

Price : £3.00

THE STATES assembled on Tuesday,
12th March 1996 at 9.30 a.m. under
the Presidency of Senator
Reginald Robert Jeune, C.B.E

All Members were present with the exception of -

Senator Richard Joseph Shenton - out of the
Island
Senator Terence John Le Main - ill
Harry Hallewell Baudains, Deputy of St.
Clement - out of the Island
John Nicolle Le Fondré, Deputy of St.
Lawrence - ill
Alastair John Layzell, Deputy of St.
Brelade - out of the Island
Imogen Stephanie Nicholls, Deputy of
Grouville - ill
Philip John Rondel, Deputy of St. John -
out of the Island.

Prayers

Subordinate legislation tabled

The following enactments were laid before the
States, namely -

1. Road and Sand Racing (Jersey)
Order 1996. R & O 8913.
2. Banking Business (List of
Registered Persons) (Jersey) Order
1996. R & O 8914.
3. Airport Dues (Tariff) (Jersey)
Order 1996. R & O 8915.

4. Road Traffic (Saint Helier)
(Jersey) Order 1996. R & O 8916.

Matters presented

The following matters were presented to the States -

1. Public lotteries: report for 1995 - R.C.6/96.
Presented by the Gambling Control Committee.
THE STATES ordered that the said report be printed and distributed.
2. Births, marriages and deaths 1995: statement - R.C.7/96.
Presented by the Etat Civil Committee.
THE STATES ordered that the said statement be printed and distributed.
3. The Jersey Electricity Company Limited: annual report and accounts for the period 3rd October 1994 to 1st October 1995.
Presented by the Finance and Economics Committee.
4. States members' remuneration (P.31/96): report - P.45/96.
Presented by the House Committee.
THE STATES ordered that the said report be printed and distributed.

Matters noted - land transactions

THE STATES noted an Act of the Finance and Economics Committee dated 4th March 1996, showing that, in pursuance of Standing Orders relating to certain transactions in land, the Committee had approved -

- (a) as recommended by the Planning and Environment Committee, the purchase from Mrs. Joan De Quetteville Houlihan, née Deacon, of the freehold of land and buildings (measuring 5.5 vergées) at Field No. 1587, Claremont Road, St. Saviour, for the sum of £250,000 for the purpose of constructing a school playing field and ancillary changing

room facilities, together with the payment by the public of legal and valuation fees in the sum of £4,177.50. (The Committee rescinded its Act No. 1(a) of 3rd July 1995 accordingly);

- (b) as recommended by the Housing Committee, the entering into of a Deed of Arrangement with Mr. Dominic Daniel Sullivan and Mrs. Kerry Ann Sullivan, née Murray, the owners of 51A Clearview Street, St. Helier, regarding the encroachment of four windows and a door on a private lane, administered by the Committee, at the rear of Jane Sandeman Court, St. Helier, to grant certain rights (set out in an Act of the Housing Committee dated 19th January 1996) for the sum of £500 plus £200 in respect of legal costs which resulted from the transaction;
- (c) as recommended by the Housing Committee, the sale to Mr. Vincenzo Nardone and Mrs. Catherine Mary Nardone, née Doyle, the owners of L'Autome, Grands Vaux, St. Saviour, of approximately 200 square feet of land at Grands Vaux, St. Saviour, for the sum of £200, subject to the purchasers being responsible for all legal costs arising from the transaction;
- (d) as recommended by the Public Services Committee, the purchase from Mr. David John Wakeham and Mrs. Judith Wakeham, née Preece, owners of The Cottage, Mon Sejour, La Route de la Haule, St. Lawrence, of an area of land (measuring 72 square feet) on the south side of La Route de la Haule, St. Lawrence, required for footpath improvement, for the sum of £10 on condition that the Committee would be responsible for certain accommodation works and all legal costs involved in the transaction;
- (e) as recommended by the Harbours and Airport Committee, the lease to Jackson Yacht Services of accommodation (measuring 2,888 square feet) on the first floor of the Victoria Pier Warehouse (Letting No. V12U) for a period of nine years from 1st April 1996, at an annual rent of £9,097.20

(representing a rate of £3.15 a square foot) payable quarterly in advance and subject to annual review on 1st January;

(f) as recommended by the Planning and Environment Committee, the entering into of a Deed of Arrangement with Mrs. Irene Maud Person, née Cabot, to confirm the boundary with Clairval, Mont Millais, St. Helier, on the basis that the Committee would be responsible for the payment of legal costs arising from the transaction;

(g) as recommended by the Public Services Committee -

(i) the purchase from Mr. Martin Lionel Dodd and Mrs. Pauline Frances Dodd, née Tuttle, of an area of land (measuring 617 square feet) at Les Buis, La Route de Ste. Marie, St. Mary, required for the construction of a footpath, for the sum of £1,300, and

(ii) the purchase from Les Buis Properties Limited of an area of land (measuring 634 square feet) at Les Buis, La Route de Ste. Marie, St. Mary, required for the construction of a footpath, for the sum of £634;

subject to the Committee being responsible for all reasonable legal costs and accommodation works;

(h) as recommended by the Public Services Committee, the sale to H.G.M. Holdings Limited of an area of land (measuring approximately 96 square feet) at Field No. 3, St. Clement, for a consideration of £10, on the basis that the purchaser would be responsible for all legal costs involved in the transaction and for the cost of replacing the boundary stones;

(i) as recommended by the Public Services Committee, the incorporation into the corpus fundi of the existing lease to the Jersey Electricity Company Limited of Electricity Sub-Station 601, St.

