

**THE STATES assembled on Tuesday,
25th May 2004 at 9.30 a.m. under
the Presidency of the Deputy Bailiff,
Michael Cameron St. John Birt, Esquire.**

**His Excellency the Lieutenant Governor,
Air Chief Marshal Sir John Cheshire, K.B.E., C.B.,
was present.**

All members were present with the exception of –

Senator Paul Vincent Francis Le Claire– out of the Island
John Baudains Germain, Connétable of St. Martin– ill
Celia Joyce Scott Warren, Deputy of St. Saviour– out of the Island
John Benjamin Fox, Deputy of St. Helier– out of the Island
Geoffrey John Grime, Deputy of St. Mary– ill
Michael Andrew Taylor, Deputy of St. Clement– out of the Island

Prayers read by the Deputy Greffier of the States.

Subordinate legislation tabled

The following enactments were laid before the States, namely –

Island Planning (Designation of Sites of Special Interest) (No. 8) (Jersey) Order 2004.	R&O 46/2004.
Island Planning (Designation of Sites of Special Interest) (No. 9) (Jersey) Order 2004.	R&O 47/2004.

Matters presented

The following matters were presented to the States –

Commission Amicale: report for 2003. <i>Presented by the Commission Amicale.</i>	R.C.24/2004.
Draft Competition (Jersey) Law 200- (P.37/2004): amendment (P.37/2004 Amd.) – comments. <i>Presented by the Economic Development Committee.</i>	P.37/2004. Amd.Com.
Machinery of Government: relationship between the Parishes and the Executive (P.40/2004) – comments. <i>Presented by the Finance and Economics Committee.</i>	P.40/2004. Com.(2)
Machinery of Government: relationship between the Parishes and the Executive (P.40/2004) – comments. <i>Presented by the Employment and Social Security Committee.</i>	P.40/2004. Com.(3)
Sale of properties (P.52/2004): comments.	P.52/2004. Com.

<i>Presented by the Environment and Public Services Committee.</i>	(4)
Sale of properties (P.52/2004): amendments (P.52/2004 Amd.)– comments. <i>Presented by the Finance and Economics Committee.</i>	P.52/2004. Amd.Com.
Equalisation of Welfare (P.57/2004): comments. <i>Presented by the Policy and Resources Committee.</i>	P.57/2004. Com.
Equalisation of Welfare (P.57/2004): comments. <i>Presented by the Employment and Social Security Committee.</i>	P.57/2004. Com.(2)
States Abattoir, La Route du Veulle, La Collette, St. Helier: transfer of administration (P.67/2004) – comments. <i>Presented by the Finance and Economics Committee.</i>	P.67/2004. Com.(2)
Animal Waste Products Site, La Rue Phillippe Durell, La Collette, St. Helier: transfer of administration (P.68/2004) – comments. <i>Presented by the Finance and Economics Committee.</i>	P.68/2004. Com.(2)
Code of Practice on Public Access to Official Information: measures to improve implementation (P.80/2004) – comments. <i>Presented by the Policy and Resources Committee.</i>	P.80/2004. Com.
D’Hautrée Gardens, St. Saviour’s Hill, St. Saviour: proposed deed of arrangement (P.84/2004) – comments. <i>Presented by the Environment and Public Services Committee.</i>	P.84/2004. Com.

THE STATES ordered that the said reports be printed and distributed.

Matters lodged

The following matters were lodged “au Greffe” –

Bus Service Tendering Process: Committee of Inquiry – terms of reference and membership. <i>Presented by the Policy and Resources Committee.</i>	P.99/2004.
Draft Transfer of Functions (Environment and Public Services Committee) (Jersey) Act 200-. <i>Presented by the Environment and Public Services Committee.</i>	P.100/2004.
Jersey Airport, St. Peter: Alpha Taxiway– transfer of administration. <i>Presented by the Environment and Public Services Committee.</i>	P.101/2004.
Jersey Airport, St. Peter: Alpha Taxiway– transfer of administration. <i>Presented by the Harbours and Airport Committee.</i>	P.102/2004.
U.N. Convention on Wetlands of International Importance: designation of offshore reefs. <i>Presented by the Environment and Public Services Committee.</i>	P.103/2004.
Shadow Scrutiny: appointment of member. <i>Presented by the Privileges and Procedures Committee.</i>	P.104/2004.

Arrangement of public business for the present meeting

THE STATES granted leave to the President of the Legislation Committee to defer consideration of the following matters from the present meeting to a later date –

Draft The Law Society of Jersey Law 200-. P.154/2003.
Lodged: 11th November 2003.
Legislation Committee.

Draft The Law Society of Jersey Law 200- (P.154/2003): amendments. P.154/2003.
Lodged: 27th April 2004. Amd.
Legislation Committee.

THE STATES, on a proposition of the President of the Privileges and Procedures Committee, agreed that the items of public business set down for consideration at the present meeting be considered in the following order –

Machinery of Government: relationship between the Parishes and the Executive. P.40/2004.
Lodged: 9th March 2004.
Policy and Resources Committee.

Machinery of Government: relationship between the Parishes and the Executive P.40/2004.
(P.40/2004) – comments. Com.
Presented: 18th May 2004.
Connétable of St. Martin.

Machinery of Government: relationship between the Parishes and the Executive P.40/2004.
(P.40/2004) – comments. Com.(2)
Presented: 25th May 2004.
Finance and Economics Committee.

Machinery of Government: relationship between the Parishes and the Executive P.40/2004.
(P.40/2004) – comments. Com.(3)
Presented: 25th May 2004.
Employment and Social Security Committee.

Machinery of Government: relationship between the Parishes and the Executive P.40/2004.
(P.40/2004) – amendment. Amd.
Lodged: 11th May 2004.
Connétable of St. Helier.

Machinery of Government: relationship between the Parishes and the Executive P.40/2004.
(P.40/2004) – second amendment. Amd.(2)
Lodged: 11th May 2004.
Policy and Resources Committee.

