear reporting, measurement and accountability. So, Sir, to sum up, there are clear signs of economic growth. We are well on track to deliver the efficiency programme and we have made annual savings of £35 million and saved £100 million in total to date. G.S.T. will give us the financial certainty that we require as we move to Zero/Ten and the abolition of corporate taxation for most businesses. There is an air among the Council of Ministers of discipline, responsibility and confidence as we move towards the achievements of the Strategic Plan. If the States members back our plan and stick to the financial discipline that we propose for future years, there will - and I repeat this - there will be no need for any new or additional taxes outside those already put forward in the fiscal strategy before at least 2012. Even then, we are determined to do everything we can to ensure we can hold this position further into the future. That is some guarantee, basically, we are giving to the public because of fears of the effects of G.S.T. and so on, but it only holds water if we stick to our financial discipline and stick to our funding plans. We do believe that sound financial discipline, coupled with a tight focus on the policies set out in this Plan, will secure a prosperous and sustainable future for our Island and I commend the Plan to the House on this basis. Sir, now I think we move straight into the business at hand, which is the way through the Business Plan, starting with the objectives of my department?

The Bailiff:

Yes, indeed.

Senator F.H. Walker:

If I could just make some structural comments, the debate will follow the same format as last year. Although it is not required by the Public Finances (Jersey) Law but it was agreed in the Strategic Plan debate, the Annual Business Plan allows States members to have a further say in the objectives which each department will be working towards and thus how resources are used each year. In part (a) of the proposition, each Minister will introduce his or her own department's key objectives and associated success criteria, which members will be asked to approve. After the debate of part (a) and the associated amendments, I will hand over to Senator Le Sueur - the Minister for Treasury and Resources - who will lead the Assembly through the various financial propositions, which will include the Property Plan. I will then present the final part of the proposition in relation to the legislation programme. Before moving on to the objectives themselves, I would like to take this opportunity to warmly and sincerely thank and congratulate all those who have worked so well together to produce the Business Plan and all the associated and very considerable amount of detail that members have received. That, of course, includes the Council of Ministers and Assistant Ministers, those Scrutiny Panels that have been involved in the process, the Corporate Management Board and their respective teams, the Greffier and his team, and not least Treasury officers and officers in my own department who have, indeed, worked long hours in recent months. I would now like to move to part (a) of the proposition regarding the summary key objectives and priorities of individual departments and explain briefly how this will be handled. Each Minister will propose their department's objectives and sum up the debate on their own department. The order for the debate has already been circulated through the Greffier and his office and members can see how we propose that we deal with the various amendments and how we will progress through the different parts of the proposition. I will start, if I may, by proposing the summary key objectives and priorities of the Chief Minister's Department, and these are detailed on pages 11 to 13 of the annex.

Deputy A. Breckon of St. Saviour:

I wonder if it is possible to comment that the Chief Minister has done perhaps a preamble there as an introduction and the Chief Minister has made certain comments...

The Bailiff:

I do not think so, Deputy, no. The Chief Minister has made some general comments and he is now going to talk to the objectives of his department, but there is not going to be a debate upon the Plan as a whole. Members must deal with the Plan in the context of each department and if there are general comments they can presumably be made at an early stage of the debate.

Deputy J.G. Reed of St. Ouen:

Please, Sir, sorry, before we continue, I am a bit confused because my first amendment deals with paragraph (a) as a whole and not simply the Chief Minister's Department. Therefore, I was presuming that we would discuss my amendment first before we then went on to deal with the individual departments.

The Bailiff:

Well, there are a number of different ways in which this particular tangle can be unpicked, Deputy, but the decision has been made to invite the Chief Minister to propose the preamble and the objectives of his department and we will then come to your amendment and certainly you can address the whole of paragraph (a) when you come to propose your amendment.

2.2 Senator F.H. Walker:

The main thrust of the Chief Minister's Department for the coming year will be to ensure that the Strategic Plan is implemented efficiently and effectively in accordance with States' decisions. With the introduction of Income Support and G.S.T., 2008 will be a year of unprecedented importance and change for the Island. A number of other important policy areas, as I outlined in my introductory speech, will also be a high priority during the year. The social policy framework was published earlier this year and, once agreed, will start to be implemented in earnest in 2008. The implementation of the migration policy will continue with the creation of a population register and a full debate on population matters in this House early in the New Year. That will be based on the results of a study into the effects of an ageing population and, as promised, has been and will continue to be the subject of much consultation before it comes to the House. The programme of work to review and update our emergency preparedness and response will continue as we introduce a modern, fit-for-purpose emergency planning regime. We will be looking for closer co-operation with Scrutiny, and this is crucial if the checks and balances of Ministerial government are to work effectively. Importantly, we will also be looking at a more inclusive role for Assistant Ministers where we have not been as successful in the last so many months as we need to be. We will continue to raise the profile of the Council of Ministers and of States' policies, thereby increasing public awareness and understanding of those policies and our performance. We remain on track to deliver the overall target savings as set out in the plans and we will continue to look for and deliver further efficiency savings on top of those already agreed. This makes the continuing programme of change in the public sector for better, simpler and cheaper services even more crucial to ensure that the ever-improving services that customers want and, indeed, demand are delivered efficiently and effectively and represent value for money. The Law Draftsman continues to provide an excellent service despite the reduction of two posts since 2006. Our investment in corporate information technology will underpin the delivery of services, improve efficiency and will be needed to support the implementation of many of the important new policy areas. However, it should be noted that the number of new projects has been severely curtailed. The new health systems project is one of the most important projects in recent years and the only other new projects in 2008 are the corporate population system and improvements to asset management systems, again very important if we are to be as efficient and provide the value for money that is required. There is no provision for other

new projects in later years. At page 34 of the Plan, I have published a comparison of our spend on I.T. (information technology) compared to U.K. local authorities. This shows a low level of overall spend and we do need to recognise that I.T. is a major contributor to efficiency and savings. The analysis that has been provided will be refined and completed in 2008. My department will, of course, also continue to develop Jersey's international identity and, in particular, to undertake further work to enter into agreements in our own name as we have very successfully done in recent months. The International Monetary Fund review during the second quarter of 2008 will be looking in particular at Jersey's anti-money laundering procedures. This is critical to reinforce our credibility as a co-operative international finance centre and the review must be supported to ensure a good result for Jersey. Government cannot function properly without good information about the economy, society and many other aspects of our Island life. Over recent years, the Economic Advisor and the Statistics Unit have made great improvements to the scale, scope and coverage of the information they produce and have greatly aided us in taking informed decisions. They are tasked to continue this process and to deliver that information in a truly independent and open way which I will ensure continues. The States is a good employer. A well-motivated, well-trained workforce is one of our most important assets. If we are to achieve the levels of performance and financial control we all want and which are set out in the Business Plan, it is vitally important that our staff are empowered and encouraged to work to their highest potential. Recent events have been debilitating and have set the change programme back quite significantly. It is, therefore, very important that our organisational development programme continues. It will ensure that we develop our local employees to their maximum potential and offer local graduates stimulating career opportunities in the public service and provide succession planning wherever possible. This will reduce our reliance on imported expertise. The investment in staff training and communication is also intended to develop and maximise the potential of our staff and to underpin the cultural change required for the public sector as a whole to become a performing organisation. Improving performance and putting the customer first at all levels will be a prime goal across the organisation. I would just like to briefly mention that while my department's total budget has increased by £8.5 million since 2005, this is entirely due to the significant budget transfers required for the introduction of Ministerial government and the centralisation of the P.E.C.R.S. (Public Employees Contributory Retirement Scheme) debt and corporate H.R. (human resources) and I.T. functions. This increase masks the £2.7 million per annum in underlying cuts in efficiencies that have been made by my department and which are detailed in the annex to the Business Plan. This represents 18 per cent of the department's running costs and expenditure for my department now represents less than three per cent of total States' revenue expenditure. I therefore submit, Sir, that my department is playing to the full its role in keeping a tight grip on expenditure while delivering more efficient and effective services to the public of the Island. Sir, I move the objectives for the Chief Minister's Department.

3. Annual Business Plan 2008 (P.93/2007): fifth amendment: (P.93/2007) Amd. (5)

The Bailiff:

Thank you, Chief Minister. Are they seconded? [**Seconded**] The first amendment is that of the Deputy of St. Ouen and I invite the Greffier to read the amendment.

The Greffier of the States:

Annual Business Plan: Fifth Amendment. In paragraph (a), after the words: "as shown in the annex to the draft Annual Business Plan" insert the words: "with all the objectives to be achieved within approved revenue and manpower resources."

3.1 The Deputy of St. Ouen:

During my speech I will be referring to three documents. If States members have them available, I will be commenting on the Strategic Plan 2006-2010, the 2007 Business Plan and the current draft 2008 Plan. I am pleased that the Council of Ministers supports this amendment, albeit with some

reservations. However, I would like to explain why I think that this amendment is necessary. The aim is to bring some clarity to current business plan process and, as I mentioned earlier, covers all key objectives and performance criteria of the States-funded bodies as listed in (a). I would, in fact, like to draw members' attention to the wording of the draft Annual Business Plan proposition which can be found on page 2. Part (a) basically asks States members to approve the summary key objectives for all States-funded bodies. Members should note that these key objectives are supposed to be consistent with the delivery of actions contained in the 2011 Strategic Plan approved in June 2006; that is last year. The Plan identified actions to be completed over a three-year period as well as work that must be started and implemented within a five-year period. This is confirmed on page 12 of that Strategic Plan where it states that although the level of detail is high due to the nature of the document, there is a clear linkage between the high level priorities set and the detailed departmental business plans published annually. The important point is that the Strategic Plan also included the cost implications of implementing those actions supported by the Treasury Minister's resource statement found on pages 10 and 11 of that Plan. In this statement, the Minister sets out the financial framework in which the States will operate, the resource implications and a five-year financial forecast. The Treasury Minister confirms that the Strategic Plan in that report is fully funded within existing spending limits and a detailed financial forecast is, as I said before, provided in that Plan. Members should note that these figures were not provided by States members; they were provided by all the departments involved, checked by the Council of Ministers and accepted by this Assembly. Three months later, the States were asked to approve the 2007 Business Plan, which was the first Business Plan - as we have heard the Chief Minister speak about - under the new Public Finances (Jersey) Law 2005. There were a number of parts to the proposition contained in that Plan, and in part (b) the States agreed that total States net expenditure for each of the years 2007 to 2011 should not exceed the amount set out in a summary table C which can be found on page 58 of that document, the aim being to set overall spending limits for the years 2007 to 2011 consistent with delivering the actions identified in the Strategic Plan. So, just to recap, the Strategic Plan identifies actions which the departments would carry out over a five-year period, together with a forecast of how much it would cost. The key objectives contained in this Business Plan are the more detailed departmental plans showing how they would implement those actions. There is a suggestion contained within this year's Business Plan that if States members approve all of the key objectives, then it follows that sufficient resources will be required to meet all of those objectives. This is somewhat of a departure from earlier statements made by the Ministers and is not consistent with previous States' decisions and instructions given by this Assembly to the Council of Ministers. The first decision the States made, as I said, was in the Strategic Plan and that it was to be delivered within the proposed spending limits contained within that Plan. The second important decision was the approval of the States' 2007 Business Plan. In that Plan, we agreed that total States net expenditure for each of the years 2007 to 2011 should not exceed the amounts set out in the Summary Table C that was provided. It is interesting to note that in the Annual Business Plan proposition the actual wording of B asks us to agree that: "Total States net expenditure for each of the years 2007 to 2011 should not exceed the amount set out in Summary Table C." I suppose some might argue that "should not" is not the same as "will not" which is included in this year's part B of the proposition. I will just draw members attention to it. In this year's draft Plan it says to agree that: "Total States net expenditure for each of the years 2008 to 2012 will not exceed the amount set out in Summary Table C and to request [it goes on] the Chief Minister present Annual Business Plans to the States within these amounts." Clearly the inference in both of these documents is that there is an expectation that the maximum amounts would be adhered to and this is supported, I believe, in the changes in the wording of the proposition by the Council of Ministers this year that I have just read out. The expectation of both the States and the general public was that the Council of Ministers would deliver future Business Plans within these set amounts. When one considers the financial proposals contained in this year's Business Plan, it is obvious that there has been a divergence in this decision. Instead, the Council of Ministers is proposing a whole range of key objectives which, in its own words and reinforced this morning by the Chief Minister, will require

extra funding. It is also contained in its comments on this amendment. If you turn to the Council of Ministers comments and the second paragraph, it states: "The Council would wish to highlight that the fifth amendment of Deputy Reed requires the approved objectives to be delivered within the approved spending limits. If, as is proposed in these parts of the ninth amendment of the Public Accounts Committee, the financial framework is significantly reduced then the proposed objectives and performance criteria could not be delivered." So basically they are saying, I believe, we know what we were instructed to stick to - the agreed spending limits - but if you approve a new set of key objectives then you will be expected to provide all the money requested in order that those key objectives can be delivered. In my view this must be wrong. How can we properly make a decision on the key objectives if we are told that by approving those key objectives we will be going against a decision that the States has already made? Furthermore, how can we alter and change key objectives before we agree where the overall spending limits are to be increased? Of more concern is that the Council of Ministers are suggesting that if we are not prepared to fund all of the key objectives certain specific services will be affected. Members need to recognise that we are only able to determine overall States' expenditure and within that amount individual department allocations for the coming year. We might be able to indicate our preference on how the departments use the monies allocated to them, for instance, to maintain existing services. However, we cannot control how overall departments' budgets are spent in any detail. That is clearly the job of the Minister together with department officers and the managerial staff employed to support him. This is their responsibility, not ours. My amendment simply makes this clear and highlights further the need for the Council of Ministers and their departments to work within budget. Members must be aware that - and I am not aiming to comment on the specific services linked to the ninth amendment - not all of the services identified in the summary and the comments on the ninth amendment necessarily need to be cut. That will be addressed later. I would like to add that most of the services identified are and have already been provided for in the approved budget of 2008 contained in the 2007 Business Plan. Furthermore, the detailed 3-year budgets, as I said before, were produced - and this is an extremely important point - by the departments themselves. They are the ones that forecast and provided the figures for the States to determine. It is now time that we ask both the Ministers and their departments to deliver services within the approved budget. I accept that some extra or additional services might be curtailed but that will always be the case in whatever overall limits we set. I ask that States members approve this amendment as it will further clarify the Business Plan process and give clear guidance to the Ministers that key objectives must be delivered within the agreed spending limits.

The Bailiff:

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

3.1.1 Senator T.A. Le Sueur:

I certainly welcome the amendment from the Deputy of St. Ouen which I think reinforces my own thinking and indeed reinforces the thinking of the Council of Ministers. As he rightly says, this amendment is very much on all fours with the slight amendment to the wording that we have made in this year's Business Plan in respect of part 3 of the proposition where, as he says, the word "should" has been strengthened to "will". That is a very small but important change. It is designed to bind the Council of Ministers but I remind members it is designed also to bind every member of this House. It is not just the Council of Ministers that come up with objectives and bright ideas; it is every member of this House who from time to time does just that. We have to be realistic, that the Strategic Plan has a number of objectives, more than I can count perhaps. There is a desire that objectives within the Plan should be fully funded but they should be fully funded within spending limits. In other words one can create a wish list as large as you like but we have to work to deliver the objectives within spending limits. I think what we have seen in the last year or two is the inability to deliver very much by way of new objectives. We have been focusing on simply delivering what we are already doing in the face of increased costs. So I think in welcoming this

amendment I do not know that we need to spend a great deal of time discussing it. The Council of Ministers has accepted it. I am sure members will want to accept it as an extra discipline which we all need. I stress that it is a discipline that we all need and have all to take part in. I thank the Deputy for the amendment.

3.1.2 Deputy S.C. Ferguson of St. Brelade:

Just a quick note to underline what my Vice-Chairman has said. This particular amendment clarifying the duties of Ministers and their responsibilities and of this House is absolutely vital. Just yesterday the Treasurer stated to the Chief Minister, the Deputy of St. Ouen and myself that the current rate of increase in States' expenditure is unsustainable. I would just give members a couple of quotes from the Public Accounts hearing on the annual accounts of the States which is available on our website to read if you wish. The comments are made by the Treasurer: "How you really control States' expenditure though is to have fiscal discipline and the answer would be for the States to agree their Business Plan for a year for three-year cash limits and then have their hands tied so they cannot change it. But the advice I have received so far is that the States are supreme in voting money and if the States decide to change their own forward cash limits there is nothing anyone can do to stop them." So we need to have discipline in this House. He went on to say: "Every year the States has a Business Plan that includes three-year forward cash projections which gets approved for one year and every year thereafter the States agrees a new Business Plan which totally ignores the cash limits they set themselves the year before." I ask members, and particularly the Ministers, to bear this in mind.

3.1.3 The Deputy of St. Ouen:

I obviously thank Senator Le Sueur for his comments and also Deputy Ferguson; and he is absolutely right - the Treasurer - when says it is the duty of all of us. However, I think we do need to appreciate the different roles and the parts we play in this government and ensure that we fulfil those roles to the best of our ability.

The Bailiff:

I put the amendment of the Deputy of St. Ouen. Those members in favour of adopting it kindly show. Against? The amendment is adopted.

4. Annual Business Plan 2008 (P.93/2007): sixth amendment: (P.93/2007) Amd. (6)

The Bailiff:

We come now to amendment 6 also in the name of the Deputy of St. Ouen. Can I ask the Greffier to read it.

The Greffier of the States:

The Annual Business Plan 2008 (P.93/2007): sixth amendment. In paragraph (a)(i) after the words: "Pages 11 and 13 of the Annex" insert the words: "Except that in Objective 1 for performance/success criteria (viii) substitute the following performance/success criteria; (viii) replacement for the Waterfront Enterprise Board debated by the States."

4.1 The Deputy of St. Ouen:

I think it is quite self-explanatory and I acknowledge that the Council of Ministers have fully accepted this amendment and again, it is just to bring clarity to this objective.

The Bailiff:

The amendment is seconded? Does any member wish to speak? I put the amendment. Those members in favour of adopting it kindly show. Those against? The amendment is adopted.

5. Annual Business Plan 2008 (P.93/2007): fourth amendment: (P.93/2007) Amd. (4)

The Bailiff:

We now come to amendment 4, again in the name of the Deputy of St. Ouen and I ask the Greffier to read the amendment.

The Greffier of the States:

Annual Business Plan 2008 (P.93/2007): fourth amendment. In paragraph (a)(i) after the words: "Pages 11 and 13 of the annex" insert the words: "Except that in objective 1 after the existing performance/success criteria insert the following additional performance/success criteria; (xi) Annual Business Plans to be delivered within the total amount set in the 2008 Annual Business Plan for the years 2008 to 2012; (xii) additional growth for the period 2008 to 2012 to be delivered by compensatory savings elsewhere within the approved total amounts; (xiii) greater involvement of all States Members in the Business Plan process."

5.1 The Deputy of St. Ouen:

I would like to advise members that I am not targeting the Chief Minister necessarily. It is just that obviously, as Chief Minister, he has certain responsibilities and duties and it means that these areas are important. I am pleased that the Council of Ministers is supporting all parts of this amendment. In my view, as I said before, key objectives should be clear and unambiguous and these amendments are designed to do just that. The first two parts of the amendment focus on the responsibility of the Chief Minister and ultimately the Council of Ministers to deliver the Business Plan within the total amounts to be approved in this year's Business Plan covering the years 2008 to 2012. Again, with performance criteria this will be an excellent performance measure that the States can review annually. It also reinforces the view that any additional growth which we see in the changing of the wording of part B of this year's Business Plan needs to come from compensatory savings elsewhere within approved total amounts. My hope is that these objectives become one of the key aims of the Chief Minister as we all, I hasten to add, strive to control States' expenditure. The third part of the amendment is designed to address what I believe to be present failings in the Business Plan process. I am aware that this is only the second year of the new Business Plan format under the new Public Finances Law but it is obvious that more needs to be done to involve all States members in the process. Of equal importance is the timing of the debate and the ability of Scrutiny Panels to fully consider the detailed proposals put forward in the Business Plan by the Council of Ministers. This debate, I believe, is probably the most important debate of the year and, as such, more could be gained by Panels being involved at an earlier stage as well as all other States' members. I therefore ask members to support this amendment so that this might happen.

The Bailiff:

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

5.1.1 Deputy A. Breckon:

I think this is an appropriate moment to bring this up because the Chief Minister did mention in the preamble about the process and he mentioned Scrutiny and how people may or may not look at it, and the Deputy of St. Ouen is saying in the third paragraph to his amendment about greater involvement of all States members in the Business Plan process. In the introduction the Chief Minister does say that the whole process is under review; it is in the second year and it is a learning process. I would like to just relate an experience that happened in trying to look at this at an early stage and that was the quality of the information that was available and whether indeed it was worth looking at, at that stage. I would also like to say to members that this was lodged on 17th July and was scheduled for debate last week. I think, bearing in mind the magnitude of this, the process does need looking at because the main time to look at it would be August which is perhaps not the best time for anybody to do that for obvious reasons. Sir, I hope the Chief Minister would note that and

take it in the way that I have said that. Having said that, there was a criticism as well of Scrutiny perhaps not looking at the process, which was something that I mentioned at the Chairmen's Committee, that perhaps we would try and get a method that all Panels could use to look at their particular area. We did get a small group together. We had an accountant on stand-by and when we sought out the quality of the information that was available, not just for 2008 but for 2009 and 2010, in the main the figures were the same for the three years. I will not say where it was but I had a conversation with the Chief Officer and he said: "Well, really, I do not know what it is so I cannot tell you for 2009 or 2010 but we are probably having to do this too early but that is the process that we have got and that is where we were with that." I say that because we have had other methods of looking at resources in the past - decision conferences and things like that - but perhaps more Members could be involved earlier because the policies lead to the expenditure, the revenue, the law drafting and everything else, and everything is here. I think we have been disrespectful not just to the process but also to the public in having this in the holiday period, as it were; lodging it on 17th July, perhaps some going away fishing, and then debating it early in September. Having said that, from a Scrutiny point of view, there is not necessarily a window of two months that is left open with nothing else to do. All the Panels, I think, were working on something else so it was not a case of just dropping everything and looking at this. I think that is a fault in the system; we should be able to do that but it is not always the case because of resources. I do support the amendment as others do because I think it is commonsense. I have some other comments on the department of the Chief Minister but I will reserve that. I assume we are coming back to that after the amendments.

5.1.2 Senator F.H. Walker:

I was going to make similar comments to those of Deputy Breckon. It is quite clear that in the early process things have not worked as well as they might have done and should have done between Ministers and some, at least, of the Scrutiny Panels. What I am very encouraged with is the very constructive discussions that we have already had with the new Chairmen's Committee which I believe will add a great deal of value to the process and which will indeed ensure that as many members as possible can and will be, or will have at least the opportunity to be, involved in the business planning process in future years at an earlier date and in a more meaningful way. So I merely say that progress is being made. There is general acknowledgement that there is work to be done to improve on the way we handle this and I am very confident we will do just that in time for the next Business Plan.

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

I am heartened by what the Chief Minister has to say because I really wanted to follow on from Deputy Breckon because, during the preamble, the Chief Minister did give some praise to Corporate Services for their involvement. Of course, the Corporate Services Panel was involved right from the outset but the other Panels were not. Indeed, the Chief Minister gave a backhanded compliment to my former Panel and said: "Thank you for what you have done albeit it was a bit late in coming." I think the House needs an explanation because I think what our former Panel did at least is that we met the two Ministers as soon as possible after documentation was lodged. What we did find was there was so little information given to us that we had to go back to the departments for further information. I think both departments that our former Panel were dealing with worked very well, with a very close relationship, and it worked well and that is why at least we are able to produce something albeit a bit late. It almost seems that because we did something we are damned but if we had done nothing we would have been better off. I think we have got to look to the future, and I am pleased to hear what the Chief Minister is saying because I think Scrutiny Panels must be involved much earlier on. They must be given more information so there is clarity in what they are being asked to look at because I think, again, we have gone through a learning process. A lot of learning has taken place and I look forward to the future as I am sure those lessons have been learnt in the past.

5.1.4 Deputy R.G. Le Hérissier of St. Saviour:

Just to reinforce what has been said and what the Chief Minister has said. There were real problems. It was not a question of people not meeting deadlines. It was a question, as Deputy Breckon said, that the material was vast. The categories they were examining were vast. It was not possible to ask meaningful questions about these vast categories. There was no way of distinguishing trends in terms of differentiation between what was happening now and what had happened in the past. It was very difficult to track that particular thing. Also, it almost demanded vast assumptions and vast knowledge about the programmes and policies of a Ministry which would have bogged-down the whole process. So, yes, we have gone back to square one. We are trying to develop a better template so we can ask more meaningful questions. We did do an experiment with one Ministry's Business Plan to see how far we could get. That was reported to the Chief Minister and the difficulties experienced were reported but we are now moving ahead in a much more positive way.

The Bailiff:

I call upon the Deputy of St. Ouen to reply.

5.1.5 The Deputy of St. Ouen:

Obviously, as States members are well aware with the issues and concerns raised by both Deputy Breckon, Deputy Hill and Deputy Le Hérissier regarding this business and also acknowledging Senator Walker's determination to improve the process, I hope that we can indeed see that happen over the coming year. Thank you.

The Bailiff:

I put the amendment. I ask any member in the precinct who wishes to vote on this amendment to return to his or her seat. I ask the Greffier to open the voting which is for or against the amendment of the Deputy of St. Ouen.

POUR: 43

CONTRE: 0

ABSTAIN: 0

Senator L. Norman
Senator F.H. Walker
Senator W. Kinnard
Senator T.A. Le Sueur
Senator B.E. Shenton
Senator F.E. Cohen
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Mary
Connétable of St. Peter
Connétable of St. Clement
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy A. Breckon (S)
Deputy J.J. Huet (H)
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy P.N. Troy (B)
Deputy C.J. Scott Warren (S)
Deputy R.G. Le Hérissier (S)

Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy of Trinity
Deputy S.S.P.A. Power (B)
Deputy S. Pitman (H)
Deputy A.J.D. Maclean (H)
Deputy K.C. Lewis (S)
Deputy I.J. Gorst (C)
Deputy of St. Mary

**6. Annual Business Plan 2008 (P.93/2007): eleventh amendment: (P.93/2007) Amd. (11)
The Bailiff:**

Now we come to Amendment No. 11 which, as the Greffier's note makes clear, requires the approval of members before it can be debated because it was not lodged within the requisite 14 day period. Are members content to take the amendment of the Chief Minister? Very well, I ask the Greffier to read the amendment.

The Greffier of the States:

Annual Business Plan: eleventh amendment in paragraph (a)(i) after the words: "Pages 11 to 13 of the annex" insert the words: "Except in Objective 7 after performance/success criteria (v) insert the following new performance/success criteria: (vi) need for an independent personal agency to receive approaches from persons raising serious concerns to be assessed."

6.1 Senator F.H. Walker:

This, Sir, as members are aware is spawned by Amendment No. 8 which was lodged by Deputy Le Hérisier. His amendment said: "Need for independent person or agency to receive approaches from whistleblowers assessed." But that related specifically to Health and when the Council of Ministers looked at the amendment we could see the merit behind it but felt that it was unnecessary to restrict it to Health. Therefore the amendment that I am bringing forward on behalf of the Council of Ministers is that the principle of whistleblowers being able to go to an independent person or agency should be extended to the States as a whole. Sir, I would doubt if anyone would seriously argue with the principle and I hope that members would agree that this is something that could and should be covered across the whole of the States rather than restricted to Health. So, Sir, I make the amendment.

