



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 11.00 a.m. – 1.28 p.m.

Gibraltar, Thursday, 24th November 2016

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The Gibraltar Parliament

The Parliament met at 11.00 a.m.

[MR SPEAKER: Hon. A J Canepa GMH OBE *in the Chair*]

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

Procedural – Recess of House to enable Members to attend funeral

Mr Speaker: The House is going to recess from now until quarter to twelve to enable a number of Members to attend a funeral.

The House recessed at 11.05 a.m. and resumed its sitting at 11.45 a.m.

Questions for Oral Answer

DEPUTY CHIEF MINISTER

Q823/2016

Brexit –

Intention re litigation in English courts

5 **Acting Clerk:** We continue with questions.
We start with Question 823. The Hon. T N Hammond.

10 **Hon. T N Hammond:** Mr Speaker, does the Government intend to follow the example of Scotland and intervene in proceedings currently being litigated in the English courts on whether the UK government can lawfully use prerogative powers to give a notification under Article 50 of the Treaty on European Union of the UK's intention to leave the EU?

Acting Clerk: Answer, the Hon. the Deputy Chief Minister.

15 **Deputy Chief Minister (Hon. Dr J J Garcia):** Mr Speaker, the position at present is that the Government does not intend to intervene in the proceedings.

Hon. T N Hammond: Mr Speaker, is the Government aware that a Gibraltarian is noted as an interested party in the current litigation?

20 **Hon. Dr J J Garcia:** Yes, Mr Speaker, the Government is aware of that.

25 **Hon. T N Hammond:** Mr Speaker, may I just ask is the Government intending to provide that individual any kind of assistance in that litigation certainly in terms of his travel to and from the United Kingdom, or any other kind of assistance?

Chief Minister (Hon. F R Picardo): Mr Speaker, the Government does not assist litigants in private proceedings.

30 The hon. Gentleman might recall that in the case of Denise Matthews, who went to the European Court of Human Rights, she obtained legal aid – legal assistance, as I think it is termed even by the European Court of Human Rights – in respect of that matter. In this case, all of the litigants are funded by what is known as crowd funding, which is a collection of funding from individuals who might support a particular cause. Neither has the Government been approached by this person, asking us to provide any funding whatsoever.

35 The Government is not intervening itself and is not supporting a Gibraltar who is intervening. The Government is dealing with the issues that arise in Brexit politically in our exchanges with the British government. We do not consider that it is appropriate for one Government to litigate against another. In some instances the Government has intervened as interested parties in litigation, for example in the case of the GBGA versus the United Kingdom government. The Gibraltar Government has intervened but is not taking sides in that case. We believe that, as politicians, we should be involved in political exchanges with the British Government. We would only take legal proceedings *in extremis*.

45 **Hon. T N Hammond:** Mr Speaker, from that answer would I be right to infer that the Government disagrees with the positions taken by the Scottish and Welsh governments in participating in the litigation?

50 **Hon. Chief Minister:** Mr Speaker, the Government does not give opinions on the opinions of others. The hon. Gentleman has asked us whether we agree with the opinion of the Scottish government. The Government of Gibraltar – through the Office of the Deputy Chief Minister, who is the Minister with responsibility for Brexit, and through the Office of the Chief Minister – is engaged in negotiating the best possible deal for Gibraltar in the context of the decision of the people of the United Kingdom to exit the European Union. We will continue to do that and I think that the hon. Gentleman might wish to say with the success that we are meeting, but in the case of the matter which is before the courts of the United Kingdom the hon. Gentleman needs to reflect that that case relates to the right of parliamentarians in the United Kingdom to make a decision versus the right of the Prime Minister to make a decision. In other words, it is a question of whether the executive of the United Kingdom engages a particular action or whether it is an action that can only be engaged by the Parliament of the United Kingdom. Therefore, parts of the United Kingdom may wish to intervene in the courts of the United Kingdom in respect of that matter. The legal definition of the United Kingdom does not include Gibraltar and Gibraltar does not have representation in the Parliament of the United Kingdom. Therefore, the Government of Gibraltar does not consider, before even determining whether we would want to take that action, that Gibraltar should be represented by their Government in those proceedings.

65 **Hon. E J Phillips:** Mr Speaker, just one further supplementary in relation to that question: has the Government been approached by any devolved government to participate in these proceedings, or been invited at least?

70 **Hon. Chief Minister:** Mr Speaker, the Government has many discussions ongoing with the governments of the devolved administrations of the United Kingdom and the government of the United Kingdom, and we are not going to be giving any indication of what those discussions relate to other than in the press statements that might be agreed between the governments of

75 the devolved administrations and the Gibraltar Government that we should be indicating what it
is that we are discussing. I do not think it is in the interests of Gibraltar at all that we should do
that.

80 What we will continue to do is continue the excellent work which is being undertaken by the
Deputy Chief Minister and by other officials of the Government – in particular the Attorney
General, who has built a career around issues relating to European law – and all of the
Departments of Government that are engaged to ensure that in partnership with the United
Kingdom, not in litigation against the government of the United Kingdom, we secure the best
possible deal for Gibraltar out of the decision of the people of the United Kingdom to exit the
European Union.

85 We will continue the excellent work that we have been doing with Minister Walker of the
Department for Exiting the European Union and with Minister Duncan of the Foreign Office and
the technical and administrative teams that they have composed to do the work that needs to
be done to navigate this very difficult moment in the history of the United Kingdom, in the
history of Europe and in the history of Gibraltar, through partnership and in an attempt to
90 ensure that we get the best possible deal for Gibraltar in respect of all of the areas that are now
up for discussion. We do not believe that that is an avenue best pursued through litigation.

INFRASTRUCTURE AND PLANNING

Q784/2016

Parking management company – Financial incentives

Acting Clerk: We move to Question 784. The Hon. T N Hammond.

95 **Hon. T N Hammond:** Mr Speaker, does the private company contracted to manage parking
offences on behalf of the Government receive any kind of financial incentive for the number of
fixed penalty notices it issues or clamps it places?

Acting Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

100 **Minister for Infrastructure and Planning (Hon. P J Balban):** No, Mr Speaker.

Q785/2016

Parking offences – Number of fixed penalty notices issued

Acting Clerk: Question 785. The Hon. T N Hammond.

105 **Hon. T N Hammond:** Mr Speaker, how many fixed penalty notices have been issued to
vehicles for parking offences, by month, since January 2012?

Acting Clerk: Answer, the Hon. the Minister for Infrastructure and Planning.

Minister for Infrastructure and Planning (Hon. P J Balban): Mr Speaker, the information
requested by the hon. Gentleman is detailed in the schedule I will now hand over.

Schedule for Q785 of 2016

Parking fines (Fixed Penalty Notices) issued during the period 01/01/12 to 31/10/16

	2012	2013	2014	2015	2016
JANUARY	1099	702	897	963	705
FEBRUARY	1113	1031	1275	957	1535
MARCH	771	763	889	616	730
APRIL	962	798	1095	641	794
MAY	814	937	1230	210	983
JUNE	725	549	1141	599	538
JULY	1147	718	1719	1812	1161
AUGUST	1018	1090	1179	1578	1553
SEPTEMBER	1284	654	1360	1018	2652
OCTOBER	809	790	970	1087	2817
NOVEMBER	631	1194	843	1155	
DECEMBER	673	1230	816	518	

ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS AND THE GSB

Q794-799/2016

**Project Search and Supported Employment Company Ltd –
Terms and conditions of employment**

110 **Acting Clerk:** We move to Question 794. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government disclose in what inroads have been made towards Project Search or any other framework of Supported Internship?

115 **Acting Clerk:** Answer, the Hon. the Minister for Economic Development and Telecommunications.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): I will answer this question, Mr Speaker, with Questions 795 to 799.

120 **Acting Clerk:** Question 795. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government disclose which departments, companies, agencies or authorities are the employees of Supported Employment Company Ltd providing services to?

Acting Clerk: Question 796. The Hon. L F Llamas.