States Members' Remuneration: increases for 2004 – rescindment. P.11/2004.
Lodged: 27th January 2004.
Deputy T.J. Le Main of St. Helier.

States Members' Remuneration: increases for 2004 – rescindment (P.11/2004) – P.11/2004.
comments. Com.
Presented: 30th March 2004.
Privileges and Procedures Committee.

States Members' Remuneration: increases for 2004 – rescindment (P.11/2004) – P.11/2004.
comments. Com.(2)
Presented: 13th April 2004.

Finance and Economics Committee.

States Members' Remuneration: increases for 2004 – rescindment (P.11/2004) – amendment. Lodged: 24th February 2004. <i>Senator J.A. Le Maistre.</i>	P.11/2004. Amd.
States Assembly: improving efficiency. Lodged: 27th April 2004. <i>Privileges and Procedures Committee.</i>	P.79/2004.
Draft Christmas Bonus (Amendment No. 2) (Jersey) Law 200. Lodged: 6th April 2004. <i>Employment and Social Security Committee.</i>	P.55/2004.
Public Sector Re-organisation: Five Year Vision for the Public Sector. Lodged: 20th April 2004. <i>Policy and Resources Committee.</i>	P.58/2004.
Committee of Inquiry: construction of 76 houses at Jambart Lane, St. Clement; and public consultation procedures. Lodged: 24th February 2004, and referred to the Privileges and Procedures Committee. <i>Deputy R.G. Le Hérissier of St. Saviour.</i>	P.33/2004.
Committee of Inquiry: construction of 76 houses at Jambart Lane, St. Clement; and public consultation procedures (P.33/2004) – comments. Presented: 9th March 2004. <i>Finance and Economics Committee.</i>	P.33/2004. Com.
Committee of Inquiry: construction of 76 houses at Jambart Lane, St. Clement; and public consultation procedures (P.33/2004) – comments. Presented: 11th May 2004. <i>Environment and Public Services Committee.</i>	P.33/2004. Com.(2)
Sale of properties. Lodged: 13th April 2004. <i>Housing Committee.</i>	P.52/2004.
Sale of properties (P.52/2004): comments. Presented: 11th May 2004. <i>Finance and Economics Committee.</i>	P.52/2004. Com.
Sale of properties (P.52/2004): comments. Presented: 11th May 2004. <i>Policy and Resources Committee.</i>	P.52/2004. Com.(2)
Sale of properties (P.52/2004): comments. Presented: 25th May 2004. <i>Finance and Economics Committee.</i>	P.52/2004. Com.(3)
Sale of properties (P.52/2004): amendments. Lodged: 11th May 2004. <i>Deputy P.N. Troy of St. Brelade.</i>	P.52/2004. Amd.
Le Squez Estate, St. Clement, Phase 1A: redevelopment approval of drawings. Lodged: 27th April 2004.	P.76/2004.

Housing Committee.

Le Squez Estate, St. Clement, Phase 1A: redevelopment approval of drawings (P.76/2004) – comments. P.76/2004.
Presented: 4th May 2004. Com.
Finance and Economics Committee.

Income Tax: allowance for children over 17 in full-time education. P.16/2004.
Lodged: 3rd February 2004.
Deputy of St. Martin.

Income Tax: allowance for children over 17 in full-time education (P.16/2004) – P.16/2004.
comments. Com.
Presented: 11th May 2004.
Finance and Economics Committee.

Income Tax: allowance for children over 17 in full-time education (P.16/2004) – P.16/2004.
comments. Com.(2)
Presented: 18th May 2004.
Education, Sport and Culture Committee.

States Abattoir, La Route du Veulle, La Collette St Helier: transfer of P.67/2004.
administration.
Lodged: 20th April 2004.
Harbours and Airport Committee.

States Abattoir, La Route du Veulle, La Collette, St. Helier: transfer of P.67/2004.
administration (P.67/2004) – comments. Com.
Presented: 27th April 2004.
Environment and Public Services Committee.

States Abattoir, La Route du Veulle, La Collette, St. Helier: transfer of P.67/2004.
administration (P.67/2004) – comments. Com.(2)
Presented : 25th May 2004.
Finance and Economics Committee.

Animal Waste Products Site, La Rue Phillippe Durell, La Collette, St Helier: P.68/2004.
transfer of administration.
Lodged: 20th April 2004.
Economic Development Committee.

Animal Waste Products Site, La Rue Phillippe Durell, La Collette, St. Helier: P.68/2004.
transfer of administration (P.68/2004) – comments. Com.
Presented: 27th April 2004.
Environment and Public Services Committee.

Animal Waste Products Site, La Rue Phillippe Durell, La Collette, St. Helier: P.68/2004.
transfer of administration (P.68/2004) – comments. Com.(2)
Presented : 25th May 2004.
Finance and Economics Committee.

Draft Petty Debts Court (Miscellaneous Provisions) (Jersey) Law 2000 (Appointed P.83/2004.
Day) Act 200-.
Lodged: 11th May 2004.
Legislation Committee.

Draft Prison (Amendment No. 5) (Jersey) Law 200. P.45/2004.

Lodged: 23rd March 2004. <i>Home Affairs Committee.</i>	
Shadow Scrutiny Panels: appointment of member. Lodged: 20th April 2004. <i>Privileges and Procedures Committee.</i>	P.59/2004.
Draft Non-Contributory Pensions (Repeal) (Jersey) Law 200-. Lodged: 20th April 2004. <i>Employment and Social Security Committee.</i>	P.73/2004.
Draft Social Security (Amendment No. 17) (Jersey) Law 200. Lodged: 20th April 2004. <i>Employment and Social Security Committee.</i>	P.75/2004.