The Bailiff:

Is the amendment seconded? [**Seconded**] Thank you. Does any member wish to speak? Deputy Le Hérisier?

6.1.1 Deputy R.G. Le Hérissier:

I thank the Chief Minister for his gesture and I think that is a very wise move. I apologise to Members, I notice that my rather pompous wording has been carried over but this is because colloquial terms presumably, like whistleblower, could not be used. Furthermore, Sir, the reason it is being assessed rather than being approved at this point is simply because it was very difficult to find out the cost from another jurisdiction, so hence the need to go through the assessment route. Again perhaps an unnecessary step but I thank the Chief Minister, I think it is long, long overdue and I think it hopefully will restore credibility in areas where perhaps it has been a bit dented.

Deputy J.J. Huet of St. Helier:

Could I just ask a question? Do we have to agree to debate this before we debate it?

The Bailiff:

You do and I think members have agreed.

Deputy J.J. Huet:

Right, sorry, I must have missed that. I do apologise.

The Bailiff:

That is why I asked members whether they were content with the amendment to be debated.

6.1.2 Deputy S.C. Ferguson:

Talk about the left hand not knowing what the right hand is doing. I wonder if the members of this Assembly are aware that the Comptroller and Auditor General has a whistle-blowing line on his website which, for the information of members is www.auditorgeneral.jersey.org and I would suggest that possibly the Council of Ministers or the Chief Minister needs to discuss with him how that has been working. I do not see much need for serious assessments, taking time, money, energy and resources; it is on the go. You can certainly get an idea of what kind of whistle-blowing there has been but there you have an independent gentleman who has no axe to grind who is not involved with the Civil Service: he stands totally independently. I think you might perhaps look at that, Sir.

6.1.3 Senator J.L. Perchard:

Just a question of the Chief Minister, if I may? The need for an independent person or agency to receive approaches from persons raising serious concerns to be addressed, does not appear to have any financial or manpower implications attached to this and perhaps the Chief Minister in summing up could just address that, please.

6.1.4 Connétable T.J. du Feu of St. Peter:

Could I ask the Chief Minister, Sir, this person or agency that would be appointed, would I be right in assuming it would be under the absolute and total control of his department?

6.1.5 Deputy C.J. Scott Warren of St. Saviour:

I would like to seek clarification in view of Deputy Ferguson's comments because I would not have personally thought the Auditor General would have been qualified to deal with all concerns. Financial concerns, yes. So are we talking about the same procedures here, the same types of concerns?

The Bailiff:

I call on the Chief Minister to reply.

6.1.6 Senator F.H. Walker:

First of all I would like to thank Deputy Ferguson for pointing out the role and the position - availability, if you like - of the Comptroller and Auditor General. That of course is something that we are aware of and something that we will be looking at if the States agree to this amendment. Senator Perchard has asked where are the financial and manpower resources? It is covered in my report, I think, adequately. The Connétable of St. Peter asked if the control of this would come under my department. It depends what he means by control because clearly somebody has to administer it and somebody has to organise it. If necessary somebody has to fund it and that will be my department. But the whole idea of the proposition is - and I repeat it - the need for an independent person or agency to receive approaches from persons raising serious concerns to be assessed. So whoever it is - whatever it is - will be independent, but of course, as I say, somebody has to be responsible for the administration behind that and that will indeed be my department if the States agree today. Deputy Scott Warren raised some questions about the actual role of the Comptroller and Auditor General and I take on board what she said. But that again will need to be looked at when we sit down, if the States agree, to the assessment of how we move forward on this matter.

The Bailiff:

I put the amendment... the appel? Yes. I ask any member who wishes to vote who is in the precinct to return to his or her seat. I ask the Greffier to open the voting which is for or against the amendment of the Chief Minister.

POUR: 39

Senator L. Norman
 Senator F.H. Walker
 Senator W. Kinnard
 Senator T.A. Le Sueur
 Senator M.E. Vibert
 Senator F.E. Cohen
 Senator J.L. Perchard
 Connétable of St. Peter
 Connétable of St. Clement
 Connétable of Grouville
 Connétable of St. Martin
 Connétable of St. Saviour
 Deputy R.C. Duhamel (S)
 Deputy A. Breckon (S)
 Deputy J.J. Huet (H)
 Deputy of St. Martin
 Deputy G.C.L. Baudains (C)
 Deputy P.N. Troy (B)
 Deputy C.J. Scott Warren (S)
 Deputy R.G. Le Hérissier (S)
 Deputy J.B. Fox (H)
 Deputy J.A. Martin (H)
 Deputy G.P. Southern (H)
 Deputy S.C. Ferguson (B)

CONTRE: 3

Senator B.E. Shenton
 Connétable of St. Brelade
 Deputy of St. Ouen

ABSTAIN: 1

Connétable of St. Ouen

Deputy P.J.D. Ryan (H)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy of Trinity
Deputy S.S.P.A. Power (B)
Deputy S. Pitman (H)
Deputy A.J.D. Maclean (H)
Deputy K.C. Lewis (S)
Deputy I.J. Gorst (C)
Deputy of St. Mary

7. Annual Business Plan 2008 (P.93/2007) - continued

The Bailiff:

Now we come back to the preamble and paragraph (a)(i) of the proposition. Does any member wish to speak on the... Deputy Breckon.

7.1 Deputy A. Breckon:

I covered the comments I wish to make on the preamble in the Deputy of St. Ouen's amendments, but the actual substance of the department, Sir, raised some questions for me. Perhaps if we are going to look with some seriousness at everything we do - and why - then I would ask the Chief Minister if he would note this and perhaps some time in future States members - and as part of public expenditure - could find out what this money is spent on and what indeed it does. Because within the department with External Affairs, Economic and International Finance, Information Services and Human Resources I understand there has been some coming together in there. But there is a significant amount of money there, and when I looked in the narrative attached to this Business Plan annex, it did not really tell me much more about that apart from some targets were being aimed for and met and meetings were being held and whatever. So, I for one, Sir, would certainly like some more detail about that to ensure that public money is being well spent. The other thing, Sir, sadly I have read reams of this connected with the Business Plan, and I cannot find where I read this, but I understand that nearly £1.7 million is being set aside to roll out the new Microsoft software system across the States, Vista. My understanding of the sum for that was nearly £1.7 million. I wonder if the Chief Minister could confirm that or not? I cannot remember where I read it but I have had various drafts and whatever else, but I did read it somewhere. Unfortunately, Sir I did not put a big sticker on it or colour it in at the time and I have not been able to find it again. But I do not think it was in my imagination. The other thing, Sir, that is in there... and we are conscious of public spending, I hope, but what is in the narrative for the Communications Unit is an increase, and part of the increase in the Communications Unit is a full-time equivalent due to requirement for a dedicated E.D.D. (Economic Development Department) Harbours and Airport Communication Officer: money to be provided by E.D.D. Now, I really do wonder if £40,000 is appropriate for it to have a spokesperson for the Harbour and the Airport. I understand we have staff in those areas, they should be well able to do that and again, Sir, it is public expenditure: it is in there and it does raise a concern for me. If we are talking about taxing people then we should be able to justify it by saying that is money well spent. To me that particular

penny or that particular £40,000 did not drop straight away. There are some other issues in there, Sir, and I think that is why perhaps this Business Plan needs to be looked at in more detail earlier. I will not take up the time of the House but there are areas there where there is a brief paragraph - a sentence in some areas - where I do not think it justifies the expenditure of public funds and I will be addressing this to other Ministers as well because I do not think they should be just taking penalty kicks without the goalkeeper in. There should be something that is looking at this and I do not believe we have got the examination of public expenditure and the public accounting right yet. Sir, I should add to that my recent experience with the Public Accounts Committee has focussed me on some of this and I think other members as well. But I would hope that the Chief Minister, if he cannot respond to all of that today, then at some time in the future he could come back with perhaps more details, explanations of some of this because I believe this House deserves it and I think the public deserve it.

7.2 Deputy S.C. Ferguson:

Following the various debacles in the U.K. application of I.T. projects, the Comptroller and Auditor General will be conducting a review of I.T. projects and their management either this autumn or early spring next year. So again, should we be rushing into these things without having sat back and looked how we are managing it? Particularly considering, as I say, the various debacles in the health service, income tax - you name it - in the U.K. The bigger the project, the bigger the hole we dig. As to the possible implementation of Vista, this is not something that I have heard about but if it is correct then I would suggest that it is much too previous. No professional computer expert worth their salt would start looking at it before at least the first or second service pack which is a technical name for saying: "Well, we have just found out what is not working and this is the correction book." Anyway, Sir, I think these are matters that should be borne in mind.

The Bailiff:

I call upon the Chief Minister to reply.

7.3 Senator F.H. Walker:

I cannot, off the top of my head, answer the first question that Deputy Breckon raised about the £1.7 million for Microsoft but I will most certainly get that information. But what I would point out - and it is something I said in my preamble speech - if the States is going to be efficient and effective, we have no choice other than to invest in I.T. It is just not possible in this day and age to be efficient, to deliver public services effectively without full support of a robust I.T. structure. It is just not possible. I would point out to members again the chart in the Business Plan where it shows quite clearly that Jersey's I.T. expenditure is, at this moment, significantly below any other country that we can realistically measure against at this point. We are continuing to investigate that analysis. It is, as I said, an inescapable fact. It is also an inescapable fact that the I.T. budget has been cut and cut and cut in recent years. I mentioned in my speech that there were only 2 new projects that have been funded for 2008 - only two. Now I think a justifiable case could be made to probably fund at least half a dozen new projects as a genuine investment in the efficiency of the future. But the I.T. budget has been cut back and cut back and cut back and we are now approaching £1 million annual savings on our I.T. budget. Now, I would say to members we cannot be expected - it makes no sense - to continue to cut the I.T. budget in this way. We have gone as far as it is realistically possible and I think the arguments are stronger the other way that we should be investing more not less. But, Sir, I take on board Deputy Breckon's point about more detailed information, although I think there is a tremendous amount of detail already available. Again, of course, this should be something that falls out of the improved Scrutiny process that we referred to in the discussion on the earlier amendment. Sir, I am aware, of course, of the point Deputy Ferguson made that the Comptroller and Auditor General is to do a review of I.T. projects and I welcome that. We have a new head of I.T. within the States, a very effective, very experienced operator and I am looking to him to ensure that we are spending the optimum amount on I.T. and

spending it properly, and also for him to work closely with the Comptroller and Auditor General on a review so that all States members, and indeed the public, can have the reassurance they are entitled to that we are indeed running our I.T. systems and running the I.T. Department in an effective way. Sir, I thank members for their contribution.

The Bailiff:

I put the proposition. Those members in favour... the appel, yes. I ask any member in the precinct who wishes to vote to return to his or her seat. The vote is for or against the preamble and the Chief Minister's objectives.

POUR: 40

Senator L. Norman
Senator F.H. Walker
Senator W. Kinnard
Senator T.A. Le Sueur
Senator M.E. Vibert
Senator B.E. Shenton
Senator F.E. Cohen
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Peter
Connétable of St. Clement
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. Saviour
Deputy R.C. Duhamel (S)
Deputy J.J. Huet (H)
Deputy of St. Martin
Deputy P.N. Troy (B)
Deputy C.J. Scott Warren (S)
Deputy R.G. Le Hérissier (S)
Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy S.C. Ferguson (B)
Deputy of St. Ouen
Deputy of Grouville
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy of Trinity

CONTRE: 2

Deputy A. Breckon (S)
Deputy G.C.L. Baudains (C)

ABSTAIN: 0

Deputy S.S.P.A. Power (B)
Deputy S. Pitman (H)
Deputy A.J.D. Maclean (H)
Deputy K.C. Lewis (S)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

8. Annual Business Plan 2008 (P.93/2007): Objectives of the Economic Development Department, Jersey Airport and Jersey Harbours

The Bailiff:

We come now to the objectives of the Economic Development Department and Jersey Airport and Jersey Harbours. Assistant Minister, I wonder if I could ask you to propose all those together?

8.1 Deputy A.J.H. Maclean of St. Helier (Assistant Minister for Economic Development):

Yes, Sir. Before I present the objectives of the Economic Development Department can I perhaps seek your advice? What I would like to do is present Economic Development first and seek any questions that the Assembly may have and once completed move on to the Airport and then Harbours afterwards. So do them each individually but one after the other. Would that be appropriate?

The Bailiff:

Well, it is a matter for you. I had rather hoped that you might be able to deal with them all together so that members could have one debate on the whole of the Economic Development Department's programme.

Deputy A.J.H. Maclean:

I am more than happy to do that if the Assembly would like that.

The Bailiff:

I sense the assent of the Assembly.

Deputy A.J.H. MacLean:

Marvellous, Sir. I will proceed then, thank you. Sir, the principle objective of the Economic Development Department is to grow and diversify the economy in a sustainable manner. This objective is, rightly, central to the future prosperity of the Island. I am therefore pleased to present the objectives for the department within the 2008 Business Plan which I firmly believe will deliver that objective. To do so we have to grow and sustain the existing businesses from all sectors of the economy while seeking to develop new sectors to diversify our economic base. Long-term economic growth can occur with the necessary robust controls on population growth and within the essential context of low inflation. At present every economic indicator points to the fact that most sectors of the economy are performing well and showing positive growth. Employment rates are strong. Bank deposits, funds and bank activity, and trust activity are all at record levels and inflation is near target levels. The focus of the department in 2008 therefore shifts to a medium to long-term view with greater emphasis on developing the vitally important skills strategy. The successful development of a skills strategy will help address the supply and demand imbalance in the employment market and ultimately decrease the need for imported talent to meet the current shortfall. 2008 will see the formation of a Skills Executive with a proposal being presented to the Council of Ministers this October. The Executive will integrate the current skills and career services from across Education, Social Security and Economic Development Departments. It will

interface with government activity, with business to achieve the optimum solution for the employee and employer. Another key objective will be the continued development of the Enterprise and Business Development strategy. This strategy aims to increase business start-ups, entrepreneurship and international trade from and into the Island. Members will be aware of the significant impact the strategy has already made in 2007. This will be further strengthened by the opening of the new one-stop-shop for business at Jubilee Wharf in January 2008. I believe the key long-term challenge for the department is containing inflation. The department intends to address this objective not only through the skills work, but primarily through the Competition Law. I will address Senator Shenton's amendment in due course, but the continued funding and review of the effectiveness of this Law is obviously key to the sustainable long-term low inflation. If there is any suspicion that the department has intentions to decrease its support to the traditional industries of the Island, I wish to strongly dispel these right now. For example, the department continues to provide the same amount of direct subsidies and business assistance as in previous years. Make no mistake, the rural economy is an important employer and has a vital role in preserving our environment. The importance and support for the visitor economy is exactly the same. Last year we put an increased budget into Enterprise and Business Development and it is from here that businesses from all sectors receive specific support. In fact business development, marketing and skill strategies and funding are available to all sectors of the economy without preference. The department continues to work closely with the tourism industry and will re-invest in targeted high-value events and marketing with the close advice and guidance from the industry. The benefits of this close communication were clearly evident in the two key Island events earlier this year - the Battle of Flowers and more recently the Air Display which were both highly successful in terms of quality, attendance and visitor numbers. The department will deliver all our objectives within a budget that is approximately three per cent of the States' total revenue spend and has attracted significant cuts since 2005, £1.3 million or approximately 10 per cent. I believe that Economic Development's Business Plan maintains a clear direction that offers the opportunity for sustainable long-term growth and diversification of the economy. These are the objectives based on the States' Strategic Plan and the already agreed Economic Growth Plan. In terms of business development and economic growth, standing still is clearly not an option. We need to continually invest for growth and move forward. We will continue to help businesses to establish themselves, to grow and to succeed. A strategy that will create jobs that will deliver the taxes that Ministers and this Assembly like to spend, hopefully wisely and with appropriate restraint. Sir, I commend the objectives in this Business Plan for Economic Development to the House.

The Bailiff:

You have dealt with or you are about to deal...

Deputy A.J.H. MacLean:

I will carry on, Sir, now to the Airport, if I may? The 2008 Business Plan for the Jersey Airport responds to the challenges posed by the dynamic business environment in which it operates and the need to remain a safe and compliant airfield. Not only does the airfield have to adjust and respond positively to a changing and challenging marketplace, but it must also deliver on the expectations of the States and the public of Jersey. This Business Plan includes the effect of continuing efforts to increase the passenger numbers by expanding the network of routes serving the Island. The results of the Airport's market development programme speak for themselves with additional services to Birmingham, Cardiff, Gatwick and Manchester and indeed new services to Heathrow, Luton and Leeds during the last 12 months. In addition, only yesterday we were able to announce that Blue Islands would start new services between Jersey and Geneva and Jersey and Zurich. This is clearly excellent news for the business community, many of whom have associate offices in Switzerland, but also for Islanders who will gain direct access to central Europe. Economic Development will also be working with Blue Islands to develop inbound tourism opportunities. But not only are these new routes and more frequent services, passenger numbers are also up by 3.4 per cent year to date,

well ahead of the more conservative one per cent annual target that we set in the original business strategy. With appropriate resourcing there is considerable scope to increase further the range of destinations and airlines. Indeed a joint team from the airport and Economic Development will again be attending the International Routes Conference this year held in Stockholm. In keeping with the rapidly changing security dynamics of the industry, the recent physical changes to the terminal - which are required to cope with increased security levels - were funded from the airport's trading fund. The commercial benefits accruing from the resulting increased retail sales are expected to recover the capital cost of this work within three years. However, the rapidly increasing costs of running the security operation can no longer be absorbed by the airport and a modest increase in security charges will be levied on airlines from early 2008. The airport's declared commitment to satisfy safety and security has also led to the creation of a new Operations Department. This is a positive step in the promotion of safety and security and is consistent with international regulatory best practice. The desired reduction of reliance on aeronautical revenues is being realised with income streams from new retail and property activities included in the 2008 budget to boost overall revenues in line with the airport's stated strategy. However, as pressure on the airport's bottom line grows the organisation is continually reviewing its capital expenditure programme and operating costs while keeping in mind the increased pressure to meet essential compliance requirements. The need for the airport to provide necessary infrastructure to undertake its business is critical. Included in the 2008 budget is £25 million expenditure on capital works vital to the continued safe and viable operation of the airport. It needs to produce sufficient operating surpluses to fund this through the trading fund or, where appropriate, through borrowing. Critical to this is the States' decision to fund below ground works as agreed in P.198/2002. Significant expenditure on below ground works continues while a funding solution to sustain this critical infrastructure is urgently being pursued by officers of the airport and the Treasury. These are indeed challenging times for the airport but as many challenges as there are, there are an equal number of opportunities. I commend the airport's Business Plan to the House and move on. I will take a break if I may for a second, Sir? I will move on now to the objectives, Sir, the principle aims of the Business Plan 2008 for Jersey Harbours. As it is clearly recognised the harbour - as indeed the airport is - is a strategic asset of the Island. As many members will be aware, 98 per cent of goods coming into the Island pass through the port, it is essential to the well being of the Island's economy and we must therefore ensure that it offers modern facilities that allow us to operate efficiently but, of course, cost-effectively. The Strategic Plan sets out the aims and objectives for the Island and, not surprisingly, a number of these relate directly or indirectly to Jersey Harbours. They include; increasing number of passenger and viable routes, ensuring Jersey Harbours operates commercially in a self-sustaining manner, minimising the cost of the harbour and associated services to the public purse and developing the corporate governance element of the management and operation. There is a continuing effort to move the organisation towards a more commercial and customer-focused business that constrains operating costs while maximising commercial revenues. The headline message from the operating account estimate a two per cent increase in income for 2008 with reducing expenditure and an eight per cent increase in gross operating profit. However, members should note that the passenger port, in particular, is susceptible to volatility by virtue of the tight sea travel market that serves the Island. This was clearly demonstrated by the loss of the Emeraude service in 2006 and the resulting losses in revenue. The expenditure forecast shows a modest reduction in operating expenditure but in real terms I will be expecting a far more ruthless control and reduction especially on non revenue-generating costs. There is a great deal more work to be done to achieve these aims and in order to do so it has been decided to commission a fundamental review similar to the very successful one carried out at Jersey Airport. The review will be sponsored by the Chief Executive of Economic Development and Economic Development will indeed be the client. It will also include the involvement of Treasury and Resources. I fully support this review and indeed its methodology. It will look at the management and operation of Jersey Harbours to fully define its commercial and financial strategy, together with associated performance requirements. The key elements of the review, which will be completed by

January 2008, concern the sustainability and financing of the harbour with particular reference to future capital expenditure requirements. It will also look at existing activity, assess market potential (including route development and day trips) and consider commercialisation in terms of revenue and expenditure. I should add that this review should not be confused with the work previously commissioned by former Harbours and Airport Committees. Indeed, all previous reports, studies, statistics and forecasts will be analysed as an integral part of this review and will seek to build on the work already carried out to help optimise the future performance of the overall business. 2006 was a challenging year for Jersey Harbours with passenger numbers falling by 15 per cent compared to 2005, which significantly affected revenue from the passenger port and, by default, overall profits. The most significant contributor was Emeraude and the loss therein, although U.K. routes were also down as they suffered from a much wider general decline in sea travel. Members will note the increased income projections for 2007 and 2008 regarding the passenger port. This is the result of the introduction of several new services, including HD Ferries, Corsaire and some additional frequency from Manche Iles Express. These additional services have added choice and led to competitive pricing that tends to drive volume, a situation broadly welcomed by consumers and the tourism industry alike. We have also worked with all operators to introduce an incentive scheme to help stimulate the increase in passenger numbers. The scheme commenced this year and offered operators a reduction in harbour dues based on achieving growth in traffic over the whole market. The success of this incentive scheme will be fully assessed at the end of the year and revised if necessary. However, passenger numbers are seven per cent up, year to date, on all routes compared to 2006 and might indeed have reached the record level set in 2005 if we had not suffered such a poor summer. Further operational difficulties also caused a certain number of sailings to be cancelled. The new Finance Director at Jersey Harbours has reviewed income and expenditure allocations for the five ports, resulting in some anomalies that can be picked up in the operating account. However, these accounts now reflect, far more accurately, income and expenditure as it occurs. The Jersey Harbour's accounts have also adopted JD Edwards. This went live on 8th August this year and now brings Harbours into line with other States' departments. There are some key challenges within the capital programme where a number of essential operational assets such as cranes, link spans and walkways are reaching the end of their useful lifespan. In addition, other infrastructure will require refurbishment such as Elizabeth Terminal. Staff costs are a significant proportion of overall operational costs while increases in key income streams are continuing to be capped in accordance with the States of Jersey policy at 2.5 per cent. Harbours also continue to bear the cost of a capital return in excess of £1 million per annum. The most significant element of this relates to the Elizabeth Terminal, which is due to be repaid by 2011. The results of the East of Albert review were due in the first quarter of this year and are still eagerly awaited from W.E.B. (Waterfront Enterprise Board). The East of Albert review will allow a five to 10-year co-ordinated plan to be progressed for the redevelopment of the port and surrounding property and land contained within the port estate. The combination of the business review and the results of East of Albert will create a foundation to ensure the development and profitable operation of the port far into the future. Sir, I commend this Business Plan for the Harbours, the Airport and Economic Development to the House. Thank you.

The Bailiff:

The key objectives and performance criteria for the E.D.D. (Economic Development Department) Airport and Harbours have been proposed. Are they seconded? **[Seconded]**

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

I would like to congratulate the Economic Development Department, the Minister and the Assistant Minister on what has been a successful, if not sustainable - and we have to see if it is sustainable - economic growth for Jersey over the last few years. Taking away nothing from that, because it should not be taken away from, I would like to ask a couple of questions. Within the plan itself and the expenditure analysis I am unable to determine exactly what, if anything, has been granted

towards the Tourism Development Fund. In December 2001, the States of Jersey agreed in principle that the sum of £10 million be set aside over the following five years for a new Tourism Development Fund which was set up to replace the old Tourism Investment Fund. In 2003, £1.2 million was transferred to the Fund. In 2004 and 2005, no funds were transferred into the Fund and in 2006 £1 million was transferred into the Fund. The Panel report for last year said that the Panel remained concerned that, to date, so little of the agreed £10 million had been transferred to the fund. They were also of the opinion that if the terms of the scheme allowed them to grant awards to the private sector investors, they would receive projects with the capacity to have greater impact on visitor numbers. By that I understand that the schemes that they applied themselves to might have greater mileage if they were in partnership with the private sector: public sector/private sector partnership. The schemes that were conducted with the money that was granted to the Panel were very diverse and they are contained in the report and I cannot see any that were unsuccessful. I see great successes in all of the projects. I would like to ask then what money and what commitment has been given to this Fund for this year and the forthcoming years by the Minister and his Assistant Minister and whether or not more emphasis needs to be placed upon the investments in the infrastructure of giving and providing things for tourists to be part of when they do come here. The other thing I would like to ask is in terms of numbers. We always make an analysis of passenger numbers and boat arrivals and airport arrivals. I wonder if we are able to sift out those numbers to determine exact tourist numbers rather than passenger numbers because there will be a number of people coming and going that are not necessarily tourists, and it would be interesting to see how the money is working in the tourism market in that respect and maybe the Assistant Minister could tell me where I could find those figures. They are probably available but how do I determine them and how do I separate them out from the actual numbers of people arriving and departing. Overall, just in summary, I think they are doing wonderful work. The tourism side of things I am interested in. From the Environment Scrutiny Panel's perspective, we are looking to conduct a review and a sustainable analysis of how the Waterfront will develop. Last week we went to Sweden to see one of the world's leading centres in a sustainable development on a waterfront and it was absolutely mind-blowing as to what they have done and what they are doing. I hope we can learn from that and do it ourselves. I just have a couple of little things, if I might, on the airport. Travelling recently as I did, I know there is money needed for infrastructure. I understand the necessity for walkways and cranes, et cetera, but some of the smaller things that might add benefit would be, in particular, when one arrives at the airport the new layout is such that it does afford more comfort for the traveller, but for the person accompanying the traveller to wish them well on their journey the facilities when they arrive are less than satisfactory at the moment, I believe. In particular, I would like to see if it is possible for some public/private partnership scheme, perhaps to the side of the arrivals hall, where a proper cafeteria could be established for those people that are wishing their loved ones and relatives well on their journeys. The current facilities, although I understand are only just erected and probably temporary, are not satisfactory. Overall though, I am very supportive of what they are doing. I would just like to ask those questions. Thank you.