Aubin's Harbour, St. Brelade, of a switchpoint which had been established at the site and which had not been covered in the original lease (Act No. 2(n) of the Committee of 14th August 1995 refers);

(j) as recommended by the Establishment Committee, the extension of the lease from Ms. Elizabeth Ruth Creighton of the property known as La Fontaine, Rue de la Blanche Pierre, St. Lawrence, from 1st February 1996 to 30th June 1996, at the existing annual rent of £8,580;

(k) as recommended by the Housing Committee, the annulment of the lease to Mr. Roger Ernest Bisson of No. 74 Colomberie, St. Helier, subject to the payment by Mr. Bisson of the outstanding rent of £8,125, plus all legal costs incurred in relation to the transaction;

(l) as recommended by the Health and Social Services Committee, the lease from the Parish of St. Helier of the Family Centre, St. Ewolds Residential Home, Balmoral Drive, St. Helier, for a period of five years at an annual rent of £11,400 payable in advance from a commencement date to be agreed and subject to review after a period of 2½ years;

(m) as recommended by the Finance and Economics Committee, the lease from Victorian Holdings Limited of Flat 1, Victoria House, Victoria Street, St. Helier, to provide accommodation for contract employees, for a further period of 25 months from 1st April 1996, at the current annual rent of £8,474, subject to review in April 1996, on the existing terms and conditions.

Matters lodged

The following matters were lodged ``au Greffe" -

1. 5, 6, 7 Newgate Street, St. Helier: purchase - P.38/96.

Presented by the Health and Social Services Committee.

2. Environmental Charter for Jersey - P.39/96.
Presented by the Policy and Resources Committee.
3. Draft European Communities (Accessions) (Jersey) Regulations 199 - P.40/96.
Presented by the Policy and Resources Committee.
4. Disabled transport allowance - P.41/96.
Presented by the Employment and Social Security Committee.
5. Draft Health Insurance (Amendment No. 9) (Jersey) Law 199 - P.42/96.
Presented by the Employment and Social Security Committee.
6. Draft Health Care (Registration) (Jersey) Law 1995 (Appointed Day) Act 199 - P.43/96.
Presented by the Health and Social Services Committee.

Draft Disability Transport Allowance (Jersey) Law 199 - P.159/95. Withdrawn.

THE STATES noted that the President of the Employment and Social Security Committee had withdrawn the draft Disability Transport Allowance (Jersey) Law 199 (lodged ``au Greffe" on 7th November 1995) having lodged ``au Greffe" a new proposition at the present meeting (P.41/96).

Arrangement of public business for the next meeting on 26th March 1996

THE STATES confirmed that the following matters lodged ``au Greffe" would be considered at the meeting on 26th March 1996 -

States members' remuneration - P.31/96.
Lodged: 13th February 1996.
Senator S. Syvret and referred to the House Committee.

5, 6, 7 Newgate Street, St. Helier:
purchase - P.38/96.
Lodged: 12th March 1996.
Health and Social Services Committee.

Disabled transport allowance.
P.41/96
Lodged: 12th March 1996
Employment and Social Security
Committee.

Draft Health Insurance (Amendment
No. 11) (Jersey) Law 199 - P.42/96
(Revised).
Lodged: 12th March 1996.
Employment and Social Security
Committee.

Draft Health Care (Registration)
(Jersey) Law 1995 (Appointed Day) Act
199 - P.43/96.
Lodged: 12th March 1996.
Health and Social Services
Committee.

Poverty in the Island - questions and answers
(Tape No. 328)

Senator Stuart Syvret asked Deputy Terence
Augustine Le Sueur of St. Helier, President of
the Employment and Social Security Committee,
the following questions -

- ``1. Would the President explain to members what information is available on poverty in the Island and the methodology used in producing that information?
2. Would the President explain to members what wealth redistribution mechanisms could be introduced to alleviate poverty?"

The President of the Employment and Social Security Committee replied as follows -

- ``1. There is no doubt that poverty exists in Jersey, as it does elsewhere. However the definition of `poverty' is subjective, and must clearly relate to the environment or location under

consideration. It is important to define what we mean by 'poverty' in order that we can decide if and how it can be assessed in Jersey. Similarly when dealing with the answer to question 2 it is important to understand what we mean by 'wealth'. A person can have little income but considerable wealth; another person may have reasonable income but very large outgoings and little capital. Indeed different bodies may well have different definitions of poverty.

Poverty is not an absolute term. It describes a condition of inadequate food or money, and is therefore not the same as having low income. In places such as Jersey, it is suggested that real poverty is rare but relative poverty where a comparison is drawn with an average person is possibly more prevalent. Even relative poverty is difficult to measure given that it is a function of expenditure as well as income. For example a person on average income with a relatively high rent and high medical costs for a sickly child would be relatively poor in comparison to a single person paying no rent and with no children, on the same income.

Recently an income figure of £7,500, approximately half average earnings, has been suggested as a suitable threshold to define poverty. This is a simplistic measure of poverty, as it has no relation to expenditure or indeed the minimum amount of money needed to live in Jersey. Like many other countries, a minimum level of subsistence in Jersey has not been defined although the parish welfare level is normally taken to be the level of subsistence.