Arrangement of public business for the next meeting on 8th June 2004

THE STATES confirmed that the following matters lodged “au Greffe” would be considered at the next meeting on 8th June 2004 and in the following order –

Draft Waste Management (Jersey) Law 200-. Lodged: 11th May 2004. <i>Environment and Public Services Committee.</i>	P.88/2004.
Draft Community Provisions (Ship and Port Facility – Security) (Jersey) Regulations 200-. Lodged: 18th May 2004. <i>Harbours and Airport Committee.</i>	P.90/2004.
Elizabeth Harbour Phase I Warehouse: lease to Commodore Express (Jersey) Limited. Lodged: 6th April 2004. <i>Harbours and Airport Committee.</i>	P.54/2004.
Draft Public Employees (Contributory Retirement Scheme) (Existing Members) (Amendment No. 7) (Jersey) Regulations 200. Lodged: 20th April 2004. <i>Policy and Resources Committee.</i>	P.60/2004.
Draft Public Employees (Contributory Retirement Scheme) (New Members) (Amendment No. 9) (Jersey) Regulations 200. Lodged: 20th April 2004. <i>Policy and Resources Committee.</i>	P.61/2004.
Code of Practice on Public Access to Official Information: measures to improve implementation. Lodged: 27th April 2004. <i>Privileges and Procedures Committee.</i>	P.80/2004.
Code of Practice on Public Access to Official Information: measures to improve implementation (P.80/2004) – comments. Presented: 25th May 2004. <i>Policy and Resources Committee.</i>	P.80/2004. Com.
D’Hautrée Gardens, St. Saviour’s Hill, St. Saviour– proposed deed of	P.84/2004.

arrangement.

Lodged: 11th May 2004.

Education, Sport and Culture Committee.

D'Hautrée Gardens, St. Saviour's Hill, St. Saviour: proposed deed of arrangement P.84/2004. Com.
(P.84/2004) – comments.

Presented: 25th May 2004.

Environment and Public Services Committee.

Draft Privileges and Immunities (Diplomatic, Consular, etc) (Amendment) (Jersey) P.86/2004.
Law 200-

Lodged: 11th May 2004.

Legislation Committee.

Jersey Community Relations Trust: appointment of Chairman and a Trustee. P.87/2004.

Lodged: 11th May 2004.

Policy and Resources Committee.

Draft Honorary Police (Parochial Domicile) (Amendment) (Jersey) Law 200- P.89/2004.

Lodged: 11th May 2004.

Legislation Committee.

Draft Amendment (No. 26) of the Standing Orders of the States of Jersey. P.92/2004.

Lodged: 18th May 2004.

Privileges and Procedures Committee.

Jersey Heritage Trust: appointment of Chairman. P.94/2004.

Lodged: 18th May 2004.

Education, Sport and Culture Committee.

Jersey Consumer Council: appointment of Chairman. P.96/2004.

Lodged: 18th May 2004.

Economic Development Committee.

Draft Jersey Legal Information Board (Incorporation) Law 200- P.98/2004.

Lodged: 18th May 2004.

Finance and Economics Committee.

Draft Stamp Duties and Fees (No. 3) (Jersey) Regulations 200. P.53/2004.

Lodged: 6th April 2004.

Finance and Economics Committee.

Bus Service Tendering Process: Committee of Inquiry – terms of reference and P.99/2004.
membership.

Lodged: 25th May 2004.

Policy and Resources Committee.

Additional meetings

THE STATES, adopting a proposition of Deputy Roy George Le Hérisier of St. Saviour, agreed to meet, if necessary, on Wednesday 9th June 2004, and, adopting a proposition of Senator Philip Francis Cyril Ozouf, agreed to meet, if necessary, on Tuesday 15th and Wednesday 16th June 2004, in order to complete consideration of the items of public business set down for consideration at the next meeting on 8th June 2004.

Advertisements relating to the appointment of an Executive Director, Jersey Competition Regulatory Authority – question and answer (Tape No. 918)

Senator Richard John Shenton asked Deputy Francis Gerald Voisin of St. Lawrence, President of the Economic Development Committee, the following question –

“Advertisements have appeared in the Appointments section of the Sunday Times of 2nd May 2004, and The Economist on 1st to 7th May 2004, with regard to the appointment of an Executive Director to the Jersey Competition Regulatory Authority.

Will the President inform members of –

- (a) the total cost of the advertisements in the Sunday Times?
- (b) the total cost of the advertisements in The Economist?
- (c) the total cost of any other advertisements?
- (d) the details of the ‘attractive packages’ referred to in the advertisement?
- (e) the likely total cost of employing Veredus Executive Resourcing?
- (f) the total remuneration package of the Executive Director? and,
- (g) the total remuneration package of the non-Executive members?”

The President of the Economic Development Committee replied as follows –

- “(a) The total cost of the advertisements in the Sunday Times on 2nd May and the Times on 6th May 2004, was £13,800.
- (b) The total cost of the advertisement in The Economist was £7,600.
- (c) The only other advertisement placed was in the local evening newspaper the total cost being £2,822.40.
- (d) The reference to an ‘attractive package’ is language used as an industry norm when formulating advertisements. We have benchmarked the position against similar competition and regulatory roles. By using this language, flexibility can be applied when the recruitment process is underway to ensure that we secure the most suitable person for the role. The remuneration package for this type of senior role is not fixed at the initial stage of recruitment.
- (e) The total cost of employing Veredus Executive Resourcing is commercially sensitive information which we do not have consent to disclose.
- (f) As referred to in answer (d) above, this has not been fixed at this stage and is negotiable.
- (g) After conducting local research, we have benchmarked against other non-Executive positions in similar regulatory bodies. The remuneration will be in the region of £16,500 per annum.”

Costs relating to the occupancy of the Howard Davis Farm by the Environmental Services Department – question and answer (Tape No. 918)

Deputy Roy George Le Hérisser of St. Saviour asked Senator Philip Francis Cyril Ozouf, President of the Environment and Public Services Committee, the following question –

“Would the President inform members –

- (a) of the cost of refurbishing the Howard Davis Farm for occupancy by the Environmental Services Department? and,
- (b) what rent or cost is being attributed to the Environmental Services Department for the occupancy of the building?”