8.1.2 Deputy R.G. Le Hérissier:

I would like to congratulate the Assistant Minister. With an Assistant Minister like that, who needs a Communications Manager? **[Members: Oh!]** Every word a gem, Sir. However, I wonder, Sir, if I could ask the Assistant Minister... for example, I notice that they are in Bath Street on a long lease but clearly, with the move to the new head office, they have to either terminate the lease or come up with some other ideas and I notice the idea of incubating new businesses has come up. Would the Assistant Minister admit, Sir, that basically a major mistake was made with the lease in Bath Street and it does not fit in with this rigorous, effective, cost-constraining financial policy of which he is quite rightly so proud? Secondly, Sir, in terms of the Skills Executive, would he tell me whether the budget for the Executive will simply amount to the sum of the totals being transferred from other departments like Education, Social Security and Highlands or would it be less as a way of

rationalising provision, or would it in fact be more? What is the intention, Sir? Thirdly, he talked about modest increases in security charges. Could he put a percentage on that because we know that security charges have an incredible tendency to reverberate throughout the cost structure? No matter who, at the point of accounting, takes the burden, eventually it all comes back to rebound upon the passenger. Fourthly, Sir, he talked to the retail operation at the airport and Deputy Le Claire referred to that. Would he say by what percentage it is increasing at the moment? I also note, Sir, on page 26 of the annex there is this vast category called "Policy Development". Most senior civil servants are employed to do their policy development. What precisely is happening in the Policy Development Department of Economic Development which is not happening, Sir, in the heads of the senior civil servants? Because it seems a vast sum of money and I have to assume - it is rather like the criticism we made from the Scrutiny viewpoint of the categories used in the Business Plans - that there are a multitude of sins encompassed within this category. So, Sir, if he could define what "Policy Development" means and why it is so expansive, over and above the management staff costs of the department.

8.1.3 The Deputy of St. Martin:

I also would like to compliment the Assistant Minister on his presentation - very clear, very concise - but there are a couple of points I would like to raise with him. One has already been touched upon by Deputy Le Hérissier but perhaps he could elaborate on the security arrangements; if additional expenditure is going to be incurred at the airport because it means more numbers up there, more people, more expense, et cetera. So probably he could elaborate on that. Also, in his earlier speech, he mentioned about the support given by Economic Development to the Battle of Flowers and the Battle of Britain events. I understand that last year Economic Development gave some financial assistance to Jersey Live. I would like to know whether in fact any assistance was given this year to Jersey Live and, if so, how much.

8.1.4 Deputy G.P. Southern:

Members may be somewhat surprised to find an agenda on the Business Plan for 2008 without a single amendment either in my name or in the name of the Economic Affairs Scrutiny Panel on the agenda. Indeed, my wife was fairly surprised last night when she glanced through the *J.E.P. (Jersey Evening Post)* and said: "What, you are not bringing an amendment?" I just want to take members through a short history of what has been happening since March this year as to why that should have occurred and why I, for one, will be voting against the strategic objectives and the associated Business Plan of Economic Development and will be encouraging all members to do likewise. Firstly, because members might see that I do not have a great deal of faith in what has been presented. Secondly, along the lines that Deputy Breckon was pointing out and Deputy Le Hérissier beforehand, while the opportunity has been there to bring an amendment, in effect that has not happened because of particular events in the way this particular aspect of the budget has been approached. In fact, this part of the Business Plan - members will excuse me if I refer to "budget" occasionally, I mean "Business Plan" whenever I do so - absolutely illustrates the problems with the budgeting and business planning process that has been going on this year, I believe happened last year and look likely to extend into the future. So if members will bear with me. What I would like them to do is to turn to the sheet that has been distributed earlier with a table outlining the material that was presented to Members on 23rd March by the Chief Minister - and I believe he was standing in for the Treasury and Resources Minister at the time - which the Chief Minister last week, when I questioned him about this particular table, professed complete ignorance and was unable to answer questions on it. Also, to bear in mind that I will make reference to page 26 of the annex that contains the details of the Economic Development Department's Business Plan. So, the figures presented to members on 23rd March of this year can be summed-up in the table I presented where I picked out the five major elements of 12 headings in the Economic Development Business Plan for 2007 known as a service analysis, i.e. what do we do to people, what do we deliver? So those 5: Rural Economy, Tourism and Marketing, Enterprise and Business Development, Policy

and Strategy, Finance Industry Support. I picked out these five areas. In total, they come to some £14 million of the Economic Development's £16 million budget. So the rest are relatively minor and mainly regulatory. So the substance is there and the first thing to notice is that in these areas, looking across to start with in 2008, appear major changes. Major changes from 2007 to 2008. About £0.75 million no longer in Rural Economy, similar amounts taken from Tourism and Marketing but growth in Enterprise and Business Development, Policy and Strategy and Finance Industry Support. Looking at the trend, 2008 through 2009 and 2010, those changes, consistently applied, amount to £1.75 million taken out of the category Rural Economy and placed elsewhere. £1.75 million taken out of tourism and marketing and placed elsewhere. A total of 30 per cent plus in funding in these particular areas. Growth: £1.5 million, to E.B.D. (Enterprise and Business Development), £1 million - and Deputy Le Hérisier has just mentioned it - to Policy and Strategy. Significant money being put in and, again, a significant growth in support to the finance sector. On viewing this I was somewhat concerned, as you might well be too, because that seems to me a remarkable change of emphasis and certainly a transfer of budgeting from, if you like, the old industries - Rural Economy, Tourism - into some new strategy; in some new directions. While that may or may not be completely justified, it seems to me that is not what we heard just a minute ago. Unsurprisingly, having been told by the Chief Minister that we were receiving these figures much earlier than we had in 2007, in order specifically that Scrutiny could have a good go at it - a good examination of it - and check out what was happening, I tried to get on with that. A series of questions and a series of attempts to meet to discuss what this apparent trend meant resulted in weeks and then months of frustration, as we seemed to get nowhere. Not without the will to meet and try and explain what is happening, what was happening, to this budget; nonetheless March, April, May, June - a waste of time. Only by July did we get straight answers that said the following... and I quote now from the report by my officers of a series of two meetings with the Finance Director in charge of this particular aspect of the business planning in Treasury and Resources. The summary of my officers says: "The document received by the Panel purporting to show planned expenditure for 2009/2010 was produced following an internal officer request to estimate departmental priorities were no further funding to be allocated. It showed numerous large funding requirements under different sectional headings [under different sectional headings] to plans previously produced. These would have been clear had detailed breakdowns been generated. However, this was never carried out [listen carefully] as the entire exercise was conducted under one-half officer day at the request of the Chief Minister's Department officers." One-half officer day: "Produce some figures that we can present to Scrutiny and tell them to get on with it." It continues: "The understanding of Treasury and Resources officers was that the Economic Development Minister had never endorsed this document as a policy. It was not approved Economic Development departmental policy and was produced prior to the reorganisation of expenditure on a criteria basis. No weight could therefore be given to the figures within, which were misleading." "No weight could therefore be given to the figures within, which were misleading." Well, thank you very much. My Scrutiny Panel and I wasted three months trying to find out what was going on. They were provisional figures, they were misleading, they are not to be relied on. Amazing. However, the underlying trend of major shifts of financing has not been proved to have gone away. On page 26 of the annex where Economic Development go through their new presentation - and I remind people, old-fashioned service, what delivered to whom: Rural Economy £4.5 million; Tourism and Marketing £5.9 million (2007 figures); Enterprise and Business Development £2.5 million; Policy and Strategy £0.5million; Finance Industry Support £1 million. Now, under the new presentation, different categories, the so-called functional analysis, i.e. analysed on what we do and how we organise ourselves within the department not what we deliver: Rural Support - just have a glimpse down the numbers there - around about £2.5 million-£2.6 million put under Rural Support. It was reading £4.5 million, so where is the rest? Well, here we go, some regulation, £0.25 million in Rural Sector Regulation. Let us have a look at the list. Research and Stats, presumably some of that is about agriculture, £0.25 million there. Up the list. Product Marketing, £0.25 million. That is for potatoes. Where is the rest? Where is the rest? The

titles are: Enterprise and Business Development - lots of money in there, Diversification and Growth - is it in there: do you know, do I know, do they know; I do not know, Marketing - not Tourism and Marketing anymore and some of them are tourism and marketing obviously, Destination Marketing - fine - and Communication - could mean anything: "Hello, Deputy Power," that is communicating, Product Marketing - that is the potatoes, Events - right, they are there, Finance Industry and Development - oops, that is marketing; that is not tourism, Joint Marketing - that is there, that could be tourism; it could be giving some money to airlines to arrive, to come here, Research and Stats - well, some of that could be tourism, and Visitor Services - that is there. Okay. But look carefully, where is the £5.9 million in there? Policy and Regulation, that is all regulatory. Rural Support, it is in there somewhere we are told. It is in there somewhere under these new titles. Listen to the titles and see if you can work out what they are. Enterprise and Business Development: okay, for what sectors? Who can get that money? Marketing: fine. Policy and Regulation: could mean anything. Rural Support: here it is but only £2.6 million. Where is the rest? Then Skills: okay. Is it clear what direction this department is taking? Not to me. We have now had two meetings between my officers and the finance officers and still we are not absolutely clear. That assurance that we are given that this underlying trend, massive reorganisation of the financing, shifting of financing, is not there. We are assured that it is not: "Of course we are not doing that at all. Do not be silly." But trace the money. They are under marketing budgets, communication budgets, policy budgets and E.B.D. Where is that money going to end up? There is no hard evidence as to where it is at all. So, fine, you want to reorganise the categories in which you present your Business Plan. Fine, do it. Does that mean it is very, very difficult to see where the money is going? Yes. Very, very difficult to work out what are the changes from 2007 (old service budget) to the new Business Plan (the functional budget), very difficult to see indeed. I am not convinced, and I have been trying to get to the meat of the situation for the last three months, four months; God, five months. What are the criteria? So why also should I not trust these figures and why will I be voting against them and encouraging members also to vote against them? Sir, the criteria on which these objectives, key objectives, have been formed read something like this: "The 2007 criteria were: increased growth, reduced inflation, enhanced workforce skills, economic diversification, the reputation of the Island, the competitiveness of the Island, enhancement of the finance industry and low environmental impact. These criteria were taken from the States' Strategic Plan and were all equally valued." This is the way they did 2007. Listen to this: "The 2008 criteria were not yet agreed internally and had not been submitted to the Minister. These would not be discussed until near the Business Plan debate and, in all likelihood, would not be finalised until after the Business Plan debate. The criteria on which this will be balanced has not been decided." The criteria will not be decided until you and I, the States Chamber, have voted this through. That is the wrong way round, surely. But let us read on. "Unlike the 2007 criteria, these were weighted. Current intentions are that the highest weighting will be given to economic growth [there is no surprise there] and diversification, next to consumer benefit, the Island's reputation [remember this is priority - the weighting], the skills base and the provision of services [hang on, wait for it] with the least weighting given to environment benefits and population control." Wow. So when we pass these figures, the Economic Development Department are going to reassess them on criteria that are weighted to give economic growth at the top and environmental benefits and population control at the bottom. Listen to this piece of reasoning: "The Finance Director explained that the last two criteria were more properly the purview of other departments and that their low weighting reflected the economic value of these criteria as opposed to the overall value to the Island."

Deputy P.V.F. Le Claire:

On a point of clarification, could I interrupt the speaker and ask a question. The Deputy, who is in charge of the Economic Affairs Scrutiny Panel, has stated that he has not brought an amendment to the Plan and now is asking us to support him in not supporting the brief of the Economic Development Department. I am just wondering from the last piece of information that he read out

in terms of weighting and assigning the different criteria, why was it not possible for him to bring an amendment to change that weighting?

Deputy G.P. Southern:

Because I was not aware of this. Hang on. The meeting was on 14th August when I was away. I was back in September. I could technically have brought it, if I had known what the weighting was. However, let us get it in context - let us get it in order. Weighting has got nothing to do with the figures here. The fact is that this department is going to go away with these figures and measure them against the criteria - the weighted criteria - and produce a new set of figures. I believe that means that I cannot trust these figures at all because in two to three weeks' time, in a month's time, they are going to be radically altered and I believe they are going to put population control at the bottom of their weighting. But let us just listen to this thinking. Again, I will just go slowly because I simply find it very, very difficult to understand: "The Finance Director explained that the last two criteria [environmental benefit and population control] were more properly the purview of other departments and their low weighting reflected the economic value of these criteria as opposed to the overall value to the Island." What sort of thinking is that: "Our department is Economic Development. We do not have to give very much weighting to population implications of what we decide. We do not have to give very much weighting at all to environmental implications of what we decide." Just think about it. In the longer-term and in the overall benefit to the Island, what is the cost of a population out of control? What is the cost of environment not having due regard and being impacted by policies? This is silo mentality at its worst: "As far as population is concerned, we will rely on the Chief Minister to come along and slap our wrist if we do not give it enough weight. As far as the environment is concerned, we rely on the Minister for the Environment to do similar or Transport and Technical Services or Education because, in population and environment terms, the demand is going to be there. But it is their job not ours. We put low weighting on it and just plough ahead and we do it after the whole budget has been passed." It is unbelievable. You could not make it up. The key objective, it is on page 23, heads up the whole business: "Summary of key objectives and key performance criteria. Objective 1: sustainable, long-term economic growth at or above planned targets, delivering additional tax receipts and more diverse employment opportunities for local people while managing inflationary pressures within the economy." "Sustainable" - magic word - "sustainable". Does that involve putting the environment at the bottom of your weighting? Does it involve, particularly, putting population at the bottom of your weighting? Sustainable. Do not have to worry about population. Somebody else can worry about that. Disastrous, that is what I would call it. Again: "Performance success criteria. Controlled, sustainable, real economic growth at or above two per cent with net inward migration within States' policies over the planned period." First performance criteria on the first objective: "with net inward migration within States' policies" with weighted population, migration, down the bottom. That is how we rank them. That is how we are going to spend our money. That is what we are going to deliver. Then, finally - if I can find and I will find the bit of paper that I just picked up and put down - why do I not trust these figures? Because I received a set of figures in March, not to be relied on as it turns out - you wasted my time and my Scrutiny Panel's - which made some projections. This is the trend. This is where we think we are going. 2009-2010: "The only method currently available of ascertaining the expenditure intentions of the Economic Development Department for 2009 and 2010 would be to question the Minister as to his intentions [well, the Assistant Minister is here today; what are his intentions] and possibly to request a revised projected expenditure document to be produced by the Economic Development officers. The Treasury will have no involvement in the statutory planning stage for these years." Also: "The Finance Director stated that the expenditure plans for these years [2009 and 2010] were not yet produced. As criteria were not set for fund allocation, estimation of expenditure was nearly impossible and this was compounded over uncertainty of economic conditions and the possibility of unforeseen spending requirements." So, this raises the doubt. What is the trend? What is the intention? Not to be relied on we are told. We are given a set of bland assurances that that will not be happening. However, in

terms of the trend, 2009 and 2010 - and we are talking about predicting not very far ahead and we are talking intentions - the department cannot produce any figures. It cannot be done, 2009-2010. Certainly we do not have any today when they are asking us, effectively, to trust them. In any case, the figures that we vote through today will be re-examined in the light of criteria which are weighted as I suggested and will be reallocated. What are we doing here? I, in any faith whatsoever, having tried my hardest to find out what is going on, cannot vote for these figures. I urge as many members as possible to also not vote for them. Thank you, Sir.

Senator J.L. Perchard:

Just a point of clarification, Sir. This document that is referred to frequently throughout the Deputy's speech, it is a graph with some percentages calculated in the last column, who is the author of this document? Once again, a document appears on our desk without knowing where it came from.

Deputy G.P. Southern:

I do apologise. I thought I made it clear at the beginning. It is my document. It is the figures I have drawn from the figures given by the Chief Minister at his presentation in March.

8.1.5 Deputy S. Power of St. Brelade:

I have a number of specific questions, which perhaps the Assistant Minister might be able to answer to do with Jersey Harbours, and it is on page 42 of the annex. The first question is on the third line down. There is a reference to "pilot vessel". Can the Assistant Minister clarify what on earth is a pilot vessel? I am not quite sure why it is called a pilot vessel. Can he confirm that the £650,000 is the replacement of a vessel in 2008 and whether he proposes to dispose of one or the other of the two existing vessels? My second question is could he give us a little detail on the capital expenditure projection of £1.8 million for Gorey Pierhead in 2009. Finally, on page 42, could he clarify the type of work that is planned to be done on the Elizabeth Harbour walkways - I take it these are the walkways on the east berth and the west berth - and if both walkways are included in that figure of £3,496,000? Moving back to page 26 of Economic Development's net expenditure service analysis, can the Assistant Minister clarify today, I think he said that he has drawn down £2.8 million out of the £10 million that was approved under Tourism and Development in 2000-2001, does that mean that he still has an un-drawn down...

The Bailiff:

Deputy, are you dealing with capital matters or are you dealing with revenue matters?

Deputy S. Power:

I am dealing now with net expenditure, which is on the annex on page 26.

The Bailiff:

This is not a capital matter, which should be dealt with under paragraph F of the proposition.

Deputy S. Power:

Are we only dealing with capital? Are we are not dealing with revenue budgets either?

The Bailiff:

No, we are dealing with revenue at the moment.

Deputy S. Power:

I did deal with capital, Sir, on page 46 and I think the Minister...

The Bailiff:

Perhaps I was too slow to draw it to your attention that we are not debating capital matters at the moment.

Deputy S. Power:

I ask for clarification, Sir, on some capital items which are budgeted for expenditure in 2008 and 2009. It is in the Business Plan, Sir, and it is in the annex. If they are in the annex, Sir, I would have thought it is appropriate to ask a question of the Minister or the Assistant Minister. So I seek your clarification.

The Bailiff:

If you are dealing with matters which are covered in the annex then, Deputy, I think you are probably in order. I wondered whether you were straying onto capital matters which are going to be the subject of a debate under paragraph F of the proposition but if you are not doing that, then you may certainly continue.

Deputy S. Power:

I think I am within my rights to ask questions on the annex that has been supplied to us on the Business Plan and I did start with some specific questions on page 42 to do with the capital programme. Unless the Treasury Minister would wish to clarify matters, I am not quite sure.

Senator T.A. Le Sueur:

I think, Sir, the original ruling was correct. There will be a chance to debate the capital programme at a later stage under F. The annex contains a number of matters, some of which relate to part A but not all, and I think those parts that relate to part A we should deal with under part A and those parts that relate to E or F or elsewhere should be dealt with at that time.

The Bailiff:

Thank you very much for that clarification, Minister. You have concluded, Deputy, or not yet?

Deputy S. Power:

No, Sir. I gave way to you, Sir.

The Bailiff:

Thank you. Please continue, but not on capital.

Deputy S. Power:

I also find it difficult to interpret some of the enormous amounts of money that are listed on page 26, which is the net expenditure revenue of the Economic Development Department. I am wondering if the Assistant Minister can clarify roughly, without asking for specific figures, where one does find the Tourism Development Fund and where one does find the expenditure that the department has disbursed and will disburse in areas like airline subsidies. I also note in the figures that were handed out to us this morning that it is disappointing to note that Economic Business Development is proposed to increase by 21 per cent, Policy and Strategy 103 per cent, Finance Industry Support 12 per cent, but that Rural Economy support and Tourism and Marketing are all down 17 per cent and 13 per cent respectively. I would ask the Assistant Minister to bear that in mind and - I do not want to overlap what Deputy Southern said, but there are huge amounts in here: Destination Marketing, Enterprise Diversification, Enterprise Growth, Finance Industry Development and Joint Marketing costs - if he could perhaps give us some more detail on those subtotals.

8.1.6 Connétable M.K. Jackson of St. Brelade:

There are a couple of small points of clarification which I would ask of the Assistant Minister, first of all regarding the coast guard figures. I note a reduction in the estimated figure of £120,000-odd. I would ask that he clarify whether the safety of mariners will be compromised by this reduction in expenditure. I would admit to being compromised on the Marine Leisure site and would ask the leave of members for me just to ask a small question. There seems to be a £154,000 reduction in expenditure on Marine Leisure and a £106,000 gain, so to speak. Could I ask the Assistant Minister to remark perhaps whether this is realistic? Thank you very much, Sir.

8.1.7 Deputy C.J. Scott Warren:

I broadly support the work of the Economic Development Minister and his Assistant Minister and the department, including the Harbours and Airport. I would ask, as well as other members, for an explanation regarding the drop, Sir, in Tourism and Marketing expenditure. Sir, I believe that the public very much welcome the new air routes which we are seeing and have seen obviously, as well, during this past week. Albeit, Sir, I would also like to see, as the Assistant Minister is aware, the former air links we had to our local French destinations reinstated. I would like to end, Sir, by saying that I very much welcome the drive to increase economic diversity and to broaden our skills base in the Island.

8.1.8 Senator F.H. Walker:

I do not think I was alone; in fact I know I was not alone in finding Deputy Southern's speech sad in the extreme, in more ways than one. Sir, I will leave it to the Assistant Minister to pick up specific points on figures and so on but here we have the Chairman of the Economy Scrutiny Panel doing nothing but attacking the Minister for Economic Development against a background of one of the best economic success stories we have ever seen. I did not say doing nothing, Sir. Through you, to Deputy Southern, I said doing nothing other than attacking the Economic Development Minister. Now, where is the evidenced impartially-based approach from the Chairman of the Panel? I could see little, if any, sign of it in any of the words he uttered. Sir, just let us just look. The Economic Development Minister and his department are probably the most measurable department in the whole of the States because it is very easy to judge their success. Is the economy performing or is it not? What do we have here? I see the Chairman of the Scrutiny Panel, Sir, disagreeing with me. I would love to know how else we measure economic success. Let us look at the finance industry: 25 per cent increase in profits last year, more expected this year. Tourism: figures up for the first year in, how many, 15 per cent, something along those lines. Another growing success story. The greatest amount of investment we have seen in the tourism infrastructure, the tourism product, in my lifetime. Agriculture: diversification, new crops being developed, more land being farmed than we have seen in many years, a new dairy in prospect and a new structure and a new future in prospect for the dairy industry as well, and new high-value business being attracted to Jersey at the same time. High value, low numbers to generate it; exactly consistent with the Deputy's very strongly held views on population growth but for which he now turns it around and criticises the Economic Development Minister for investing in developing those new high-value businesses. Sir, look at the airport. As we heard from the Assistant Minister: more new routes than we have ever seen, passenger numbers up for the first time in many, many years and an entire new commercial based approach. Any recognition? Any support for that from the Chairman of the Scrutiny Panel who has responsibility to work with the Minister on an evidence basis for the good of the economy? Any support for that? Not a word. Not a sign anywhere. Similarly the Harbours: problems there have been at the Harbours - subject to a review but passenger numbers this year seven per cent up. I am afraid the Chairman of the Panel, Deputy Southern, simply cannot argue with those very clear indicators of economic success, which is exactly what the Economic Development Minister is there to achieve and exactly what his department is there to achieve. Yet Deputy Southern wants us to throw out the whole budget on the basis, he says, that he has been unable to get the evidence. Now, I know from discussions with the Economic Development

Minister and his staff that this has been a two-way process. It most certainly has not been totally the picture the Deputy has painted, Sir, of being absolutely unable to get hold of the figures in time or being able to understand the figures. There are two sides to that particular story and we should not allow ourselves to be influenced in rejecting this budget on the back of figures that the Deputy himself has produced which, to the best of my knowledge, have been verified by nobody. Sir, we should not allow it. We have a measurable economic success story on our hands at the moment, which of course, not entirely but to a great extent, is supported by and encouraged by the policies of the Economic Development Minister and his team. Yet here we have the Chairman of the Scrutiny Panel with that responsibility saying: "I do not trust the figures. Throw the lot out. Ignore the economic success that this Minister and this department is creating. Just throw the lot out." Just as we are achieving success. I have to say, Sir, that is a very, very biased, political view which has nothing, in my view, to do with Scrutiny at all and everything to do with personal political agendas and personal opposition. But the evidence does not support what the Scrutiny Panel Chairman is saying and it should because that is his job. So, Sir, I would urge members to have nothing whatsoever to do with the suggestion of Deputy Southern that we should throw these figures out. I will leave it to the Assistant Minister to deal with the specific questions and points on the figures obviously, that is his job today, but under no circumstances, just as we are getting things right back on track through economic growth, right back on track in terms of employing more and more local people, under no circumstances should we agree with the Deputy's suggestion and throw these figures out. Are there questions to answer? Yes. I leave that to the Assistant Minister. But, Sir, let us not be judged or let us not be guided by an incredibly biased, political speech which is not based on the evidence before us.

Deputy G.P. Southern:

May I ask a question of the Minister, Sir, while he is on his feet?

The Bailiff:

Well, he was not willing to give way to you, Deputy, so I think the answer to that is no.

8.1.9 The Connétable of St. Peter:

I hope on a more positive note, I would like to express my congratulations to the Assistant Minister, Deputy Maclean, for the manner in which he outlined the proposals from the Economic Development Department because I think he has had to pick everything up extremely quickly. We know only too well the sad reasons why that has come about and I think that he is certainly to be applauded for the manner that he has dealt with it. There are a couple of points that I would like perhaps to ask, Sir. With regard to the airport, if an assessment was made regarding the recent changes which restrict the public access when entering the departure lounge... and I am thinking predominantly at the available shopping space, restaurants, et cetera, which were available to the public to access and to use without having to be going at the airport for departures; because I believe that there is quite an interesting exercise to be had here between the actual income which had been derived prior to that. It would be an interesting comparison to know the effect upon it since that work has taken place and those changes. The other point that I would like to inquire, that in the event of a legal claim being brought against either the airport or the harbour, does the Economic Development Ministry carry funds which would enable them to meet costs or would they be obtained by virtue of a stand-alone request or rather proposition through this House.

8.1.10 Deputy A. Breckon:

There are a number of specific points that I would particularly like to draw members' attention to, and they are contained in the main on page 26 of the Annex. The first one, Sir, is the Finance Industry Development. The proposal for 2008 is for £1,025,000. Although apparently this looks like a small increase of £25,000, Sir, when based on the estimate for 2007 the financial reports and accounts for 2006 show that the amount then was £586,000. That was in 2005 and in 2006 it was

about £809,000 and the estimate for 2007 was £1 million. The reason I say that, Sir, that is quite a step from £586,000 to £1 million in two years. Now, my understanding is that the bulk of this money goes to Jersey Finance and the deal was that it was an industry initiative in which the industry itself as well as doing its own promotion and advertising would virtually take this over, and we were providing what in effect was the seed corn for us to do this, and in the figures that Deputy Southern has produced which were given to him by the Chief Minister in March, that looks like that is going to go even further and those predictions were that it would be £1.7 million in 2010. Well I think, Sir, that question begs some answers about why that is. Why is this? Is the industry not funding itself? Is it signed-up to these promotions? I am not saying we should not do it, but it is a virtual trebling in five years and it is a significant amount of money so perhaps some answers should be forthcoming; if not today, Sir, then in the not too distant future. Also on page 26 there is an item there that says £217,000 proposed for research and statistics and the narrative says: "Ensure that robust research and compilation of statistics is carried out in order to inform the department and the industry on future planning." That is contained at the top of page 30. There is 0.6 of a person and there is £217,000 and I really have to question that because with technology now if you click on internet and you want air statistics or sea statistics you can get them, so I really do wonder what this money is for, and it is a significant amount of money. Also, Sir, there is an issue there about policy development, and somebody else has touched on that. Again it is a significant amount of money and the narrative does not really say anything, but I understand with policy development, as well as having people who are identified in numerical terms to do it, we have also gone out to consultants for the retail strategy and for other things and again, Sir, I really have to question what this is for. There are some other issues in there about general support, and I think this to me looks a bit smoke and mirrors and I cannot really make head nor tail of it, but there is probably the best part of £2 million that for me needs to be questioned and expanded upon. The other thing that this Business Plan does not show, Sir - somebody else touched on and I think it was Deputy Le Hérissier - is about the department's use of office space. Now, members will recall that we had a debate not very long ago about the flagship office development on the Waterfront and my memory seems to recall that the rental was £109,000 per annum. Now, somebody else has touched on the fact that we have offices in Bath Street that are under-utilised, perhaps not suitable, and we also have a former housing office and we also have Property Management or Property Services, or whatever else, so it really does question for me the use of public funds. What are we doing here? If we are on about tax and spend, should we not look at some of this spending? I would respectfully request to the Assistant Minister, I know it might be a specialised area, that perhaps we could produce a property report and address some of these issues. Let us look at the leases, what they are, how long they are for and perhaps we might need to buy out of some of these, because this Business Plan does not show any rent payable to anybody for anything, and obviously it is there but it does not identify, and I think perhaps with that we need a cost benefit. What is happening at these places; how much space there is; and other things. Just something I want to touch on that the Chief Minister mentioned about economic growth, but we must add that there have been some global factors and there has been some interest rate rises which do have an effect on the level of business and the outcomes. The other comment I would like to make, Sir, concerns Jersey Harbours. I remember some years ago when we were creating the marina we were told about the economic benefits it would bring to the Island, and I think at the time there was a multiplier that said every pound that is spent here is worth seven, eight, nine or whatever it may be, because these are high net worth individuals who will do whatever. They will not go to the co-op and get a French loaf or anything like that. They will do whatever, or be eating chips round the harbour. But there is an element of capital servicing there and I would ask the Assistant Minister, even if he cannot do it now, to perhaps consider coming back just to give us the latest information of what the floating gin palaces and whatever else are worth to the economy or if in fact there is a cost to the economy and if the charges reflect the actual cost or if there is a subsidy element in there. I would just conclude, Sir, again by congratulating the Assistant Minister for his presentation, although I have been a little bit critical of the content of it.