130 **Hon. L F Llamas:** Mr Speaker, can the Government explain what leave and sick leave entitlements are extended to the employees of Supported Employment Company Ltd?

Acting Clerk: Question 797. The Hon. L F Llamas.

135 **Hon. L F Llamas:** Mr Speaker, can the Government explain what pension plans have been offered to the employees of Supported Employment Company Ltd?

Acting Clerk: Question 798. The Hon. L F Llamas.

140 **Hon. L F Llamas:** Mr Speaker, can the Government disclose what hourly rate is paid to the employees of Supported Employment Company Ltd; if employees are on different rates, then provide a schedule detailing the number of employees on each rate?

Acting Clerk: Question 799. The Hon. L F Llamas.

145 **Hon. L F Llamas:** Mr Speaker, can the Government disclose how many employees are employed by Supported Employment Company Ltd, together with a schedule detailing when each employee was employed?

150 **Acting Clerk:** Answer, the Hon. the Minister for Economic Development and Telecommunications.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):
Mr Speaker, I would remind the hon. Member opposite, who might not be aware of it, how badly the 15 years that his party was in government compares with what is being provided now. I would like to remind him of what was provided up to December 2011.

155 The individuals now employed by Supported Employment Company were individuals in the so-called Vocational Training Scheme. Some of them had been there for many years. They were paid an allowance of some £400 a month, which translated into an hourly rate of £2.50, roughly half of the national minimum wage. They had no employment rights and therefore no entitlement to sick or annual leave, nor did they have social insurance cover for old age pension or industrial injury.

160 As the House was informed in 2012 and on several occasions since then, those involved were transferred on 1st February to the Employment Training Company and together with other individuals then being paid the same amount as vocational trainees. A few months later, the Supported Employment Company was especially created for the benefit of those it was felt would not be able to enter into mainstream employment. A number of individuals were therefore transferred to this company and others have joined since. They were given indefinite contracts of employment. At the end of September the numbers employed by the company was 68 and the start dates of their employments were as follows: 1998, two; 1999, three; 2000, one; 2001, two; 2002, one; 2004, two; 2005, one; 2006, two; 2007, one; 2008, six; 2009, five; 2010, six; 2011, four – these are the ones that were then transferred – 2012, twelve; 2013, eleven; 2014, two; 2015, seven.

170 As can be seen from the figures, 36 of the 68 were already in the discredited Vocational Training Scheme prior to December 2011.

175 These employees are placed in the Care Agency, the Employment Service, the IT Department, the Environmental Agency, St Martins, the Air Terminal, the Tourist Office, the Education Department, the Electricity Authority, the Post Office, the Port Department, the MOT Centre and several private sector businesses.

180 Mr Speaker, as the Parliament has been informed and is public knowledge, employees of the training companies have been paid the national minimum wage since February 2012. This applies equally to employees of the Supported Employment Company on exactly the same terms as the other employees and as is the case with a very substantial part of the private sector.

185 The terms and conditions of employment of all the EDEC companies, including Supported Employment, are also those that apply generally in the private sector, namely the statutory terms. Like every other employee with an employment contract, those in Supported Employment will be eligible eventually, on retirement, to a social insurance old age pension and will also be able to access payments from the charity Community Care Ltd.

There are no plans to introduce any measures for which there is no manifesto commitment.

190 **Hon. L F Llamas:** Mr Speaker, before going into the detailed analysis of all the answers being
provided, I do not seem to have received an answer on the Government commitment on Project
Search or Supported Internship in terms of how far the Government has progressed in that area,
given that there is actually already a provision in the Estimates Book from this year to
commence on that – there was a £10,000 budget there for it. Is the Government able to disclose
195 how far in the project it has actually achieved so far?

Hon. J J Bossano: Mr Speaker, the Project Search concept in the United Kingdom operates on
the basis that those involved are given six months unpaid placement with an employer who
hopefully will employ them. I think that is inferior to what we already have in Gibraltar, and
200 there is no manifesto commitment to replace what we have got with what they do in the UK in
Supported Internships, which is the only information that I have related to the comparison
between what we are doing and what Project Search in the UK constitutes.

Hon. L F Llamas: So does that actually mean that the Government will not be going ahead
205 with Project Search as indicated in the Budget this year?

Hon. J J Bossano: Anything that is done in that area will not be in replacement of what we are
doing in the Ministry for Economic Development in providing employment; it would be in terms
of additional provision which may be done with private entities. But it will not involve the kind of
210 support that we give now to people who are not able to obtain employment in the market.

I think I have mentioned before in a previous question that the hon. Member put to me – or
Miss Nahon put to me – that in the cases of persons with difficulties for a variety of reasons,
which includes persons with disabilities that make employment more difficult, our first option is
to find them employment in the public sector, and in order to do that we provide more financial
215 support than we would provide to a trainee who comes out of school but has got no problem
really in finding a placement. It is only when we exhaust those possibilities that we then put
them in the system that we have created in the new training company for supported
employment provision, half of whom are in the private sector. But the hon. Member will see
from the figures that the bulk of the intake happened in 2012 and 2013 and that in fact the
220 figures compare favourably with the average numbers that were entering in previous years.

So, to what extent is there still a gap that needs to be filled by undertaking something else in
the Project Search? Frankly, I am not very clear that such a need exists – other than perhaps to
supplement or complement what we are already doing.

225 **Hon. L F Llamas:** Well, the main gap, which is what I am being told by various people,
employees and professionals, is the actual follow-up of the employees on what they are doing,
the support that they should be getting in terms of where will they be in five years' time, can
they progress any further, is it the right job for them. That, at the moment, does not seem to be
happening, and it would be something that would be happening if the proper framework, such
230 as Project Search or a supported internship department were actually in place. So that is the
main area that I feel is being overlooked by the Government and I would be grateful if the hon.
Member would disclose if maybe this area could be improved.

Hon. J J Bossano: I can tell you what we do have is a number of volunteers from the persons
235 who are over 60 and working as community officers, who are allocated the 68 that we have, and
who therefore, under the community care system the work that they take on is in fact to keep in
touch with the persons we have got in employment.

There have been a number of people who have been able to move from supported
employment into mainstream employment in the four years that the system has been in place,
240 but I do not think there would be more than maybe four or five people who have moved on. So
to my knowledge there is no desire from the people who are there, no indication and no

feedback to me that they want to move on from where they are. In fact, sometimes we have a problem in that somebody in the private sector who might have been accommodating in being willing to provide a placement – which does not cost them any money but nevertheless means that they have got a certain responsibility, and they have to have the capability to do it and we monitor that they are doing it ... but sometimes they tell us that for some reason or another to do with the way the business is performing they are no longer able to provide us with that service. Once a person has been in an area like that for a number of years they tend to resist moving elsewhere. So, if there are people who want to move on and if they think that we are not doing enough to help them move on, then I would be very happy to know who they are and deal with it specifically, but from the staff who deal with monitoring this and ensuring that the 68 employees are being properly treated and are happy where they are, I have not had that feedback.

Hon. L F Llamas: A couple of weeks ago I had the pleasure of meeting a lady from the UK who works for BASE, the British Association for Supported Employment in the UK, as did the Hon. Minister Costa. It was very interesting, because obviously the main argument and the model that they use in the UK that actually works very well is that these employees are usually employed in the private sector and they are actually not employed directly by Government. This does provide a lot of incentives and it actually improves businesses and they actually start to receive business revenue out of employing people with disabilities or learning disabilities, because they are seen as good employers and it has benefits for them in the same way.

But one of the things obviously that maybe the Hon. Minister would like to take on board is also what Supported Internships do in the terms of the follow-up. The Hon. Minister has said that the follow-up and the keeping in touch is done by the employees of the Community Care, and I would beg the Government to actually think about other ways of keeping in touch and following up with people who are actually professionally qualified in assessing these situations and monitoring them. Would the Government be able to at least look into this area whilst the Supported Employment Company is still in place?

