



**THE STATES assembled on Tuesday  
23rd September 2014, at 09.30 a.m. under  
the Presidency of the Bailiff,  
Sir Michael Birt.**

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**His Excellency the Lieutenant Governor,  
General Sir John McColl, K.C.B., C.B.E., D.S.O.  
was present.**

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All members were present at roll call with the exception of –

Senator Sir Philip Martin Bailhache – en défaut (défaut raised at 12.47 p.m.)  
Deputy James Patrick Gorton Baker of St. Helier – en défaut

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Prayers read by the Greffier of the States

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**M. Jean-François Le Grand, Le Président du Conseil Général de la Manche – welcome**

The Bailiff, on behalf of all members, welcomed Monsieur Jean-François Le Grand, Le Président du Conseil Général de la Manche, who was present in the public gallery; and reminded members that a ceremony would be held that lunchtime at which M. Le Grand would be presented with the Bailiff's Silver Seal in recognition of the work he had undertaken throughout his career to strengthen the relationship between the Island and La Manche.

**Documents presented or laid**

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| Alcohol and Licensing Strategy for Jersey.<br>Presented: 23rd September 2014.<br><i>Chief Minister.</i>  | R.139/2014.  |
| Land Transactions under Standing Order 168(3) –<br>(a) John Le Fondré Hall, Jersey Airport, St. Peter – termination of lease and lease back;<br>(b) Apartment No. 172, Clos des Sables – transfer of the Public's flying freehold ownership and cancellation of existing 99 year lease;<br>(c) Units 1, 2, 3 and 3a, OTC Building, First Tower, St. Helier;<br>(d) 74 La Colomberie, St. Helier – lease.<br>Presented: 23rd September 2014.<br><i>Minister for Treasury and Resources.</i> | R.140/2014.  |
| Minimum wage: Employment Forum's recommendation and Minister's response.<br>Presented: 23rd September 2014.<br><i>Minister for Social Security.</i>  | R.141/2014.  |
| Public Sector Pension Reform – Supplementary Report.<br>Presented: 23rd September 2014.<br><i>Corporate Services Scrutiny Panel.</i>   | S.R.13/2014. |

**Notification of lodged propositions**

Draft Freedom of Information (Jersey) Law 2011 (Appointed Day) Act 201-. P.153/2014.  
Lodged: 23rd September 2014.  
*Chief Minister.*

Draft Freedom of Information (Schedule 1 to Law) (Amendment No. 2) (Jersey) P.154/2014.  
Regulations 201-.  
Lodged: 23rd September 2014.  
*Chief Minister.*

Draft Freedom of Information (Costs) (Jersey) Regulations 201-. P.155/2014.  
Lodged: 23rd September 2014.  
*Chief Minister.*

**Draft Budget Statement 2015 P.129/2014**

THE STATES resumed consideration of the Draft Budget Statement 2015 (P.129/2014) as amended and, adopting an amendment of the Minister for Treasury and Resources (P.129/2014 Amd.(6)), agreed that in paragraph (a), after the words “as set out in the Budget Statement” there should be inserted the words –

“except that the estimate of income from taxation during 2015 shall be reduced by £250,000 by restricting the application of the proposed higher rates of stamp duty on properties worth more than £1 million to domestic properties only”.

Members present voted as follows –

**POUR: 36**

Senator P.F. Routier  
Senator P.F.C. Ozouf  
Senator A.J.H. Maclean  
Senator B.I. Le Marquand  
Senator I.J. Gorst  
Connétable of Trinity  
Connétable of St. Clement  
Connétable of St. Peter  
Connétable of St. Lawrence  
Connétable of St. Mary  
Connétable of St. Ouen  
Connétable of St. Brelade  
Connétable of St. Martin  
Connétable of St. Saviour  
Connétable of Grouville  
Deputy R.G. Le Hérissier (S)  
Deputy J.A. Martin (H)  
Deputy of Grouville  
Deputy J.A. Hilton (H)  
Deputy J.A.N. Le Fondré (L)