8.1.11 Deputy S.C. Ferguson:

Can I ask first for some clarification from the Chair, Sir? The proposition states that we are approving the summary key objectives and performance criteria for the Economic Development Department as detailed in pages 23 to 25 of the Annex. In other words, Sir, any vote we take, we are only voting on these objectives and any vote we take will not affect the purposes to which the department can put their budget? Correct?

The Bailiff:

You are obviously correct, Deputy, that what the Assembly is being asked to approve are the key objectives and the performance criteria for each of the States-funded bodies.

Deputy S.C. Ferguson:

We are now having, Sir, detailed discussions on figures and the House can comment and recommend, but the department need not take any notice of us in their spending allocations. These are indicative and for information only and what Deputy Southern has demonstrated fluently is the lack of power by this Assembly to influence detailed departmental spending. We are basically agreeing the objectives which are expected to be achieved with the budgets which are put into the plan for indicative purposes, but we are not voting for those. The one vote that will matter in this debate is Amendment 9, the bottom line, and I would point out to members their comments on these detailed accounts should be taken on board by the Ministers, should be considered and included if possible, but make no mistake, the members are not voting on these details. They are voting on the objectives and the warm and fluffies at the beginning.

The Bailiff:

This is the Business Plan of a Council of Ministers.

Deputy S.C. Ferguson:

Sorry, Sir, it was a technical term.

The Bailiff:

No. I just want to draw to your attention and to members that this is the Business Plan of the Council of Ministers and the detail which the Council of Ministers has provided is for the information of members.

Deputy S.C. Ferguson:

Absolutely, Sir, but members cannot, by voting against it or for it at this point, they cannot affect those detailed allocations within the departments.

The Bailiff

Does any other member wish to speak? I call upon the Assistant Minister to reply.

8.1.12 Deputy A.J.H. Maclean:

I thank all Members for their comments. I will not necessarily cover each individually. I will do my best where there is duplication to get to the relevant point. Deputy Le Claire started with funds for the Tourism Development Fund. In fact this is a capital allocation, 2008, 2009 and 2010 that there is nothing allocated in or additional to the Tourism Development Fund although I must add that at the moment there is £1 million in the Fund and the intention of the department is to work closely with businesses in partnership arrangements to find suitable investment opportunities for those funds. Deputy Le Claire also asked about investment in tourism products, tourism sites and so on and so forth for visitors and I can say that the department works very closely with all attractions and other event areas in the tourism industry. There are many good examples. The aMaizin Maze,

for example, in St. Ouen is one that has been extremely successful in terms of numbers and in the way in which it has been able to develop its business. The Enterprise and Business Development Department works closely with all businesses on the Island to give them the opportunity to improve the facilities that they offer, to improve their business and to be as successful as possible. Clearly the more successful they are in terms of attracting visitors who are on Island, the more money that is spent on the economy and so on, so that is a very important point to make. The subject of arrivals figures was also raised by Deputy Le Claire and in many respects he is absolutely right. We do very keenly quote the number of sea arrivals and the number of air arrivals and they all sound jolly good quite often, or certainly they have done over the last 12 months. What is probably more relevant is staying leisure visitors, certainly for the tourist industry. I am pleased to say those figures are also up on last year but perhaps, and this is the point that the industry also needs to take on board to a certain degree, it is the spend per visitor, as far as the economy is concerned, is the most important fact of all as far as numbers are concerned. But certainly the headline figures are up in both arrivals at sea, arrivals through the air, and staying leisure visitors, so all those figures are good and we continue to monitor statistics very closely. To the point picked up about the amount of money spent on statistics, yes, there is £217,000 spent and it is only 0.6 of an employee. The reason for that is that a lot of that goes out to, or is out-sourced to, the appropriate organisations to give us the right data that we need. There was a question on the facilities at the airport from Deputy Le Claire as well and he quite rightly pointed out that the temporary facilities are not very attractive at the moment and really are something that we are not particularly proud of. We have been delayed unfortunately in terms of the completing of that work. In fact it is an ongoing short to medium term project and unfortunately not everything can be done on day one, but we do understand and appreciate the shortcomings of the facilities at the airport. They will improve and what we have been concentrating on is the other very important areas, but we will move on to the land side facilities in due course. Deputy Le Hérissier, I thank him for his very kind words. I hoped he was going to stop there, but he went on to ask a number of questions which I will do my best to address. With regard to Bath Street, and I will wrap up into this the properties within the Economic Development portfolio as a whole, he is absolutely right. We do still have a lease on Bath Street but in fact the lease only runs until early 2010. We are looking closely at the use for the building. The intention is to use it as an incubator for small businesses and we have had an undertaking from various local businesses to provide free of charge adaptation to the building to ensure that the incubator businesses can get some benefit from it. If that proves to be economically viable then we will maintain the building until 2010. Clearly one of the options is the assigning of the lease, but if we can get good use out of it at low cost then clearly that is a sensible route, so it is still being assessed. As far as the other buildings are concerned, the current tourism building will be vacated. There are then the new visitor centre and Jubilee Wharf. Economic Development is effectively consolidating all its functions into those two buildings which are adjacent to each other. It makes far more sense from a business perspective and for all the wide range of functions that Economic Development carries out that we are located very close. The Jubilee Wharf building will of course be housing the Economic Enterprise and Business Development facilities, the one-stop-shop which will be opening in January 2008. The Population Office will clearly remain there. It is quite right that it should be there. These sorts of functions are clearly linked. Housing are there at the moment and will remain until they find alternative premises. We will not be kicking them out too fast. There was a question from Deputy Le Hérissier about skills - the sum total of skills - and I think he was referring to the costs therein with the Skills Executive. The proposals for that are going to the Council of Ministers in October. The full details are yet to be decided as opposed to the exact breakdown between Economic Development, Social Security and Education, Sport and Culture but those figures will come out when they are known. He also asked about security charges at the airport, about the inbound charges and outbound charges for security that we will be levying on airlines from January. The figures are £1.20 in and £1.20 out. This is very much in line with the way in which airlines at the moment deal with air ticketing prices. They break down the price of the ticket and security charges and taxes and we have to recognise that in this day of increased security

that it is impossible for the airport to continue taking the increased costs. Security is costing about £1 million a year more than it was and these costs are continuing to escalate, and that is the reason that this decision has had to be made. Policy development, what is it? Policy development is an interesting term. It covers a number of different areas within Economic Development, intellectual property regulation and so on, and there is a defined list which I would be more than happy to provide to the Deputy, but it is an area of great importance and in fact if you look at the net increase, although the headline figure looks high there is a revenue source there and you will find that the increase is not as significant if you look at the net figures on the right-hand column. The Deputy of St. Martin asked about costs regarding the Battle of Flowers, International Air Display and in particular he asked about Jersey Live. There was funding for Battle of Flowers at a similar rate to last year which was about £140,000, the International Air Display at about £100,000. I am not aware of the direct grant for Jersey Live but I am more than happy to come back to him and give those figures in due course. Moving on to Deputy Southern, I also found his speech very disappointing. Deputy Southern has had, as his Scrutiny Panel has, a number of formal meetings - briefings - with Economic Development. In those briefings full details have been supplied of the budgeting and how Economic Development deals with its budgeting, and yes, there has been a change in the way in which we deal with our accounting and that indeed has been fully explained to Deputy Southern and to his Scrutiny Panel. My understanding is that his officers are clear that there is no shift in direct support away from the rural economy and away from tourism and there does appear to be, as his officers seem to be satisfied, somewhat of a disconnect between him and them. The accounting process that Economic Development has adopted is a zero-based accounting system and it is based on output. What we are trying to do is align our budgets with the objectives that have been set. We frankly moved away from giving handouts to more of a giving a hand-up to businesses. That is how you create economic growth. It has to be sustainable and I know the term "sustainable" was used again by Deputy Southern in a somewhat derisory way but it does have to be sustainable and that is something we are clearly working very hard to achieve. There are examples with the Enterprise and Business Development Department which has had some fairly significant increased budgeting. It is a very important department, but it is a new department and despite the fact it is a new department it is already working. 350 local businesses have already received support from the department, 100 local new jobs have been created. 50 new businesses, 50 new start-up businesses have had support. Enterprise and Business Development is working. It was not in Jersey before. There was no facility of that nature for incubator businesses, for start-up businesses, for the development of existing businesses. If we want this economy to succeed, if we want it to grow and if we want it to be sustainable then it is absolutely essential.

Deputy R.G. Le Hérisier:

I wonder, Sir, if the Assistant Minister could explain then what, all these years, has been the role of the Jersey Business Venture?

Deputy A.J.H. Maclean:

Enterprise and Business Development has taken the role of Jersey Business Venture and expanded it. It has, for example, increased the budget significantly to ensure that we have the right personnel in the right location to provide the right support and I think the figures that I have just given, the statistics that I have just given, give clear indication at a very early stage that it is working. The policy is working, and I have to say that as far as Deputy Southern is concerned - who again was extremely derisory about Economic Development's Business Plan - is it working or is it not working? Is the economy booming or is it not booming? I mean the statistics are there to be seen. Finance is up 25 per cent and yes, okay, I accept that the worldwide economy is booming at the moment and we are obviously benefiting from that, but nevertheless there is growth in local finance companies, in the diversity of the finance industry. There is growth in the diversity of the finance industry, which is important. Tourism is succeeding. If there is so much wrong why are we not having members of the tourism industry, the Hospitality Association and many others banging at

our door? In fact we have support. We have far more support than we have ever had as far as Economic Development is concerned with tourism. We have the same in agriculture. There was a great play by Deputy Southern about agriculture and the rural economy and how we have taken budget away from them. No, we have not. It has been explained to him and I find it incredibly frustrating that he cannot understand clear explanation that has been given at briefings of what in fact has happened; that the re-allocation of the budget is what has happened. The re-allocation of the budget is perfectly clear and it is perfectly transparent and, in fact, a complete breakdown of figures has been available for the last three months. I know Deputy Southern...

Deputy G.P. Southern:

I do not believe that is true, Sir.

Deputy A.J.H. Maclean:

Well, I am afraid it is true. It is absolutely true. We go on. There are clear signs of economic growth within the economy. Inflation, as I pointed out, is a key factor. Inflation is something that we need to bear down on, and again Deputy Southern suggests that Economic Development is not interested in population. Well, that is absolute nonsense. Of course we are interested in controlling population. It is absolutely essential. Why do you think we are getting involved in a skills strategy? Why do you think we are so keen to work together hand-in-hand with Education, Sport and Culture to ensure that we have an effective skills strategy for the future? That is the way forward. That is the way we upskill our young people. We ensure that they can be brought into the economy and contribute so that the number of people coming into the Island can fall. Okay, there might be some upfront short-term peak in terms of the numbers of people coming here, because local people, young people, need to have the necessary expertise to learn from and that is exactly the way it is going. We have other examples. You can see Highlands College, for example; the initiative that they have taken with their foundation course in finance. Absolutely fantastic, and they are being supported by the finance industry in this. I think that really the facts are the most relevant issue here. The facts are what need to be considered and I am just not convinced that Deputy Southern was looking at the facts when he made his speech earlier on. It seemed to me to be far more relevant - and I am not going to give way - to make a political speech, which is what his speech seemed to be all about. I should remind Deputy Southern that this is the Department of Economic Growth, not the Department of Economic Decline, which is what he seems to be indicating. Moving on, because I think I have probably said enough about the unfounded comments that were made earlier and we will leave the facts to speak for themselves. Senator Perchard very briefly made comment about the figures - the document that arrived on our desks this morning. That was a document that went to the Council of Ministers and unfortunately did not come with an explanation. The reason it did not come with an explanation was because Deputy Southern passed it around the Assembly without the necessary explanation with it. Deputy Power asked a number of questions regarding effectively capital projects and I think if I may I will deal with those at the appropriate time. He also asked about the Tourism Development Fund and I think I have answered that question earlier on. So just a point - is it appropriate for me to carry on, bearing in mind the time? I think members are probably quite keen that I do carry on, so the question is answered. The Connétable of St. Brelade asked various questions with regard to Jersey Harbours, in particular his question on marine leisure and as to whether we were intending to reduce support to marine leisure. Quite the opposite is the case. We are assessing marine leisure at the moment. We have a report which we are awaiting from the British Marine Federation looking at that very subject, and a task force has been set up to work with the local industry in order to develop opportunities for marine leisure. An undertaking was given to the Treasury Minister when he made his very wise decision and generous decision to hold off from taxing marine fuel. This clearly is giving a competitive advantage to our marine leisure industry and we need to build upon that to meet our obligations that we gave to him at that time. Deputy Scott Warren was asking the question, and clearly it is on the mind of a number of members about what appears to be a drop in support for the marketing of

tourism and the rural economy. I hope I have explained that point. It is a re-allocation of funds. These particular areas are not getting less support than they were before. They are getting as much support as they were, we are just doing it in a different way. What we are interested in, in Economic Development, is ensuring that every pound we spend is spent effectively and has an effective return and we have developed an accounting basis here in which we can fully assess it so it is performance related. I will give one very quick example of that which might help Members. Jersey Royals: previously they were getting £685,000 in support from Economic Development. Last year we went along to them and said that we wanted to reduce their £685,000 to zero, of which they were none too pleased at first sight, as you might imagine. What we were looking to do was find other ways in which we could promote Jersey Royals. We succeeded in doing that. We came to an accommodation, we worked on a policy and a strategy for marketing Jersey Royal. The cost? £250,000. A saving of just over £400,000. The result? Jersey Royals have sold or received a greater return per tonne with a lower budget than they had done the previous year. That is working smart. That is what Economic Development is all about in a summary and I hope that helps Deputy Scott Warren. There were some questions, one smaller point, Deputy Scott Warren asked the question about local French destinations. I think she might be referring to Dinard, St. Brieuc and others. We are looking to develop new routes for Jersey Airport. All of the time for the benefit of the economy. It has to be justified and unfortunately these destinations close by have proven very difficult from an economic point of view to sustain over the longer term. It is all about the wish for the airlines to fly to those destinations. Those are the sort of destinations that the level of support that we could give is going to be marginal because the economic return to the Island would be relatively small in terms of numbers. What we have noticed from these routes is you get a lot of Islanders travelling across to Dinard and St. Brieuc, and what have you. You get very little coming back. Connétable du Feu asked again about the airport. He asked for an assessment on how the changes had worked at the airport. I do appreciate that the changes have been extremely sensitive to a number of Islanders. Change always is. It is a difficult thing to deal with. But they were very necessary to ensure the financial viability and future of the airport. Absolutely essential, in fact, and to answer his question about retail, although it is disappointing at the moment that locals cannot go to the airport and do various bits of shopping, what we are seeing is that the retail side of the airport is up 30 per cent since the changes were undertaken and not only that, it should lead to the capital cost of the work which is primarily led by security, I should add, but the capital cost of that work - security - has uplifted the retail side. A 30 per cent increase in revenues goes towards paying for the airport, goes towards paying for the routes, goes towards bringing more people into this Island and that is what the key message is of that. Deputy Breckon asked a number of questions regarding the finance industry and, in particular, the increase in budget to Jersey Finance. Yes, if you go back to 2005 compared to 2007 there is a significant increase but I think in reality you need to put that into clear context. One could argue that in 2005 the budget was far too low. What we believe is that we have a proportional budget now that is appropriate for the size of the industry, bearing in mind that the finance industry brings into the Island or pays approximately 70 per cent of revenues. It is the biggest contributor and we need to ensure that Jersey Finance are able to lead appropriately in that respect, and I would suggest that if we are concerned about the budget being spent we should consider the 25 per cent growth in that market. I think it is money well spent but if there are any doubts whatsoever the Chief Executive of Jersey Finance and his board, together with Economic Development, have decided that it would be quite appropriate for a review to be carried out - which will happen in 2008 - of Jersey Finance looking at its performance indicators and the way in which it operates. I have little doubt that that review will show how successful it is being. I will not go through the office space which Deputy Breckon raised, and the policy development areas I think I have covered as well. He also asked the question about Jersey Harbours and the marina and economic benefits. I think that will be clearly displayed from the report that will come from the British Marine Federation and the work being undertaken at the harbour at the moment and indeed the review that is going to be concluded by January 2008. So some hard and fast figures will come back to us from that to demonstrate the true size of the marine leisure industry. Certainly the

indications we have, as the Treasury Minister is well aware, is that there is significant growth potential. There are a lot of associated businesses with marine leisure and it is another area of the economy that we are very keen to develop and will ensure we do that. The only other mention I have here is Deputy Ferguson, but in fact I think her speech was not so much a question as a plug for her P.A.C. (Public Accounts Committee) amendment. I am not quite sure if there is anything else contained within it. **[Laughter]** Sir, I would commend the Business Plan for Economic Development, the Airport and the Harbour to the Assembly.

The Bailiff:

Thank you, Assistant Minister. I will ask the Greffier to open the voting which is for or against the key objectives and performance criteria of the Economic Development Department.

POUR: 43

Senator L. Norman
 Senator F.H. Walker
 Senator W. Kinnard
 Senator T.A. Le Sueur
 Senator P.F. Routier
 Senator M.E. Vibert
 Senator T.J. Le Main
 Senator B.E. Shenton
 Senator F.E. Cohen
 Senator J.L. Perchard
 Connétable of St. Ouen
 Connétable of St. Mary
 Connétable of St. Peter
 Connétable of St. Clement
 Connétable of St. Helier
 Connétable of Grouville
 Connétable of St. Brelade
 Connétable of St. Martin
 Connétable of St. Saviour
 Deputy R.C. Duhamel (S)
 Deputy J.J. Huet (H)
 Deputy of St. Martin
 Deputy G.C.L. Baudains (C)
 Deputy P.N. Troy (B)
 Deputy C.J. Scott Warren (S)
 Deputy R.G. Le Hérissier (S)
 Deputy J.B. Fox (H)
 Deputy S.C. Ferguson (B)
 Deputy P.J.D. Ryan (H)
 Deputy of Grouville
 Deputy of St. Peter

CONTRE: 5

Senator S. Syvret
 Deputy A. Breckon (S)
 Deputy J.A. Martin (H)
 Deputy G.P. Southern (H)
 Deputy S. Pitman (H)

ABSTAIN: 1

Deputy of St. Ouen

Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy J.A.N. Le Fondré (L)
Deputy D.W. Mezbourian (L)
Deputy of Trinity
Deputy S.S.P.A. Power (B)
Deputy A.J.D. Maclean (H)
Deputy K.C. Lewis (S)
Deputy of St. John
Deputy I.J. Gorst (C)
Deputy of St. Mary

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

An adjournment is proposed and if Members agree we will adjourn and return at 2.15 p.m.

LUNCHEON ADJOURNMENT

PUBLIC BUSINESS (...continued)

9. Annual Business Plan 2008 (P.93/2007): Objectives and Performance Criteria for the Education, Sport and Culture Department

The Bailiff:

The debate continues upon the Annual Business Plan and the next mini debate is on the key objectives and performance criteria for the Education, Sport and Culture Department as detailed on pages 46 and 47 of the annex. I call upon the Minister to propose them.

9.1 Senator M.E. Vibert (The Minister for Education, Sport and Culture):

In proposing the Education, Sport and Culture objectives set out in the Annual Business Plan I would wish to draw members' attention to the fact that they demonstrate that what E.S.C. (Education Sport and Culture) provides are essential services. Many of the services E.S.C. provides are statutory - laid down by law, such as our schools - but all are essential and are needed to meet the numerous strategic planned commitments already agreed by this Assembly. Education, Sport and Culture is a people business, to use modern jargon. We provide essential services for everyone in the Island throughout their lives, and four-fifths of our budget goes on staff, the vast majority of whom are frontline staff. Teachers, special needs support, youth workers, librarians, sports centre assistants and others directly interacting with the public. The largest part by far of the E.S.C.'s budget goes, of course, on schools and colleges. E.S.C. has an enviable record for helping Jersey's young people and not so young people achieve their potential witnessed by our outstanding public examination results. Jersey, Sir, has good raw material in our young people but it is developed to its potential by E.S.C.'s outstanding teaching workforce and those that support them. We have developed a highly successful learning agenda incorporating critical skills and assessment for learning initiatives which are ways of teaching that give young people the skills they need to be successful in life. We need to extend and improve that education at both ends. Jersey should be offering the opportunity of early years' education to all three to four year-olds and members will have the opportunity to vote for this later in this debate. At the same time we must extend the opportunity of skills based education for our 14 to 16 and older age range. The States back changes to our higher education funding to cope with increased costs from outside our control. We will be monitoring the impact of this as it comes in from this current university term to ensure the new

system does not have any unintended adverse effects. E.S.C. will also continue to provide facilities and encourage local people to be fit and healthy through our Sports Division, and I am pleased to report that our Active Card membership scheme now has more than 4,000 members. E.S.C.'s role in relation to Jersey's arts and heritage is also vital to the cultural life of the Island. We will be implementing the cultural strategy for the Island which has been approved by this Assembly and working closely with our key partners and stakeholders in this area. Sir, E.S.C. works towards ensuring that everyone in the Island has the opportunity to be well-educated, fit, healthy and cultured, making Jersey a stronger community, and I propose the objectives.

The Bailiff:

Is the proposition seconded? [**Seconded**] Does any member wish to speak?

9.1.1 Deputy A. Breckon:

Just a point that the Minister mentioned, which was also mentioned by the Assistant Minister for Economic Development, and that was the Skills Executive. I would like to draw Members' attention to some of the comments that are in the appendix on the bottom of page 44 and the top of page 45 and it is in reference to culture and lifelong learning and it says: "The department is working with Economic Development and Social Security to establish a Skills Executive which will have responsibility for encouraging and creating further opportunities for skill development within the Island's workforce and among those about to enter it. Included within the Executive's responsibilities will be the development of a fully-integrated all-ages employment and career service." Further on in the report, Sir, on page 48 when it has net expenditure service analysis for culture and lifelong learning there is a reduction from just over £10 million to just over £9 million, and in the narrative under Financial Summary on page 49 it says: "Developing a skills strategy in partnership with other States' departments. The re-allocation of funds originally provided to the department for vocational and tertiary education will inevitably lead to a delay or possible shelving of specific projects which formed part of that initiative." The reason I say that, Sir, this thing has not produced a report yet and already for me there is an indication of failure, and that is magnified further down under Resource Allocation Process where it says: "In the budget allocated to Highlands College £200,000 which will impact on the range of courses and subjects offered and therefore the potential for the college to improve the skills of the existing and future workforce." A question which has been asked to me, Sir, by somebody outside is what is the point of a Skills Executive if you are reducing some of the funding and, therefore, I would think the initiatives. Furthermore, Sir, within the report at page 51 it says there under Further Application and Tertiary Education including Highlands College at the end column on the top of page 51: "Transfer of funds allocated to vocational education to the higher education student finance budget." I have no problem with moving the stuff, Sir, but I think it is probably misleading of, however well intentioned it may be, certain Ministers getting together to do things when it appears the initiative has been taken away from them to some extent by the funding.

The Bailiff:

I call upon the Minister to reply. Do you wish to speak?

9.1.2 Senator J.L. Perchard:

A little bit late. It was just to ask the Minister about the early years' programme and under 3(1) of the Objectives he proposed to increase the numbers of three to five year-olds receiving the early years' education programme. Commendable I must say but I do want to ask him about his policy for funding three to five year-old education programmes. Will he be able to fund the three to five year-old early years' programme with this budget, and if not, when does he anticipate he will be able to fund the programme, Sir?

9.1.3 The Connétable of St. Helier:

I would like to follow up that question on early years' funding with a request for confirmation from the Minister that the current budget allocation for nursery or pre-school education and care amounts to 30 hours a week free to those parents that can access it during term time only or could he specifically tell us what the current offer is to those parents who are able to access it? I would also like to ask him to say a little more about his opening remarks. He said - and we do not disagree with him - that Education, Sport and Culture provide essential services. Four-fifths of the budget is spent on staff, the vast majority of whom, he said, are frontline and I would just like to know a little bit more about that vast majority. In other words, what proportion of staff are not there at the frontline but are employed in management, Sir?

9.1.4 Deputy P.V.F. Le Claire:

The Education, Sport and Culture Ministry is extremely large and diverse in its functions. It has cross-sectional responsibilities in many areas and while I believe generally it is doing a great job in many of these, one area where I think it could possibly improve is its access to the excellent sporting facilities that it has. The Medical Officer of Health in her report *Our Island, Our Health 2007* has highlighted the extreme surprise she has experienced in recognising the take-up by Jersey of the smoking ban, and the subsequent resulting benefits and drops in heart problems have been identified in the news this week. I have on occasions tried to avail myself of the different facilities within the portfolio of the Ministry for various reasons with various numbers and various ages. I have found at times that although the facilities are excellent, and the staff working at the facilities are excellent also, the cost is detrimental to many people taking up and availing themselves of those facilities. It may be an affordable comparative option for people to use something like Fort Regent and the Active system, but for many within the community finding any money for sporting activity is extremely difficult. So it is not a case of comparing whether or not Education, Sport and Culture offer good value for money for their sporting facilities; the realities are that their sporting and fitness facilities are exchanged for money. The Medical Officer of Health has identified that we need to do more, particularly in St. Helier where the social disadvantaged groups are identified in helping those social disadvantaged groups in accessing better social services. The main problem that she has identified in her report this year, and the main challenge that Jersey will face for the future, is that of obesity. The burgeoning levels of obesity in both children and adults is something that she says threatens to engulf the Island in medical and social care needs far beyond those that are being spent at the moment. Medical intervention for people that have become obese is expensive. There are a wide range of problematic and chronic diseases and ailments that befall somebody who has become overweight, not only from an internal organ perspective but also from a structural skeletal perspective, a mental perspective. I wonder as the Medical Officer of Health has identified that St. Helier in particular and its social... it has particular social needs within the urban community, whether or not the Education Minister would take this element of this debate back with his Assistant Minister and talk with the Medical Officer of Health and look to see what can be done in relation to providing free access to sporting facilities at some part of the ordinary week, whether that be, for example, a Friday evening when the facilities are not being overly used, or whether that be a Thursday afternoon. I am not suggesting the types of facilities, I am not suggesting the times. All I am putting into the picture is if we can provide as much access to these facilities as possible, particularly to those people that have no money, then we will be heading off at the pass problems that will become extremely costly for us as a society in the future. So I ask the Minister... I am fully supportive of him, his Assistant Minister, the entire department and their work of many other issues, I could have supported and given evidence for, for what they are doing. But this is one area I really do strongly believe we have to get sporting activity available to everybody on the Island and it is not a question of offering something that is comparatively good value. That is great. People will pay for the service if it is comparatively good value. I am concerned about the people that are not able to access value. They need facilities, particularly in the urban areas and many children from personal and interactive experiences I know have no money to access these services.