Hon. J J Bossano: Mr Speaker, the hon. Member seems to have forgotten what they were doing for 15 years. For 15 years they had a system which was incredibly inferior to what is happening now, and therefore it is all very well to come and say that we should be doing more than we are doing.

The people who are qualified to assess them in terms of their medical problems are not the people from Community Care. The people from Community Care are just going to make sure that they get a regular visit, that the person is not having problems at work and that the employer is actually maintaining the person in the kind of work they were promised to do originally. This is predominantly something that is perhaps necessary in the private sector. Clearly, since half of them are in the public sector, we know exactly where they are because all we need to do is call up the head of department. Some of these individuals have been there for many, many years –remember that the oldest one is from 1998 – and they have been doing the same task for many years in some of these areas, particularly in the public sector. The feedback I get from those who have been dealing with them for many years and have known them for many years is that if one of the individuals for one reason or another is not happy there, then we get told that and we find them an alternative placement. But the reality of it is that our experience in the four years that the scheme has been in operation is that they resist movement. Even when the Department in the Government or the private sector employer may feel that they are not really able to accommodate the person, the person still wants to be there because that is what they have been doing for a very long time. Usually, the people who have some of these learning disabilities have problems adjusting to change. The familiarity is a big, important part of their being happier where they are.

295 The internship in the United Kingdom, as I pointed out to the hon. Member, is something
that, from the point of view of wearing my hat as being responsible for improving the efficient
use of public money, might be a better solution, because the Government does not spend any
money in the UK – it gives somebody an internship for six months unpaid. I do not think there
are going to be many volunteers to move from getting the national minimum wage in Gibraltar,
which is not what people get outside Gibraltar. We have got 9,000 people in Gibraltar in the
private sector working for the national minimum wage and 68 of them with indefinite contracts
300 for life working on that, with the conditions that the 9,000 have.

If there are any individuals who feel, or their family feels could do better and if there is
anything the Government can do so that they move out of supported employment and they
move into the normal employment market, that is fine. I can tell you that some of the people we
have got in the Government ... sometimes their family lobbies so that they should be paid as civil
305 servants and not paid as being in the private sector, but they are not occupying a post in the Civil
Service which would exist if they were not there. The 50% of the 68 who are in the public sector
are supernumerary to what the Department is, and therefore it is not that they are occupying an
existing post and are getting paid the minimum wage.

I have not had any representations made to me, and if they have been made to somebody in
310 my Department it has not reached me. If the hon. Member has got any information that he is
willing to pass to me that will enable me to investigate what he is suggesting, then I am willing to
do it if it is for the benefit of those affected, which is the only thing that really matters.

Hon. L F Llamas: I can certainly say that obviously my attempt at trying to be constructive,
315 providing the Government with constructive criticism of what is failing, is because ... I accept
that obviously that there are instances where employees would not want to move and they have
become accustomed to a certain job and they may actually like the repetitiveness of it and that
is what they thrive on. But many of these cases may be unable to express that they are unhappy,
and if they receive a phone call or somebody goes into the office and does not have the
320 professional background to be able to know whether that person is generally unhappy because
that person is unable to express themselves ... That is why I was raising that question.

Moving on to my next supplementary, I wanted to also ask whether there are cases which are
evaluated of these employees who perhaps are doing very similar or equal jobs to people who
are actually employed directly by Government, or the company or agency, but are actually losing
325 out because they are being paid the minimum wage and are receiving minimum benefits such as
annual leave and sick leave – whether this could be assessed perhaps individually on a case-by-
case basis in terms of if Government is actually reaping a benefit because they might be working
at the same rate as an AA, for example, but not having to employ an AA.

Hon. J J Bossano: Well, I think I have already answered that question, Mr Speaker. If there is
330 somebody in a place where there are two AAs and this is a third person, that third person is
there because it is assumed that there is not work for three and that there is work for two; and
if, in fact, there was work for three then the person from Supported Employment would not
automatically get the job because that would then be getting into the Civil Service through a
335 different entry point.

Given the numbers of people who want to be in the Government, we would suddenly find a
huge increase in people wanting to be in Supported Employment in the first instance as a means
to an end. So the answer is that if a particular Department needs more staff, that is assessed,
and if they need more staff and it has to be recruited, it should be recruited in the normal
340 procedure. Nobody in the Supported Employment Company is denied the opportunity of
applying for any job that comes out, but I have told the hon. Member that in the four years I
think we have actually had something like four persons who were with us actually applying for
other jobs and leaving this company and getting the other jobs. Everybody has got the
opportunity to do that and they get whatever help and assistance they need to be able to do it,

345 but what we cannot do is say that because we have got somebody who has been in the Post
Office, for example, since 1998 – I do not know whether the ones from 1998 are there, but to
give the hon. Member an example we cannot say, ‘Well, okay, because they have been working
in the parcel post since 1998 we are now going to create a new job in the parcel post and give it
350 to one of them and pay them Civil Service rates.’ That is not the way to deal with the situation. If
the job exists and they apply in competition with other people, they would not be disadvantaged
by having been there before – they would have an advantage by being there before, but the job
has to exist.

Hon. L F Llamas: I am not actually referring to creating further posts or for these people to be
355 able to –

Mr Speaker: May I point out that these exchanges are now acquiring more the nature of a
debate to and fro, rather than to urge the Government to take action and seek information.
What you cannot be doing is expressing different points of view, because then it becomes a
360 debate.

Hon. L F Llamas: Okay, so will the Government look into perhaps increasing annual leave and
sick leave entitlements beyond the minimum statutory requirements, so that it regularises
positions of employees employed under Supported Employment to its peers who are employed
365 directly by Government? There seems to be a parity issue there, and obviously the employees of
Supported Employment, who should actually be receiving at least the same benefits as their
peers, could be regularised and therefore they would be in a much better position.

Hon. J J Bossano: No, Mr Speaker. For 15 years they were getting no employment rights
370 whatsoever. They now have the employment rights that are enjoyed by something like 15,000
people in the private sector. I have told the hon. Member that half of the Supported
Employment individuals are placed in the private sector, so is the hon. Member saying if you are
in the public sector you get one set of conditions and if you are in the private sector you get
another one? The reality of it is that if I followed the advice that he is giving me, it would mean
375 that half of them would be getting Government conditions and the other half would be getting
private sector conditions. How long does he think it would take for the half in the private sector
to say ‘I want to be put in the public sector’? He is going contrary to what he started off with
when he was recommending the movement into supporting them in the private sector. That is
how we started and now he is suggesting the very opposite. He must understand that he is
380 asking me to introduce a system where the employment company would discriminate in the
conditions of employment as between the placement providers. If I were to do it in the private
sector, then the situation would be that the people who are in normal employment conditions in
that particular establishment would then be saying, ‘Why should the person who has been
placed here be getting more than me?’

385 The reality is that the system we have got is a vast improvement on what was there before
and is better than they have outside Gibraltar. In the United Kingdom, as the hon. Member
recognises, the Government does not pay anybody anything. They give them unpaid internships
for six months and then the private sector employs them. The private sector does not employ
them in the United Kingdom on Civil Service terms and conditions; it employs them on private
390 sector terms and conditions. We are making sure that the Supported Employment Company is
giving the same conditions as private sector companies do and the same conditions as are given
to the trainees in construction training, in engineering training and in the other fields of training.

The only reason we took them from what were the training companies ... We put everybody
from the VTS into the training companies and then I had representations from those or from the
395 families of those affected that maybe we should give the people we had put in the companies
greater security than annual contracts, because after all the people in the training companies

400 were having annual contracts because it was a stepping stone to another job, but the people here were likely to be there for all their lives. Therefore, on the basis of that – and something that was at the time supported by the Leader of the Opposition and welcomed by him when I did it, which was three or four months after the first move – we gave them indefinite contracts. So you have got a situation where they have got a job for life and they are guaranteed in that job for life that they will never be worse off than if they were working in the private sector, where two thirds of the population is working, and on the conditions of the private sector. They have the same choice and opportunity of moving into the public sector as anybody else in Gibraltar has, but what I do not think we can really commit ourselves to doing is to give somebody, 405 because they have got a disability, more than they would get if they did not have the disability.