**CONTRE: 8**

Senator A. Breckon  
Senator S.C. Ferguson  
Connétable of St. John  
Deputy R.C. Duhamel (S)  
Deputy of St. Ouen  
Deputy M.R. Higgins (H)  
Deputy N.B. Le Cornu (H)  
Deputy S.Y. Mézec (H)

**ABSTAIN: 0**

Deputy of Trinity  
Deputy S.S.P.A. Power (B)  
Deputy K.C. Lewis (S)  
Deputy E.J. Noel (L)  
Deputy T.A. Vallois (S)  
Deputy A.K.F. Green (H)  
Deputy J.M. Maçon (S)  
Deputy G.C.L. Baudains (C)  
Deputy of St. John  
Deputy J.H. Young (B)  
Deputy S.J. Pinel (C)  
Deputy of St. Mary  
Deputy of St. Martin  
Deputy R.G. Bryans (H)  
Deputy of St. Peter  
Deputy R.J. Rondel (H)

### **Changes in Presidency**

THE STATES re-assembled after the lunch adjournment under the Presidency of Mr. Michael Nelson de la Haye, O.B.E., Greffier of the States.

### **Draft Budget Statement 2015 P.129/2014**

THE STATES resumed consideration of the Draft Budget Statement 2015 (P.129/2014) as amended and, adopting paragraphs (a), (c), (h), (i) and (l) of the Draft Budget Statement 2015 (P.129/2014), as amended –

- (a) approved, in accordance with the provisions of Article 10(3)(a) of the Public Finances (Jersey) Law 2005, the estimate of income from taxation during 2015 of £615,502,000 as set out in summary Table A of the Budget Statement, with the sum to be raised through existing taxation measures and the proposed changes to Income Tax, Goods and Services Tax, Impôts Duty and Stamp Duty for 2015 as set out in the Budget Statement, except that the estimate of income from taxation during 2015 shall be reduced by £115,000 by maintaining for the year 2015 reduced rates of stamp duty and land transaction tax for first-time buyers on properties up to a value of £450,000 and by introducing a relief which reduces the rates of stamp duty or land transaction tax as set out in the Appendix on properties bought by first time buyers worth between £400,000 and £450,000; and except that the estimate of income from taxation during 2015 should be reduced by £250,000 by restricting the application of the proposed higher rates of stamp duty on properties worth more than £1 million to domestic properties only;
- (c) approved, in accordance with the provisions of Regulation 22(1)(c) of the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations 2005 the transfer in 2014 of £2,635,000 from the Car Parks Trading Fund to the Consolidated Fund, with £635,000 of this sum being used to fund the “Road Safety Improvements” 2015 capital project of the Transport and Technical Services Department, £500,000 being used to fund part of the Department’s “Infrastructure rolling vote” in 2015 for sustainable transport initiatives and £1,500,000 being used to offset the cost of the existing Green Street Car Park capital project;

- (h) agreed to refer to their Act dated 5th December 2013 in which they approved the Draft Budget Statement 2014 and, in accordance with the provisions of Article 10(12) of the Public Finances (Jersey) Law 2005, approved the following additional transfers in 2014 of up to £6,120,000 from the Housing Development Fund to the Consolidated Fund in accordance with the provisions of Article 10(3)(f) of the Public Finances (Jersey) Law 2005 and up to £1,058,000 from the Stabilisation Fund to the Consolidated Fund in accordance with the provisions of Article 4A(2) of the Public Finances (Jersey) Law 2005;
- (i) approved the transfer of up to £6,500,000 from the Dwelling Houses Loan Fund to the Consolidated Fund in accordance with the provisions of Article 2(1) of the Building Loans (Jersey) Law 1950;
- (l) requested the Minister for Treasury and Resources to request for The Jersey New Waterworks Company Limited, a public company limited by shares, incorporated in 1882 and operating under the Companies (Jersey) Law 1991, to ask the shareholders of the company to pass a special resolution for the following –
- (i) to alter its Memorandum of Association by special resolution, to reduce its share capital – by removing the Fifth Preference Share, class of share capital;
- (ii) to repay the States of Jersey, the sole shareholder of all the Fifth Preference Shares, a fair market value for the shares (estimated at £7.4 million) during 2015 (the shareholding representing 900,000 issued and fully paid 10% cumulative fifth preference shares of £5 with a par value of £4.5 million).