As you may recall from my Committee's review of the Social Security and Health Insurance Schemes in Jersey, we were able to draw on information available to my Department and elsewhere, albeit incomplete, and reach some general conclusions on poverty in the report 'Continuity and Change'

which was published last year.

The issue is a very complex one and the report tries to address the many aspects of this problem. For example there is a section in the report on the concepts of 'Preventing Poverty Vs Alleviation of Poverty' (page 67) and another on the role of the parish welfare system which is the final safety net of financial assistance in the Island (page 66). The report also suggests certain reforms to the Social Security system which should ensure that more of the population is insured in future for loss of earnings power, and therefore be less likely to suffer financial hardship. There are proposals for a new 'in work' benefit to help those on genuine low incomes which is where, we suspect, there is a real need not being fully met by either the current Social Security scheme, housing benefit or parish welfare system.

It is impossible to cover every aspect of such a complex subject by responding to a question such as this and I would recommend that Senator Syvret revisit the report which deals with these matters in more depth. For the present, I will simply report briefly on the information currently available but I would stress that most of this information is derived from data on groups who are already receiving some degree of financial assistance.

No relevant information can be drawn from beneficiaries receiving contributory benefits as these benefits are based solely on a person's contribution record and not income.

Limited information is available on those receiving non-contributory benefits, which are not linked to any contribution payment, as follows -

Family allowance

This is the most important non-contributory benefit targeted to low income families. It is based on a historic means test (the last

income tax return). The basic philosophy of family allowance was that those on the allowance who are all below the tax threshold should be treated as least as equitably as those above the tax threshold who gain through increase in tax allowances. This principle was lost when the tax thresholds were re-aligned in the late 1980s. For the present, there are 2,329 families in receipt of varying rates of family allowance, depending on income and I attach at Appendix `A' an update of the table published on page 173 of `Continuity and Change'.

Attendance allowance, invalid care allowance, disabled child allowance, disabled adults allowance

These non-contributory benefits are paid to help disabled people and their carers. There is an income bar of £31,539, above which they cannot claim. Current numbers in receipt of these allowances, and therefore having an income of less than £31,539 are as follows -

Attendance allowance	638
Invalid care allowance	121
Disabled child allowance	101
Disabled adult allowance	195

Health insurance scheme exception

This is a means tested benefit to help low income families by providing free medical and pharmaceutical care. It is basically paid to family groups whose incomes are up to 20 per cent above parish welfare levels. There are currently just under 4,000 claimants, the majority being pensioners, and I attach at Appendix `B' an update of the table published on page 210 of the `Continuity and Change' report.

Three sources of information are available to derive information on

income distributions -

The household expenditure survey
Earnings related contributory
details
Details of wages and salaries from
income tax returns

There are a number of detailed statistical tables on pages 94 and 95 of the 'Continuity and Change' report which cover income distribution in the Island in some detail. Basically the work carried out for the review indicated that over half of all households in Jersey have annual incomes of less than £20,000 and suggests that a significant number of people have to live on relatively low incomes. However, the report points out that these assumptions should be viewed with some caution. Income tax and social security information in the analysis is based on 'earnings' information. The household expenditure survey is geared more to 'expenditure' and not 'income'.

The report goes on to say that, if we are to attempt to define poverty, it has been suggested that it would apply to households with less than half average income - around £7,500 in Jersey in 1993. The full rate married pension in 1993 amounted to £7,122 which is assumed to be above basic subsistence levels. From the Household Expenditure Survey, approximately 12 per cent of households fall below this level. However, again these figures should be viewed with caution as there are dangers in using averages statistically in such a small population, and also no real work has been done on minimum subsistence levels. As I said previously, the main 'income support' benefit administered by my Department is family allowance where there were 2,329 families receiving this allowance whose income in 1994 was less than £7,500. Again, I would stress that we are already alleviating poverty for this particular group.

We also have some information from a

recent social security customer survey which was published in the 'Continuity and Change' report. The main relevant conclusions drawn from this were -

The majority agreed that the range and levels of social security benefits and pensions were adequate.

Just over half said that the cost of seeing a doctor stopped them visiting or calling the surgery.

Over 80 per cent wanted the Social Security Health Scheme to be extended to cover some of the costs of seeing a dentist or optician.

It can therefore be assumed that health care costs can be a problem for many but it is impossible to assess the reasons for this without available data.

Finally, one of the main sources of information on poverty should be through the parish welfare system. Unfortunately, information has not been kept uniformly by all parishes in the past and we are at present discussing with the Connétables ways of building up a database for the future. It is important for my Committee to know who is slipping through the social security net, and why, in order to make plans for the future. However, parishes have helped us put a general pen picture together on welfare claimants and I would be happy to pass on the full report to any interested members. Basically, the information we obtained is as follows -

There has been a significant increase in expenditure on parish welfare during the period 1989 - 1995 from £3.5 million to approximately £7.5 million.

There has been a growth in expenditure in all but one of the parishes (the largest in St. Saviour - approximately 311 per

cent, the lowest in St. Mary where expenditure has been reduced).

Of the total expenditure, just over £5 million is spent on native welfare and £2.5 million on non-native expenditure.