9.1.5 Deputy S.C. Ferguson:

I notice in the various objectives and performance measures there is mention made of the reduction of the pupil numbers in primary schools, because of the falling birth rate. Can the Minister please give us a forecast of the nursery school numbers? I presume that also, looking at the statistics that we get from the Registrar, that those numbers also are falling? I am also a bit concerned about the sort of reduction and playing around with the vocational budget - that is for good solid trades courses; plumbers, electricians and so forth. We have a shortage in apprenticeships and there are a number of young people who would like to do the courses in fact, but I understand that they have to have a job before they are accepted on to any of the courses, which it is a bit of a circular argument to me, so I would appreciate the Minister's comments.

9.1.6 The Deputy of St. John:

I was just wondering if the Minister could answer a simple question I have about student finance. I notice that the objective net revenue expenditure regarding student finance is not included beyond 2008. With the adaptation, I believe, of student loans and so on in the future I just wonder if the Minister could indicate as to whether that figure of nearly £10 million will begin to reduce going over the years towards 2010 because clearly it is a significant cost, and I understand with the change of the way that we are going to be approaching higher education fees in the future, I wonder if he could indicate to the House how that may be reduced in the future?

9.1.7 Deputy R.G. Le Hérisier:

I wonder, Sir, if the Minister could clarify whether Highlands is going to take a cut in its grant this year, and whether following on my question earlier to the Assistant Minister of Economic Development, is it the intention to move across the whole Highlands budget to the Skills Executive or not? Secondly, Sir, under Objective 5 could he indicate whether included there, and I am sure Deputy Fox might have something to say, whether there is a real shift from formal youth clubs to informal? Will there be, for example, more street workers as part perhaps of this shift? **[Laughter]** Street youth workers. It is terrible, Sir, the imaginations of some people here but I will not dwell on that. Thirdly, Sir, the issues of nurseries has been raised. Could he confirm whether by having, I suppose originally a parish school system, but by having a nursery system based on the Parish school structure, will this make it very hard to deal with a decline in cohort? Because you have some very high fixed costs in that kind of system.

9.1.8 The Connétable of St. Peter:

Continuing on the theme of the pre-school education, and on page 50 at the top of the page dealing with the pre-school education there is an estimated almost £2 million set aside in the 2008 expenditure, or the estimated expenditure, and there is a comment on the financial summary of a new nursery planned for September 2008 at St. Peter's School. Could I inquire, is there any relationship with the cost attributed out of that estimated expenditure of almost £2 million and if so proportionately how much of it is set aside for that particular project?

9.1.9 Deputy S. Power:

Yes, Sir, a very quick question for the Minister. Under Objective 2, under item one, Objective to Address the Provision of School Places to Meet the Demands of Demographic Changes and under one it says: "Schools capacity meeting." I wonder would the Minister care to comment on school capacity on the west of the Island, particularly secondary school capacity on the west of the Island?

9.1.10 Deputy A.E. Pryke of Trinity:

Just to follow on from Deputy Le Hérisier's comments, performance Objective 5, number 2; number of partnerships with the Parishes extended. Could the Minister tell us how many Parishes have partnerships and how many he has in the pipeline?

The Bailiff:

I call upon the Minister to reply.

9.1.11 Senator M.E. Vibert:

I thought until my good friend Senator Perchard got involved I was going to get off very lightly, but I am pleased that Members have arrived and shown so much interest in Education, Sport and Culture because it is such an important subject. I will try and answer questions as best I can. Some are quite detailed and if I cannot get the details I will ask members to bear with me and contact me and I will get back to them. Deputy Breckon asked about the Skills Executive and quite right, this is an initiative where we are trying to work together and get more out of it by working together. Unfortunately the £1 million that was originally earmarked for schools in my area when we had the shortfall in funding for higher education, because of circumstances out of our control - i.e. the U.K. Government putting up top-up fees - that had to be subsumed in that, but that does not mean there is no money going into Skills Executive. There was also money put aside in Economic Development's budget and they are working very closely with us so that between us, and with Social Security involved as well, we can get the best possible result from the funds that are available. The Skills Executive is well under way and I believe it will, like the Children's Executive, lead to much more joined-up provision. One of the things of course will be a single career service that will offer advice on careers throughout and we will also be working very closely about what skills programmes we should be putting on and what the Island needs with Economic Development. Senator Perchard asked about Early Years, the policy for funding. I am trying to remember - I cannot even read my own writing - with this budget, when given the funds. Well, the policy for funding - the current policy as agreed by the States a long time ago - is that as and when we build a new nursery class on to one of our primary schools, and it is the States' policy when primary schools are redeveloped if at all possible to put a new nursery class on them, then the Treasury fund the revenue cost with an increase in our budget to pay for the staff needed and the extras needed to provide that new nursery provision, which will be happening; the next one, with St. Peter. The Connétable of St. Helier asked about what is the current allocation for young nursery age children at present. At present we have classes attached to roughly half our primary schools and those who attend full-time will get 25 hours with a teacher and five hours as supervised lunch cover, so a total of 30 hours per week, 25 with a teacher and five hours lunch cover. The Connétable of St. Helier asked about frontline staff, because I said the vast majority were frontline staff. The best figures I have, and of course it depends how people interpret it, is we have 57 staff who are frontline out of 1,478 which is 3.8 per cent. If anybody wishes to visit my department it is like the Marie Celeste and I am open to any other department who wants to move in. We offer very reasonable rent because in the old part of Highlands which we operate we now have empty office space because we have so few administrative staff up there. The one bit of Highlands that is not growing is our car park. In fact I can rent out car parking space to members as well if they wish. Deputy Le Claire asked about access to sporting facilities and I totally agree, it is part of our remit and we want to keep people fit and healthy and we do wherever possible open up our school sports fields and sporting facilities; but we do charge where there is a cost because we get in overall practically half the cost of providing all sports facilities through charging. But we do try to ensure that the least well-off in society can access all our facilities without cost. At the moment we have a system of offering up to 50 free Active Cards to holders of H.I.E. (Health Insurance Exemption) cards so that they can keep fit and access our gyms free. We are looking as to how we can develop this system with the advent of the new income support system. So, we try wherever possible to offer this but we do also have our Active membership and a lot of people are prepared to pay for the very good value it offers. The next speaker I believe was Deputy Ferguson and she asked about falling numbers in primary and nursery roles and yes, in primary schools and in nursery there are some falling numbers and it is hard to predict. Why I say it is hard to predict, people I am afraid are not terribly predictable and you will have fall in birth rate one year and then for whatever reason -

probably not a power cut, we do not have many of those - you will have a rise in birth rate the next year and, in fact, in the middle of two falling years we have one year where there are 70 more children to educate than in the other two years either side of it. That is the sort of issues we have to deal with and plan for. That goes on to what someone was asking about how we plan for space in schools and so on, and that is very different. We have space in our primary schools at the moment, some space. Unfortunately it is not always the primary schools where the people live where the space is and that is a problem for us and it is a problem, if I may go on to what Deputy Power was saying. A particular problem for us in the west of the Island is our secondary school where Les Quennevais is absolutely full, and it is very difficult because there are children moving there of secondary school age and it is practically impossible to place them there. We are really struggling, and I have developed with the Minister for Planning and Environment providing between us much more exchange of information about new buildings and new housing and school capacity in various areas, because it is important that we work together. The Deputy of St. John asked about will student grants go down in future, the money we put towards them? I sincerely hope not because that would mean that we were having less children attending university and I hope we are going to have more in future. It may go down slightly when we get through the bulge and we still have a high number of children going but there are fewer in the year. The changes that were made with the introduction of the student loans and changes to the way we supported grants was to pay and to share the extra cost that has been inflicted upon us. It was not to cut back on the grants that we give because I think it is vital for the future of the Island that we continue to support our young people going away to become better qualified and hopefully coming back to Jersey with those skills. As I say, the last survey we did showed that over 60 per cent of graduates returned within 10 years to the Island bringing those skills with them. Deputy Le Hérissier asked was Highlands taking a direct cut in grants this year? Yes, we had to look for cuts, we have to find efficiency savings. We have protected Highlands in previous years. This year they are taking a cut in the coming year but they also might be getting enhanced funding through the Skills Executive once we have worked out the details with Economic Development. Deputy Le Hérissier also asked about the shift from informal workers - and that is youth street workers I may add - but yes, we would like to improve that but the bigger shift, I would say, is that what we are trying to develop in nearly every youth club is what is termed a drop-in café where young people can go and relax. Perhaps a move in a lot of the youth activities are not so much the formal activities that some of us older ones that went to youth clubs might remember, but more informal activities such as sitting down and chatting with friends in a café-type situation in our drop-in cafes. They have proved very, very successful and I would urge any Member who wishes on a Friday evening to pop down to the drop-in café at La Motte Street and see, when I went there, over 50 young people behaving themselves, just hanging out having a relaxed time with their peers. Of course by doing that it was somewhere they were going and they were not bothering anyone else. It is an excellent example, and where and when we will extend that. The Connétable of St. Peter asked about the money for pre-school education, and as I explained, that is the money in the budget that already pays for all our nursery schools in our provided schools and there will be - when St. Peter's comes online - the normal costs. I can give him an exact budget later if he wants to down to almost £1 of how much will be put into St. Peter's school because we treat it all the same; it is a formula, depending on how many young people they have in and how many staff and so on. They will be funded fully for the new nursery class they will be having in St. Peter's School. Deputy Power mentioned about school capacity meeting demand and I think Deputy Le Hérissier also mentioned dealing with the cohort problem and it is a problem. It is one that we are looking at and that we have to look at in the future because we have a declining primary school population at the moment. We cannot look more than a few years ahead because we can predict the birth rate but, like I said, people make their own decisions on the birth rate and it may go up again. So, we have to keep some slack in the system but we will have to look in the future and I will be bringing forward papers not only for the Council of Ministers but for my Scrutiny Panel and this House about how we may have the options for how we look at this problem in the future. Because it is not a pleasant thing to have to do to close a school, and I think those are

last resorts, but we have to realise that if numbers keep dropping we may have to look at downsizing schools from three forms to two forms, from two forms to one form entry in the primary and so forth. But it is an issue that we are actively working on and trying to get the best possible statistics ahead so that we can make informed decisions. The Deputy of Trinity asked how many youth partnerships we extended to and for the future how many do we hope to? We are in talks with a number of Parishes and I believe we have - I am looking at my Assistant Minister with responsibility for youth - I believe we have five partnerships at the moment and certainly there must be one or two nearing completion. Can I say how valuable those partnerships are? How well we think the work with the Parishes in this way is going? Because it is not just the extra funds they provide that means we can open the youth provision for longer, it is about their involvement in ownership of the projects which adds so much more to the projects and involves the Parish in them. I would urge all Parishes, and we will try to do our best to match them, to get involved in such provision. I hope I have answered all the questions and I move the objectives.

The Bailiff:

Can I put the proposition?

Deputy R.G. Le Hérissier:

Sorry, can I ask, what was the actual cut made to Highlands within the budget?

Senator M.E. Vibert:

£200,000.

The Bailiff:

I put the proposition. Those members in favour of adopting it kindly show. Those against. The proposition is adopted.

10. Annual Business Plan 2008 (P.93/2007): Objectives and Performance Criteria for the Health and Social Services Department

The Bailiff:

We come now to the objectives and performance criteria of the Health and Social Services Department as detailed in pages 56 and 57 of the annex and I call upon the Chief Minister to propose them.

10.1 Senator F.H. Walker (The Chief Minister):

Without question Jersey's health and social care services continue to enjoy the confidence of Islanders and this is borne out by a huge number of communications from patients and relatives of patients. But, if they are to continue to do so they have to react to changing circumstances. For this reason planning for the introduction of the *New Directions* policy is at a final stage. *New Directions*, as I think members know, is the plan for radically restructuring the health and social care system in Jersey, ensuring it remains not only fit for purpose but providing an excellent service and also enables Jersey to manage the structural changes in our population which are now upon us. A fully costed *New Directions* plan will be submitted to the Council of Ministers for consideration in early October, in other words next month, and I hope that it will be able to be put to the States early in 2008. There is also, of course, under the guidance of the Medical Officer of Health, a new emphasis on smoking, on drinking and on obesity, three of the major killers in our society. As to general and acute services based at the General Hospital we constantly struggle with a paradox. On the one hand modern medicine requires sub-specialisation of medicine and of surgery but on the other hand Jersey's population is self-evidently well below the level normally required to sustain such specialisation. How these two factors are reconciled remains a constant tension, which must be managed. The Health and Social Services Department will be investing in new ways of working; will be adding to the skills of professions other than doctors in order that they can take on new

roles; will be investing in new technologies and will be using tele-medicine to a greater degree to mitigate this fundamental tension. As a result of the ageing of our population there is now a very noteworthy and discernable trend that the proportion of spend on nursing home and residential home placements is increasing as a proportion of the total health budget. Although *New Directions* will resolve some of these funding problems this is an important short-term pressure point which Health and Social Services must manage within its existing and forecasting resources. Many of the challenges facing the nursing and midwifery professions were well rehearsed publicly during the last pay settlement and significant investment is required in recruitment packages in order that nurses and midwives will continue to be willing to locate to Jersey and greater investment is also required in nursing accommodation. Of fundamental importance though is to fund the outcome of the Nursing and Midwifery Staffing Review. Notwithstanding these ever challenging cost pressures, the department is required to make an efficiency saving of over £3.75 million, which of course it will do, and what it will also do is to continue to deliver high quality health and social care services at relatively low cost. Although there is growth included in the Health and Social Services budget of some £8.5 million between 2008 and 2010 this should be seen against a background of increase in the cost-inflationary costs of drugs and surgical services of somewhere between 6 per cent and 9 per cent per annum. That has to be managed and that is a significant part of the budget despite that the growth allocated to Health is low compared to other jurisdictions in the western world. Against that background I move the objectives for the Health and Social Services Department.

The Bailiff:

Is this seconded? **[Seconded]**

10.1.1 Deputy P.V.F. Le Claire:

I appreciate the Minister for the Health and Social Services Department has yet to be appointed but there are at least two of the candidates here and the Chief Minister can convey my thoughts to anyone else who is going to stand if they are successful. Four areas really: *Future Directions* will no doubt analyse the need to treat and manage, as we have done with Family Nursing and Homecare, the needs of our society away from the actual acute services that are provided within Jersey General Hospital. We have just returned from Sweden on the Scrutiny Panel and we have witnessed there new build apartments and homes and facilities that are IT smart, where hospitals and doctors can manage their patients' needs and monitor their temperatures, et cetera, while they are still within their residences. Thus and thereby negating the need for short-term hospital visits where predominantly people sit in hospital beds and are checked once every two hours to see if their vital signs and things are okay. So, that would obviously have some impact and I hope that perhaps as it is such an important area of social and resulting health that the new Minister takes on the need for better housing and works with the Housing Minister. When in 1999 the Medical Officer of Health identified that smoking deaths were the highest in the Island at 200 a year the Health Committee was happy to move on to the next item, having discussed the issue briefly, and saying that the warnings on the cigarette packets ought to suffice. I argued strongly at that time that it just was not good enough to ignore the advice of the Medical Officer of Health and very luckily for me - I consider it to be probably the most significant thing that I have achieved in my life - I was granted the ability to work with the officers from the President of Health, Senator Shenton, to go away and formulate a smoking strategy which has been evidenced as proving to be something the Island has benefited from already and will significantly benefit from in the future. It was identified as 200 deaths a year and it was nearly over within 5 minutes. This current Medical Officer of Health has done much the same thing. She has presented a report and within her report one of the recommendations is to keep it in the archives - although I think it is now a published document, I think, that is part of the law- to keep in the archives the Medical Officer of Health's reports so that members and Ministers can go back and look upon them and see how society has benefited from the recommendations and changes the Medical Officer of Health has suggested. It

was interesting in her report that she went back 100 years to identify the life expectancy then of the average Jersey person being 45 years of age and how the Medical Officer of Health initiated a series of schemes from the closing of oyster beds and improvement of sewage, et cetera, to increase the longevity and morbidity of Jersey. It was identified that had the recommendations been available for inoculations in that year something like 357 people would not have died in that year alone when that report was written. So, I am going on a bit about the Medical Officer of Health's report and everybody is wondering what on earth is Paul doing now? What is Deputy Le Claire doing again? It is just about the same thing, really. I find myself back in the same position that I was in when Health was skipping over the warning from the Medical Officer of Health in relation to smoking. I have just asked the Minister for Sports, Culture and Recreation if he can open up his facilities with the warning on the horizon that obesity is going to be a huge drain upon our resources in the future and rather interestingly, but a little bit disappointingly, I did not get much other than a State of the Union response as to what we are doing. What I am suggesting is that unless we do something different the warning clouds on the horizon will come towards us as has been predicted, so doing what we are doing and justifying what we are doing as what we are doing is no longer good enough. We have to do more and Health and Social Services has to work with the other ministries in making sure that the obesity issues are tackled across the board. I would suggest the Minister for Health talks to the Minister for Sport, Culture and Recreation and sees whether or not a £1 Tuesday or £1 Thursday could be organised so that there is some ability for people to pay, but I think we need greater access to our sporting facilities; some of the best in the world in Jersey. I think unless we give them that we are going to have health problems. Obesity is now the issue, not smoking. We need to look at it. Within her report she also identifies, once again I will repeat, the issue about the social sectors within the urban society as having greater needs, particularly in regards to St. Helier, where social needs are not being met within housing groups in low economic groups. There is going to be a need for investing in the infrastructure within St. Helier in particular, and in the infrastructure in the urban areas where social housing has identified that those people in those groups have less access to good health. One area is dental care. One of the issues we identified when I was on the Health Committee was that they wanted to put fluoride in the water. They wanted to mass-medicate for the population. They did not want to continue with the two dental officers that they were providing, and they provided us with facts and figures of dental disease among the population as the motivating reason why the Health Committee back in 2000 should have put fluoride in the drinking water. I argued quite strongly at that time and luckily the Health Committee did not go with it but that was the premise for the consideration. We cannot afford to provide for two social workers to go round the schools to teach the children how to brush their teeth properly so let us dump fluoride into the water. It is not good enough. I think that there is a need perhaps to work in partnership, as I have said before. Within the private sector there are many pharmaceutical companies in the Island and many chemists, et cetera, in the Island and many people that are willing to work with youngsters to develop a scheme where they can go round the schools and the low income urban groups and teach the children proper dental care. Because the dental bills in Jersey for many people of low income are unachievable. Some members may think nothing of £75 for a cleaning bill for their teeth. It may be considered reasonable. It may be considered cheap. A crown at £700 may be considered standard fare but I cannot think in my lifetime when I was growing up when our family ever had that kind of disposable income for one tooth. For dental care avoiding mass-medication is an area that needs to be taken on board. Also the last thing I would like to say, I have covered smart homes and managing patients at home, obesity which is the next thing on the horizon, I was crying out for the smoking and was being ignored. I am crying out for the obesity, I am being ignored. We have to listen to the Medical Officer of Health. I am talking about the dental care issues which are in the Medical Officer of Health's report. The last thing is smoking, which we have done well on. I would like to see, if possible, the States being more adventurous in bringing forward now more exclusion areas in relation to smoking. In the future smoking in cars with children I believe will be outlawed, together with possibly buildings, but to get to that position, which is a long way from here, we need to start to

address some of the other more logical areas that need addressing. For example, children's segregated play areas. When children play at the moment they play in sectioned-off and fenced-in areas where they are safe, predominantly. Facilities provided by Sports, Leisure, Recreation and Culture are excellent and locked together with the parishes. But the children are still coming into contact with people who are in those areas who are smoking. In my view the Health Minister needs to bring forwards legislation to include playgrounds and children's areas as no-smoking zones. There then needs to be, because I think that is an easy one to win, I then think there needs to be a review as to which other areas we really do wish to see as no-smoking areas, public places. They can be identified and they can be isolated areas but generally speaking there have been days when I have walked down King Street and I have been lucky to be able to catch a clean breath of air every tenth step. It is an important issue. It is something that will cost us not only from a society perspective in terms of taxes but also from a personal level. So, whoever the new Health Minister will be I am asking them to think smart on the houses, I am asking them to be fit in relation to obesity, I am asking them to get us all smiling and get us all breathing fresh air.

10.1.2 Deputy R.G. Le Hérissier:

I hesitate to ask the Chief Minister but I think it would be good if we could either get these answers or get answers at a later time. First of all, Sir, could he tell us what happened to the Job Families Agreement? He may remember this was a major labour relations agreement that was going to provide the answer to all sorts of career progression in nursing and so forth. It has obviously collapsed in ignominy and there have been all sorts of disputes but we never quite heard the story so to speak, and the £1.8 million I think that was allocated to it as I recall from a question I asked. So, what precisely has happened to that agreement? There is talk of a new nursing study but that strikes me as another area where money is just sort of dissipating. Secondly, Sir, could he confirm, as per last year's decision, that the proposal for an independent complaints procedure in health is well on track and will be implemented by December of this year as per the promise made last year? Also, Sir, could he look on the Service Analysis on page 58? There are some tremendous jumps in the top group of Public Health Services. If we look at Clinical Public Health there is a big jump there. Similarly with Health Protection and a massive jump, well over doubling, in Health Improvement, well over a doubling in Health Improvement. Now, maybe it is all going to Deputy Le Claire's obesity campaign and then maybe it is not. The other issue; private patient wards. I understand it is a very contentious area, private patients, and of course this is where we may recall the developer got involved and so forth. It does not appear to be making a profit. It appears to be receiving quite a large subsidy. Private patient wards, there is a subsidy of £432,700 predicted for 2009. Lastly in terms of continuing care the Chief Minister may recall that the Scrutiny Panel looked at this and its report did not receive an altogether warm reception. What we did pick up, as has become apparent, is that the costings we were looking at confidentially by a certain operator who was to prove successful, appear to be double the norm of what that operator is charging in its U.K.-based facilities. Even bearing in mind the greater cost in Jersey and so forth and so on, this does seem quite an enormous difference. Now, it will be argued that these costs are related to the Jersey environment and so forth and so on, but it would be good, Sir, if the Chief Minister could at some point commission a little exercise, now that the dust has settled around this issue, to see whether we are indeed getting value for money here. Because the difference is not accountable by the difference in the cost of living.

The Bailiff:

Deputy, before you finally sit down I wonder if you would be good enough to confirm that you are going to withdraw the amendment which you lodged?

Deputy R.G. Le Hérissier:

Yes, Sir, I withdraw.

10.1.3 Deputy G.C.L. Baudains of St. Clement:

I think it is obvious to everybody that we have an excellent Health and Social Services in practically every area, but nevertheless, Sir, I do have some concerns. Looking at page 55 I see that a nurse staffing review is being suggested. What I would like to ask the Minister, Sir, is what procedures, if any, are in place to ensure the department is management efficient and would any such review be external or departmental self-assessment. Because I have been advised by a number of people that there is anything between 8 and 10 layers of management between the Chief Officer and the nurses on the wards and one has to wonder how many people are involved and what they are all doing. On the face of it, it has the hallmarks of an inefficient organisation, Sir, and we and the public need to be convinced otherwise.

10.1.4 Deputy A. Breckon:

I realise it is not the Chief Minister's specialised subject and I do appreciate he is stepping into the breach, as it were, but there are certain things I would like to mention. I well appreciate that he will not be able to answer these on the hoof but I would still like to raise them. With reference to the *New Directions*, it has been a while in coming and it was interesting that Senator Syvret circulated some papers last week and there was a very good critique in there from him as Minister to the document produced by the department. One of the things that he did say, it is a pity he is not here, is there are going to be some funding issues here and we must broach this subject with the public about perhaps paying for some things that have been free in the past, or because of an extension of service like elderly care perhaps as somewhere else has, have an insurance-based scheme where people pay even in retirement. I would suggest, Sir, that with social security this has some urgency because the indications I am getting from people out there in work, in retirement, is they are willing to pay for some sort of insurance-based scheme. My understanding from some earlier investigations not very far away it gives the sum of up to £606 per week, providing the medical evidence supports the care. You cannot just check in somewhere and say you want to stay. I am looking at the Minister of Housing, Sir, I know there was an exchange of correspondence with the Minister of Housing and the Minister of Social Security recently and a number of elderly people contacted me recently with some concern: what happens if? I do not think we are all clear really of where it is. I think there are some grey areas and it is something that working with Health, Social Security, Housing, and whoever else, and care in the community it is not just care in a particular institution, I would suggest. As I said before, Sir, the indication is people I think will pay for this. We have a workforce and we have people in retirement I think who would come to that. The reason I say that, Sir, is if we look in the Health and Social Services net expenditure on the service analysis within that list on page 58, there is over £22 million towards elderly care and services in some description or another and with the problem that we know is coming, and - touch wood - for many people we hope it is a long way off, we have to start making provision, not I would suggest, just talking about it. I think, Sir, there is an opportunity there and an early report is needed and an investigation to move this forward rather than leave it forever and a day. Within the actual budget itself, Sir, and I did look at this, my questions would have been addressed to Senator Syvret, Sir, and I understand and appreciate the Chief Minister might not be able to answer this, but I did have some concerns about rising costs and the Chief Minister has touched on that. But if we look at medical specialities it is increasing from 2007 to 2008 by £1.6 million. Now, there might be a very good reason for that but it is not evident from the narrative that is there. That is from the estimate for 2007. Again for surgical specialities the increase is £1.2 million, and again there might be a very good reason for that, and again on surgical wards the increase is £1.5 million. I am not saying any of that is not necessary or is not justified but I would still like something that tells me that rather than just say: "Well, I agree with that and it is necessary because it is health" and there are some hints of things in there, but I think again, Sir, it is something where perhaps a little more detail is required. In conclusion, Sir, I do appreciate that the Chief Minister might not be able to answer any of that but he might like to address the generality of perhaps an insurance-based elderly care scheme.

10.1.5 Deputy C.J. Scott Warren:

I support these key objectives and, just in light of Deputy Le Claire's concern about obesity, I wanted to say that I am sure the Chief Minister would confirm that the healthy schools initiative - and two schools were awarded awards in the summer - the joined-up approach between the Health Promotion and Education Departments should certainly lessen child obesity in the future. The only other thing I want to say while I am standing is that I also, like Deputy Breckon, support the introduction of a social insurance scheme based on the Guernsey model but hopefully a bit better.

10.1.6 Deputy J.B. Fox of St. Helier:

Just picking up on the point on page 55 about the dedicated air ambulance service. At the present time between 100 and 200 emergency patients are transferred to the U.K. but it currently points out the increased risk to patients and staff from using non-standardised aircraft, minimising the opportunities for standardised equipment in training. Appreciating the Chief Minister might not be able to answer this, but I would have hoped that there would have been some opportunity to provide some standardisation and care but there is no indication at this time.