Hon. L F Llamas: My last supplementary, Mr Speaker.

410 The reason for the shift was obviously because I was under the impression, given that there was a mention in the Budget, that there would be a quicker move towards Project Search starting, and that was why I shifted my argument. I just wanted to know exactly what the position was. It was not that I shifted my personal opinion.

415 Just a statistical supplementary: how many employees are actually in the public sector and how many employees are providing services in the private sector? I do not think I have been given that figure.

Hon. J J Bossano: I think it is about 50-50.

Mr Speaker: Before we move to Question –

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Hon. E J Reyes: May I, Mr Speaker? Just one thing. Can I please ask the hon. Member to clarify. Right at the very beginning of his answer he was giving us a recollection of how some conditions have improved. Did I hear correctly the Minister say that when they were registered as trainees of the VTS scheme, there were no social insurance provisions? Did the Minister say that? 425

Hon. J J Bossano: That is indeed the case, and in fact I think we had to make a provision to do a backdated payment for the Social Security because they were getting an allowance – they were not treated as employees, they did not have a contract of employment, they were not covered by the Employment Act, they were not protected against unfair dismissal. Not just these, none of the VTS, because they were all treated as not being in employment – to the extent, in fact, that I represented somebody, when I was in opposition, who challenged that in the tribunal and the tribunal ruled that it was not a contract of employment for somebody who had been seven years in the college library. 430

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Hon. E J Reyes: Mr Speaker, perhaps I need to talk further later on with the Minister, because I understand what he is saying about not being an employment contract but I can guarantee to him that social insurance contributions were being made by the employee as well as if it were an employer – the training unit as such, because it was an ESF funded project, were actually paying the equivalent of what an employer was paying, precisely so that these individuals, although technically still a trainee, were already starting to acquire rights for future old age pension. 440

445 He may not have been given the full correct information, but certainly looking back – because I do not want those individuals concerned to lose out in the future, because for x number of years there was an employer equivalent an employee contribution towards that fund, which will be for the trainees' or now employees' benefit in the long term when it comes to old age pension.

But it need be, Mr Speaker. We will not waste our time here. We can exchange views later, because I think we are both mutually interested in helping the individual.

450 **Hon. J J Bossano:** Mr Speaker, I think what happened was that they were at one time, and then they stopped being later on because there was a change from them being treated as employees. In the earlier part of the 15 years they were treated as employees, and then an agreement was done, in which I think Mr Montiel was involved on the union side, and then they were taken out, and then they had to be put back retrospectively.

455 **Mr Speaker:** Before we deal with Question 800, the Hon. Trevor Hammond has indicated he would like to ask some supplementaries arising from Question 785, the schedule that was provided.

460 **Hon. T N Hammond:** Thank you, Mr Speaker, yes, if I may refer back to the question, some of the figures are quite noteworthy, the figures that we have been provided.

For instance, and to give some background to the question, the number of fixed penalty notices issued in September 2014 was 1,360; for September 2015, 1,018; and for September 2016, 2,652. Likewise for October, for 2014, 970; 2015, 1,087; and 2016, 2,817. This constitutes almost a 200% increase month on month in the issuing of notices.

465 Can I ask the Hon. the Minister if he could advise whether any instructions or guidelines have been given to the company issuing these notices and whether there has been any change in policy on Government's part?

470 **Hon. P J Balban:** Mr Speaker, as we discussed in detail last time, there has been no change in policy whatsoever. The instruction given to the company in question is to follow the law itself, and the law states that where cars are indiscriminately parked a fine is applied to such vehicles.

475 **Hon. T N Hammond:** Mr Speaker, is the law being applied universally in all areas of Gibraltar? Has the company been instructed to target any areas in particular, or indeed to target less other areas?

480 **Hon. P J Balban:** Mr Speaker, the company will actually police in the areas they feel necessary. They are instructed to police all areas of Gibraltar. They themselves will perhaps note that there is an acute problem in certain areas over other areas, so it is up to them as to where they police.

Obviously, they know that there are areas in question... I will give an example: Water Gardens is one of those areas in question whereby the amount of indiscriminate parking and causing obstruction to the flow of traffic is rampant, so they will probably police that area more than they would police, say, a parking lot. So they use their better judgement in that respect.

485 **Hon. T N Hammond:** Mr Speaker, does the company employ an expert to determine which areas are particular hot spots? For instance, I would not consider Grand Parade to be a particular hot spot in terms of obstruction to vehicles, and yet I have witnessed myself a veritable army of clampers and wardens handing out tickets there. On what basis does the company determine which are the particularly critical areas that need to be targeted and which areas are less important?

490 **Hon. P J Balban:** Mr Speaker, they use their own judgement. If there is a street-cleaning campaign, for example, there are days in Grand Parade where, yes, they will be there in force, and if vehicles have not been removed by their respective owners you would expect an army of officers there in that given moment in time.

495 If you allow cars to park just indiscriminately, I am sure the hon. Member would not be asking questions as to why we allow them to be clamped. I do not see what the hon. Member is getting at. It is either ... Are we doing too well, or are we not doing well enough? I just do not know what
500 the point is.

Hon. T N Hammond: Mr Speaker, what I am getting at is that there does appear to have been a change, in the methodology at least if not the policy, insofar as the fact that the number of notices has gone up dramatically and the unsuspecting public is certainly feeling the influence of that change. Even though it is not a Government policy in itself to effect that change, it is clearly
505 a policy or is clearly an effect that has come about from the introduction of this company.

Is the company liaising at all with the Royal Gibraltar Police, who I would have thought would be the subject matter experts in this particular area, to determine which areas should be targeted and which should not?

Hon. P J Balban: Mr Speaker, is the hon. Member actually saying that perhaps we are placing too many FPNs and we should perhaps take a more lenient approach, turn a blind eye and allow people to park indiscriminately?

If we look at the figures and we analyse the figures that I passed on to the hon. Gentleman, if I take the largest figure, which is 2,817 for the month of October this year, and we divide that by
515 30 days on average, there are about 94 FPNs placed per day. If you divide that by the amount of officers out there, around 10 officers, we are talking about them placing nine or 10 FPNs each per day. I can drive out of my house and see, within a question of minutes, 10 cars badly parked.

Perhaps what the hon. Gentleman is referring to is perhaps before – maybe the amount of FPNs being placed was not acceptable. I did not want to go into figures pre 2011 because we
520 have said that we really should not be looking back, but I am happy to do so, if the hon. Gentleman would like, as a comparison. I will look at, for example, May 2015 – 210 – and divide that by 30 days, and it was about seven FPNs per day. So each officer is placing 0.7 FPNs a day. Would the hon. Gentleman be happy with that? Is that more acceptable in that respect? I just do not see ... The law states that cars that are indiscriminately ... Remember what is happening: cars
525 are parking on footpaths, and they may be aggrieved because they have been fined but those mothers who are walking their prams and have to go onto the road ... I do not know what the issue is.

Hon. E J Reyes: Mr Speaker, I will try to explain. *(Interjection by Hon. Chief Minister)* The Chief
530 Minister is completely correct and has my support on that one.

Mr Speaker, what my hon. colleague was trying to say ... We are not querying the numbers being too high or too low. What was being asked by this last supplementary was ... The hon. Minister explained, yes, there may not have been a change of policy, other than this is the law being implemented and so on. The hon. Member actually asked specifically is there a specific co-
535 ordination, and we think if there is then there has certainly been some improvement in that co-ordination with the Royal Gibraltar Police, who are the ones I think one would be considered to be the experts on the issue. That is –

Mr Speaker: That question was asked by Mr Hammond and you are now asking it again.
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Hon. E J Reyes: No, we have not got the answer, Mr Speaker.