Most of the money is paid to pensioners (37 per cent), followed by lone parents (25 per cent) and the incapacitated (12 per cent).

Expenditure on pensioners and lone parents is perceived by the parishes to be major areas for increased benefit expenditure in the future.

The unemployed is the client group with the greatest variation of treatment.

Some genuine claimants appear to be daunted by having to approach the parish.

The variation of treatment between parishes offers some clients a creative service attuned to need yet, on the other hand, results in other clients in identical circumstances in the same or a different parish receiving different treatment unrelated to their needs.

I would stress that these are groups of people receiving financial support to alleviate poverty. We do not know how much hardship exists amongst those who do not claim welfare support, or any of the other benefits that exist such as social security benefits, housing benefit and educational grants. Nor do we know how much financial support is given by the charities, to whom and for what reasons.

2. As previously mentioned, we need to be clear what we mean by 'wealth', and whether this relates to income, capital, a mixture of both or some

other yardstick.

The social security contributory scheme is not a suitable means for redistribution of wealth, being more in the nature of an insurance based scheme whereby benefits are related to a record of contributions. To the extent that wage-earners are on low incomes (i.e below the earnings ceiling) some redistribution occurs by way of supplementation of contributions from general revenue. In this context it is worth pointing out that out of an Island workforce of approximately 45,000 there are 31,000 persons (or 69 per cent) earning less than the ceiling (currently £20,400) and the average annual earnings of a person is in the region of £14,500 to £15,000.

Members are aware that the whole of social security is under review, and I hope to bring to the States the first phase of our recommendations, dealing with the contributory scheme, during the next few months. However, our researches show clearly that the public are anxious to retain the scheme broadly in its present form, and whilst there will be scope for some improvements they are unlikely to have any significant effect on the causes or alleviation of poverty.

In our report, 'Continuity and Change', (pages 38/39) various types of social security programme are classified. The classification appropriate to wealth or income redistribution is the 'transfer programme' which inevitably centres on taxation. In simple terms the theory behind transfer programmes are that those able to pay more, not just earners, should pay for the benefits of those who are poor.

Several tax mechanisms exist throughout the world which seek to effect a more equal distribution of income. For example personal income tax, wealth tax, property tax, import tax and taxes on luxury goods all exist in various degrees and forms. However, it has to be said that throughout the world the use of general government revenue has

attracted most attention recently. The argument runs that if a government has settled upon the most socially acceptable distribution of the burden (i.e. its tax structure), it is not unreasonable to look at general revenues to pay for social transfer programmes.

In Jersey, family allowance and non-contributory disablement benefits are funded from general revenues, whereas parish welfare is funded through the rates (property tax) for native welfare cases and general revenues for non-native cases.

In recent years, working parties have been set up through the Finance and Economics Committee to look at ways of increasing revenue, including a close scrutiny of the taxation system. Although many ideas were brought forward and considered, the general taxation system has been maintained as the most suitable for current needs.

In summary, the principal mechanism for redistribution of wealth is through the tax system, be that by consumer taxes, taxes on income or capital taxes (which at present we do not impose in any meaningful way, and which in any event in my view are not an efficient tax-gathering mechanism). My Committee does redistribute some of this wealth through the non-contributory benefit system, which is funded from general revenues and targeted principally to those in poverty or most in need. The extent of this redistribution depends on the funds available at budget time and the conflicting demands of various agencies. A further mechanism for the redistribution of wealth is through the parish rate system, whereby owners and occupiers pay rates which are then used for the general benefit of parishioners, including those in need.

In dealing with the question and answering what further measures could be taken to redistribute wealth, it is my view that rather than introduce new measures we should build on and improve those already in existence. It is not

totally within the remit of the Employment and Social Security Committee to achieve this, but I can report that my Committee, through its Controller, has set up a working party of officers from those Departments primarily concerned with these matters (Income Tax, Housing, Parish Welfare, Social Security, Economic Adviser), to assess the inter-relationship of benefits and the elimination of the 'poverty trap' where by an increase in a person's earnings can sometimes actually leave him (or her) with less in the pocket.

My Committee is also firmly committed to the principle of 'a hand up not a hand out' and to that extent we are anxious to ensure that benefits, both those administered by Social Security and other agencies, are given in such a way as not to discourage people from bettering their position by their own efforts and seeking employment.

Finally, it is important to recognise that every civilised society needs a 'safety net' or source of ultimate financial support in time of need. That role has traditionally been played by the parishes, and whilst there might be room for some improvement I would not wish to abandon the policy of localised support.

However, this is very much a matter of Island policy, and there is at present a working party in existence, in succession to the Working Party on Need, chaired by myself but composed of a number of representatives from all walks of life, looking at the present welfare benefit system, and we are asked to report to the House on this subject before the end of this year. As a result of that report there may be some scope for a States' debate on the whole issue of poverty and support. In addition, there are outstanding propositions from both Senator Shenton and Deputy Matthews on related issues, which ought to form part of the overall debate.

I also believe that it is important to look at the broader issue of eradication of poverty rather than simply the redistribution of wealth, and this is the responsibility of all States members. We are fortunate in this Island in having a healthy economy and virtually full employment, and whilst this may accentuate the gap between the 'haves' and the 'have-nots', we should be conscious of the fact that without a sound economy it is more difficult to achieve better social provision.