The President of the Environment and Public Services Committee replied as follows –

- “(a) I can inform members that the costs of refurbishing the Howard Davis Farm to allow the staff of the Environment Department to be brought together at this site with their new colleagues from the former Agriculture and Fisheries Department are as follows;

Decorating: £3,175.00
Carpentry works to include partitioning and shelving: £3,479.20
Electrical works: £1,993.43
Plumbing works: £231.82
Total = £8,879.45.

- (b) None.”

Report of Mr. John Whiting on proposed tax reforms– question and answer (Tape No. 918)

Deputy Geoffrey Peter Southern of St. Helier asked Senator Terence Augustine Le Sueur, President of the Finance and Economics Committee, the following question –

“Would the President inform members –

- (a) whether the Committee has considered the report of John Whiting of PriceWaterhouseCoopers, and, if so, whether it agrees that the withdrawal of income tax allowances will have a direct impact on the Financial Services Industry (FSI), as indicated on page 13 of the report where it states ‘*as many (senior members of FSI) are on some form of tax compensation*’?
- (b) whether the Committee has evidence that such practice is common-place in the FSI, and, if so, to what extent? and,
- (c) whether the practice of ‘tax compensation’ is regarded as a ‘benefit in kind’ under the rules adopted in the 2004 Budget?”

The President of the Finance and Economics Committee replied as follows –

- “(a) The members of the Committee have received the report but have not yet had the opportunity to formally consider its recommendations. The Comptroller of Income Tax estimates that few individuals, perhaps less than 20, have their whole tax bill paid by their employer, either in the FSI or any other industry. Where an individual’s tax bill is indeed paid by the employer, an assessment is raised on that individual, grossed up at the standard rate of 20 per cent. For example, if the tax paid by the employer on behalf of the employee is £5,000, the amount assessed on the employee is £6,250. It is grossed up to recover the compounded benefit arising from the employer meeting the tax liability of the employee. It is much more common for an employer in the FSI to pay the tax on the benefits in kind provided to a group of employees. This practice will have no effect on the proposal to withdraw income tax allowances so the Finance and Economics Committee does believe that this proposal will have an impact on the vast majority of those in the FSI.
- (b) Please see my answer to (a).

- (c) 'Tax compensation' has always been taxable as a benefit in kind on the employee, on the lines indicated at my answer to (a) above. It is still assessable despite the introduction of the rules adopted in the Budget 2004."

Work of the Legislation Committee under ministerial government – question and answer (Tape No. 918)

The Deputy of St. John asked Senator Frank Harrison Walker, President of the Policy and Resources Committee the following question –

"Would the President inform members what progress has been made regarding the consultation process relating to the future reallocation of the work currently undertaken by the Legislation Committee when the ministerial system is introduced at the end of 2005, as indicated in P.70/2002 of the Policy and Resources Committee adopted, as amended, by the States on 24th July 2002?"

The President of the Policy and Resources Committee replied as follows –

"In approving P.70/2002, the States agreed that the number of Committees should be reduced in order to aid the transition to the ministerial system. In relation to the Legislation Committee, the States agreed that this Committee should remain in place during the transitional period, in accordance with paragraph 6.11 of the report accompanying P.70/2002. It was also agreed that consultation with the Legislation Committee should take place during the transitional period, involving others connected with its work such as H.M. Attorney General and the Law Commission, before proposing how its functions should be undertaken once the ministerial system comes into effect.

I can advise members that the Legislation Committee has been giving active consideration to this matter, and has given particular attention to the allocation of responsibility for legislation that currently falls within its brief, including the Public Elections Law and laws relating to the courts and court procedures. It has been agreed that a meeting will take place in the next few weeks between the Policy and Resources Committee and the President of the Legislation Committee in order to discuss how to proceed in this matter. In the meantime, I understand that it is the firm intention of the Legislation Committee to consult with those who will be affected by any changes to the current arrangements, including the Attorney General and the Law Commission."

Cost of employing consultants in the health service – question and answer (Tape No. 918)

Deputy Roy George Le Hérisser of St. Saviour asked Senator Stuart Syvret, President of the Health and Social Services Committee, the following question –

"Would the President advise members –

- (a) of the average cost of employing a consultant in terms of a consultant's salary and benefits and the numbers and costs of support staff needed to support a consultant's rôle? and,
- (b) what alternatives to employing local consultants, if any, have been investigated by the Committee and what the outcome was of this examination?"

The President of the Health and Social Services Committee replied as follows –

"(a) The current salary range for a Hospital Consultant is £54,340 – £99,898. Additional costs in relation to superannuation, are 15 per cent whilst the employers social security contributions are 6.5 per cent of salary up to a maximum (capped amount) of £2,249 p.a.

The average cost, therefore of each consultant is approximately £94,000.

Each Hospital Consultant post requires varying infrastructure depending upon specialty. These may include middle grade and junior doctors, (some specialties have neither), specialist and general nurses, and the input of a range of professionals allied to medicine (scientific officers, radiographers, pharmacists, physiotherapists, speech therapists etc.).

In addition, each consultant is supported by a medical secretary, clinical infrastructure, the medical records function and a variable quantity of clinical supplies, drugs and prostheses. The cost of such support varies according to specialty.

It is not possible to delineate, in precise terms, the specific support required to service the role of a consultant. Both the clinical infrastructure and the non-clinical infrastructure of the General Hospital is deployed entirely to meet the needs of hospital consultants. By virtue of their clinical authority, hospital consultants can request everything from a high tech magnetic resonance image (MRI) at one end of the spectrum to the ambulance service arranging for the patient to actually attend the hospital at the other end. The infrastructure of the General Hospital must, if it is to be efficient and of high quality, be flexible (to provide services to all the specialisms) and robust.