Members present voted as follows –

**POUR: 33**

Senator P.F. Routier  
 Senator P.F.C. Ozouf  
 Senator A.J.H. Maclean  
 Senator B.I. Le Marquand  
 Senator I.J. Gorst  
 Senator L.J. Farnham  
 Senator P.M. Bailhache  
 Connétable of St. Helier  
 Connétable of Trinity  
 Connétable of St. Clement  
 Connétable of St. Peter  
 Connétable of St. Lawrence  
 Connétable of St. Mary  
 Connétable of St. Ouen  
 Connétable of St. Brelade  
 Connétable of St. Martin  
 Connétable of St. Saviour  
 Connétable of Grouville  
 Deputy R.C. Duhamel (S)  
 Deputy J.A. Martin (H)  
 Deputy of Grouville  
 Deputy J.A. Hilton (H)  
 Deputy of Trinity  
 Deputy K.C. Lewis (S)  
 Deputy E.J. Noel (L)

**CONTRE: 16**

Senator A. Breckon  
 Senator S.C. Ferguson  
 Connétable of St. John  
 Deputy R.G. Le Hérisier (S)  
 Deputy G.P. Southern (H)  
 Deputy of St. Ouen  
 Deputy J.A.N. Le Fondré (L)  
 Deputy S.S.P.A. Power (B)  
 Deputy M. Tadier (B)  
 Deputy T.A. Vallois (S)  
 Deputy M.R. Higgins (H)  
 Deputy J.M. Maçon (S)  
 Deputy G.C.L. Baudains (C)  
 Deputy of St. John  
 Deputy N.B. Le Cornu (H)  
 Deputy S.Y. Mézec (H)

**ABSTAIN: 0**

Deputy A.K.F. Green (H)  
 Deputy J.H. Young (B)  
 Deputy S.J. Pinel (C)  
 Deputy of St. Mary  
 Deputy of St. Martin  
 Deputy R.G. Bryans (H)  
 Deputy of St. Peter  
 Deputy R.J. Rondel (H)

THE STATES, adopting paragraphs (b), (d) and (f) of the Draft Budget Statement 2015 (P.129/2014), as amended –

- (b) approved, in accordance with the provisions of Article 10(3)(d) of the Public Finances (Jersey) Law 2005, a capital head of expenditure for each of the capital projects for States funded bodies to be started or continued in 2015 (other than States trading operations) as set out in the recommended programme of capital projects in Summary Table D (with the removal of the item “JDE Development and Upgrade – £1,238,000”) totalling £75,144,000, noting that the Minister for Treasury and Resources, in accordance with the investment strategy for the Currency Fund set out in the “States Investment Strategies” (made under Part 2 of the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations 2005 and presented to the States on 11th November 2013), would make an investment of £25,494,000 from the Currency Fund to fund Phase 1 of the £75 million project to construct the new sewage treatment works, with such sum being repayable by the Transport and Technical Services Department over a period of 40 years, applying a formula of investment return determined by the Minister for Treasury and Resources after taking advice from the States investment managers;
- (d) referred to their Act dated 3rd June 2014 in which they approved the Waste Water Strategy (P.39/2014) and agreed, in principle, that a total capital allocation of £75 million for funding the proposed new sewage treatment works should be made, and to request the Council of Ministers and the Minister for Treasury and Resources to take the necessary steps to bring forward for approval further capital allocations up to this maximum of £75 million in future Medium Term Financial Plans and Budget Statements respectively;
- (f) referred to their Act dated 5th December 2013 in which they approved the Draft Budget Statement 2013 and agreed, *inter alia*, that the Strategic Reserve Fund could be used for the planning and creation of new hospital services in the Island, and approved the transfer of a further sum of £22.7 million from the Strategic Reserve Fund to the Consolidated Fund in 2015 so as to provide for these purposes, in accordance with the provisions of Article 4(3) and 10(3)(f) of the Public Finances (Jersey) Law 2005.