APPENDIX A

FAMILY ALLOWANCE STATISTICS

Number of children in family Families
Children

1 2 3 4 5 6 7

0-6,500	654	398	160	44	7	4	0	1,267
2,165								
-8,500	160	68	30	5	3	0	0	266
421								
-10,500	171	129	28	9	1	0	0	338
554								
-12,500	190	117	29	15	5	1	1	358
609								
-14,500	161	140	47	13	1	1	0	363
645								
-16,500	102	122	52	11	6	0	1	294
583								
-18,500	51	80	33	5	2	0	0	171
340								
-20,500	34	34	16	10	3	0	0	97
205								
-22,500	17	11	10	1	0	0	0	39
73								
-24,500	10	11	2	2	1	0	0	26
51								
-26,500	7	9	4	1	0	0	0	21
41								
-28,500	5	3	0	1	0	0	0	9
17								
-30,500	2	0	1	0	1	0	0	4
10								
-32,500	1	2	0	0	0	0	0	3
7								
-34,500	0	0	1	1	0	0	0	2
7								
-36,500	1	0	0	0	0	0	0	1
1								
-38,500	0	0	1	0	0	0	0	1
3								
Total	1,566	1,124	414	118	30	6	2	
32,260	5,728"							

APPENDIX B

ANALYSIS OF HIE CLAIMANTS - JANUARY
1996

Age	Male	Female	Total
Under 16	378	367	745
16-65	355	806	1,161
Over 65	563	1,391	1,954
Total	1,296	2,564	3,860

Status	Male	Female	Total
Single (includes 745 children)	670	847	1,517
Married	446	496	942
Widowed	96	863	959
Separated	84	358	442

Minimum wage and redundancy payments - question and answer (Tape No. 328)

Deputy James Thomas Johns of St. Helier asked Senator Corrie Stein, President of the Industrial Relations Committee, the following question -

``Would the President inform members of the progress of the report of the Industrial Relations Committee on Senator R.J. Shenton's proposition regarding minimum wage and redundancy payments which was lodged ``au Greffe" on 23rd March 1993?"

The President of the Industrial Relations Committee replied as follows -

``Senator Shenton's proposition was in three parts. The first part related to a minimum wage of £3.50, the second to minimum periods of notice and the third to redundancy payments where an employer has been declared `en desastre'.

Taking these in reverse order, the third part was referred specifically to the Finance and Economics Committee. However, the Industrial Relations Committee

presented a discussion paper to the States in November 1993 entitled Redundancy Through Insolvency.

The second part has been dealt with by the Termination of Employment - Minimum Periods of Notice (Amendment) (Jersey) Regulations 1994, in which the present Committee secured States approval for the doubling of minimum periods of notice.

The Finance and Economics Committee presented a report to the States in December 1993, entitled 'Minimum wage and redundancy payments' (P.199/93). The final paragraph of this report says -

'The conclusion to be drawn from this report is that the case for a statutory minimum wage is not proven'.

The Industrial Relations Committee was not satisfied with this conclusion and has continued to research and discuss the matter. The Committee's Consultative Group comprises representatives of the Chamber of Commerce, the Institute of Directors, the Small Business Association, the Institute of Personnel and Development, the Citizens' Advice Bureau and the Transport and General Workers' Union. In addition, a Working Group has been formed under the Chairmanship of Mr. Brian Le Marquand. The Committee has carried out an extensive survey of employment conditions in the Island, including minimum pay, and the results are currently being analysed.

The Committee has held discussions with the Employment and Social Security Committee and that Committee is in the process of producing a report on minimum wage systems. My Committee will examine this at the earliest opportunity but it has already been made clear by the Employment and Social Security Committee that the introduction of a minimum wage is not regarded as a high priority. The Employment and Social Security Committee takes into consideration the total income received, including benefits, rather than the concept of a fair day's pay for a fair day's work.

Members will appreciate that this is a complex subject which the 1993 report of the Finance and Economics Committee covers

in some detail. The Finance and Economics Committee is of the opinion that the case for a statutory minimum wage is not proven. The Employment and Social Security Committee does not consider this to be a high priority for the reasons mentioned earlier.

Despite the views of the Finance and Economics and Employment and Social Security Committees, the Committee believes that there is sufficient evidence from a number of sources to show that low pay is a real issue which should be tackled. Therefore, the Committee will -

- (a) continue its programme of education for employers and employees. For example, there will be a seminar in May or June on good employment practice; and
- (b) continue to gather and analyse information from all available sources with the intention of reporting back to the States as soon as possible."

The Jersey Electricity Company Limited - questions and answers (Tape No. 328)

Deputy Gary Matthews of St. Brelade asked Senator Pierre François Horsfall, President of the Finance and Economics Committee, the following questions -

- 1. Who are the parties to the contracts under which staff at The Jersey Electricity Company Limited are employed?
- 2.(a) Would the President agree that the published accounts of The Jersey Electricity Company Limited show an element of cross-subsidy between the company's commercial division and its power generation side?
- (b) If the answer to (a) is affirmative, would the President advise members whether this is a new account in practice, or has been in effect in previous years?
- (c) Would the President advise members of the causes of the problems in the

company's commercial division, and whether these problems have affected the value of the States' shareholding in the company?