10.1.7 The Deputy of St. Martin:

Again I have to preface my speech on asking maybe whether the Chief Minister will be able to help me, but he may be able to. One thing I have not seen in the report here was anything about the sexual health strategy. Now, it may well be hidden on page 58 under third line down, health protection, but the Chief Minister and members may recall that a sexual health strategy was out for consultation some time ago and of course it has rather important implications, because we had an assurance from the Chief Minister during the Sexual Offences (Jersey) Law that the sexual health strategy would be in place before we could implement the Sexual Offences (Jersey) Law. So, what I am asking is whether the Chief Minister is able to give us an update, where are we with it and if there are any cross-implications are they indeed hidden within the health protection, which as I say is third line down on page 58?

10.1.8 The Deputy of Trinity:

Just one comment and I do hope the Chief Minister will be able to give me an answer, as he said in his speech that we are an ageing population and one of the objectives is to keep people at home as long as possible and also to minimise the number of patients, which is Objective 5, aged 65 or over whose transfer from hospital back into their home or community is delayed, et cetera. I am just wondering with that in mind the reason why the assessment and rehabilitation for elderly people, which I think is very important, especially moving patients from hospital to home, the budget has been cut. I wonder if he could tell us the reason why?

10.1.9 Senator F.H. Walker:

I will start with Deputy Le Claire who began his contribution talking about *New Directions*. Of course as I said in my introductory speech, *New Directions* does represent a fundamental new approach to health care and picking up on the same point Deputy Breckon's question, yes, *New Directions* is based upon an insurance-related scheme and just to remind Members that the plan is that *New Directions* will come to the Council of Ministers next month and will come to the House early next year. So, there is no question now of any delay. It is a question of pressing ahead with the utmost vigour. Deputy Le Claire also commented about people staying in their own homes rather than going into hospital for short-term stays and that, of course, is absolutely the policy and that is exactly what is happening to an increasing extent. He also talked about the infrastructure of St. Helier, the environment of St. Helier, and so on, and of course that is very much a part of the regeneration strategy under the EDAA plan which will create a better environment which, I agree with the Deputy, is extremely important in St. Helier. The Deputy though, Sir, concentrated a great deal on smoking and I do acknowledge the part he himself played in the moves forward to clamp down on smoking, not least the recently introduced smoking ban. We have called for an extension

of that ban to other areas. That is something that I have noted. There are no plans, certainly that I am aware of, to extend it at this juncture but I have noted the point he makes. Similarly obesity, and I can confirm the point made by Deputy Scott Warren, that obesity is, as the Deputy himself pointed out, a very big issue, a very big factor in the Medical Officer of Health's report which has been received at the Council of Ministers, responded to by Ministers, and is acknowledged as being a very, very serious target to attack and to tackle because it is a major killer and it is going to get worse if we do not get proactive and take action. I also noted the points the Deputy made about improving education in terms of dental care and I will raise that in the appropriate places. Deputy Le Hérisier asked about the Job Families Agreement. He said he thought it had collapsed in disarray or something. Not true. It has been renegotiated, that is absolutely true, and now there is total agreement between the former Minister, hopefully the new Minister, management and staff on the way forward. There is total agreement and we are moving forward, and I referred to that in my introductory speech because we will need, and part of the agreement is, that we will have to invest in nurses accommodation and relocation packages if we are going to be able to continue to recruit nurses as we need to do from outside the Island. But there is a very great level of agreement now which previously was not the case and everyone is working, thankfully, to the same objectives. The Deputy also asked about whether the plan to introduce an independent complaints procedure is on track for introduction by the end of the year. Yes it is, absolutely, and it will be introduced before the end of the year. There is no question about that at all. He also raised some questions on page 58 about public health services. There is a great deal covered by this heading but one of the major things that Health is having to deal with, and covered under this heading, is new clinical governance arrangements. In the post-Shipman era the clinical governance arrangements are strict indeed and of course they have to be met and they have to be funded. That is a principal contributor to the increase in costs under that heading. He also asked about the private patients wards and this is a rather perverse outcome of the new policy where more and more operations are handled on a day-care basis rather than people staying overnight in wards. So, the actual income from overnight stays has fallen and that is a downside, but the upside is very much bigger than the downside I think in that respect. He also asked about the costs of private home care or private homes and there is a review under way as we speak to compare the costs that Jersey is paying with elsewhere to ensure that we get value for money. What I would say though, in that context, is I know that the biggest problem Health have at the moment with at least one of the homes is that people do not want to leave. They are so happy there they do not want to leave or go anywhere else and there is quite a considerable number of people waiting to enter. So, that is a good endorsement of the shift in emphasis but we do need to ensure, I agree, that we get value for money. Deputy Baudains asked about the nurse staffing review. I think I have dealt with that already. I think he said, if I heard him correctly, there is a perception that management is inefficient in Health. I do not agree. I do not think we could be delivering the high quality of service that we are, at the cost we are, and I would refer members to a graph that was published some time ago that shows that the percentage of GNI (Gross National Income) Jersey spends on health is significantly below the OECD (Organisation for Economic Co-operation Development) average. On a cost per head of population it is above, that is absolutely true, but we could not deliver the acknowledged high quality of service that we are at the cost we are if management were being inefficient. Is there room for improvement? Well of course there is, there is room for improvement in every aspect, but there is no particular evidence whatsoever in my view to support the Deputy's assertion that management in Health is inefficient. Rather I think the reverse. He also talked about the cost of providing services. I think I have dealt with that and I have dealt with clinical governance, which is a major, major factor. Deputy Breckon, I think I have dealt with *New Directions*, insurance-based policy. He also asked questions about medical specialities, surgical specialities and surgical wards. Well, included in here are, for example, the additional costs that we have to pay to the NHS (National Health Service). A couple of years ago we were in balance so we did not have to pay the NHS any costs for the reciprocal health agreement. Now we have to pay a very considerable amount indeed. Also included in there is the cost of the day surgery unit we opened in 2007; 2008 budget includes, of course, for the first

time a full year's cost of running the new Day Surgery Unit, which I have to say has been very warmly welcomed. I am quite happy to provide the Deputy with those and any further information he may require. Deputy Scott Warren, and I am grateful to her, added her weight, excuse the pun, to the obesity initiative but again I think I have already commented on that and I was pleased to hear her comments about the joined-up approach and the recognition of the joined-up approach between Health and Social Services and Education, Sport and Culture. Deputy Fox asked a question about air ambulance and he asked it in relation to page 55 but under paragraph 6 on page 55 there is, I think, the information he wanted, because what is happening is that instead of chartering aircraft on an ad hoc basis Health have now reached an agreement with an operator so there will be a dedicated, specially equipped aircraft for air ambulance requirements. Not only will that give patients much greater security and much greater safety, it saves money at the same time as well. It is a very important step forward I think. The Deputy of St. Martin asked a question about the sexual health strategy and I cannot answer that one straight away but I was advised some time ago that it was very much on track for coming forward in the very near future, but I will establish more information. I am afraid, Sir, my attention was drawn to a note I received. I did not pick up the point made by the Deputy of Trinity. I do apologise, but I think it was to do with residential.

The Deputy of Trinity:

It was not, Sir, it was about the drop in assessment and rehabilitation for older people with the view in mind that we are an aging population.

Senator F.H. Walker:

I think the Deputy does know that although she did comment to the effect that it looks as though there is a reduction in funding more and more emphasis is being placed on elderly people and their care, more and more emphasis. Again I can get her more details should she require it. Sir, I hope that reasonably adequately answers the questions that I have been asked and I maintain the objective.

The Bailiff:

I put the proposition. I ask the Greffier to open the voting, which is for or against the objectives of the Health Department. If all Members who wish to vote have done so I will ask the Greffier to close the voting. I can announce that the objectives have been carried by 39 votes to one.

POUR: 39

Senator L. Norman
Senator F.H. Walker
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator T.J. Le Main
Senator F.E. Cohen
Senator J.L. Perchard
Connétable of St. Ouen
Connétable of St. Mary
Connétable of St. Peter
Connétable of St. Clement
Connétable of Grouville
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. Saviour
Deputy R.C. Duhamel (S)

CONTRE: 1

Deputy G.C.L. Baudains (C)

ABSTAIN: 0

Deputy A. Breckon (S)
Deputy J.J. Huet (H)
Deputy of St. Martin
Deputy C.J. Scott Warren (S)
Deputy R.G. Le Hérissier (S)
Deputy J.B. Fox (H)
Deputy J.A. Martin (H)
Deputy of St. Ouen
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)
Deputy P.V.F. Le Claire (H)
Deputy D.W. Mezbourian (L)
Deputy of Trinity
Deputy S.S.P.A. Power (B)
Deputy S. Pitman (H)
Deputy A.J.D. Maclean (H)
Deputy K.C. Lewis (S)
Deputy I.J. Gorst (C)
Deputy of St. Mary

11. Annual Business Plan 2008 (P.93/2007): Objectives and Performance Criteria for the Home Affairs Department

The Bailiff:

We come now to the objectives and performance criteria of the Home Affairs Department detailed on pages 66 and 67 of the Annex and I call upon the Minister to propose them.

11.1 Senator W. Kinnard (The Minister for Home Affairs):

In the opening statements today the Chief Minister alluded to some of the budgetary pressures that are being felt in various areas where extra resources have been required, including those that were being felt due to pressures at the prison, and these have been well documented. We have yet, unfortunately, to reach a position where the gap between the budget and the expenditure has been closed. There are some issues, however unpalatable, that must be addressed as an Island responsibility and prison funding is one of those. The overall aim of the Department of Home Affairs is to work towards a safe, just and equitable society with a revenue budget for Home Affairs in 2008 of £43 million. Many of our functions are statutory, that is laid down by law, and indeed they are set down by law and they are objectives that simply must be met. There are several factors that have given rise to funding pressures in the Home Affairs area but I will reserve specific mention of all of those focusing for the moment on the role of the prison in meeting the objectives. Full implementation of the Prison Performance Improvement Plan will require additional funding over and above that which has already been agreed by the Council of Ministers. The department will be receiving additional funding over the period as a result of the resource allocation process. An additional sum of £323,000 is being made available in 2008 to meet the implementation costs of the Regulation of Investigatory Powers Law. The 2007 revenue costs have been funded from the Drug Trafficking Confiscation Fund. In recognition of the emerging funding pressures facing my department in 2008 a further £1.1 million will be available to address some of the under-funding issues in the prison, the Jersey Field Squadron and the Criminal Injuries Compensation Scheme. These funds will also allow part-implementation of the Prison Performance Improvement Plan although, as I have mentioned earlier, without a guarantee of the full implementation costs major improvements in regime and rehabilitative services at the prison will be severely delayed. I have received the support of the Council of Ministers for a full review of prison funding as a matter of

urgency and if that funding review confirms under-funding the Treasury and Resources Minister will seek additional funds for the department and indeed, Sir, I believe may even have to return to the States if necessary with the agreement of the Council of Ministers. During 2008 we at Home Affairs will play our full part in our contribution to efficiency savings although with over 80 per cent of the department's budget attributable to staff costs, mostly of costs on the front line, the continuous identification and achievement of significant savings continues to present considerable challenges. If Members wish to turn to the department's key objectives on pages 66 and 67 of the Annex I will be able to draw their attention to the very important objectives across the range of Home Affairs services provided for their safety, protection and security. The police provide a round the clock response to calls for assistance and visible reassurance patrols and address particular areas of concern. The Annual Policing Plan, a separate document, identifies where resources are focused to deliver tangible improvements to community safety such as supporting victims of domestic violence and intervening to prevent re-offending. It also highlights the contribution of honorary officers in assisting us in delivering our objectives through daily co-operation and during special initiatives such as Operation Focus. Satisfaction levels with Home Affairs services will be measured through public surveys in 2008 and by other means. This information will be used again in 2008 to further inform policy and service delivery in 2008 and beyond. The most effective policing of those offences that pose the greatest threat to our community safety will be addressed through effective anti-smuggling controls designed to disrupt the availability of illegal drugs in the Island and through policing of offending behaviours that again pose a threat to public safety. Those behaviours such as serious traffic offences, dealing in illegal drugs, repeat offending, street violence and anti-social behaviour, all these will be measured against previous years' standards. Again in 2008 we want to continue the downward trend in serious violent offences and in youth crime. These actions will be underpinned by implementing key policies such as the Building a Safer Society policy and the Criminal Justice policy which the States is due to debate on 20th November. Protecting the public through reducing re-offending will be a very high priority for the department and actions here will be particularly concentrated on the prison and its ability to contribute to this important task through sentence planning and resettlement, the improved educational facilities that are so much needed and assistance to prisoners to integrate back into society. Members will be absolutely aware that the biggest risk to this particular aim is the insufficiency of additional resources, which could compromise our ability to put the Performance Improvement Plan into effect and set it on a firm, sustainable footing it needs. Capital funds from Home Affairs have also been re-prioritised, so that a safer cells programme can be put into effect, obviously following the Ombudsman's report. My department will continue to reduce the risks to life, property and the environment from fire and other emergencies, through a process of integrated risk management planning, based on the principles of prevention, protection and intervention. The Fire and Rescue Service will aim, in 2008, to improve still further community safety, by reducing the incidence of deaths and injuries from fires and other emergencies. The emergency services will also be sufficiently equipped and prepared to deal with the risks posed by major incidents, terrorist related or otherwise, which can of course have a detrimental effect upon our economy and our way of life. Frontier protection is essential for the Island's security, its social and economic integrity and a confident business environment. In the coming years, this will be achieved through the maintenance of controls at the Island's ports of entry, biometric passports and effective intelligence gathering. The Customs area has also taken on additional responsibilities, of working with the Treasury and Resources Department to implement the Goods and Services Tax, and they will be again required in 2008 to maximise the collection of Customs and Excise revenues. An effective financial crime investigation service, involving both Police and Customs, will again play an important part in maintaining the Island's reputation as a financial centre of integrity. Jersey's defence contribution to the United Kingdom is particularly timely, as currently members of the Jersey Field Squadron are supporting U.K. operations in both Iraq and Afghanistan, and some of them are now on their third tour of duty within a very short time frame. Our final key objective, as in common with other departments, is to manage staff and resources, to improve performance and

to provide value for money. As I mentioned earlier, during 2008 we will again play our full part in our contribution to efficiency savings. I am grateful, Sir, to members, ministerial colleagues and my Assistant Minister for their support to the department in difficult financial circumstances. Nevertheless, Members should be aware that the 2008 Business Plan does provide another extremely challenging remit for Home Affairs, with prison finance an outstanding issue that frankly has yet to be properly resolved. I am happy to answer any questions Members may have, and I will take on any points or comments that Members wish to make. I propose the objectives.

The Bailiff:

Is that proposition seconded? [**Seconded**]

11.1.1 Deputy S.C. Ferguson:

I was a little confused. On the service analysis, the performance measures just carry on in one long line. Are they not able to allocate performance measures to each area? A considerable number of the performance measures are subjective and depending on the results of surveys. I am not sure that that is the most efficient way to do it. I would comment on the Financial Crimes Unit. We are always being told it is allegedly under resourced, and it has had 0.9 members of staff cut. I was interested to see the transfer of staff from response policing to court processing and intelligence. There are about 12 from one - six for court processing, six for intelligence. If you read the descriptions, it would appear that we have 12 members of staff going from the beat and getting out into the public so that the public see the police, to administration. Now surely that is not the way to go, but I would welcome the Minister's comments.

11.1.2 Deputy A. Breckon:

Just a couple of questions. I think the Minister has given the answer in what she said, but I would like her to confirm it. In the Regulation of Investigatory Powers under Statutory and Legislative Provisions on page 68, there is an extra £350,000. Is that what that money is for? Also something that Deputy Ferguson has just touched on. There is an extra £500,000 for managing intelligence, and that translates in the narrative to: "developing sources of intelligence and collate and analyse information to inform operational policing and ensure compliance with Regulation of Investigatory Powers". There are an extra 6 staff in there, and that is £500,000. Also on page 71: "manage offenders through custody", there is a staff of 12 and a budget of over £900,000, and in the narrative it says: "... provide an independent check that a detained person's rights have been observed at the time of arrest, provide for their welfare while in detention and facilitate in accordance with their human rights." I wonder if the Minister could just confirm that that is a specialised area, is it for police officers or is it non-police? Finally, the Minister said there had already been some funding for something else from a fund for confiscation. I wonder if it is possible for her to give an opinion on whether she thinks that the Criminal Injuries Compensation Scheme could be part-funded or funded, indeed, from the proceeds of crime. If it cannot, what permits that at the moment - is it the legislation or is it just that somebody says that no one is available?

11.1.3 Deputy C.J. Scott Warren :

Just one example, Sir. Take Objective 3(3): "A high success rate in the rehabilitation of offenders achieved through sentence planning, prison education and other programmes." Well, I am sure every member of the House will support that. But it is very clear, Sir, that large additional funds are needed in order to achieve this and the other objectives in the Prison Improvement Plan, and so I have to say to end the shame that I believe rests with successive States Assemblies over the totally abysmal and inadequate resources given to the prison over very many years.

11.1.4 Connétable D.J. Murphy of Grouville:

I am afraid Deputy Breckon has rather overridden what I was going to say, but I think I might just elucidate a bit on it. We have seen another sad headline in the *JEP (Jersey Evening Post)* tonight about a young life lost in La Moye, due basically, to some extent, to the drug culture that prevails there. A drugs advisor is trying to cope with a workload of up to 100 referrals, and the problem is still growing. The parents of the young man have appealed for the money in the Drugs Confiscation Fund to be released in order to help to pay for assistance for these people. There is a precedent for this happening, in that at my insistence they did have to release £50,000 quite recently from the drugs fund in order to help the Silkworth Drugs Rehabilitation Clinic, and I would ask the Minister, if she would please, instead of using these funds to buy TASERS and guns, she would be saving a lot more lives by using these funds to assist probable re-offenders when they come out of jail.

11.1.5 Deputy P.V.F. Le Claire:

I would like to ask the Minister if she could elucidate a little bit about the recent report from the Criminal Compensation Scheme, where it was identified that one individual had suffered a sustained attack and was left with severe head injuries and now is requiring constant high levels of care. He was limited in his award; I think it was below £200,000 or something, and the people who administer the scheme said that had the rules been different, they would have awarded a great deal more money to this individual. I do not think anybody that read that report and read about the way that that individual has gone from a vibrant, healthy young man to a challenged individual, could have ignored the impact it would have had upon them personally in just reading it. There is an individual in society; there is an amount of money; they have got a capped limit. There is no reason why we cannot see the sense in it, but the rules prohibit us from giving him more money. What can be done in that particular instance to reversing this situation? Can an individual proposition be brought? Is the scheme going to be changed in the future to facilitate more for that young man's needs, or is it just a system now which we can say has been set up and that is done and dusted? Because I personally would like to know what is going on with that system, and I personally do not feel satisfied for that person. I think that we need to revisit that situation. I hope members who have not had a chance to read the report pick it up, because it is quite graphic, and it is quite touching. The other thing I would like to ask, and I mention it briefly to the Minister today, I have had personally great support recently from the States of Jersey Police in respect of community policing, in Havre des Pas in particular and the area of Colomberie and Howard Davis Park. I know other members, including Deputy Power, have been looking at issues about policing in parks and gardens, et cetera, and the police are looking into these issues. We have got issues at Parade Park. But I am wondering in particular - just trying to focus on St. Helier now, because that is where my political responsibilities lie - we have one community police officer for the whole of St. Helier. When are we going to see more police on the beat? More Connétables in the Chamber. They can give it, but they cannot take it, Sir. Seriously, though, one community police officer for the whole of St. Helier, and St. Helier has at the moment a bit of a crunch on with the Honorary Police. I think there are something like 33 officers short in the St. Helier Honorary Police Service. So we need to do more to support the Connétable in that area. It is great to talk about these strategies and everything else, and I know that the Minister has done a lot of work in this regard and it does go into the strategies; I know that you need strategies; I know that you need policies and laws and everything else, but the vast majority of people I talk to just want to see more police officers walking around town. In particular, one of my childhood memories was always that there was a police officer outside Burtons or Woolworths, and whenever somebody from the mainland on holiday would fall down, lose a purse, lose their way, it would be very, very simple to say to them - of course there were no mobile phones in those days - very, very simple to say to them no matter where you were in town: "Come with me, I will help you", and within a matter of 20 seconds, two and a half minutes at most, you could walk them from wherever you had met them and introduce them to the police officers outside Burtons. That presence, I think, had in those days not only an operational effectiveness but also had a calming and respectful influence upon the community. I am

wondering whether or not something like that could not be reintroduced, so that the public are aware that there is a station, a bit like a guard station which you get in the military, where you know there always is an officer. Sentry positions are set up with science behind them. They are placed at strategic intersections so that when an incident occurs, people know that that is where they go for a response. I personally think that I would much rather see a uniform presence stationary outside that area to serve the whole of town in the future than any more reports that land on my desk telling me how wonderfully we are doing in relation to government statistics. The other thing - I do not know if the Minister will be able to help me on this one - I have been asked by my constituents in No. 1 district, Colomberie traders in particular, who would like to see on the spot fines introduced for people that ride through the precincts on bikes and skateboards, and also for littering and drinking and unruly behaviour. I know that littering is against the law. I know that police officers do interact with people when they see them. But I would just like to ask, apart from the fact that I know I am getting help with that next week with the officers, who are going to agree to visit the traders with me - I know I have got great support there - I would just like to ask if the Minister has some information she could give me and members in relation to where we are in respect of on the spot fines, if there is any possibility that Jersey can have them or if there has been any consideration in that area. Apart from that, I appreciate that there are many areas of concern for the Home Affairs Minister. In particular there has been a lot of pressure in regard to the prison and the other areas. We are seeing it in the headlines today. But I do not wish to pick upon those areas. I know that the Minister has given it a lot of attention, and she is giving it more attention, and rightly so. But it is those areas I would like to ask about today. The Criminal Compensation Board scheme - I was particularly touched by that individual. I think it was absolutely horrific to read. He is a man that would have and should have got more money but did not because we capped it. So what is happening there? Burtons community police officer, and on the spot fines.

11.1.6 The Deputy of St. Martin:

We often hear that every time there seems to be a problem, the Minister for Home Affairs seems to think we have not got enough money. I know we have heard the tale before. However, possibly we could look at ways where some cuts could be made. I would ask Members to look at page 68, the top of the page, and it is something I did mention when we met with the Minister when I was on the Education and Home Affairs Scrutiny Panel. Looking at the Explosives Officer, one wants to know why, on an Island like Jersey, have we got that number of land mines around us? Are we really looking round for bombs, that we really need to have an Explosives Officer? Could that Explosives Officer not be absorbed within the staff that could be found within the national security, anti-terrorism staff, or indeed within the Jersey Field Squadron? We seem to have that sort of money being required to have an Explosives Officer, when one considers where we are in Jersey, and we see that that Explosives Officer also has a responsibility for explosives licensing. Yet when we look at the income, there seems to be no income. So what is that person doing? Maybe that £69,600 could well be put towards the prison, where we are told that they are short of staff - and I accept that. But in that vein, I heard this morning on the radio that there was a new wing mothballed because of lack of staff. Maybe I could ask the Minister if she could confirm whether the news item was true or not, because it seemed rather strange that here we have a new wing, yet we have no staff to manage it. If one looks at page 73, it would appear that we have 14 additional staff at the prison, so one asks what is going on there. Is the news item correct, or what is going on? Also, would the Minister make available to certainly the public and States' members, in particular, the report that one heard - I heard an interview this morning from the Prison Ombudsman talking about the report and recommendation that emanated from the two suicides at the prison. Could I ask the Minister, is she going to make that available to States' members, if she could, please? Also on page 69, we see that there are increased costs or increased revenue costs on new prison and police buildings. Again, I would have thought if we have got new buildings, one should see a drop in revenue costs, and maybe if the Minister could explain why there is perceived to be increased costs. Lastly on page 71, one sees that there has been an increase of 8 staff at the cost of only £41,000 for

supporting the criminal justice system. If indeed we can find eight staff for £41,000, what sort of people are we employing, or is that just a typing error?

11.1.7 The Deputy of St. Ouen:

Just a brief question, and it follows on from, I suppose, the property question that was raised by the Deputy of St. Martin. Earlier this year we were told that property transfers would take place between a whole range of different departments to Property Holdings. I would like to ask the Minister, could she inform this Assembly if those property transfers have taken place, and if so, why are they not recorded in the reconciliation of net revenue and expenditure on page 69. If not, perhaps she could inform us when they are liable to take place.

11.1.8 Deputy R.G. Le Hérisier:

Just as with Deputy Breckon, if we can get an explanation of the massive jump in statutory and legislative provisions, third line down on page 68. In terms of the prison, Sir, I think we all respect the Minister and her Assistant for the fight they have had, but like the Deputy of St. Martin, I think we are all getting confused. There has been obviously this very aggressive public relations lobbying campaign mounted in the last few days, and we all thought, tight though it was, that the prison improvement plan was moving ahead. I thought, Sir, that education was an integral part of it. But we now hear an argument from the Assistant Minister that it is because of the payment for the education, as proposed by Senator Perchard at this time last year, that the plan has been partially derailed. I am quite confused. I thought we had put the money aside; it was ring-fenced money, and education improvement was part of that. Now we are being told it has taken the focus away from it. As with the Deputy of St. Martin, I thought the whole purpose of recruiting more prison officers and in particular recruiting more support officers was to release more prison officers to work on those new wings. Although I know there have been some rather atypical manpower requirements because of high security needs and so forth, again I thought all that was on track, and no arguments have been made until this very aggressive public relations campaign was mounted in the last two to three days by the Minister and her assistants.

11.1.9 Deputy D.W. Mezbourian of St. Lawrence:

Strategic Planning Commitment 3.5.2 required the Minister to carry out an annual major accident simulation exercise and produce a report of the lessons learnt. Will the Minister advise the House whether this will be carried out this year, giving an idea of cost implications, or whether perhaps this is an area where financial savings have been identified?

11.1.10 The Connétable of St. Peter:

Could I ask the Minister to inform the House how much there is at the moment in the Drugs Confiscation Fund?

11.1.11 Deputy C.F. Labey of Grouville:

Could the Minister tell us if she has thought of looking at our U.K. defence contribution, given that the U.K. Government has now decided to regard us as Overseas Territories for educational purposes?

The Bailiff:

Actually, worse than an Overseas Territory. I call upon the Minister to reply.