Mr Speaker: Right, well, we will give the Minister an opportunity to answer. Is there any co-
545 ordination between the Police and the company?

Hon. P J Balban: Mr Speaker, of course the company liaises with the Police; they work together. The Police will seek assistance from the company and vice versa, so they work together as part of the overall package of parking enforcement. But is the actual PMOs, as we call them, who place the FPNs and also, in liaison with the Police, will support events and
550 functions like Memorial Day with the removal of vehicles. So they work hand in hand; they work symbiotically.

Q800-811 and 813-820/2016

Finance

Mr Speaker: Question 800. The Hon. Roy Clinton.

555 **Hon. R M Clinton:** Mr Speaker, can the Government provide a summary of the amount of proceeds paid into the Improvement and Development Fund by Government-owned or controlled companies, including the Gibraltar Development Corporation, in respect of related party property transactions, namely purchases of property from the Government, for each of the following financial years: 31st March 2012, 31st March 2013, 31st March 2014, 31st March 2015 and 31st March 2016?

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Acting Clerk: Answer, the Hon. the Minister for Economic Development and Telecommunications.

565 **Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** Mr Speaker, I will answer this together with Questions 801 to 811 and 813 to 820.

Acting Clerk: Question 801. The Hon. R M Clinton.

570 **Mr Speaker:** Effectively, other than Question 812, the hon. Member should pretty well stand up and ask all the questions on the Agenda Paper.

575 **Hon. R M Clinton:** Mr Speaker, I will of course do that with what is becoming my usual protest at having to lump so many questions together. I am sure, Mr Speaker, you will indulge me, when I come to ask supplementaries, to be given more time to consider the answers from the Hon. Minister.

580 Can the Government provide a summary of the amount of stamp duty paid into the Consolidated Fund by Government-owned and controlled companies in respect of related property transactions, namely purchases of property from Government or purchases of property from other Government-owned and controlled companies, including the Gibraltar Development Corporation, for each of the following financial years: 31st March 2012, 31st March 2013, 31st March 2014, 31st March 2015 and 31st March 2016?

Acting Clerk: Question 802. The Hon. R M Clinton.

585 **Hon. R M Clinton:** Mr Speaker, can the Government provide a list of all companies owned or controlled by it or the Gibraltar Development Corporation whose current liabilities exceed its current assets?

Acting Clerk: Question 803. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government provide an organogram showing all companies owned or controlled by the Gibraltar Development Corporation?

Acting Clerk: Question 804. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government please advise what are the expansion plans for the Gibraltar Savings Bank, given the cost incurred mentioned in the Principal Auditor's Report for 31st March 2015, paragraph 2.7.15, namely a new banking platform and the purchase of four automatic teller machines and legal costs?

600 **Acting Clerk:** Question 805. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please advise why the Gibraltar Savings Bank has acquired a shareholding in Visa with a value of £168,791.44 as at 31st July 2016?

605 **Acting Clerk:** Question 806. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the maturity dates of deposits placed by the Savings Bank with the Gibraltar International Bank as at 31st July 2016?

610 **Acting Clerk:** Question 807. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the maturity dates of the £400 million of preference shares held in Credit Finance Company Ltd by the Gibraltar Savings Bank?

615 **Acting Clerk:** Question 808. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government provide a list of all property sold to GSBA Ltd, a company owned by the Gibraltar Savings Bank, by the Government or Government-controlled companies, identifying the property concerned, the consideration paid and date of sale?

Acting Clerk: Question 809. The Hon. R M Clinton.

625 **Hon. R M Clinton:** Mr Speaker, can the Government advise if it has had confirmation from the Attorney General that the General Sinking Fund (Revenue) Notice 2012 (LN 2012/190) does not conflict with the 2006 Constitution, specifically clause 67?

Acting Clerk: Question 810. The Hon. R M Clinton.

630 **Hon. R M Clinton:** Mr Speaker, can the Government advise if it has had confirmation from the Attorney General that the General Sinking Fund (Establishment) Notice 2012 (LN 2012/189) allows for the payment of interest in addition to capital?

635 **Acting Clerk:** Question 811. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please provide the financial terms for the Capital Bonds redeemed in the financial year 31st March 2014, specifically the £100 million, 1st November 2013, and the £100 million, 1st May 2014, and also those issued but not redeemed, being the £100 million, 1st September 2014, and especially whether interest was payable, were they issued at a discount, or redemption at a premium was envisaged?

Acting Clerk: Question 813. The Hon. R M Clinton.

645 **Hon. R M Clinton:** Mr Speaker, can the Government advise why GAR Ltd, a Government-owned company, purchased the Mount from the Government for £8.2 million and where did GAR Ltd obtain the money?

Acting Clerk: Question 814. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government advise the purpose of Gibraltar General Construction Company Ltd?

Acting Clerk: Question 815. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government explain why total liquid reserves fell by £160 million, from £294 million as at 31st March 2014 to £134 million as at 31st March 2015?

Acting Clerk: Question 816. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government please advise how total Liquid Reserves are invested/held, giving details of all bank/savings bank accounts and cash held for the following date, being 1st October 2016?

Acting Clerk: Question 817. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government please advise the total liquid reserves figure and its constituents, namely Consolidated Fund, Improvement and Development Fund, Government-owned companies, deposits, contingencies and other funds for the following date, namely 1st October 2016?

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Acting Clerk: Question 818. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please provide the total gross debt, aggregate debt after application of Sinking Fund to gross debt, cash reserves and net debt figures for public debt for the following date, namely 1st October 2016?

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Acting Clerk: Question 819. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the contractual terms of the call deposit by Credit Finance Company Ltd with Gibraltar Investment (Holdings) Ltd, specifically interest payable and notice for withdrawing of said deposit?

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Acting Clerk: Question 820. The Hon. R M Clinton on behalf of the Hon. D A Feetham.

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Hon. R M Clinton: Mr Speaker, has the *Sunborn* Hotel paid any capital off a loan provided to it by Credit Finance Company Ltd?

Acting Clerk: Answer, the Hon. the Minister for Economic Development and Telecommunications.

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Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): Mr Speaker, I&D receipts from property sales to Government companies have been £90 million in 2012-13, £37.1 million in 2013-14; £26.4 million in 2015-16.

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Consolidated Fund stamp duty receipts have been £7,140,000 in 2014-15.

It is impossible to say at any given moment in time whether there is or there is not at that specific moment a Government company or GDC company whose current liabilities exceed its current assets or vice versa, or where both current assets and current liabilities are identical.

The Gibraltar Development Corporation owns the following companies: GDC (Directors) Ltd, Gibraltar Capital Assets Ltd, Credit Finance Company Ltd (Ordinary Shares), Economic Development and Employment Company Ltd. The latter has the following subsidiaries: Gibraltar National Exploration of Minerals Gas and Oil Company Ltd; RMB Investments Company Ltd; Zero

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705 Carbon Footprint Company Ltd; Skills Enhancement Training Company Ltd; Supported Employment Company Ltd; Graduate Research and Development Company Ltd; Employment Training Company Ltd; Gibraltar General Construction Company Ltd; Construction Training Company Ltd; and Gibraltar National Mint, which owns, in turn, the Gibraltar International Mint.

As has been previously explained in Parliament, the costs referred to by the Principal Auditor related to the planned expansion of the Gibraltar Savings Bank prior to the creation of the Gibraltar International Bank. Any future expansion plans have not yet been finally decided.

710 All the investments or deposits shown in the statement of investments of the Savings Bank Fund that I provide the hon. Member with are made because the Savings Bank has decided to make them. I will not be providing any further details beyond what is already included in that statement.

Credit Finance Ltd redeemable preference shares do not have a fixed maturity date.

715 The position as regards the investment of GSBA is as stated previously in answer to this question.

The Government is satisfied that the General Sinking Fund allows for the payment of interest and is not in conflict with the Constitution.

720 There were no Capital Bonds redeemed in the financial year ending 31st March 2014 and no bonds issued on 1st September 2014.