- (b) The deployment of hospital consultant staff is constantly under review by the Health and Social Services Committee. The result of this work finds expression in the Committee's Medical Manpower Strategic Plan which was produced following widespread consultation. This strategic plan describes the basic requirements of what is the minimum hospital consultant staff configuration required to meet the health care needs of the population of Jersey.

Every general hospital requires a core set of services. At the very heart of the core are the following emergency services:

- Accident and Emergency
- Trauma and Orthopaedics
- Coronary Care Unit
- Maternity and Special Care Baby Unit
- Intensive Care Unit
- General Emergency Surgery
- General Emergency Medicine
- Supportive diagnostic services (including Radiology and Pathology)

Without these services, the general public is fundamentally at risk of untreated injury and harmful disease. The size, geography and the catchment population determine what other services are built upon this core infrastructure. The smaller the general hospital the more additional specialist and tertiary services are provided from other (larger) general hospitals or tertiary centres.

In Jersey there are 47 consultants and they are supported by visiting consultants from the U.K. who provide a range of services, including:

- Bariatric Service
- Clinical Oncology
- Paediatric Cardiology
- Plastic Surgery
- Nephrology
- Radiotherapy
- Rheumatology
- Specialist Neurology
- Specialist Urology
- Thoracic Surgery
- Vascular Surgery

In addition to this, the States of Jersey are well served by highly specialised consultants working from major tertiary centres in the U.K.

Local consultants are fortunate in that they are assisted in their acute work by a number of general practitioners, who act as ‘clinical assistants’. The Health and Social Services Committee will be examining ways in which other health care professionals, such as nurses, technicians and support workers, can take on tasks which were previously the sole preserve of hospital consultants.”

Roll call

The Deputy Bailiff then ordered that a roll call be held, his attention having been drawn to the fact that a quorum was not present during the question to the President of the Health and Social Services Committee. The following members who had been present at the start of the meeting were absent from the Chamber for this second roll call –

Senator Jean Amy Le Maistre
Senator Leonard Norman
Senator Richard Joseph Shenton
Kenneth Alan Le Brun, Connétable of St. Mary
Alan Simon Crowcroft, Connétable of St. Helier
Frederick John Hill, Deputy of St. Martin
Philip John Rondel, Deputy of St. John
Jeremy Laurence Dorey, Deputy of St. Helier
Francis Gerald Voisin, Deputy of St. Lawrence
Judith Ann Martin, Deputy of St. Helier
Sarah Craig Ferguson, Deputy of St. Brelade
Collin Hedley Egré, Deputy of St. Peter

Collection of tax – question and answer (Tape No. 918)

Deputy Geoffrey Peter Southern of St. Helier asked Senator Terence Augustine Le Sueur, President of the Finance and Economics Committee, the following question –

“Figures released by the Comptroller of Income Tax show the following as the costs of collecting several forms of tax –

Income Tax (Jersey)	0.87 pence per £1
Income tax (U.K.)	1.64 pence per £1
Capital Gains Tax (CGT) (U.K.)	2.73 pence per £1.

The proposed Goods and Services Tax (GST) is estimated to cost £1.75 million to raise £45 million. This equates to –

GST (Jersey)	3.88 pence per £1.
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Will the President confirm that this estimate remains accurate and, if so, explain the reasons why the Committee continues to support this tax proposal in view of the expense in collecting it?”

The President of the Finance and Economics Committee replied as follows –

It is not possible to confirm precisely the exact costs of administering GST as detailed design work on the proposed tax has not taken place. The Impôts Department has been asked to provide a best estimate. In arriving at the estimate, comparison with the resources required to administer such a tax in a comparable jurisdiction was sought, and the Isle of Man was selected as being appropriate. Thirty full time officers are employed by Isle of Man’s Customs and Excise Department to work on VAT and it has been assumed that

Jersey would require at least the same resource. Based on this assumption, the current best estimate of the ongoing costs of collecting VAT is £1.75 million per annum. This cost takes into account total staff costs (circa £1.5 million), and the annual running costs of the VAT office, (circa £0.25 million).

Assuming that GST would raise £45 million in Jersey then a rough guide to the collection costs would be 3.88p per £1. Collection costs, however, are only one small aspect to take into account when assessing the suitability of a tax measure to address the projected fiscal shortfall in Jersey. There are another five convincing arguments in favour of GST, which is why the Finance and Economics Committee supports the proposal for its introduction:

- **High yield.** The fact that the projected fiscal shortfall is in the region of £80-100 million means that any measure has to make a significant contribution to this shortfall. The prospect that GST could raise £45 million means that it is one of the few tax changes that could raise the sufficient sums of money required. In doing so, this prevents a proliferation of small measures that simply increase the complexity of the tax system.
- **Incidence.** GST would apply to all on-island expenditure, by all residents and tourists that purchase the relevant goods and services. This means that the better-off will pay the tax, (and even if they have a low taxable income), as will visitors to the Island who would not be directly affected by income tax/payroll tax changes.
- **Widening the tax base.** The fact that there is currently no GST in Jersey means we are one of the few developed countries with no such tax. Its introduction would widen the tax base and make the revenue base less prone to volatility. This is because it would focus on expenditure rather than income, which can at times hold up better than income because it can be supplemented by savings, borrowing or realising wealth.
- **Competitiveness.** GST could be designed to exclude exports of goods and services, which means it could have less of an impact on firms that export than an increase in payroll tax and under certain circumstances income tax. It is essential that we encourage our export industries, because they bring in revenues from outside the Island, rather than taking income from local residents. Of particular importance to Jersey businesses is the fact that GST could apply to imports, treating Jersey produced goods and imports the same; which is something that would not be possible with income tax or payroll tax.
- **Fairness.** While one drawback to GST is that it can be mildly regressive this can be addressed, as the Committee intends, by being accompanied by a mechanism to protect the poorest in society i.e. through the income support scheme. The fact that one of the key disadvantages to GST can be limited only serves to increase the suitability of GST for Jersey.”

