

**THE STATES assembled on Wednesday,
24th July 2002 at 9.30 a.m. under
the Presidency of the Greffier of the States,
Miss Catherine Mary Newcombe.**

All members were present with the exception of -

Kenneth Priaulx Vibert, Connétable of St. Ouen- out of the Island
David Leon Crespel, Deputy of Trinity - out of the Island
Terence John Le Main, Deputy of St. Helier- out of the Island
Michael Edward Vibert, Deputy of St. Brelade- out of the Island
Lyndon John Farnham, Deputy of St. Saviour- out of the Island
Jennifer-Anne Bridge, Deputy of St. Helier- out of the Island

Prayers

Dairy Industry - statement

Senator Frank Harrison Walker, President of the Finance and Economics Committee made a statement in the following terms -

“In March 2002 the Finance and Economics Committee granted £500,000 to the Agriculture and Fisheries Committee to fund a Dairy Industry restructuring scheme.

These funds were made available on the clear understanding that the request was based on a ‘one-off’ restructuring of the Industry and that there would be no further requests.

Despite this understanding the Finance and Economics Committee, at its meeting yesterday, considered a second request from the Agriculture and Fisheries Committee for £350,000 from the General Reserve to facilitate the removal of further surplus productive capacity from the Jersey Dairy Industry.

The Committee was informed that should the Dairy Industry not receive the £350,000 to reduce the amount of milk produced from 16.5 to 14.5 million litres then the dairy farmers will sustain substantial losses, which would put many out of business. This was confirmed by the Chairman of Jersey Milk who stated that should the second restructuring scheme not be supported it would result in a loss of earnings to conventional producers of an average of £22,000 per holding. The Committee decided to agree the request.

In making this decision, the Committee expressed its disappointment with being asked to agree funding on a piecemeal basis and also stated that it wishes the Agriculture and Fisheries Committee to confirm that this will be the last such request.

The Committee’s decision was based on the understating that a full review of the Dairy Industry is underway and the Committee further requests that the Agriculture and Fisheries Committee provide it with an update of that review.

The Committee also expressed a strong view that rather than these funds resulting in the culling of herds, every effort would be made to ensure that cattle were exported.

The Committee is surprised and disappointed that the need for funding on this scale - being a pre-requisite of the initiatives proposed in the Agriculture and Fisheries Policy Report - is not made explicit in the report and proposition due to be considered by States members this week.

Machinery of Government: proposed departmental structure and transitional arrangements - P.70/2002, Amendments (1)-(3), (5)-(6) and comments

THE STATES resumed consideration of the proposition of the Policy and Resources Committee concerning the Machinery of Government: proposed departmental structure and transitional arrangements and granted leave to the President of the Agriculture and Fisheries Committee to withdraw an amendment that -

(1) In paragraph (a) after the words “dated 25th April 2002,” there be inserted the words -

“except that in the said Appendix 2 -

(i) at the beginning of Section 1.5 the following new paragraph shall be inserted -

‘1.5.1 The principle of separating regulatory and operational functions, as in paragraph 2.4 of the Report of the Policy and Resources Committee dated 25th April 2002, should apply with regard to responsibilities for the protection and enhancement of the natural environment of the Island.

(ii) in the said Section 1.5, after the new paragraph 1.5.1 referred to in (i) above, the following new paragraphs shall be inserted -

‘1.5.2 The Policy and Resources Committee should be requested to bring forward, as soon as possible during the transitional period, proposals to establish an Environmental Commission, outside the departmental structure, to undertake the necessary regulatory functions in these areas - in order to ensure that the proposals concerning future departmental structure clearly separate regulatory from operational functions with regard to responsibilities for the protection and enhancement of the natural environment of the Island,

The functions of the Environmental Commission will include the necessary regulation of all aspects of the natural environment, including (referring to paragraphs 4.5.3 of the Report of the Policy and Resources Committee dated 25th April 2002) -

- environmental regulation;
- regulation of environmental aspects of energy and transport policy;
- land use regulation;
- water resource regulation;
- waste management regulation.

The functions of the Environmental Commission will also include the development of an over-arching strategy with regard to the natural environment of the Island, with which operational departments would be expected to comply.’

(iii) in Section 1.5 for the word ‘Environment’ there be substituted the word ‘Planning’;

(iv) in the original paragraph 1.5.1 -

(a) for the words ‘Environment Department’ there be substituted the words ‘Planning Department’;

(b) the following words be deleted -

- environmental policy and regulation;
- environmental aspects of energy and transport policy;
- water resources regulation;
- waste management regulation.

(c) for the word 'regulation' after the words 'land use policy and' there be substituted the word 'control'; and

(d) paragraph 1.5.1 be renumbered as 1.5.3;

(v) in paragraph 1.3.1, after the words 'Agriculture and Fisheries' the words '(save for marine environmental responsibilities)' be deleted.

(2) in paragraph (a)(iv) of the proposition for the word 'Environment' there be substituted the word 'Planning' and consequential changes to the name of the Department be made as appropriate in Appendices 2 and 3.