GAR Ltd purchased the Mount property as an investment and paid for it from resources available to it.

I suppose, Mr Speaker, that the purpose of Gibraltar General Construction Company Ltd was to conduct general construction.

725 Total liquid reserves came down by £160 million in the financial year 2014-15 because the Government invested this amount in Gibraltar for the benefit of its people.

The position as regards total liquid reserves composition, when, where and how these are invested on a particular date chosen by the Member opposite, continues to be as previously stated.

730 The position of the public debt on 1st October 2016 is as it was estimated on 1st September 2016, except that the cash reserve is now estimated at £59 million and the net debt at £387 million for that month.

Credit Finance Company Ltd call deposit is at 6.5% interest and repayable when required.

735 The position as regards loans provided by Credit Finance Company Ltd continues to be as previously stated.

Hon. R M Clinton: Mr Speaker, I will obviously have to beg your indulgence as I trawl through the answers. It is quite a substantial list of questions and answers for me to absorb all in one go, but I will hopefully, one by one, address each of the questions, but it may take me a bit longer than if I had been able to get the answers individually.

740 If I can take the hon. Member to Question 811, I was specifically interested in the terms of these capital bonds. He tells me that none were issued or redeemed in that financial year, but I actually have the Principal Auditor's Report that ... unless I have made a mistake, but I doubt it. Yes, Mr Speaker, I think the hon. Member has got the better of me. It should have been 2015 in the Capital Bonds, but I wonder if he might be able to indulge me and explain what the terms are of these Capital Bonds.

750 **Hon. J J Bossano:** From memory, I think the terms were that what would have been the interest, had they been paying interest, was accrued and added to the capital value of the bond on redemption when they were redeemed. So if it was 6% a year, for example, then it was repaid at 106%.

755 **Hon. R M Clinton:** Mr Speaker, I am grateful to the hon. Member for that explanation. Would he be able to explain why this particular structure was decided upon as opposed to a traditional bond or a coupon?

760 **Hon. J J Bossano:** No, Mr Speaker, because I am not going to answer any of his questions when he asks me why I do something. The Government governs. I have been there and I have been here, and I can tell him there are things that you do there and there are things that you do here, and they are not the same things. We take policy decisions and we are required to explain what we are doing, but we are not required to explain why we are doing it. We are doing it because we think it is the right thing to do or because we believe it is an advantage to do it. But that is something that the hon. Member has to understand: no Opposition has had the benefit of being able to require somebody to give him an explanation of why. Why do I open my office at seven o'clock in the morning and close it at eight o'clock at night? I suppose because I am a workaholic. The issue is that whenever he asks why we do things, it is because we have taken the decision to do it.

770 **Hon. R M Clinton:** Mr Speaker, I will ask just one final supplementary on Question 811, and that is if the hon. Member could just confirm to me – and I think we probably have the same understanding – that, given the way this note was structured, the yield or the return on this note is not deemed traditional interest.

775 **Hon. J J Bossano:** I fail to see what the question is. Whether it is deemed or not deemed, how does that arise from a question in which he asked me why something was redeemed on a date? And in fact he got that date wrong. That was the original question. He then puts a supplementary and I give him what I believe is correct, but I told him it was from memory. I have not gone back to check that as it was not in the original question.

780 I suppose that if you have got a capital bond then increasing the value of the capital is not deemed to be interest, but I do not see why it is relevant to anything else in the question.

Hon. R M Clinton: Mr Speaker, if I could direct the hon. Member to Question 803, I have requested an organogram: is the Minister willing to provide that to the House?

785 **Hon. J J Bossano:** Mr Speaker, the hon. Member requested an organogram in an answer to be given orally; I do not know how to give organograms orally.

Mr Speaker: Whatever it is, the Chair needs to be elucidated. For the benefit of the Chair, what are these queer objects? (*Laughter*)

790 **Hon. J J Bossano:** Well, Mr Speaker, it is quite simple. It is not something I indulge in – organograms are not my favourite area – but it is something that the hon. Member can do for himself. He seems to want Government Ministers to be doing his work. I have given him what company is the owner of other companies, so what the organogram does is ... He has the name of the company and then a little line which shows all the companies that are below that. I have given that verbally in the oral answer that he requested. What I cannot do is verbally draw a structure in the air, as if it were dealing with virtual reality, so that he would see a picture which can only be given in a written answer.

800 **Hon. R M Clinton:** Mr Speaker, I am, as always, grateful for the hon. Member's answer; and yes, I accept I can actually draw it from the information he has given me.

Mr Speaker, if I can move on to Question 804, in respect of the costs incurred by the Savings Bank, would I be correct in saying that the teller machines and other equipment have now been written off?

805 **Hon. J J Bossano:** No, Mr Speaker, nothing has been written off because I have told him we have not yet taken a decision on what we will be doing.

We have actually taken some steps on something that was intended to be done when we were planning the original development of the Savings Bank and were not anticipating that Barclays Bank would suddenly decide to go and we would need to do something very quickly to be able to replace that as a credit institution. The hon. Member knows the industry better than I do and I do not need to point out to him the kind of chaos we would have had if 17,000 people had been made 'bankless' the next day, particularly the many small businesses that are dependent. So we stopped what we were doing with the Savings Bank and decided that we needed a licensed credit institution to take over the staff, the accounts and the customers.

815 But some things have already been started and therefore ... For example, one of the things we have done is migrated the savings accounts so that we have got them now electronically, which we were doing for the expansion but which we decided to do anyway. We have not given up the possibility that we may be able to use plastic cards and ATMs for people to take money out of their accounts, but we would not be issuing things like credit cards or payment cards – but we might go down the route of actually making it easier to withdraw money from the bank by retaining the ATMs.

The answer is that the expenditure we did has not been written off but some of it has been recovered through some money that we were able to get in respect of some of the investments that we made. Other things have been expenditure that have been reflected in certain improvements in the Savings Bank in terms of our record keeping, which were ... The bulk of the money is in debentures and bonds and so forth in terms of the amount of cash, but in fact there are more customers in the Savings Bank ordinary account. Even though that is only something like £83 million we have got something like 15,000 customers. That has now been computerised and migrated, and that may mean that we are able to produce a more efficient service in that area, so some of the investments which we might not have made had we not been planning to do something else, we have actually put to good use. And there may be some further good use to which things that we have invested in but we are not using at the moment will be used in the future. I think that is taken care of by my final sentence, where I have told the hon. Member that any future expansion plans have not yet been finally decided, so it is still an ongoing process.

835 **Hon. R M Clinton:** Mr Speaker, may I first of all congratulate the Minister for what appears to have been a seamless migration. It is rare that you manage to get a migration without your customers finding out ... or there being any glitches, whereas it would appear that it has been a successful migration and I congratulate the Minister for updating what obviously was an outdated system.

If I may, finally, on this particular question, just ask: does the Savings Bank still retain the four automatic teller machines, or has it perhaps sold them to somebody else?

845 **Hon. J J Bossano:** No, I believe we have still got them.

Hon. R M Clinton: Mr Speaker, if I can now move on to Question 805 in respect of the shareholding in Visa. If I recall correctly, I did ask some time ago about the debit card system in this House earlier this year and was advised it had been abandoned, and the cost was about £1,000, I think, at that time. Would the Minister be able to advise me if I am correct in saying this is a shareholding which is similar to the Gibraltar International Bank, in which it has to acquire some kind of participatory interest in Visa in order to participate in the Visa network?

Hon. J J Bossano: Yes, I believe that is the original reason for it. Yes.

855 **Hon. R M Clinton:** Mr Speaker, finally, given the Minister's previous comments as to not having completely settled the future plans for the Savings Bank, would I be correct in saying that

for the foreseeable future, at least until those plans are finalised, that shareholding will be retained, or is required to be retained?