3. In 1988 The Jersey Electricity Company Limited purchased the company D.C. Durell Limited, Heating and Ventilating Engineers, which also held agencies that were of interest to The Jersey Electricity Company Limited. Has the purchase of this company proved to be a good investment so far as the overall business of The Jersey Electricity Company Limited is concerned?
4. The published annual accounts of The Jersey Electricity Company Limited show that Deputy D.R. Maltwood of St. Mary has a beneficial interest in some 16,322 preference shares in the company which are held in the name of Deenbee Limited. Does the President consider that any conflict of interest may arise from a States' nominated director of the company having such an interest in the company's shares?
5. Is it the intention of The Jersey Electricity Company Limited Board to establish a second electricity link with Electricité de France in the future and, if so, would such a decision require the approval of the States?"

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

1. I wish to preface my replies to the Deputy's questions with a general statement on the role of the Finance and Economics Committee in relation to the activities of The Jersey Electricity Company Limited and the relationship of the company to its shareholders.

Under Article 31 of the Electricity (Jersey) Law 1937, the States have delegated to the Finance and Economics Committee the power and duty of representing the States in all or any matter arising out of that Law and generally of safeguarding the public

interest'. The Electricity (Jersey) Law 1937 is concerned with statutory powers and duties relating to the furnishing of electricity to the inhabitants of the Island. The Committee is advised that the responsibilities placed on it by Article 31 of that Law are restricted to those matters that come within the ambit of the Law.

The Committee has no power to require the company to provide information about its operations that do not relate to the furnishing of electricity. As a publicly quoted company, The Jersey Electricity Company Limited also has certain obligations to all its shareholders and the directors of the company are not permitted to disclose confidential information to one shareholder only that they do not also provide simultaneously both to the stock exchange and to every other shareholder.

I therefore can only respond to questions where they involve matters that come within the scope of the duties placed upon the Finance and Economics Committee by the Electricity (Jersey) Law 1937.

The States, as shareholders, have certain rights but these must be exercised in accordance with the Memorandum and Articles of Association of The Jersey Electricity Company Limited. I would also point out to members that, unlike the Memorandum and Articles of Association for the Waterfront Enterprise Board Limited which the States approved recently, the Memorandum and Articles of Association for The Jersey Electricity Company Limited make no provision for the States or a Committee of the States to give directions to the directors of the company. The States have appointed the States' directors on the recommendation of the Finance and Economics Committee but, once appointed, the directors are required to act in accordance with the Company Law and the Memorandum and Articles of Association. The Finance and Economics Committee is not in a position to instruct the directors to

act in a particular way, nor are the States. It is the directors, not the shareholders, who operate the company and who are responsible and accountable for the company's conduct or actions.

Having regard to what I have said about the rôle of the Finance and Economics Committee and the obligations placed on the directors by the Memorandum and Articles of Association, I have to tell the Deputy, with regard to the first question, that the Finance and Economics Committee does not have access to the information on the employment procedures of the company and that it is for the company alone to decide whether it wishes to make the information requested available to its shareholders generally or to the public.

- 2.(a) The answer to the Deputy's question is that I do not agree with his statement. The published accounts show the company's trading results from all aspects of its operation. As is customary with trading organisations, the individual aspects of its operations are consolidated for reporting purposes to the shareholders. I am not clear whether the Deputy is suggesting that the commercial division is subsidising the power generation side of the company's activities or vice versa but, whichever is in his mind, there is nothing that can be read into what is normal company reporting practice in the accounts on this matter.
- (b) Since the answer to question (a) is in the negative, this question does not call for a reply.
- (c) The Finance and Economics Committee has no right to the information referred to in the first part of the Deputy's question. As far as the value of the States shareholding in the company is concerned, the Committee is not aware that the value of the States shareholding has been affected in any way by recent reports in the media.

3. The Finance and Economics Committee is not in a position to answer the Deputy's question other than by reference to what is published in the annual accounts. Since the acquisition of D.C Durell Limited by The Jersey Electricity Company Limited in 1988, reference has always been published each year in relation to that company in the Note to the Annual Accounts on Fixed Asset Investments. The most recent reference will be found on page 24 - Note 12 - of the Accounts presented to the States earlier this morning. There is a reference, the Deputy will see, to D.C. Durell Limited being 'dormant': this is because D.C. Durell is now a division of The Jersey Electricity Company Limited not a subsidiary any more; but trading still continues under the D.C. Durell name. In addition, from the time of acquisition of D.C. Durell until quite recently there was every year in the report which prefaces the annual accounts, a published comment on the trading performance of D.C. Durell Limited.
4. I do not consider in any way the fact that Deputy Maltwood, personally, holds a beneficial interest in shares of The Jersey Electricity Company Limited gives rise to any risk of conflict of interest with his duties as a States' nominated director of the company. Quite the contrary. It is worth noting in this context that it is a requirement under the company's Articles of Association that all ordinary directors of the company shall hold at least 100 shares of the company. While States' nominated directors are not also bound by this obligation, I regard it as quite acceptable that they should have holdings in the company and Deputy Maltwood is not the first States' nominated director to be in this position.
5. To date the Finance and Economics Committee has not received any information from The Jersey Electricity Company Limited that would suggest that

it is the intention of The Jersey Electricity Company Board to establish a second electricity link with Electricité de France. However, I would expect such a proposal, if it is forthcoming, to be dealt with in the same way as the first electricity link. Then, the company decided what it considered to be the most effective way of meeting its obligations to furnish the inhabitants of the Island with electricity. The company then discussed its conclusions with the relevant Committees of the States and in June 1981 the Finance and Economics Committee brought a proposition to the States seeking approval in principle for a link with Electricité de France because there were international and legislative implications in The Jersey Electricity Company Limited carrying out such an arrangement. The States approved the connexion in principle and in 1982 the Finance and Economics Committee presented a detailed economic appraisal of the proposed link in comparison with alternative sources of electricity supply, carried out for the Committee by a leading international firm of consultants.