Members present voted as follows –

**POUR: 35**

Senator P.F. Routier  
 Senator P.F.C. Ozouf  
 Senator A. Breckon  
 Senator A.J.H. Maclean  
 Senator B.I. Le Marquand  
 Senator I.J. Gorst  
 Senator L.J. Farnham  
 Senator P.M. Bailhache  
 Connétable of St. Helier

**CONTRE: 14**

Senator S.C. Ferguson  
 Deputy R.C. Duhamel (S)  
 Deputy R.G. Le Hérisier (S)  
 Deputy G.P. Southern (H)  
 Deputy of St. Ouen  
 Deputy M. Tadier (B)  
 Deputy T.A. Vallois (S)  
 Deputy M.R. Higgins (H)  
 Deputy J.M. Maçon (S)

**ABSTAIN: 0**

Connétable of Trinity	Deputy G.C.L. Baudains (C)
Connétable of St. Clement	Deputy of St. John
Connétable of St. Peter	Deputy J.H. Young (B)
Connétable of St. Lawrence	Deputy N.B. Le Cornu (H)
Connétable of St. Mary	Deputy S.Y. Mézec (H)
Connétable of St. John	
Connétable of St. Ouen	
Connétable of St. Brelade	
Connétable of St. Martin	
Connétable of St. Saviour	
Connétable of Grouville	
Deputy J.A. Martin (H)	
Deputy of Grouville	
Deputy J.A. Hilton (H)	
Deputy J.A.N. Le Fondré (L)	
Deputy of Trinity	
Deputy S.S.P.A. Power (B)	
Deputy K.C. Lewis (S)	
Deputy E.J. Noel (L)	
Deputy A.K.F. Green (H)	
Deputy S.J. Pinel (C)	
Deputy of St. Mary	
Deputy of St. Martin	
Deputy R.G. Bryans (H)	
Deputy of St. Peter	
Deputy R.J. Rondel (H)	

THE STATES, adopting paragraph (e) of the Draft Budget Statement 2015 (P.129/2014), as amended, approved, in accordance with the provisions of Article 10(3)(e) of the Public Finances (Jersey) Law 2005, each of the capital projects that were scheduled to start during 2015 in the recommended programme of capital for each States trading operation, as set out in Summary Table E that required funds to be drawn from the trading funds in 2015.

Members present voted as follows –

**POUR: 39**

Senator P.F. Routier  
 Senator P.F.C. Ozouf  
 Senator A. Breckon  
 Senator A.J.H. Maclean  
 Senator B.I. Le Marquand  
 Senator I.J. Gorst  
 Senator L.J. Farnham  
 Senator P.M. Bailhache  
 Connétable of St. Helier  
 Connétable of Trinity  
 Connétable of St. Clement  
 Connétable of St. Peter  
 Connétable of St. Lawrence  
 Connétable of St. Mary  
 Connétable of St. Ouen  
 Connétable of St. Brelade

**CONTRE: 8**

Senator S.C. Ferguson  
 Connétable of St. John  
 Deputy G.P. Southern (H)  
 Deputy M. Tadier (B)  
 Deputy J.M. Maçon (S)  
 Deputy G.C.L. Baudains (C)  
 Deputy N.B. Le Cornu (H)  
 Deputy S.Y. Mézec (H)

**ABSTAIN: 0**

Connétable of St. Martin  
 Connétable of St. Saviour  
 Connétable of Grouville  
 Deputy R.C. Duhamel (S)  
 Deputy R.G. Le Hérisier (S)  
 Deputy J.A. Martin (H)  
 Deputy of St. Ouen  
 Deputy of Grouville  
 Deputy J.A. Hilton (H)  
 Deputy J.A.N. Le Fondré (L)  
 Deputy of Trinity  
 Deputy S.S.P.A. Power (B)  
 Deputy K.C. Lewis (S)  
 Deputy E.J. Noel (L)  
 Deputy T.A. Vallois (S)  
 Deputy A.K.F. Green (H)  
 Deputy of St. John  
 Deputy J.H. Young (B)  
 Deputy S.J. Pinel (C)  
 Deputy of St. Mary  
 Deputy of St. Martin  
 Deputy R.G. Bryans (H)  
 Deputy of St. Peter