860 **Hon. J J Bossano:** Well, no, I think, given the fact that we made the investment, we are retaining it because it is a good investment to have. If we had not been planning what we were planning, we might not have done it. It is like what we have done with the investment in the ATMs. If we had not been planning to do what we were, we might not have bought the ATMs. Having bought them, we need to put them to use. The position is that there was a requirement
865 at the time, so it was not a decision that we took to invest in this as opposed to the kind of investments that we do, but it is a good investment and that is why we are keeping it.

Hon. R M Clinton: Mr Speaker, I am not sure if I actually picked up the answer to Question 806, in terms of maturity dates and deposits placed with the International Bank by the Savings Bank. Was I correct in understanding that the Minister said they will make whatever
870 investments they wish? Again, I did not catch any maturity dates – or is the Minister not willing to give me that information?

Hon. J J Bossano: Mr Speaker, what I have told the hon. Member is that I give him a detailed breakdown every month, because he wants to see it, of all the investments that the Savings Bank Fund has, and I am not prepared to give him more information on that list than the information that is already on the list.
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Hon. R M Clinton: Mr Speaker, I move on to Question 807 in respect of the £400 million preference shares held in Credit Finance Company. I believe the Minister said that they have no maturity date. Can the Minister perhaps advise me are they callable on notice by the Savings Bank?
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Hon. J J Bossano: I am sure that if we wanted to we would be able to do it, Mr Speaker.
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Hon. R M Clinton: Mr Speaker, if I may now move to Question 808 in respect of GSBA Ltd. I do recall the answer the Minister gave in respect of this previously, in that earlier in the year I asked him what GSBA Ltd did and he said that they held real assets. I then did a search at Land Property Services in respect of the Treasury building which he had managed had been
890 purchased, but I found that that only accounts for about £5 million, of the £11 million that GSBA Ltd has invested in it. I then asked what has it done with the remaining £6 million, and the Minister indicated that he did not have to give a blow-by-blow account to me.

Mr Speaker, I was wondering if the Minister would be willing to acknowledge that GSBA Ltd is now the proud owner of the North District Post Office and the former South District Post Office?
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Hon. J J Bossano: Mr Speaker, the hon. Member first asked me what GSBA was buying and I told him that I would not give him a breakdown of the investments beyond what the Savings Bank investment list is. He then wants me to tell him whether somebody is selling something to GSBA, which is asking the same question but from the seller's point of view instead of from the buyer's point of view. Well, the answer is I am not willing to either confirm or deny the question that he has asked me.
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Hon. R M Clinton: Mr Speaker, if I produce documents from Land Property Services showing that GSBA Ltd did in fact purchase the 22 Scud Hill property and the Glacis Post Office a couple
905 of years ago and those are now actually being advertised in the *Chronicle* today for sale, would the Minister be able to say whether these documents are correct or not?

Hon. J J Bossano: Mr Speaker, what I am able to say to him is that his question is out of order because he is not supposed to be asking me questions on information that is already in the public domain. That is what I am able to tell him. So he is wasting my time, his time and the time of the Parliament.

Hon. R M Clinton: Mr Speaker, I now move on to Question 809 in respect of the Sinking Fund. I would be grateful if the Minister would elaborate on ... I presume he has legal advice from the Attorney General in writing as to why there is no conflict with the Constitution.

Mr Speaker: No. (**Hon. R M Clinton:** No?) No. (**Hon. R M Clinton:** No?) I advise the Government have stated in the answer that they are satisfied that the Gibraltar Sinking Fund allows for payment of interest ... is not in conflict with the Constitution. The Government are under no obligation to make public, to release, what legal advice they have received from the Attorney General. That is purely a matter for the Government and that is a ruling that I am making. It is a matter that came up in the Parliament of New Zealand some years ago and I have got a record of what transpired, and the Speaker's ruling was that legal advice given to the Government is for the Government and not for Parliament. I abide by that ruling and I implement it here.

Hon. R M Clinton: Mr Speaker, I am grateful for your guidance, although Question 809 did not refer to the interest; it was referring to conflicting with the Constitution. Mr Speaker, perhaps you could enhance your ruling as to whether I can ask whether any legal advice has been given.

Hon. J J Bossano: I do not know, Mr Speaker, if amongst his many abilities the hon. Member opposite also happens to be a constitutional lawyer. I am not, but I find it inconceivable that any Member of Parliament should think that it is possible for the law draftsman to be drafting legal notices which are in breach of the Constitution –

Chief Minister (Hon. F R Picardo): In the Attorney General's office.

Hon. J J Bossano: – in the Attorney General's office, and that he should have omitted if there was the remotest possibility that there was any credibility in the assumption that the hon. Member is making. So, clearly, I can only assume that he is reading the Constitution as a layman and not as a lawyer, and therefore that explains why he is asking silly questions like this.

Hon. R M Clinton: Mr Speaker, of course I am a layman; I certainly am not a lawyer. Can I infer from the hon. Member's answer that in fact if it is drafted by the Attorney General's office that there is an assumption that it is in compliance and there is not any specific advice?

Hon. J J Bossano: Mr Speaker, the hon. Member must understand that just because he thinks that civil servants are not doing their work properly or that civil servants cannot count, or that civil servants do not know how to draft legislation, we do not go rushing off to the Attorney General in case he happens to be right.

This is not something that is done in the Cabinet by the politicians; this is being done by the people who are employed to do the job. They know their job, they have been doing it for many years, they do it well and everybody praises them for how they do it as professionals, so I do not see why I should have to spend any of my time questioning their professional ability to do the work for which they are employed. The people he thinks might be getting it wrong have been longer involved in preparing legislation and in dealing with the Constitution than he has, and I

960 have been longer in politics than he has and if I were to make a judgement I have no doubt that it is not in conflict, but I would not say it is a legal opinion.

Hon. R M Clinton: Mr Speaker, if I can now move on to – and I will pass by Question 810 – Question 813, the purchase of the Mount from the Government at £8.2 million, the proceeds of which, as the hon. Member will know, was credited to the General Sinking Fund, and he advised that GAR Ltd obtained the money from general resources. Can the Minister please advise why it is considered to be an investment and what kind of return GAR expects to get on this investment from ...? I presume they are now leasing it from the Government, or the Government is leasing it from GAR.

970 **Hon. J J Bossano:** Mr Speaker, I do not know why he keeps on asking me why when I have told him why I will not reply to his why! *(Laughter)*

Hon. R M Clinton: Mr Speaker, I am grateful for the hon. Member's response *(Laughter)* as to why he will not say why. Oh, why, I ask myself.

975 Moving on to Question 814, where he, tongue in cheek, says 'I assume the purpose of General Construction is for general construction', can he advise what types of contracts this company is involved in and who decides the contracts that are channelled through this company?

980 **Hon. J J Bossano:** Mr Speaker, the original question was the purpose for which Gibraltar General Construction was set up, and I said I supposed it was set up to conduct general construction, because it was not set up by me – it was set up by the previous Government and we inherited it as an operational company with employees.

985 As I have in fact already explained in Parliament previously, perhaps before he arrived, the employees finished their contracts and then the company was retained without employees and it acts in order to distribute the maintenance work that is being done from 31 Town Range for the refurbishment of housing estates. That is the work it does.

990 **Hon. R M Clinton:** Mr Speaker, can I move on to Question 815. If I recall correctly, the Minister said reserves fell by £160 million 'because we are making investments for the community'. Could he elaborate what he means by 'investments'?