11.1.12 Senator W. Kinnard:

I will do my best. It is quite a tall order there. If I can begin, I think, perhaps with some of the questions from Deputy Ferguson around service analysis and performance measures. Obviously the performance measures that appear there are the ones that were agreed with the Chief Minister's Department, but clearly there are others that we have which sit beneath that, particularly ones

specific to the Prison Performance Improvement Plan, not least the regular updates in terms of reports on crime figures that are given to the public and Members on a quarterly basis. There was some discussion, I think, about how the support costs have been allocated; why there was only one line in relation to that. That is because support costs in terms of human resources and IT have been allocated to each area. Deputy Ferguson also made reference to the Financial Crimes Unit, and I am pleased to report that in terms of the recommendations of the previous IMF (International Monetary Fund) inspection, that the Financial Crimes Unit is certainly up to the level required to meet those recommendations. I was also asked why there was movement, or appeared to be movement of staff and some resources between the various different headings in terms of the service analysis for Home Affairs, particularly in respect of police. The Deputy and also others - I think Deputy Le Hérisier also mentioned this, and Deputy Breckon as well - referred to managing offenders through custody and whether or not this was a special area. In fact it is, because quite clearly in terms of custody, ensuring that people's human rights are met, that they are adequately cared for, because quite often people are brought into custody with drug and alcohol abuse problems attendant on their offending, and they are quite a challenge, of course, then in terms of how we deal with them in the custody unit. But it is not just that; it is also partly the paperwork, but that is the less side of it that is required in getting these cases to an appropriate place of court. But what I would say, Sir, is that in the latest report - perhaps members do not recall it now - but in the Policing Plan for 2007 there is an explanation there that custody staff now comprise something like 4 per cent of total police strength, and our custody teams work in tandem with the uniform shifts, so that with our new five shift system, which we introduced in 2006, it has enabled us to have an extra custody team of two officers, and we have achieved that by just transferring posts from uniform shifts. In practice, this has not impacted upon peak periods of demand in terms of the shifts. On those occasions the extra custody staff are deployed on patrol with their shift colleagues, but alternatively if the overlap is particularly busy in custody, what we are able to do there is that shift officers are no longer called in for long periods of time from patrol to help out and do the paperwork. There is a team that can deal with it in the custody area, so that uniform shift officers can go straight back out on to the streets and deal with crime as it is happening. So although there is movement, if you like, between some of the headings from last year until this, the reality is that it meets the operational demands that are set out in the Policing Plan. Indeed, I think that gives a small explanation of how we seek to get more out of the resources that we have in using them more effectively, particularly in that area of managing offenders through custody. Deputy Breckon asked where the funding for the Regulation of Investigatory Powers could be found, was it part of the statutory and legislative provisions, or was it somewhere else or where was it in managing intelligence, and I think this is a question that has been asked by other members. If I ask members to turn to page 68 and have a look there, what you will see is there is a large increase indeed in the line Statutory and Legislative Provisions for 2008, and that is largely because the figures for the discrimination legislation monies were not previously shown as a separate amount in 2007. It was divvied up, if you like, among all the various departments. That was the convenient way of showing it. But that line, the statutory and legislative provisions, includes other legislation. It also includes the Police Complaints Authority. But when we go down to look at where the money for the Regulation of Investigatory Powers can be found, that is in part of Managing Intelligence, and in there is an extra £323,000 which is to assist with the full year costs of the Regulation of Investigatory Powers. Again, in 2007, the revenue costs had been funded from another source; they had been funded from the Drug Trafficking Confiscation Fund, and so that was not shown, if you like, in managing intelligence in 2007. It is now shown, and also in there is the balance of the payables and reallocation of resources as per the Policing Plan in the way that I have tried to explain in relation to managing offenders through custody. I was also asked about the Criminal Injuries Compensation Scheme, and whether or not that should be paid for out of some sort of proceeds of crime. Indeed, I personally think that would be quite a suitable source from which to fund this scheme, if we could always be assured that there was sufficient in that pot to fund it. One of the difficulties that I have and my department has with the Criminal Injuries Compensation

Scheme is that we have no control over the amount of timing of the awards. The States agreed a proposition that awards would be paid out of the resources of the States, but some time in the distant past, it got put into Home Affairs' budget, but unfortunately the level of resourcing that is necessary to cover the awards has not necessarily followed, because these cannot be predicted. However, what we have tried to do is to put in an amount in our budget for 2008 to cover what we were expecting was going to be an overspend. I have to warn members, however, that it looks as if there may be an even greater overspend in that area, because as I say there is no control over it. I have been in a lot of communication, written and otherwise, with the Treasury and Resources Minister about this, because literally my department does not control the budget. This is something that we have on occasion had to find the shortfall from other areas of Home Affairs, and I do not really think that that is either a just or suitable solution. So that is one I am having to live with for the time being, but I am hoping that with further discussions, there will be a realistic way of dealing with this going forward into the future. I had suggested the Criminal Injuries Compensation Scheme be funded from something like the proceeds of crime, but the Treasury Minister has replied on many occasions because of his concern that this is not necessarily an ongoing source of set income, that it may not be appropriate. So I think I will leave that to the Treasury and Resources Minister if he wishes to comment on that further. Deputy Scott Warren has been very supportive of the issues to do with the prison and the prison problems, and I am very grateful to her. She is absolutely right. Additional funds are needed for the PIP (Performance Improvement Plan). In terms of what has been made available, in 2007 we had £500,000 for the Performance Improvement Plan, and for 2008 there is £535,000. But I have to say, Sir, that expenditure in 2007 was somewhat delayed, because it was not until March that final carry forward balances were confirmed. So we have been playing catch up all the time. Members have also commented on their concern about staff. Most of the Performance Improvement Plan involves the recruitment of additional specialist staff, and new staff this year that we have managed to get at the prison are a new Psychological Assistant; the Deputy Head of Education and Training; an administrator; a tutor; a health care administrator. The library has also benefited from the purchase of some £60,000 worth of books. There is much going on in the capital programme. A huge amount of enthusiasm, but we cannot sustain this level of activity unless we get further funding coming into the budget. That clearly is an issue that has been recognised by Deputy Scott Warren. The Constable of Grouville, again he has raised concerns about the issue of drug abuse and the effect that that does have, drug and alcohol abuse, on the prisoners that we have to keep in La Moye. I share his concerns, and indeed I share the concerns of others, that we have only in place one drug worker, and fantastic work she does. Goodness me, I have to say she is a whirlwind in terms of what she manages to achieve. We have in the PIP identified the need for another three drug counsellors, but we do not have sufficient funds at this point to be able to employ them. The Deputy again was concerned about the Criminal Injuries Compensation Scheme and about the fact that the awards are limited to £100,000. That again was in a decision of the States of Jersey, and a decision to change that would have to come on a proposition to the House. Although I have great sympathy with the argument that in certain cases the cap perhaps should be higher than that, the reality is that again I have no control over that budget, and I am already having to put additional monies into the budget for the Criminal Injuries Compensation Scheme, and in fact it looks as if I am still going to have to find further money from my other departments to fill the hole in that budget looking at what is coming up for the end of 2007. So this is always going to be a problem, and I think it is not possible for me to come to the House and ask to raise the limit on those awards for that scheme until a resolution has been found to this issue of where that money is going to come from on a long-term basis, because it is not sustainable in the Home Affairs' budget at the level at which Home Affairs is resourced at this time. We are coping with the scheme as best we can, but we certainly could not cope with giving awards any higher than the £100,000 that there is at present, for which I am regretful. Community police officers. I am not sure at the moment how many community officers we can make available at any one time, but we certainly make ourselves available whenever we are called upon to work with the community, and I think that Deputy Le Claire will confirm that. We have tried, of course,

to make great changes to our shift system to ensure that we do have officers on the beat at the point at which most reassurance is required, and with our new 5 shift system, we are able to be out there at the times, 1.00, 2.00, 3.00, and sometimes later in the morning, when we know that most particularly street and violent crime can occur. But it does mean, Sir, that without having unlimited resources, in fact there are times during the day when we are frankly a bit thin on the ground. But we have matched our resources to the times when most concern is expressed and most crime is committed. In terms of community policing, of course, we are not the only ones involved in community policing. We work with our honorary colleagues, and of course they have an important role in policing the community and bringing to the attention crimes that perhaps they have more knowledge of that might not be quite so readily known to States of Jersey Police. So again I think it is something that if we all work together, we can ensure that we cover the needs of the community policing. That is certainly my intention in 2008 that we do that in any way we possibly can. On the spot fines was another issue that was raised by Deputy Le Claire. I am certainly prepared to look at it and consider the pros and the cons of that and take those comments on board, although I will just lay down a marker, that certainly in the United Kingdom such things have come in for a lot of criticism of late. Also there is the issue that perhaps it lets the criminal get away too easily, that one of the things that perhaps is a deterrent is the idea that you either have to appear before a Parish Hall inquiry, which I think is an excellent way of dealing with these issues, or appear before the court. So although it is an issue I am certainly prepared to look at, I think we need to balance that against the very good resource that we do have, which is something like the Parish Hall inquiry system, which working with our colleagues probably meets a number of the concerns that would otherwise be addressed by on the spot fines. But I am not rejecting it. The Deputy of St. Martin mentioned cutting the Explosives Licensing Officer. Now this was something that was raised with me when the Scrutiny looked at the Business Plan, and at that time I reported that in Guernsey they covered this - they have a police officer who dealt with this particular issue. But that is no longer the case. That person is no longer a serving officer, and in fact Guernsey has come to us to ask us how we deal with the issue and to take on board to see whether or not we could give them, if you like, some help in either setting up or even on occasions sharing some resource in this area. Certainly we have covered for each other, because obviously if you only have one officer, we have had to cover for each other on occasions when one or other has, you know, been on leave. But certainly it seems to me that there are obvious dangers if we learn from Guernsey in terms of trying to, if you like, cut this particular service. I think also it is very important to recognise that what the Explosives Officer is dealing with and the Explosive Licensing Officer, it is two posts, not just one. There are all sorts of licences that have to be dealt with in terms of licensing for quarrying and so on which -

Deputy R.G. Le Hérisier:

Do you mind if I - it may be dynamite, this question, but I wonder if the Minister could say what happens when the Explosives Officer goes on holiday?

Senator W. Kinnard:

I have just said that, Sir. What happens is - well, fortunately my Explosives Officer is never asleep, expect when he is allowed to be. What happens is that Guernsey and Jersey have covered for each other. But there are severe problems now that are happening in Guernsey and so they are looking to us now as a model of the way in which to achieve their needs in this particular area. But we are dealing with issues of licensing to do with quarrying and explosives movements and so on, as well as dealing with the various, on occasion, quite a number of World War 2 bits of ammunition and various things that washed up on the beach and indeed we pay for the officer on a contract basis and on the hours for which he works. So we are not sort of just handing out money for someone not doing a very important job because it is a very important job. Also if there is an emergency situation of a nature where we suspect or there is some suspicion that there is a terrorist incident and this has taken place in Jersey, it is extremely important to have your Explosives Officer's

advice there on the spot because it may well be 24 hours before you can get anybody over from the United Kingdom or from another jurisdiction. So that is what I would say in response to the idea of cutting that particular area of my budget. The Deputy of St. Martin mentioned a comment that got, I think, into the media about the new wing being mothballed and I think that is a very unfortunate comment. Because the new wing is obviously something that I want to see opened as soon as possible. It requires more staffing and the reason that the prison has run into particular difficulties of late in terms of staffing are really twofold. One is financial and the other is the day-to-day practical problems of the prison. The financial one is that I originally told the States and I went to the Council for Ministers and told them that the cost of the performance improvement plan going year on year was likely to be about £1 million, £1.2 million. That got trimmed and trimmed and trimmed until only £500,000 was given for 2007 and £560,000 for 2008. So clearly there was never going to be sufficient money to be able to do all of it in one go. The difficulty that we have had is that when you are employing staff, you have to be able to ensure that you can continue to pay them on an ongoing basis. It is no good seeking to recruit staff in 2007 and then not being sure that I am going to have the money to pay them in 2008. Because of the particular operational problems which I will describe in a moment up at the prison, I have had to say to the Prison Governor that it is not possible for him to recruit staff at the rate at which we would like because of the budget of the prison going to be overspent by its general running costs and the lack of a base budget that is adequate in the first place. The base budget at the prison has been £365,000 minimum missing for a great long time and that has meant that because of particular problems we are facing at the moment, that difficult enough though it would be, is being compounded because we have particularly high security prisoners up at the prison at the moment. Members will be aware there has been some publicity about one or two particular criminals who are, shall we describe them, Sir, if you will forgive the colloquialism, 'big fish' anywhere and this has meant that we have had to employ greater levels of security at HM Prison, La Moye. This is something the prison has to accept, any prisoner it is given, we have to deal with the prisoners as they come to us. But it can be things like that, just one thing, when your budget is very, very tight that can mean the extra overtime costs required to have extra security, extra officers on the landing 24 hours a day, that, together with a number of prisoners it seems who have had to attend visits to the hospital. We are getting an ageing profile at the prison because prisoners are in prison for longer periods of time. Whether or not that is reflected in some of their ill health and the greater need to visit the hospital, that is something we are looking at. But again, that is something that when you are on a very tight budget that you have to pay for, but it is not something that you can easily plan for. There have been a number of issues like that that the prison has had to face in recent times, not least of all also sending off for safer windows and that sort of equipment, and so on, coming late meaning that we have had to pay for it in 2007 instead of 2008. Lots of difficulties in terms of the day-to-day running of the prison which, when your budget is inadequate anyway, just compound the situation. But because of the apparent confusion that members seem to have about this, what I have suggested to the Council of Ministers, and which they have agreed, is for them to take an absolute full fundamental review as a matter of urgency of the prison budget because I am convinced of the need for more resources. But I am aware that members need to be convinced of that also. So the responsible way of dealing with this, I believe, was the way in which I have dealt with it which is to go to the Chief Minister and then to the Council of Ministers to ask them to support a fundamental review of the prison budget and, if necessary, if that underfunding is established to find a way of enabling the PIP and if necessary to have to come back to the States for extra funding to do it. This is an issue we cannot duck. It is no longer possible for it just to be left frankly on the shoulders solely of the Minister for Home Affairs. The Deputy of St. Martin also asked me whether the Ombudsman's reports will be available, will I make them available? They will be available to the public and my understanding is that at the conclusion of the inquest today, that they are available to the public. Obviously I have had an earlier copy of the main conclusions and the recommendations and what I would say to Members is the vast majority of those recommendations have all been met. There are some that are still outstanding and those issues are ones that have been particularly highlighted by the Ombudsman

today. One is the revolving door syndrome which is to do, of course, with the way in which prisoners are not, at the moment, given the proper resources to be able to leave prison and lead a crime-free life. Now we have anticipated that of course in Pillar 9 of our Criminal Justice Policy, we have been anticipating the need to change the focus of the regime for some time and we have had some resourcing to help us do that and we have got some way with that. We have got education tutors, the manager in place but we need now the money to get the teachers and the skills tutors in place to really deliver it now on the ground. But, yes, those reports will be there and it is a very sad moment to refer to these, but what I would say is that the conclusions on both those reports are conclusions that are very balanced and ones which I would recommend that members read in the coolness of time rather than in the hotness of the publicity of the inquest as they appeared today. Sir, moving on, I was also asked about the revenue costs by the Deputy of St. Martin, why would the revenue costs go up if you have got new prison buildings? Well, the reality is that the revenue costs in terms of running the prison have gone up because we have not been able to demolish the old parts of the prison that we would like to. In an ideal world, we would have absolutely new buildings and we would have the old parts of the prison demolished. We have not yet been able to do that because the prison numbers have not fallen. The prisoner numbers continue at a high level. So what we have been having to do with some of the old buildings is to refurbish them, some of which have been refurbishment for the resettlement centre which has been a very positive thing, but it does mean that because we are not clearing behind us as we go, the revenue costs in terms of heating and lighting increased with the prison at La Moye. In an ideal world in a brand new prison that would not be the case. The Deputy of St. Ouen asked me whether Property Holdings have had now the projects that were originally managed by Home Affairs. What I would say is that all the projects that Home Affairs has managed have come in well within time and well within budget but we have now transferred across all of the projects to Property Holdings and I think that happened in July. I have got the ministerial decision somewhere but it has definitely all happened now.

The Deputy of St. Ouen:

Minister, could you tell me where I can find this transfer in the account?

Senator W. Kinnard:

I have it in my papers and if I can have a few minutes I can look, otherwise I am happy to let the Deputy have it later. It is here but I have so much paper in front of me and a lot to get through yet. Deputy Le Hérissier again mentioned the legislation lines; I think I have covered that and the PIP funding and some of the staffing issues. Deputy Mezbourian asked about the major incidents in relation exercise, will that be carried out, could that be a saving? I think it is important that we make sure that we continue to have these simulation exercises. We did not have one last year and therefore I think it is all the more essential that we do have one this year. It is no good just having a major incident plan. Plans are all very well but they have got to work in practice and the only way in which they are going to work in practice on the day is to have that practice, to learn from any mistakes from it and exercise and to try and implement a better improved plan for the future. So I do not believe that this is a suitable area for us to be cutting, particularly as we had not had a major incident plan exercise in 2006 and we definitely need to have had that in 2007. That is due to take place, and in 2008 there is one planned and again I think it is important that we plan to do that on a regular basis, particularly as we are facing, as we know, a number of issues not least of all issues around Avian flu and so on. The costs -

Deputy D.W. Mezbourian:

I wonder if the Minister would give way. I wonder if she would be able to identify where that is shown in the Business Plan here, which category is that under, please?

Senator W. Kinnard:

The major incident plan is not in my budget because that comes under the Chief Minister's area. What happens with the major incidents in relation exercise is that the officer is situated at the Police Headquarters and for sort of practical line management and so on he is situated there. But the exercise itself and the officer comes within the budget of the Chief Minister, I think it is. But maybe I might be corrected, Chief Minister, I think it is. The Connétable of St. Peter asked me about how much is in the Drugs Confiscation Fund, that is perhaps a question better put to the Minister for Treasury and Resources. I do not have any control over the Drugs Confiscation Fund, I only on occasion make applications to it, so that is not a question I can answer but perhaps the Minister for Treasury and Resources would be so kind to do so on my behalf. The Deputy of Grouville asked me if I had thought about the defence contribution and had perhaps intimated that now we were being treated in a rather different way in terms of grants and so on, whether this would be a bargaining tool to use. Certainly I have already notified MoD (Ministry of Defence) that we wanted to talk about renegotiating the agreement in 6 months. We had to give the 6 months' time of notice and certainly that is being handled largely with the Chief Minister because it is obviously together Home Affairs and Chief Minister's Office because it is obviously an issue to do with our international reputation as well as our commitment to the defence contribution. But, Sir, I for one, may be unpopular among some of my colleagues, feel that although I would certainly like to have certainty in my budget to know that perhaps around £1 million was what we were giving and that was certain, I believe that it is a valuable contribution that we make to defence and I think it is one that we, as an Island, should continue to make. As I say, Sir, unpopular it may be among my colleagues, but I think, particularly at this time, when we have got our own men and women out there, many of them on a third tour of duty, as I have said, with very little respite in between, it seems to me this would be wholly inappropriate time to take any confidence away from them by suggesting that we no longer contribute to defence. Thank you, Sir, I maintain the objectives.

The Deputy of St. Martin:

There are two questions that were not answered by the Minister. Could I ask if they could be answered, please? On page 68 with the Explosives Officer, I did say that there was no income shown. The Explosives Officer has to license people and collect the licence fees, but there is no fee shown. What I did ask was what revenue was gained by that, in fact, if there is one. The other question was I did say that there was on page 71 under the Supporting the Criminal Justice System we have shown an increase of 8 officers, yet the increase in revenue or the cost is only £41,000. I was asking whether in fact that was a typing error.

Senator W. Kinnard:

I take the second one first, if I may. I thought I explained that the way in which we are able to use the shift officer. I am quite happy to go through the explanation again if Members wish, or alternatively maybe I might refer the Deputy of St. Martin as it is his question, I can lend this to him, it is the Policing Plan 2007, on page 34 it explains how we are able to utilise more people into there but without the necessity to cost us any more. It is a way of using our resources more effectively. In terms of the explosives fee, Sir, I am not sure exactly what the fee, if any, is for the licence. Because if there was one it would be shown in there I would have thought. But that is something, Sir, I will come back and give the answer to. I am sorry I cannot give it straight away. I maintain the objective, Sir.

The Bailiff:

I put the proposition. I ask the Greffier to open the voting which is for or against the objectives of the Minister for Home Affairs. If all members who wish to vote have done so I will ask the Greffier to close the voting. I can announce that the objectives have been carried 39 votes in favour, one vote against.

POUR: 39

Senator L. Norman
 Senator W. Kinnard
 Senator T.A. Le Sueur
 Senator P.F. Routier
 Senator M.E. Vibert
 Senator T.J. Le Main
 Senator B.E. Shenton
 Senator J.L. Perchard
 Connétable of St. Mary
 Connétable of St. Peter
 Connétable of St. Clement
 Connétable of Grouville
 Connétable of St. Brelade
 Connétable of St. Martin
 Connétable of St. Saviour
 Deputy R.C. Duhamel (S)
 Deputy J.J. Huet (H)
 Deputy of St. Martin
 Deputy G.C.L. Baudains (C)
 Deputy P.N. Troy (B)
 Deputy C.J. Scott Warren (S)
 Deputy J.B. Fox (H)
 Deputy J.A. Martin (H)
 Deputy G.P. Southern (H)
 Deputy S.C. Ferguson (B)
 Deputy P.J.D. Ryan (H)
 Deputy of Grouville
 Deputy of St. Peter
 Deputy J.A. Hilton (H)
 Deputy G.W.J. de Faye (H)
 Deputy P.V.F. Le Claire (H)
 Deputy D.W. Mezbourian (L)
 Deputy of Trinity
 Deputy S.S.P.A. Power (B)
 Deputy S. Pitman (H)
 Deputy K.C. Lewis (S)
 Deputy of St. John
 Deputy I.J. Gorst (C)
 Deputy of St. Mary

CONTRE: 1

Deputy A. Breckon (S)

ABSTAIN: 0**Deputy G.W.J. de Faye of St. Helier:**

I wonder if I could just use this junction in proceedings to raise a point of order with you? We do have a lot of business still to get through and I raise this matter now in order to draw no attention to any particular member. But it does seem to me that a number of members have raised, as it were, policy initiatives and suggestions, I am sure in the hope of being helpful to the Ministers who have been speaking up until now, but it does seem to me we should be concentrating on the Business Plan itself and be more vigilant on our ability to focus on the issue at hand. Is it in fact in order or out of order to raise policy suggestions during this debate?

The Bailiff:

Well I think it is in order, Deputy, so long as it relates to one of the objectives of the ministry in question. The advantage of the debate on the objectives is that it gives members the opportunity to range far and wide over the policy of the department in question. The disadvantage is that it makes for a very long debate.

Deputy G.W.J. de Faye:

Right. Thank you for that clarification, Sir.

The Bailiff:

In that vein, I think I might draw members' attention, if I may, to the slow progress that we are making on what I thought were going to be the relatively uncontroversial parts of the proposition. I think Members must be prepared to sit probably on Friday and perhaps even beyond that if we do not begin to make rather speedier progress. We come next -

Deputy P.V.F. Le Claire:

Could I just say, because I have contributed quite a bit to this today, Sir, that there is very little opportunity for the States under the new system to question, query or have an effect on the Council of Ministers whose plan this is in regards to policy and areas of community life and the Island life, Sir, unless we take this opportunity -

The Bailiff:

Deputy, I am just pointing out to members the implications from a sort of standing point of view of...

Deputy P.V.F. Le Claire:

I am just making a backbencher's defence, Sir, of the actual opportunities we have which are limited.

12. Annual Business Plan 2008 (P.93/2007): Objectives and Performance Criteria for the Housing Department

The Bailiff:

Very well, we come to the objectives of the Minister for Housing and they are to be found on pages 76 and 77 and 78 and I ask the Minister to propose them.

12.1 Senator T.J. Le Main (The Minister for Housing):

It gives me great pleasure to summarise the Housing Department key objectives. The Social Housing Property Plan was approved by this Assembly on 17th July this year. This document discusses how the States-owned social rental stock can be made fit for the purpose and has to play its part in the long-term provision of homes in this Island. Its implementation will not only lead to the refurbishment of the States-owned social rental stock at a minimum cost to the public, but it will also enable the acquisition of a significant number of retirement homes. Such homes will be needed to meet the significant demand from an increasing ageing population. The plan will also help a number of States tenants become home owners under a shared equity scheme. With the level of home ownership lagging so significantly behind the U.K. and Guernsey, my department will continue to actively promote initiatives to improve the position. The review of social housing which is due to take place at the end of this year will be an independent in depth study of social housing provision in this Island. It will involve all stakeholders, States members, anyone that has got an interest in social housing and the issues. It will involve, as I say, all the stakeholders currently providing social housing in Jersey also. This intends to commence in 2007 later on this year and will be released as a Green Paper for a comprehensive, extensive consultation. Housing Trusts make a significant contribution to the provision of good quality affordable rental homes in Jersey.

They will take part in it also. It is not before time therefore that the States rental accommodation and Trusts are brought closer together within a coherent strategy encompassing appropriate regulation applicable to and agreed by all. The review will also settle a long running discussion with a regard to the future status of States rental accommodation, something that certainly Deputy Breckon has been speaking about for a long time. Also implementing the findings of the review and the subsequent debate following consultation will be a major piece of work which is eagerly anticipated by my officers and department. Sir, the Housing Department is working ever closer with colleagues at the Planning Department. The Planning for Homes document is illustrative of a collaborative approach to housing supply. Central to the reproduction of Planning for Homes would be a larger than usual housing needs survey which would be undertaken in collaboration with the Planning Department and the Statistics Unit in the last quarter of 2007. Sir, the housing needs survey I am sure will categorically demonstrate the need for shared equity schemes on rezoned sites together with specific developments of lifelong homes for pensioners and schemes as highlighted by the Chief Minister today for key workers. These initiatives feature heavily in Housing Department objectives for 2008. With the average price of a three-bedroom home now costing in excess of £400,000, the Department is acutely aware of the need to ensure more imaginative and clearly swifter solutions to home ownership. Recently in announcing proposals for the later phases of the redevelopment of Le Squez the department has set out its desire to construct homes with as minimal an impact on the environment as possible. A development of this size with such eco credentials has not been undertaken in the Island previously. It is ambitious and demonstrates the department's willingness to lead the way with new initiatives. I am determined, Sir, that we are going to work on these schemes with the officials and the Connétables of the Parish, with the likes of Deputy Power and his Scrutiny Panel. I intend to work with everyone to make sure that some of these are going to be the leaders in the field. The relationship between the Housing Department and its tenants is vitally important. Much work continues to be directed toward the establishment of a residents' association and latterly tenants' forum. The department is determined that tenants will have a powerful and meaningful voice in the determination of policy and the provision of housing services. Tenant participation initiatives will continue unabated in 2008. The Housing Department continues to play a corporate role in the provision of services, whether through the advent of income support, Building a Safer Society initiative or the recently presented social policy framework. The department will remain at the forefront of holistic initiatives. It would not therefore be possible to achieve such demanding objectives if one did not have such a dedicated and professional staff. The need for continual development and training has never been so more important. Whether through active participation in the organisational development programmes or the Investment in People Charter. The department will continue to ensure staff are equipped to deliver the highest standard in customer service. Members must please remember that much of our work, including my Assistant Minister and I, is dealing face to face with good ordinary people on a daily basis and I have said this on many occasions that our objectives and our views for the future cannot happen unless we work with all members of this Assembly. So I look forward, and my Assistant Minister looks forward, to meeting with many of the members who have shown an interest in the Property Plan in some of the issues that they have raised. I believe with a joint approach with all members of this Assembly and working together with our clients and everybody else who shows an interest in providing continued affordable housing for and making life easier for people on this Island then I believe we have got a very bright future. I am very happy to attempt to answer any questions.