The Finance and Economics Committee in carrying out the duties placed upon it by the States under Article 31 of the Electricity (Jersey) Law 1937 will expect to be similarly involved in the future, if The Jersey Electricity Company Limited should decide on a second electricity link. As on the previous occasion, it is also expected that there will be matters arising from the decision of the company on which States' approval will be required."

Candidates for honorary police service -
questions and answers (Tape No. 328)

Deputy Shirley Margaret Baudains of St. Helier asked Leonard René Hamel, Connétable of St. Clement, the following questions -

- ``1. Apart from the formal legal requirements for nominating candidates for office in the honorary police -

- (a) do procedures exist for potential candidates to familiarise themselves with the responsibilities of office in the honorary police before the nomination meeting?
 - (b) do these procedures include meetings with serving members of the honorary police of the parish?
 - (c) are these procedures common to all parishes?
- 2.(a) Candidates for appointment to the States of Jersey Police Force must be 'in good health, of sound constitution and fitted both physically and mentally to perform the duties' of their office. Are any steps taken to ensure that candidates for service in the honorary police have a similar level of fitness to perform the duties of their office?
- (b) The upper age limit for constables officers is set by law as 65. Is a similar age limit set for service in other ranks of the honorary police?
- 3.(a) Although constables' officers are elected for the various vingtaines in a parish, would the Connétable confirm that constable's officers are not required to live in the vingtaine for which they are elected?
- (b) If the answer to question (a) is affirmative, would the Connétable agree that this could cause some vingtaines to have more constables' officers living there than in other vingtaines, and would he regard such a situation as satisfactory?"

The Connétable of St. Clement replied as follows -

- 1.(a) Each parish provides the opportunity for potential candidates to familiarise themselves with the responsibility of office in the honorary police

before the nomination meeting. The procedures vary from parish to parish but could include a meeting with the Connétable and senior centenier, attending a Parish Hall enquiry, going on patrol with serving officers and open evenings when potential candidates are counselled and interviewed by serving officers.

- (b) & (c) Whilst procedures vary from parish to parish they all include meetings with serving members of the honorary police of the parish.

I would add however that it is open to anyone to nominate a person at the parish meeting who may not have taken advantage of the opportunities outlined above. If such a person were to be elected the Connétable would usually ask for the officer-elect's swearing-in to be delayed until such time as the necessary checks had been carried out, for example to ensure there were no previous convictions which would render that person unsuitable to serve as an honorary police officer.

- 2.(a) Neither Part II of the Police Force (Jersey) Law 1974, nor the Honorary Police (Jersey) Regulations 1977, makes any such condition on the health of honorary officers but one would expect any person offering him/herself for service to be confident that he/she was able to perform the duties. It is not for the Connétable but the electorate to decide whether any candidate is a fit and proper person to be charged with the responsibilities of being an honorary police officer.

If a person becomes unable to carry out the duties of the post to which they have been appointed due to ill health they may offer their resignation and it is the Attorney General who will decide whether or not to accept such a resignation.

(b) The questioner is mistaken in stating that the upper age limit for constables officers is set by law as 65. Article 2 of the Honorary Police (Jersey) Regulations 1977 says 'a person shall be disqualified for being elected a member of the Honorary Police if, on the day of nomination as a candidate for election, he is less than 20 years of age or has attained 67 years of age'. This applies to centeniers, vingteniers and constables officers.

3.(a) This is correct - constables officers are not required to live in the vintaine for which they are elected. However, some parishes do try to see that vintaines have equal representation and that constables officers live in the vintaine for which they are elected.

(b) Article 3 of the Loi (1853) au sujet des Centeniers et officiers de police states 'Les Officiers du Connétable seront choisis parmi les habitans de chaque paroisse par les électeurs des diverses Vingtaines ...'. This could cause some vintaines to have more constables officers living there than in other vintaines but I do not consider there is cause for concern, much as in the same way I am sure the States of Jersey Police officers are not domiciled strategically all over the Island. Although a particular vintaine is responsible for electing a given number of constables officers it does not dictate or harness that officer to serving only in the vintaine, rather all elected officers are rostered efficiently and deployed to police the whole of the parish.

The honorary service is open to anyone who satisfies certain basic requirements and it is the will of the electorate whether or not they are elected. Neither the Connétable's preferences, nor anyone else's, have any part to play in influencing the democratic process. It would be an abuse of the position of Connétable, if I or any other serving officer was to attempt to impose some sort of veto on

candidates for one reason or another. There is no secret electoral college to determine whether any particular candidate meets everyone's approval, but moreover an openness and satisfaction that parishioners are encouraged to play a part in the honorary system of their parish. There are however certain procedures that are carried out, for instance, whether any previous convictions would render a person unsuitable to be sworn in as an honorary police officer. Furthermore there is regular dialogue with the Attorney General who is the head of the honorary police of the Island and a consultation process to safeguard, as far as possible, that only men and women of suitable integrity are sworn in to the responsible position of an honorary police officer."