995 **Hon. J J Bossano:** Mr Speaker, the hon. Member does not seem to understand that when the previous Government increased the level of liquid reserves through companies and through the Government, they made it clear at the time that this was in order to have the money available to them. I think at the time there was concern that there might be difficulty in obtaining money in future and that it was a good juncture. I did not ask them why, but there was a judgement that was made then and therefore they deliberately raised funds in anticipation of spending them, and that is something that Governments do. That is to say that if we have got a high level of liquidity in the Government at any one time, it is normally because we have not yet spent money on things that we are committed to spend on in our manifesto. If we come in with a manifesto in 2011 which inherits projects that were in the pipeline and we have got projects in the pipeline from our own commitments of what we want to do in addition to what is already happening, then the logical thing is that as these projects are done, which are capital projects, there are big sums that move out of the liquid reserves and that is why liquid reserves go down and that is why they go down every time they go down. When there is little capital works, normally the reserves get stronger because there is a flow of money that comes in all the time. If the hon. Member looks, for example, at what we do every year and what was done before every year, that part of the surplus is moved to the I&D Fund, then he will realise that if the I&D Fund is lower in terms of its spending, then there would be more money remaining in the Consolidated

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1015 Fund and cash reserves would be higher. That is the way the balance goes. Why did it go down? Because if the money was invested in things which we may think are for the benefit of the people and he may think they are not the right things to do because he happens to be on that side of the House, well that is fine and we may differ, but the mechanism is the mechanism that has always existed.

Hon. R M Clinton: So, Mr Speaker, if I understand the Minister correctly, what he is saying is that I presume the bulk of the money would have gone on capital projects.

1020 **Hon. J J Bossano:** Yes, that is exactly what I am telling him.

1025 **Hon. R M Clinton:** Mr Speaker, moving to Question 819 in respect of the call deposits by Credit Finance with Gibraltar Investment Holdings, I would be grateful if the Minister would consider whether, given the fall in liquid reserves as per my earlier question which we have just dealt with, to £134 million at 31st March 2015, and given that Credit Finance placed a deposit with Gibraltar Investment Holdings of over £300 million, and given his answer that the money was repayable when required, how would Gibraltar Investment Holdings be able to repay that money if total liquid reserves at 31st March were only £134 million?

1030 **Hon. J J Bossano:** Well, Mr Speaker, I am saying that it is repayable when it is required, and it was not required on the date that he has given so the question is hypothetical.

Mr Speaker: Are there any other supplementaries?

1035 **Hon. R M Clinton:** Mr Speaker, if I may carry on the same line of questioning, in a non-hypothetical question is the Minister comfortable that Gibraltar Investment Holdings would be able to repay in full the over £300 million placed with it by Credit Finance, when required?

1040 **Hon. J J Bossano:** Yes, Mr Speaker, I am confident.

Mr Speaker: Any other supplementary arising from the number of questions asked? Does any other Member have any supplementary questions?

1045 **Hon. T N Hammond:** Mr Speaker, if I may just ask, I do not think we received a response to Question 820. I am fairly certain that Question 820 was asked.

Mr Speaker, I apologise but no one on the benches on this side appears to have heard the answer. Would the Minister indulge me and just provide the answer once more.?

1050 **Hon. J J Bossano:** The position as regards loans provided by Credit Finance Company Ltd continues to be as previously stated.

**Q812 and 828/2016
GCP Investments Ltd –
Barclays Bank loan; City Hall mortgage**

Mr Speaker: Question 812.

Acting Clerk: Question 812. The Hon. R M Clinton.

1055 **Hon. R M Clinton:** Mr Speaker, how much is owed to Barclays Bank in total by GCP Investments Ltd at 31st March 2016 and what is the maturity date of the loan?

Acting Clerk: Answer, the Hon. the Minister for Economic Development and Telecommunications.

1060 **Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** Mr Speaker, I will answer this question together with Question 828.

Acting Clerk: Question 828. The Hon. R M Clinton.

1065 **Hon. R M Clinton:** Mr Speaker, can the Government advise why the City Hall was mortgaged by GCP Investments Ltd to Barclays Bank on 29th November 2013 and how much was borrowed?

1070 **Acting Clerk:** Answer, the Hon. the Minister for Economic Development and Telecommunications.

Hon. J J Bossano: Mr Speaker, the Barclays Bank loan matures on 21st December 2025 and as at 31st March 2016 the balance was £17.1 million.

1075 On 29th November 2013 nothing was borrowed from Barclays Bank using the City Hall as security.

Hon. R M Clinton: Mr Speaker, I am grateful for the answer.

May I ask: if nothing was borrowed, then why was the City Hall mortgaged to Barclays Bank?

1080 **Hon. J J Bossano:** Given the look of confusion on the hon. Member's face, I am going to make a concession and answer his 'why' on this occasion, but I do not want it to be taken as a precedent. The answer why is because the Gibtelecom offices across the road wanted to buy the Haven in order to expand – (**Hon. Chief Minister:** The Treasury building.) which was where the Treasury building was, yes, and Gibtel was on the top – and the Treasury building had already been included by the previous Government in a loan that they raised from Barclays Bank for £20 million, and they mortgaged a lot of Government buildings to get this money in order to invest in a private sector development.

1090 **Chief Minister (Hon. F R Picardo):** They mortgaged the Treasury with Barclays Bank.

1095 **Hon. J J Bossano:** Yes, and in order to facilitate the acquisition by GibTel of that building, Barclays Bank agreed to switch the portfolio and take the City Hall building as opposed to the building that was opposite. All that we were doing was tidying up the process that had been started by his party before us. That is why I am giving him the answer to why. (*Laughter and banging on desk*)

Q821-822/2016
Training in trades –
NVQ levels 1, 2 and 3

Acting Clerk: Question 821. The Hon. R M Clinton on behalf of the Hon. D A Feetham.

1100 **Hon. R M Clinton:** Mr Speaker, how many individuals have actually been taken in for training at NVQ level 1 at the two training centres in each of the last four years?

Acting Clerk: Answer, the Hon. the Minister for Economic Development and Telecommunications.

1105 **Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano):** I will answer this question with Question 822.

Acting Clerk: Question 822. The Hon. M D Hassan Nahon.

1110 **Hon. Ms M D Hassan Nahon:** Could Government give a breakdown of the number of young people who have successfully completed levels 1, 2 and 3 of the various trades as presented in the Employment and Training motion of the October session of Parliament?

1115 **Acting Clerk:** Answer, the Hon. the Minister for Economic Development and Telecommunications.

Minister for Economic Development, Telecommunications and the GSB (Hon. J J Bossano): Mr Speaker, the number of individuals starting level 1 training in the last four years have been: 2012-13, 4; 2013-14, 83; 2014-15, 143; 2015-16, 67.

1120 The number of persons who have successfully completed levels 1, 2 and 3 of the various trades discussed in the motion last month are as follows: level 1, 275 trainees; level 2, 282 trainees; level 3, 104 trainees.

1125 **Hon. E J Reyes:** May I, Mr Speaker? The Hon. Minister, in reply to Question 821, has given a figure which I take it is a collective figure for the two training centres. Would he happen to have a breakdown of the construction centre as opposed to the engineering training centre, which combined would give me the totals that he has provided?

1130 **Hon. J J Bossano:** Mr Speaker, I think, if I am right, that the level 1 is not done in Gibdock, so the figures for level 1 are all Construction and Training Centre and there are none in Gibdock. They go in at level 2. That is my understanding.

1135 **Hon. E J Reyes:** Mr Speaker, I am not trying to catch out the Minister, or whatever. From my recollection, what the Gibdock training does is it gives the underpinning knowledge of level 1 but does not bother sitting for an exam, but rather pushes them straight through to level 2, because, as we spoke about last month, the qualified craftsman in engineering trades is considered to be level 3, so there is no need to hold that level 1 certificate.

1140 I am grateful. The answer does satisfy me, because then there has not been any change and they do not actually sit down for examinations in level 1. So, unless the Minister has heard of any change, then I am quite happy with that and take these as being all under the Construction Training Centre.

1145 **Hon. J J Bossano:** Yes, I think the answer that I have given him is on that basis: they are all construction training workers because they are not given a separate level 1 certificate.

Mr Speaker: If there are no other supplementaries, the House will recess to this afternoon ... at?

1150 **Chief Minister (Hon. F R Picardo):** Yes, Mr Speaker, with the information ringing in our ears that the party opposite mortgaged the Treasury, *(Laughter)* I propose that we recess now until 3.30 this afternoon.

Mr Speaker: The House will now recess until 3.30 this afternoon.

The House recessed at 1.28 p.m.