THE STATES, adopting paragraph (g) of the Draft Budget Statement 2015 (P.129/2014), as amended, referred to their Act dated 5th December 2013 in which they approved the Draft Budget Statement 2014 (P.122/2014) and, *inter alia*, agreed to vary the purpose of the Housing Development Fund in accordance with Article 3(3)(b) of the Public Finances (Jersey) Law 2005 to include the lending of monies to enable the further provision and development of housing in Jersey; and approved, in accordance with Article 3(3)(b), the revised rules for the operation of the Housing Development Fund as set out in Appendix C of the Budget Statement, with these rules giving further instruction and guidance on the use of funds and the purpose and the operation of the Fund.

Members present voted as follows –

**POUR: 41**

Senator P.F. Routier  
 Senator P.F.C. Ozouf  
 Senator S.C. Ferguson  
 Senator A.J.H. Maclean  
 Senator B.I. Le Marquand  
 Senator I.J. Gorst  
 Senator L.J. Farnham  
 Senator P.M. Bailhache  
 Connétable of St. Helier  
 Connétable of Trinity  
 Connétable of St. Clement  
 Connétable of St. Peter  
 Connétable of St. Lawrence  
 Connétable of St. Mary  
 Connétable of St. Ouen  
 Connétable of St. Brelade

**CONTRE: 6**

Connétable of St. John  
 Deputy G.P. Southern (H)  
 Deputy M. Tadier (B)  
 Deputy G.C.L. Baudains (C)  
 Deputy of St. John  
 Deputy S.Y. Mézec (H)

**ABSTAIN: 2**

Senator A. Breckon  
 Deputy N.B. Le Cornu (H)

Connétable of St. Martin  
 Connétable of St. Saviour  
 Connétable of Grouville  
 Deputy R.C. Duhamel (S)  
 Deputy R.G. Le Hérisier (S)  
 Deputy J.A. Martin (H)  
 Deputy of St. Ouen  
 Deputy of Grouville  
 Deputy J.A. Hilton (H)  
 Deputy J.A.N. Le Fondré (L)  
 Deputy of Trinity  
 Deputy S.S.P.A. Power (B)  
 Deputy K.C. Lewis (S)  
 Deputy E.J. Noel (L)  
 Deputy T.A. Vallois (S)  
 Deputy M.R. Higgins (H)  
 Deputy A.K.F. Green (H)  
 Deputy J.M. Maçon (S)  
 Deputy J.H. Young (B)  
 Deputy S.J. Pinel (C)  
 Deputy of St. Mary  
 Deputy of St. Martin  
 Deputy R.G. Bryans (H)  
 Deputy of St. Peter  
 Deputy R.J. Rondel (H)

THE STATES, adopting paragraph (j) of the Draft Budget Statement 2015 (P.129/2014), as amended, noted the future operation of the Strategic Reserve Fund (“The Fund”), as set out in Appendix D of the Budget Statement, and agreed that the Strategic Reserve balance of £651,216,000 as at 31st December 2012 should be defined as the capital value of the Strategic Reserve and that, for future years, the capital value be maintained in real terms by increasing the capital value in line with increases in Jersey RPI(Y).

Members present voted as follows –

**POUR: 38**

Senator P.F. Routier  
 Senator P.F.C. Ozouf  
 Senator S.C. Ferguson  
 Senator A.J.H. Maclean  
 Senator B.I. Le Marquand  
 Senator I.J. Gorst  
 Senator L.J. Farnham  
 Senator P.M. Bailhache  
 Connétable of St. Helier  
 Connétable of Trinity  
 Connétable of St. Clement  
 Connétable of St. Peter  
 Connétable of St. Lawrence  
 Connétable of St. Mary  
 Connétable of St. Ouen  
 Connétable of St. Brelade  
 Connétable of St. Martin