Current and future capacity at schools in St. Clement– question and answer (Tape No. 918)

Deputy Gerard Clifford Lemmens Baudains of St. Clement asked Senator Michael Edward Vibert, President of the Education, Sport and Culture Committee, the following question –

“Will the President advise members of the current spare capacity at Le Squez, St. Clement's Primary and Le Rocquier schools together with the forecast spare capacity in five years' time?”

The President of the Education, Sport and Culture Committee replied as follows –

“As indicated by the January 2004 school census –

- (a) St. Clement currently has nine pupils more than its planned capacity of 175;

- (b) Le Squez, due mainly to demographic movement and the current redevelopment of Le Squez Estate has an excess capacity of 111 pupils; and,
- (c) Le Rocquier has 14 pupils more than its planned capacity of 750.

Our forecast for 2009 indicates that –

- (a) St. Clement will have spare capacity of 6 places;
- (b) Le Squez will have spare capacity of 134 places. This should be sufficient to accommodate the redeveloped Le Squez Estate and the housing developments currently planned for the surrounding area; and,
- (c) new Le Rocquier School, designed to provide for 850 pupils, will have spare capacity of 124 places in 2009. This should be sufficient to accommodate the redeveloped Le Squez Estate and the housing developments currently planned for the surrounding area.”

Income tax arrangements of 1(1)(k) residents – question and answer (Tape No. 918)

Deputy Geoffrey Peter Southern of St. Helier asked Senator Terence Augustine Le Sueur, President of the Finance and Economics Committee, the following question –

“Would the President inform members whether the Committee will undertake to seek a legal opinion from the Law Officers’ Department on whether existing income tax arrangements with 1(1)(k) residents can be renegotiated?”

The President of the Finance and Economics Committee replied as follows –

“The Committee is prepared to seek a legal opinion from the Law Officers’ Department on this matter. However, even if the existing income tax arrangements can be renegotiated it is questionable whether this is an appropriate thing to do because the Comptroller of Income Tax and the Housing Committee will, in effect, be deliberately attempting to breach agreements reached in good faith with those who have been granted 1(1)(k) status on economic grounds from 1970 to the present time. Proposing to renegotiate upward would almost certainly not be an honourable course of action to take and could also lead to great uncertainty in the minds of 1(1)(k)s which, in turn, could lead to migration to other jurisdictions which may well be only too happy to accept them. In any case, quite a number of 1(1)(k) agreements include an annual uplift in tax contribution. There will also occasionally be exceptional circumstances when, for a valid reason, a tax contribution lower than the agreement is accepted.

Retrospective legislation or actions which seeks to change the law and practice that has existed for very many years is not a course of action which either the Finance and Economics Committee or the Housing Committee wish to adopt or follow. The tax take from 1(1)(k)s is approximately £10 million, so they make a significant contribution to tax revenues and it may, for that reason alone, be a prudent course of action to try and attract more of them to Jersey. If we attempt to renege, at a later date, on agreements reached in good faith then it is unlikely many, if any, will come here, with the result that the taxes on the resident population will increase.”

Field Nos. 519, 520, 524, 527, and 528 Trinity – statement

The President of the Environment and Public Services Committee made a statement in the following terms –

“On 27th April 2004, I informed members that ‘a suitably qualified independent person would be appointed by the Committee to review the process followed by the Committee and its officers in granting of consent for development of the above fields under the Island Planning (Jersey) Law, and to produce a report thereon’.

I wish to advise the States that Mrs. Carol Canavan has been appointed to conduct this inquiry. Mrs. Canava is a Jersey solicitor, a partner in Crill Canavan, the Chairman of the States appointed Administrative Appeals Panel and is eminently qualified to conduct the inquiry. Mrs. Canavan has agreed to complete her report which will be published by 20th July 2004. Mrs. Canavan will announce the details of how the inquiry will be conducted shortly.

The terms of reference include all aspects of the application procedure. The report which will be produced will assist the Committee in any further deliberations in relation to this application. It may also highlight opportunities for improving the planning process. I am appending the terms of reference to this statement.

I express the hope that Mrs. Canavan will receive the necessary assistance from all related parties to complete her inquiry. I reserve the Committee's position in considering whether to return to the States for approval to the immediate setting up of a Committee of Inquiry in the event of Mrs. Canavan not receiving the co-operation.

Members will note that terms of reference include a review of the application procedure under the Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974, which is within the jurisdiction of the Economic Development Committee. The President of Economic Development Committee has agreed that this matter should also be reviewed.

Finally, members may be aware of allegations concerning some aspects of this application which may amount to a criminal offence under Article 6(1A) of the Island Planning (Jersey) Law 1964. I have been advised that the Chief Executive Officer, Planning and Environment has referred these allegations to H.M. Solicitor General for investigation by the appropriate authority.

Terms of reference

1. *To investigate from Departmental files, interviews with the persons involved and other sources as appropriate, the adequacy, sufficiency and integrity of the process which was followed, in compliance with the requirements of the Island Planning (Jersey) Law 1964 (as amended), States of Jersey Law 1966 (as amended) and the Island Plan 2002 in determining two applications submitted by Mr. Charles Gallichan under the Island Planning (Jersey) Law 1964 relating to Fields 519, 520, 521, 524, 527, 528, Woodside Farms, La Hocquarderie, Trinity, JE3 5DU –*
 - (a) *by members of Planning Sub-Committee of the Environment and Public Services Committee, in granting conditional in principle Planning consent to application PP2003/0658;*
 - (b) *by Planning officers in approving under delegated authority from the Environment and Public Services Committee under the States of Jersey Law 1966, as amended, an application for development of the above land under Article 6 of the Island Planning (Jersey) Law 1964 under Reference P2003/2259;*
 - (c) *by other members of the Environment and Public Services Committee.*
2. *To report on the soundness, adequacy, sufficiency, completeness and integrity of above processes, taking into account information, as applied to the following –*

Advertising the applications and obtaining public representations.