Rent Control Tribunal: appointment of members

THE STATES, adopting a proposition of the Housing Committee, and in pursuance of paragraph (1) of Article 3 of the Dwelling Houses (Rent Control) (Jersey) Law 1949, as amended, appointed the following persons to act as chairman and members of the Rent Control Tribunal for a further period of twelve months ending on 12th April 1997, namely -

Henry Robert Hall, O.B.E. - Chairman
Mrs. Shirley Norma Barr
Donald George Filleul
Terence Lavery
Michael Robottom.

Jersey Airport, St. Peter: lease of land to Spellbound Holdings Limited

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

- (a) approved the lease to Spellbound Holdings Limited of an area of land off L'Avenue de la Commune, St. Brelade, known as the Old Fuel Farm site (Lettings Nos. L54, L55, B112 and B113), comprising 3,800 square yards, for a period of 21 years commencing 1st January 1997, at an annual rent of £80,000, subject to review every three

years;

(b) authorised the Attorney General and the Greffier of the States to pass the necessary contract on behalf of the public; and

(c) authorised the Treasurer of the States to receive the rent as it became due.

Jersey Airport, St. Peter: lease of land and accommodation to Shell U.K. Limited

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

(a) approved the lease to Shell U.K. Limited of an area of land at the fuel compound at Jersey Airport, St. Peter (Letting No. B7), measuring 900 square yards, together with office accommodation and related car parking (Letting No. B7A), measuring 591 square feet, for a period of 21 years from 1st January 1994, at an annual rent of £7,565.40, with rent review and termination options as set out in the report of the Harbours and Airport Committee, dated 29th February 1996;

(b) authorised the Attorney General and the Greffier of the States to pass the necessary contract on behalf of the public; and

(c) authorised the Treasurer of the States to receive the rent as it became due.

Members present voted as follows -

``Pour" (41)

Senators

Horsfall, Rothwell, Le Maistre, Stein, Chinn, Bailhache, Tomes.

Connétables

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

Deputies

Rumboll(H), Wavell(S), Norman(C), St. Peter, Le Sueur(H), St. Ouen, Coutanche(L), Huelin(B), St. Mary, S. Baudains(H), Le Geyt(S), Walker(H), Crespel(H), Pullin(S), Trinity, Carter(H), Johns(H), Duhamel(S), Routier(H), Dorey(H), Breckon(S), Huet(H), St. Martin.

``Contre" (1)

Senator

Syvret.

The Connétable of Grouville declared an interest in the matter and withdrew from the Chamber prior to the debate.

Agricultural Warehouse, New North Quay, Port of St. Helier - alterations: approval of drawings

THE STATES, adopting a proposition of the Agriculture and Fisheries Committee -

(a) approved drawings Nos. 2348/1F, 2E, 3E, 4B and 6, showing the proposed alterations to the Agricultural Warehouse (Letting No. N2), New North Quay, Port of St. Helier;

(b) authorised the Greffier of the States to sign the said drawings on behalf of the States.

Public Finances (Administration) Amendment No. 8) (Jersey) Law 199 P.20/96

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Public Finances (Administration) (Amendment No. 8) (Jersey) Law 199 .

Housing (Amendment No. 8) (Jersey) Law 1996 (Appointed Day) Act 1996 - P.32/96

THE STATES, in pursuance of paragraph (2) of Article 4 of the Housing (Amendment No. 8) (Jersey) Law 1996, made an Act entitled the Housing (Amendment No. 8) (Jersey) Law 1996 (Appointed Day) Act 1996.

Housing (General Provisions) (Amendment No. 12)
(Jersey) Regulations 1996 - P.33/96

THE STATES, in pursuance of Articles 10 and 15 of the Housing (Jersey) Law 1949, as amended, made Regulations entitled the Housing (General Provisions) (Amendment No. 12) (Jersey) Regulations 1996.

Sea-Fisheries (Fishing Nets) (Amendment No. 5)
(Jersey) Regulations 1996 - P. 35/96

THE STATES, in pursuance of Articles 2, 5 and 22 of the Sea Fisheries (Jersey) Law 1994, made Regulations entitled the Sea-Fisheries (Fishing Nets) (Amendment No. 5) (Jersey) Regulations 1996.

Springfield Hall, St. Helier: demolition and reconstruction - P.37/96

THE STATES, adopting a proposition of the Sport, Leisure and Recreation Committee, referred to their Act, dated 25th April 1995, when they approved in principle, the proposals for the redevelopment of Springfield, St. Helier, for sport, recreation and community purposes and -

- (a) approved the demolition of Springfield Hall, St. Helier;
- (b) approved, in principle, the construction of a purpose-built sports and community hall on the site of the existing hall;
- (c) requested the Finance and Economics Committee to make available from the capital sum allocated for the Springfield project in 1997 the sum of £548,000.

Borrowing (Control) (Amendment No. 3) (Jersey)
Law 199 - P.27/96

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Borrowing (Control) (Amendment No. 3) (Jersey) Law 199 .

THE STATES rose at 4.05 p.m.

G.H.C. COPPOCK

Greffier of the States.