**CONTRE: 8**

Senator A. Breckon  
 Deputy of St. Ouen  
 Deputy M. Tadier (B)  
 Deputy J.M. Maçon (S)  
 Deputy G.C.L. Baudains (C)  
 Deputy J.H. Young (B)  
 Deputy N.B. Le Cornu (H)  
 Deputy S.Y. Mézec (H)

**ABSTAIN: 2**

Deputy G.P. Southern (H)  
 Deputy M.R. Higgins (H)



Connétable of St. Saviour  
 Connétable of Grouville  
 Deputy R.C. Duhamel (S)  
 Deputy R.G. Le Hérisssier (S)  
 Deputy J.A. Martin (H)  
 Deputy of Grouville  
 Deputy J.A. Hilton (H)  
 Deputy J.A.N. Le Fondré (L)  
 Deputy of Trinity  
 Deputy S.S.P.A. Power (B)  
 Deputy K.C. Lewis (S)  
 Deputy E.J. Noel (L)  
 Deputy T.A. Vallois (S)  
 Deputy A.K.F. Green (H)  
 Deputy of St. John  
 Deputy S.J. Pinel (C)  
 Deputy of St. Mary  
 Deputy of St. Martin  
 Deputy R.G. Bryans (H)  
 Deputy of St. Peter  
 Deputy R.J. Rondel (H)

THE STATES, adopting paragraph (k) of the Draft Budget Statement 2015 (P.129/2014), as amended, referred to their Act dated 5th December 2006, in which they approved the establishment of a Stabilisation Fund and agreed that the purpose of the Fund was to make fiscal policy more countercyclical and create in the Island a more stable economic environment with low inflation, and approved the rules for the future operation of the Stabilisation Fund as set out in Appendix E of the Budget Statement.

Members present voted as follows –

**POUR: 39**

Senator P.F. Routier  
 Senator P.F.C. Ozouf  
 Senator S.C. Ferguson  
 Senator A.J.H. Maclean  
 Senator B.I. Le Marquand  
 Senator I.J. Gorst  
 Senator L.J. Farnham  
 Senator P.M. Bailhache  
 Connétable of St. Helier  
 Connétable of Trinity  
 Connétable of St. Clement  
 Connétable of St. Peter  
 Connétable of St. Lawrence  
 Connétable of St. Mary  
 Connétable of St. Ouen  
 Connétable of St. Brelade  
 Connétable of St. Martin  
 Connétable of St. Saviour  
 Connétable of Grouville  
 Deputy R.C. Duhamel (S)

**CONTRE: 9**

Senator A. Breckon  
 Connétable of St. John  
 Deputy G.P. Southern (H)  
 Deputy M. Tadier (B)  
 Deputy J.M. Maçon (S)  
 Deputy G.C.L. Baudains (C)  
 Deputy of St. John  
 Deputy N.B. Le Cornu (H)  
 Deputy S.Y. Mézec (H)

**ABSTAIN: 0**

Deputy R.G. Le Hérisier (S)  
Deputy J.A. Martin (H)  
Deputy of St. Ouen  
Deputy of Grouville  
Deputy J.A. Hilton (H)  
Deputy J.A.N. Le Fondré (L)  
Deputy of Trinity  
Deputy S.S.P.A. Power (B)  
Deputy K.C. Lewis (S)  
Deputy E.J. Noel (L)  
Deputy T.A. Vallois (S)  
Deputy A.K.F. Green (H)  
Deputy J.H. Young (B)  
Deputy S.J. Pinel (C)  
Deputy of St. Mary  
Deputy of St. Martin  
Deputy R.G. Bryans (H)  
Deputy of St. Peter  
Deputy R.J. Rondel (H)

#### **Changes in Presidency**

Mr. Michael Nelson de la Haye, O.B.E., Greffier of the States, retired from the Chair during consideration of the Draft Budget Statement 2015 (P.129/2014) as amended, and the meeting continued under the Presidency of the Bailiff.

#### **Adjournment**

THE STATES adjourned, having agreed to reconvene on Wednesday 24th September 2014 to consider the outstanding items of public business.

THE STATES rose at 5.47 p.m.

**M.N. DE LA HAYE, O.B.E.**

*Greffier of the States*