Consultation with the statutory bodies (Including the Parish of Trinity and Jersey New Waterworks Company Ltd.) on the impact of the application.

Disclosure of information held by the former Department of Agriculture and members of the Economic Development Committee.

Representations (verbal and written) which were considered by officers and members of the Environment and Public Services Committee and Planning Sub-Committee, which were material to their determination of either application.

Representations –

by the applicant and his agents

by members of the Environment and Public Services Committee

by other States members

by other States Committees and their officers

members of the public and statutory consultees.

Assessing environmental impact.

Planning officer's verbal and written recommendations to the Director of Planning, Planning Sub-Committee, and members of the Committee.

The importation of infill material to the site.

Assessing the impact of additional heavy goods vehicle movements on the immediate locality and road network.

Assessing impact on water catchments.

3. *To consider information which has become available subsequent to the determination of the applications, should reasonably have been ascertained prior to that determination and to report thereon.*
4. *To investigate from Departmental files, interviews with the persons involved and other sources as appropriate, and report on the soundness adequacy, sufficiency and integrity of the process which was followed for the application submitted for the sale of Fields 519, 520,521, 524, 527, 528, Woodside Farms, La Hocquarderie, Trinity, JE3 5DU under the Agricultural Land (Control of Sales and Leases, (Jersey) Law 1974.”*

Machinery of Government: relationship between the Parishes and the Executive – P.40/2004 Comments, Amendments, Amendments (2)

THE STATES commenced consideration of a proposition of the Policy and Resources Committee concerning the Machinery of Government: relationship between the Parishes and the Executive, (P.40/2004 lodged “au Greffe” on 9th March 2004), as amended by the Policy and Resources Committee, (P.40/2004 Amd.(2) lodged “au Greffe” on 11th May 2004), and adopted an amendment of the Connétable of St. Helier that in paragraph (a) there be inserted a new paragraph (iii) –

“(iii) the cost of maintaining public parks, gardens and toilets within St. Helier should be funded by the Island’s ratepayers;”

and that the following paragraph be renumbered accordingly.

Members present voted as follows –

“Pour” (37)

Senators

Le Maistre, Walker, Kinnard, Le Sueur, Routier, M. Vibert, Ozouf, E. Vibert, Shenton.

Connétables

St. Ouen, St. Saviour, St. Brelade, St. Mary, St. Clement, St. Helier, Trinity, St. Lawrence, Grouv
St. John.

Deputies

Trinity, Breckon(S), Huet(H), Le Main(H), Dubras(L), Dorey(H), Voisin(L), Farnham(S), Le Hérissie
(S), Bridge(H), Martin(H), Southern(H), Bernstein(B), Ferguson(B), Ryan(H), Grouville, Hilton(H),
De Faye(H).

“Contre” (7)

Connétable

St. Peter.

Deputies

Duhamel(S), St. Martin, St. John, Baudains(C), St. Ouen, St. Peter.

THE STATES, following further discussion, rejected a proposition of Senator Jean Amy Le Maistre that the matter be referred back to the Policy and Resources Committee.

Members present voted as follows –

“Pour” (12)**Senators**

Le Maistre, Syvret, Norman, E. Vibert.

Connétable

Grouville.

Deputies

Duhamel(S), Breckon(S), St. Martin, St. John, Baudains(C), Grouville, St. Peter.

“Contre” (34)**Senators**

Walker, Kinnard, Le Sueur, Routier, M. Vibert, Ozouf, Shenton.

Connétables

St. Ouen, St. Saviour, St. Brelade, St. Mary, St. Peter, St. Clement, St. Helier, Trinity, St. Lawrence, St. John.

Deputies

Trinity, Huet(H), Le Main(H), Dubras(L), Dorey(H), Troy(B), Farnham(S), Le Hérissier(S), Bridge(H), Martin(H), Southern(H), Bernstein(B), Ferguson(B), St. Ouen, Ryan(H), Hilton(H), De Faye(H).

THE STATES, adopting a proposition of the Policy and Resources Committee, as amended, referred to their Act dated 28th September 2001, in which they agreed that the Policy and Resources Committee, after consultation with the Comité des Connétables, should bring forward for approval by the States proposals on the future relationship between the Parishes and the other areas of public administration and, in particular, concerning the provision of services, resource allocation and financing, a review of the Parish institutions, and the position of the Parish of St. Helier; and, in line with the guiding principle that the cost to the Parishes and the States should be neutral at the date of transfer, which was aimed for May 2006, agreed that –

- (a) (i) the cost of ‘native’ welfare, (including a 10% provision for the cost of administration), and residential care currently met by the Island’s ratepayers should be met from the general revenues of the States;
- (ii) the cost of providing the following services, currently met by the States through the cash limit of the Environment and Public Services Committee, should be funded by the Island’s ratepayers in exchange for ‘native’ welfare –