The Bailiff:

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

12.1.1 Deputy A. Breckon:

I think we all have a great deal of sympathy with some of the areas that the Minister has touched on and I remember years ago some of the '(g)' applications that we had and, at the time, I thought

every member should serve on Housing and should sit on some of those sub-panels . As he was then, the President of Housing used to try and avoid them, I know, because they were upsetting. But things have moved on and I think some of the problems he has got, we, as a House undoubtedly should share. Some of the things he is saying in here you can obviously see the conflict because on one hand it says in the third paragraph on page 76 that although satisfied that outstanding commitments for the supply of category A homes will be met, overall potential requirements for the period up to the end of 2009, there is no room for complacency. But we already see price pressure so it is supply and demand. Is the supply there? No. The demand is there, at what price? There seems to be unlimited elasticity. It talks about a three-bedroom home at £400,000. Now if you think of somebody who, with respect, is working in a shoe shop, what aspirations does that give them? Even with shared equity and other schemes, we obviously have some problems that we need to live with in the rental market. Something which is never touched upon is security of tenure and at the moment you can only get a nine-year lease but you will not probably get one in reality on a residential property, one, two or three is more common. Perhaps if we looked at taking away from having to take it to court and you can get a 21-year lease. That, perhaps with annual increases in, might give some people some comfort. It is a housing problem that we perhaps never touched on. Within Objective 2 there are lots of things in there about supply and demand and to meet the demand, adequately meet demand for homes, rezoning, young people returning to the Island, lifelong homes, first time buyers, proportion of home ownership increased, shared equity and the work of the Population Office law and regulations. But within that, I would suggest that also, perhaps with the Statistics Unit and others, we do need some quality research. We need to know what Jersey's housing market is. The Parish Connétables will have records for rates, rating purposes, the post office have an address list and we perhaps should look at Jersey as an Island housing situation and not just take out the social element or first time buyers or lifetime or whatever and look at the whole issue. I think there is some merit in there, it will not be an easy exercise but I think it is worthwhile doing because then we can identify and we can take people with us by, as the Minister has said, consultation, meaningful consultation not after something has been done, what do you think? But what do you think that will influence the outcome? Having said that, Sir, where we are now is perhaps where we might have been 10 years ago where somebody said what we do in housing terms is going to solve the problems. The sympathy is with the Minister there because these problems are not easy but working together we can address them. But we must address them, I would suggest, Sir, with that knowledge, with the evidence, rather than have a knee jerk reaction because if we build in green fields we cannot knock them down later. We cannot call them back. I would just conclude, Sir, by touching on something that the Minister touched on and that is sheltered housing. We have seen some evidence of where this happens in high rise apartments. You take out a storey, you put in community facilities for people, T.V lounge, perhaps a hairdressing facility, somewhere where family nursing can go, you sort out the security and you give people perhaps a bit more living space and what we were told on the Scrutiny Panel is this works in other areas. So, perhaps before we flatten some of these places, we should look at that perhaps as part of the provision. The only thing I would close with, Sir, is just by saying has the Minister, despite what I have said, any initiatives he is taking, I would be pleased with my Scrutiny hat on to work with him. We are not in opposition on this because it is for the benefit of the community.

12.1.2 Deputy S. Power:

I was glad to hear some of what the Minister for Housing said. Not so happy to say to the Assembly that as a result of the States approval of P.6, Social Housing Property Plan and our work on Scrutiny Report 12, which was the review of that, I think it is fair to say that the Minister for Housing and myself and the Assistant Housing Minister, and indeed the members of the Panel, still have an excellent working relationship with the Minister for Housing and I thank him for the way he respected our work and said so afterwards, as did his senior officers. Sir, in the forthcoming review of social housing, I note that the Minister's introduction says that it will be an independent in-depth study of the social housing provision on the Island. I think, Sir, from wearing my Scrutiny

hat, I welcome that and I like to note that the Minister is hoping that all stakeholders will be involved and I would like to confirm to the Minister that certainly the Housing Sub-Panel would be very willing to work with the Minister on that and I think we have a meeting coming up next week. However, I would say to the Minister in the second paragraph of his introduction, he does say that this will be concluded in 2007. Now, I know that the Chief Minister lodged this proposition on 17th July so I doubt very much if it will be concluded this year, that is an extensive piece of work, in actual fact I would say it is probably even more significant than the Social Housing Property Plan. So I just ask the Minister for Housing to look at a revision of that. I also am worried about, I think Deputy Breckon mentioned it and the Minister mentioned it, that a three-bedroom house is heading up towards £400,000 and that is a big issue on the Island. We have concerns about that. Eco credentials is a subject close to my heart as I was for a while a member of the Environment Scrutiny Panel and their recent report, Scrutiny Report 15 on designer homes makes some very clear recommendations as to how we design homes for the future and being on the Housing Sub-Panel and on the Planning Applications Panel, I would be keeping a very close eye on that. The housing stated main aim is to ensure the provision of long-term sustainable housing to meet the needs of all residents, all Island residents and some of us attended a speech last week, a meeting last week with a member of the local clergy and he brought to our attention the fact that there are a whole swathe of people living on this Island who are not in qualified accommodation and some of the accommodation certainly caused him concern. I would just say today that while we do talk about those that are qualified and those that come under the Housing Department and the Housing Trusts and certain sections of private rental, that there are an awful lot of people on this Island who live below the radar and it is something that continues to cause me concern. In Objective 2 the Minister draws our attention to the supply and demand for accommodation properly accessed so there is an adequate supply of homes. I would say to the Minister that there is a review of the Island Plan 2002 going on at the moment, it will probably take another 12 months and I would say to the Minister that he must bear in mind that in order to review the Island Plan properly and taking into account the concern that the 2002 Island Plan caused certain residents on the Island and certain parishes on the Island that he must be careful how we do this, particularly with regard to rezoning before the completion of the Island Plan because the last thing the Island wants right now is piecemeal rezoning on the Island before the review of the Island Plan is produced. I am very aware of the pressure the Minister is under with regard to housing for those who are retired and those who are elderly in our community. One of the things that surprised me in Objective 2 is that there is no mention of the role of the parishes in the fulfilment and in the supply of housing on the Island, and I know that the Minister for Housing attaches a lot of importance to the Comité des Connétables and the role of the parishes, so perhaps the Minister could clarify in his summing up whether it was deliberate or otherwise as to why the parishes are not mentioned in any part of the Business Plan. Finally, Sir, I would like to finish by drawing the Minister's attention to Objective 3, which is a fundamental review of social housing, and particularly subsection 3 which deals with changes to facilitate the implementation of a regulatory framework. I hope that when the department have concluded their review, they take into account what I think would be necessary, and that is an organisation which is an umbrella organisation for States' rental stock, the housing trusts and private rental, and that the actual administration of this regulatory framework would be non-political - in other words, the representations of those that are housing trusts and supply housing - and that he might refer to that in his summing up.

12.1.3 Deputy P.V.F. Le Claire:

I am glad the Environment Minister and the Housing Minister are in for this portion of the debate, because under the housing plan objective of the Housing ministry Objective 2, under success criteria it has a bullet point which says: "Shared equity scheme implemented." I have been looking into some of the different types of shared equity schemes that the United Kingdom Government has, and to my surprise they have five shared equity schemes, and in line with the Chief Minister's speech, one of those caters for the key worker sector. They also go into the availability to purchase

your council house, the availability to purchase a new home in conjunction with a development company. They also go into schemes that allow you to purchase your flat if you live in a housing trust; a multitude of examples on the web sites, with real people, real stories, real prices, real deposits, real figures, real calculations. They are doing a number of things in the United Kingdom, but one in particular which we have learnt from our recent trip to Sweden is they are going to lead the way. Now, if we are going to follow along the United Kingdom as a guideline for our housing in the future, as evidenced by the fact that all States-owned social housing is on track to be at least U.K. decent home standards by 2016, then what we are really adopting in the States of Jersey as a role model is the United Kingdom. Now, we have made some recommendations based upon the work, as Deputy Power was alluding to, which he started and the panel continued and is still continuing. We have made some work and some recommendations to the States of new standards in terms of design and sustainability that the United Kingdom has set itself with the three million new homes that they are making. They have got 22 million at the moment. They are making a huge investment in housing. They are going to have ratings on the outside of their houses, and categories and codes which will determine the value for those houses for people that are going to buy them, for people that are going to rent them, for people that are going to sell them on, based upon their sustainability, based upon how much energy they will use, based upon how much they will cost to maintain, and based upon what they are made of and the durability of the materials and the sustainability of those materials. If we as a society are going to back our Housing Minister, as we need to as a government, then we have to open our eyes and our ears. Unfortunately, while it is very laudable to follow the U.K. normally, we find that the U.K. is behind everybody on most things, and we have people popping up and saying: "Well, where are they in the terms of the world league?" Well, surprise, surprise, to me anyway, the United Kingdom is going to far outstrip the rest of the world in terms of standards. The Housing Minister for the United Kingdom, who visited Malmö where we have just returned from, made a direct United Kingdom policy change based upon her visit there. So much so, that it is going to have a staggering effect upon the United Kingdom household and the housing market. So, if we are going to tag on to that system, we need to be eyes open, ears open, wide awake, that we are setting ourselves a very, very high target indeed. I came back with loads of information and loads of contacts to talk to everybody about everything, and one of the things that I found in my mail was a report from the Housing Minister on the States' rental waiting list from the Housing Department in relation to one-bedroom flats that we were in need of. I was quite certain that one-bedroom flats were not what we needed before I went away, and then, in an interim report, because of the fact that we are now going to knock down or replace or put a parking facility in Ann Court, we are going to be in dire need of one-bedroom accommodation. I thought the EDAW plan had yet to be agreed by the States, but it seems by these figures that this is something that has been adopted by the Housing Minister and is moving forwards: There have been 452 new waiting list applications made between January 2007 and 31st August 2007. Many of these are transfers, and the new list comprised of 265 families and individuals as of 1st September 2007. If the Planning Minister under the planning review decides to adopt the codes for new buildings as we have recommended for housing, then we are going to be setting ourselves an extremely tough target. Because of the buildings that they elect to put up through States' capital, the developers on the Island, and the States themselves, are going to find some tremendous shocks coming. I hope and I trust that the Housing Minister who has my full support, along with his Assistant Minister, will look towards the home ownership schemes that are available in the United Kingdom and the information that is readily available, and work with them and the organisations that are available there, to implement not just a shared equity scheme which is appointed here, but many shared equity schemes for the people of Jersey, because there are people in Jersey that have not got the luxury of being able to afford to buy-to-let share transfer properties, to make sure they have got a pension for themselves. They are struggling just to find the rent. They will never achieve home ownership at this rate. With the five schemes that the United Kingdom have, if implemented in Jersey, instead of taking these 456 people and needing to re-house them in States' rental accommodation, you might find that 100 or 200 or so may end up in private home

ownership through a shared equity scheme if we pull our finger out. So, I am hoping the Housing Minister - and I know he will - will speak to the Environment Minister and maybe, perhaps, meet with the Environment Scrutiny Panel, evaluate what we found out, and look at these various schemes. Although he is a bit irritated about the length of this debate, I am sure that Deputy de Faye will agree with me that there are certain sectors within our community that are not being serviced by the current housing projects. Some of us want to get into the home ownership that we have desired, and we do not see it coming unless it is going to include the private sector. We need private sector home ownership equity schemes. The United Kingdom have many on their websites that are up and running, with many businesses, many councils, many variances of schemes that we could learn from. I am asking the Minister, Sir, could the Minister please talk with the Environment Minister and our panel? **[Interruption] [Laughter]** That is shared equity. I am asking if they could look at this, Sir? I will not get an opportunity very often, Sir, to have five or 10 minutes of the Minister's time. I am sure Members know how difficult it is to pin down the Ministers for any length of time. This is the only time I get to pin them down in one room, and I want to try to ask them these things, because they are too busy otherwise, and rightfully so. They have got other things to do than sit around listening to my ideas. But I want them to listen to this idea. Go on the websites, look at the U.K. Government shared equity schemes. There are five of them. We can adopt them in Jersey. It will give an increased home ownership perspective to many, many people in the Island. This may not find favour with anybody in here, but I personally think it is time to end the share transfer scheme, or the buy-to-let market in Jersey. I do not know how or at all if that will find favour with anybody. But I personally do not think it is right that somebody from another country can purchase flats in Jersey and rent them out to people here. In Malmö you have to live in a house you buy; you have to live in the flat you buy in Sweden, in this particular project. If you want a flat, fine, you can have a flat, but you have got to live in it. Why should we always be tenants? Where is the pride, where is the achievability of one's desire? I would like to ask those members that are in here, wondering and scratching their heads about what I am saying, whether or not they own their own homes? Do they have the security of their own home when they go home? Do they know that they are secure in their own home when they go home tonight? Are they worried that they are going to upset their landlord when they go home tonight? Or are they relaxed and comfortable? Have they pride in where they live? Are they sitting looking over their shoulder, wondering when and where they are going to be in six months' time? It is unsettling, it is unjust, and it is time to change. It is time for me to sit down.

12.1.4 Deputy C.J. Scott Warren:

Firstly, under Objective 4, I would like to ask the Minister: I very much favour tenant participation, but I just wonder if he could elaborate further on the £73,000 approximate increase in revenue expenditure for 2008? Then, I think these come under Objective 2, it was referred to briefly at a meeting, it was in fact the discrimination conference, at which there was quite a bit of concern expressed about housing in Jersey. The Medical Officer of Health's annual report suggests there are 3 recommendations she makes regarding housing. One of them is to introduce a new housing law to address the shortfalls in the Island's housing. I just wondered if you had any comment on her recommendations? The other is a survey of a sample of houses to assess the condition, air-quality and accident risk. Also, she mentions space standards in new houses which are being built and planned, and which has been quite a criticism in the social policy framework document, that there is not enough space in homes. That brings me on to saying that I am very, very pleased that Housing are working with other departments, parishes, Planning, Health, regarding initiatives such as lifelong homes. Also, I very much welcome the new Environment Scrutiny Panel report. I have not read it thoroughly, but I have read the recommendations, and I understand that is being taken seriously by the Planning Department. I would just like comments, please, from the Housing Minister.

12.1.5 Deputy G.P. Southern:

Just briefly, I would just like to refer to the overall aim of housing, to ensure provision of long-term sustainable and affordable housing to meet the needs of all residents. I just wonder about the decision to raise rents by 2.5 per cent in October 2007 and in October 2008, and I believe this adds on to already one rise of 2.5 per cent this year. So, it is 2 in this year, I believe. I just question what the Housing Department is doing in terms of affordability, in the light of the fact that housing trust associations have put their rents up by 4.5 per cent this year? In particular, who is chasing who? Are you chasing the trusts? What consultation have you had with Social Security over this, I think it is going to be three rises, in terms of what is going to happen in terms of the housing component to replace rent abatements and rent rebates under the new scheme, and what impact that will have? Because as I understand it, the rates have already been adjusted for uplift, but I was not aware that they were due to be uplifted in October 2008, nor that there was to be a second rise in October 2007. So, the question is, what consultation have you had with Social Security over the implementation of the housing ferment in income support, and whether they will be chasing the Minister with his seemingly endless rising of rate?

The Bailiff:

I call upon the Minister to reply.

12.1.6 Senator T.J. Le Main:

Let me start by Deputy Breckon who raised the hardship issue on people of this Island who are seeking 'g's. The issue is quite clear at the moment that we hardly get any at all. Very, very few at the moment shows that the quality and the amount of housing in the private sector has certainly met a need for many people. Although, while we have no control over accommodation in the private sector, there is some pretty poor accommodation still in the private sector and still overpriced. But that is the lodging situation as we see it. But saying that, Sir, it is very, very rare that I see a States' member representing a constituent without adequate qualification for hardship. In fact, it is not for me to say, or my Assistant Minister who deals with the front line - I am the final end of the line - but in all cases, unless it is really very, very serious from the medical notes in front of us, my Assistant Minister will invariably pass them on to the MOH (Medical Officer of Health) who will then decide the quality of the hardship caused, and we go by that. But I have to say that some years ago it was nothing to sit all morning and have 15, 20, 30 cases, and those were being on the Connétable of St. Brelade and Deputy Breckon and Deputy Baudains and many others that were on previous housing committees. It really was an awful, awful job and an awful issue. Thank goodness, that has gone away. In fact, some years ago when I did my housing surgeries at Quennevais, it was nothing to have 20 or 30 people queuing up on a Friday lunchtime to see me about housing issues. Now, we go, still on a monthly basis, myself and my Assistant Minister, and we are often joined by Deputy Power to meet his constituents, and we often get no one at all now. So, there is a real success there in that area. Security of tenure has been a nightmare, I have to say. Hopefully, same old story: when we got the security of tenure, we have got this withholding of deposits issue. We are trying to tie the two together, and they have been backwards and forwards to the Magistrates, the law drafting; it has been backwards and forwards, backwards and forwards. At the moment, Sir, I have to say, and I warned the Assembly this when the deposits issue was brought to the Assembly, that I have not got the staff at the Population Department to be able to take full attention on this. I am advised now that hopefully, it will be by February or March that we can resolve this. In the meanwhile, if anybody is concerned, I would be very happy if they would like to come and have a coffee with my Assistant Minister and me, with the population officers, then I am very happy to go through it with them, and they may be able to give me some assistance, if need be. But the issue is, it is a very, very complicated issue. So, as I say, there is an open invitation for any member that would like to come and see us. Supply and demand by Deputy Breckon: well, the Housing Needs Survey document that is going to go out will be the most comprehensive document that one has ever seen, and it should really bring in all the information that Deputy Breckon and

others are seeking. I am not sure, Sir, if members have seen that document that is proposed to go out, but if any member would like a copy, then I am happy to send them a copy on for their information. Due to go out very soon. The other issue that Deputy Breckon went on about was about the high-rise, I presume about flattening some of these places. Well, I have given a promise to Deputy Duhamel, I spoke to him only recently again, and to Deputy de Faye, that we are quite happy to look at the issues on some of these high-rises. I have asked Deputy Duhamel to give me some addresses he knows of in the U.K. I hear members of Scrutiny Panel are going to Sweden and Vienna and all that. Well, I have not even been to England to have a look at some of the places, Sir. The issue is that if members have got information in their hands I am quite happy to re-look at all the issues that we raised in the Property Plan. Nothing is cast in stone. I am willing to work with all the members. Deputy Power: yes, Sir, we are due to meet with Deputy Power and the Housing Scrutiny Panel to have a day out on the proposal for the social housing plan, and we can get together so that we know which way we are going.

Deputy S. Power:

If I may interrupt, just to correct: the day out is a morning at the Housing Department. [Laughter]

Senator T.J. Le Main:

Probably because the Deputy is going for lunch somewhere, Sir, and we cannot afford lunch. But, we have allowed a day to meet and that is still the case. But the issue is quite clear. There is still a huge shortage right across the spectrum in housing, particularly for three-bedroom family homes. There is a shortage of stock. I believe, Sir, and the Planning Minister believes, that with what is the underdeveloped H2 sites - still one or two H2 sites undeveloped, some coming online, 690, some coming, Field 40, and we believe that will have a good impact on supply in the next year or so. But the issue is that the demand again is increasing for first-home buyers. No question about it. 18 months ago the developers were having problems selling their homes and were advertising. Now there is a very, very strong demand again. Salaries have gone up accordingly in all areas of business because the business is good, and there is, as I say, a shortage at the moment. Well, I hear Deputy Power; he has met the local clergy. Well, I meet them all the time as well, and God bless their souls. [Laughter] They would like to give qualifications to everyone, Sir. That is their way, you know, but I have had to tell them a few times: "Hang on, hang on. It is all very well, you know, people come to this Island", and I have to say to them: "You know, you knew when you came to Jersey you had to make a commitment. You cannot just expect to walk into this Island and get housing qualifications. The pressures then, would be - well, we would end up like Hong Kong." So, as much as I like the clergy, I have to be careful what I say, Sir, [Laughter] because my wife goes to church every Sunday.

Deputy S. Power:

If the Housing Minister would give way for 30 of seconds, that is not what I said, Sir. What I said was the clergyman did not say that he would like housing qualifications for everyone. He referred to the standard of housing for those people who are not qualified, which is not acceptable. That is what he said.

Senator T.J. Le Main:

Well, I accept that, Sir, but I have to say they have told me differently. They have told me many times that they would like to see the qualifying period reduced down to five years or lower, if possible. I cannot blame them. That is their role. They are looking after their people. Sir, Deputy Power was on about planning and re-zoning, and talking about the Connétables. No mention of the parishes. I have given a promise to all the Connétables, whenever we have any developments or otherwise, that I will work with the Connétables. As I said, we are working on Le Squez at the moment, and I intend to work very closely on the new plans for Le Squez to work with the two Parish Deputies, the Connétables, the Procureurs and the officials. There will be a joint plan agreed

by all of us. The issue is that, as much as Deputy Power is talking about re-zoning and what the Housing Minister is going to play in the role of re-zoning, it is not the Housing Minister that can do anything to do with re-zoning. It is the Planning Minister who has the power in his hands to re-zone land. I keep asking the Planning Minister. He keeps responding very, very positively. We have got a very good working relationship. In fact, so close sometimes I think he can come and live with me, or I will go and live with him. **[Laughter]** The issue is that we are very confident, the Planning Minister and myself, and our two sister ministries respectively, that we will come forward in the next three or four months with some really good plans for re-zoning homes for local people. The other issue that I must say is that the issue is about shared equity. Now, I will take this now because this was a point that Deputy Le Claire raised, and one or two others. Shared equity is an issue that has been very, very deeply gone into. We have looked at all the issues in the U.K. and other countries. The Planning Minister has now, with my total agreement, and officers' agreement, virtually got the paper on the table now for our consideration, where we believe there will be a really affordable scheme for re-zoned sites that will produce affordable homes under the shared equity scheme, which will be easy to run and not have to produce legislation over several years, like in the U.K. So, I am very confident that we are going to have something very, very soon. The other issue, Sir, that Deputy Power went on about was the review of social housing regulatory framework. Well, social housing will look at all that. It cannot be right that the Housing Department regulates itself, regulates housing trusts and regulates everybody else. We are going to move away and we are going to be a property-owning company, providing homes for local people. That is what we intend to do with the social housing plan that will be reviewed, and I hope that we will get away from that in the end. So, I have spoken about Deputy Le Claire's shared equity schemes. In fact, I have to say, Sir, that what we have been doing in the last 12 or 18 months or two years with sites off the 2002 Island Plan where we have got planning obligations, where we have got a 45:55 per cent split, where we have got onward sale in perpetuity has been very interestingly taken up by several MPs (Members of Parliament) in the U.K. They have written to me, particularly in the southwest, where they were developing land for the first-time buyers, and they were all being sold within two or three years and were all being bought up people who wanted them as holiday homes or what have you. Very interestingly, they are looking, as are many of our schemes are providing, on rezoned land. In fact, I have an invitation to hand now to go on the talk show in Dublin on the same subject. So, one of these days, perhaps, Deputy Power and I will go over. **[Laughter]** Deputy Le Claire also spoke about Ann Court. Ann Court is an integral part of producing and achieving the town park. No question about it. It is an opportunity. It is causing us great difficulty, I must admit. But I have to say that Ann Court, half the site has to be demolished anyway. It makes sense that we have one or two other issues that we think we can work on to produce the homes we lose there. Give us a period of time, and now that you have approved our Property Plan, we have got a lot of flexibility through our Property Plan to work within the portfolio and land and property we have got. There will be some good news coming out very soon. So, just wait. The buy-to-let is nothing like people have been saying. The estate agents are totally wrong when they are saying it has been causing a problem. We have to see who occupies those units. We know there have been about 60 units sold off the Spectrum and Century sites to the developer advertising in the U.K. to U.K. purchasers. No more than 60. But I have to say to you, they have burnt their fingers, and many of those are back on the market for sale. They are trying to get out of them. They have not got the rents they thought they were going to get, and they thought they were going to be able to occupy them. So, a lot of those are back on the market. We have had that information back from estate agents at the moment. So, the issue about the buy-to-let: bury it. It is not true. I know that Deputy Breckon was having a late night the other night when he wrote a letter and said there were 400 or 500 out there to be purchased. It is not true. We have the figures, and I am quite able to show any member of this Assembly who would like to come to me at the Population Office. We can show him the figures. You cannot beat the figures. One thing that Deputy Le Claire was saying, that we must remember, you know, these people want to buy. They want to buy homes. It is their right. Yes, I know. But, you know, I think that Deputy Le Claire

mentioned about the person who worked in the shop. But, you know, in my time, when I bought me first home, 40, 45 years ago, on a States' loan for £4,000, even in those days, people just could not afford to buy. There were people now who would never earn enough. They want to be a first-home buyer, and they are complaining. If you remember, three or four years ago we put out a housing list. People would write in. We had 2,000 names on our list. By the time we had finished and sifted through all these people - we had people there earning £10,000, £11,000, £12,000 wanting to buy a three-bedroom house. The issue was that we had to discount three-quarters of the names off the list, because they would never, ever be able to buy. No matter what scheme you put forward, they would never be able to buy. But there are many, many people - and I have got a thing about this - who want to return. We want to get people back from the U.K. that are graduates, that are young people who have trained and gone to university, gained some experience, to take up some of the positions in Jersey, and we need to be able to provide some incentives by shared equity or other, so that they can afford to buy homes. The other issue is, I have got a thing about single-earner families where there are, in this Island, several hundred families with a disabled or physically disabled child or something. So, two parents cannot work. Many parents, both parents work. But if one parent only is able to work, we need to be able to try and meet the objectives of those people to be able to become homeowners somewhere along the line - where this is a single earner in a family because the mother has to stay home and look after, perhaps a disabled child or a child with difficulties. Deputy Scott Warren was on about the £73,000. I will have to come back to you, Deputy. I have got paperwork everywhere, and I am not sure about the discrimination conflicts and the issues regarding the recommendations of the new housing law. I mean, I do not know what they mean by: "New housing law to address shortfalls in Island housing." It is not a new law we want. We need more land. The counting-out a sample survey of houses to assess conditions. That is health. Many of these issues are nothing to do with housing. It is health and planning who put the conditions on specification. I have got to say to members that we are building at least 10 or 15 per cent higher than the recommended specifications. The flats, for instance, recently completed at Le Marais for the elderly people, are so heavily insulated and the building is so good now that many of those people have not even used the heating this last winter. It is absolutely electric heating and they have not had to use the heating. So, that is a very good sign. It shows that if you build them eco-friendly, and you build them to the very highest specifications, with good quality insulation, good quality material, then you reap the benefits in the long term. Well, Deputy Southern, I expected him to ask about raising rents. Well, rents are falling way behind again, and we are raising the rents at 2.5 per cent this year and 2.5 per cent next year, and he raised the subject about the trusts raising their rents to 4 per cent. Well, in one year they cannot raise their rent more than three per cent, which is the maximum. If they put them up to 4 per cent, it is probably based on a two-year period. It certainly cannot, without the Housing Minister's permission, put their rents up by more than three per cent. I have to say that I am not sure what the latest is with the consultation with Social Security, but up to recently officers are virtually in daily contact with Social Security, and full consultation on every matter has taken place. I do not think we can do any more. But I am sure the Social Security Minister will inform the members of this, but I do not think there is anything more we can do. I reiterate, Sir, that all our objectives, these and many more issues, are to be shared with every member of the Assembly. Very, very rare do I ever get a member that asks to come and have a cup of coffee and have a chat with myself and my Assistant Minister at the department or even at home. So, please, it is to be shared among you all, and I urge you all to support our objectives.

The Bailiff:

I will put the question. Will those members in favour of adopting the proposition kindly show? Against? The proposition is adopted.

ADJOURNMENT PROPOSED

The Bailiff:

Very well. If members are agreed, we will adjourn now and reconvene at 9.30 a.m.

ADJOURNMENT