- (A) main road routine maintenance, which concerned all highway resurfacing works, including the replacement of manhole covers as required, maintenance and resurfacing of footways, reactive maintenance repairs (potholes, etc.), laying of anti-skid surfacing at key locations, repairs to surface water systems including gullies on highways and inspection and supervision costs, and all work on cleaning (including gulley emptying), signs and markings, lighting, traffic signals and pedestrian crossings;
 - (B) parks and gardens;
 - (C) public conveniences;
 - (D) litter bin emptying;
 - (E) display and floodlighting;
 - (F) other service transfers that might be required to achieve the principle of cost neutrality at the date of transfer, to be agreed following discussions between the Policy and Resources Committee, the Environment and Public Services Committee and the Comité des Connétables, and subject to the approval of the States.
- (iii) the cost of maintaining public parks, gardens and toilets within St. Helier should be funded by the Island's ratepayers;
 - (iv) capital investment in the infrastructure of the Island's main road network, which concerned all restorative maintenance, strengthening and reconstruction to the highway sub-structure, defective trench reinstatements (undertaken by the service companies in the past) and new surface water drainage systems, as well as the construction of new roads, should be met from the general revenues of the States;
- (b)
 - (i) an Island-wide Commercial Rate, to be levied by the States on the recommendation of the Conseil des Connétables, should be introduced, in accordance with paragraphs 30-43 and 50-54 of the Committee's report; and,
 - (ii) a Domestic Island-wide Services Rate, to be levied by the States on the recommendation of the Conseil des Connétables, should be introduced, in accordance with paragraphs 30-31 and 44-54 of the Committee's report ;
- (c) a Conseil des Connétables, comprising the 12 Parish Connétables, should be established as a body corporate with responsibility for, amongst other things, managing the Island-wide Services Fund into which the Commercial Rate and the Domestic Island-wide Services Rate would be paid;
 - (d) the current responsibilities of the Economic Development Committee under the Policing of Beaches (Jersey) Regulations 1959, as amended, and the Places of Refreshment (Jersey) Law 1967, as amended, should be transferred to the Parishes together with the associated income;
 - (e) the Finance and Economics Committee should be charged to undertake a review of the States land and property portfolio in order to bring recommendations to the States before the end of July 2005, regarding the States' liability to rates;
 - (f) the Policy and Resources Committee should be charged to prepare the necessary legislative changes to enable paragraphs (a)– (e) to be implemented, subject to States approval, in time for the Parishes' 2006/7 accounting year.

Members present voted as follows –

“Pour” (37)

Senators

Walker, Kinnard, Le Sueur, Routier, M. Vibert, Ozouf, E. Vibert, Shenton.

Connétables

St. Ouen, St. Saviour, St. Brelade, St. Mary, St. Peter, St. Clement, St. Helier, Trinity, St. Lawrence, St. John.

Deputies

Trinity, Breckon(S), Huet(H), St. Martin, Le Main(H), Dubras(L), Dorey(H), Troy(B), Voisin(L), Farnham(S), Le Hérissier(S), Bridge(H), Martin(H), Southern(H), Bernstein(B), Ferguson(B), Ryan(H), Hilton(H), De Faye(H).

“Contre” (10)

Senators

Le Maistre, Syvret, Norman.

Connétable

Grouville.

Deputies

Duhamel(S), St. John, Baudains(C), St. Ouen, Grouville, St. Peter.

Meeting the cost of Welfare in 2004-2005 – P.104/2003 – withdrawn

THE STATES granted leave to the Connétable of St. Helier to withdraw the following proposition–

Meeting the cost of welfare in 2004-2005. P.104/2003.
Lodged: 8th July 2003.

Draft Prison (Amendment No. 5) (Jersey) Law 200 P.45/2004

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled Prison (Amendment No. 5) (Jersey) Law 200.

Shadow Scrutiny Panels: appointment of member – P.59/2004

THE STATES, adopting a proposition of the Privileges and Procedures Committee, appointed the Deputy of St. Martin as a member of the Shadow Scrutiny Panels.

States Abattoir, La Route du Veulle, La Collette, St. Helier: transfer of administration– P.67/2004

Comments

THE STATES, adopting a proposition of the Harbours and Airport Committee –

- (a) approved the transfer of administration from the Harbours and Airport Committee to the Environment and Public Services Committee of an area of land totalling 13,004 square feet at the States Abattoir shown bold-edged and hatched on Drawing No. 2/753/02, the subject land to be used for a car pound for holding abandoned vehicles; and,
- (b) authorised the Greffier of the States to sign the said drawing on behalf of the States.

Animal Waste Products Site, La Rue Phillippe Durell, La Collette, St. Helier: transfer of administration– P.68/2004

Comments

THE STATES, adopting a proposition of the Economic Development Committee –

- (a) approved the transfer of administration from the Economic Development Committee to the Harbours and Airport Committee of an area of land totalling 24,323 square feet (2,260 sq m) at the Animal Waste Products Site shown bold-edged and hatched on Drawing No. 2/368/2, the subject land to be used for marine purposes; and,
- (b) authorised the Greffier of the States to sign the said drawing on behalf of the States.

Draft Non-Contributory Pensions (Repeal) (Jersey) Law 200- P.73/2004

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Non-Contributory Pensions (Repeal) (Jersey) Law 200-.

Draft Social Security (Amendment No. 17) (Jersey) Law 200- P.75/2004

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Social Security (Amendment No. 17) (Jersey) Law 200-.

Draft Petty Debts Court (Miscellaneous Provisions) (Jersey) Law 2000 (Appointed Day) Act 200- P.83/2004

THE STATES, in pursuance of Article 5 of the Petty Debts Court (Miscellaneous Provisions) (Jersey) Law 2000 made an Act entitled the Petty Debts Court (Miscellaneous Provisions) (Jersey) Law 2000 (Appointed Day) Act 2004.

States Members' Remuneration: increases for 2004 – rescindment – second Amendment – P.11/2004 Amd. (2) – withdrawn

THE STATES granted leave to Senator Richard Joseph Shenton to withdraw the following amendment set down for consideration at the present meeting –

States Members' Remuneration: increases for 2004 – rescindment	P.11/2004.
(P.11/2004) – second amendment.	Amd.(2)
Lodged: 30th March 2004.	

Travelling and entertainment costs: provision of information – P.51/2004 – withdrawn

THE STATES granted leave to Senator Richard Joseph Shenton to withdraw the following proposition set down for consideration at the present meeting –

Travelling and entertaining costs: provision of information.
Lodged: 6th April 2004.

P.51/2004.

Adjournment

THE STATES then adjourned, having agreed to reconvene on Wednesday 26th May 2004 to continue consideration of the outstanding items of public business.

THE STATES rose at 5.40 p.m.

A.H. HARRIS

Deputy Greffier of the States.