THE STATES adopted an amendment of Senator Stuart Syvret to the proposition of the Policy and Resources Committee regarding Machinery of Government: proposed departmental structure and transitional arrangements: (P.70/2002) that -

(1) In paragraph (a) after the words "dated 25th April 2002," there be inserted the words -

"except that in the said Appendix 2 -

- (i) at the end of Section 1.6.1, after the word 'care.' the following sentence be inserted "The Department shall continue to have responsibility for the Environmental Health Department, which shall be re-named the 'Health Protection Department';
- (ii) in Section 1.5.1, after the words "environmental policy and regulation" there be inserted the words "except those functions presently undertaken by the Environmental Health Department"

THE STATES rejected an amendment of Deputy Gerard Clifford Lemmens Baudains of St. Clement that in paragraph (b) of the proposition, after the words "dated 25th April 2002" there be inserted the words -

"except that the Planning and Environment and Public Services Committees shall not be amalgamated in the manner set out in section 1.3 of the said Appendix 3 but shall remain as two separate Committees of the States during the transitional period,".

Members present voted as follows -

"Pour" (16)

Senators

Le Maistre, Syvret.

Connétables

St. Martin, Trinity, St. Mary, St. Peter.

Deputies

H. Baudains(C), Duhamel(S), Breckon(S), Huet(H), St. Martin, St. John, St. Ouen, G. Baudains(Martin(H), Southern(H)).

“Contre” (31)

Senators

Horsfall, Stein, Qu  r  e, Bailhache, Norman, Walker, Kinnard, Le Sueur, Le Claire, Lakeman.

Conn  tables

Grouville, St. Saviour, St. Brelade, St. Lawrence, St. John, St. Clement, St. Helier.

Deputies

St. Mary, S. Baudains(H), Routier(H), Layzell(B), Grouville, St. Peter, Dubras(L), Dorey(H), Troy(B Voisin(L), Scott Warren(S), Le H  rissier(S), Ozouf(H), Fox(H).

THE STATES adopting the proposition as amended, referred to their Act dated 28th September 2001, in which they approved reforms to the machinery of government and agreed that not more than ten departments of government should be established, each headed by a minister, and -

- (a) agreed that there should be ten departments of government in the ministerial system, with the responsibilities as described in Appendix 2 of the report of the Policy and Resources Committee dated 25th April 2002, except that in the said Appendix 2 -
 - (i) in Section 1.2.2 the words “Overseas Aid (with an Advisory Board to be established under the political responsibility of the Chief Minister and the Council of Ministers)” be deleted;
 - (ii) in Section 1.5.1, after the words “environmental policy and regulation” there be inserted the words “except those functions presently undertaken by the Environmental Health Department”;
 - (iii) at the end of Section 1.6.1, after the word ‘care.’ the following sentence be inserted “The Department shall continue to have responsibility for the Environmental Health Department, which shall be re-named the ‘Health Protection Department”;
 - (iv) in Section 1.7.2 the words “Health and Safety Inspectorate (currently with the Employment and Social Security Department)” be deleted;
 - (v) for Section 1.10 the revised Section 1.10 set out in the Appendix to the report of the Policy and Resources Committee dated 8th July 2002 be substituted;
 - (vi) in Section 1.11.1 for the words “the tax/benefit interface, and overall policy on the Social Security Funds” there be substituted the words “mutual responsibility with the Social Security Department for the tax/benefit interface”
 - (vii) after Section 1.12 there be inserted the following Section-

“1.13. Overseas Aid

1.13.1 An Overseas Aid Commission, reporting directly to the States, will be established outside the executive structure of government to manage the overseas aid function. The Chairman of the Commission will be a member of the States appointed by the

States. There will be six other members appointed by the States, three of whom shall be members of the States and three of whom shall be non-States members.

1.13.2 Funding for Overseas Aid will be agreed by the States and reviewed every 5 years to ensure that appropriate funding is provided for the Commission.

1.13.3 Detailed proposals and terms of reference for the Commission will be brought forward by the Overseas Aid Committee during the transitional period. (Draft terms of reference are set out in the Appendix to the report of the Overseas Aid Committee dated 23rd July 2002.)”

as follows -

- (i) Chief Minister’s Department,
 - (ii) Economic Development,
 - (iii) Education, Sport, and Culture,
 - (iv) Environment,
 - (v) Health and Social Services,
 - (vi) Home Affairs,
 - (vii) Housing,
 - (viii) Public Services,
 - (ix) Social Security,
 - (x) Treasury and Resources;
- (b) agreed that in the transitional period, from the appointment of Committees in December 2002 until the introduction of the ministerial system, the number of committees of the States should be reduced and appointed in the order as described in Appendix 3 of the report of the Policy and Resources Committee dated 25th April 2002, except that -
- (i) in Section 1.3 of the said Appendix, the words ‘Committee for Postal Administration’ be deleted in item 5 of the Table;
 - (ii) after item 11 in the Table there be inserted the following item-

12.	Committee for Postal Administration	(No change)	Will become an incorporated body
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- (iii) items 12 and 13 be renumbered as 13 and 14 respectively

and requested the Privileges and Procedures Committee to bring forward for approval the necessary Transfer of Functions Acts and amendments to the Standing Orders of the States of Jersey to give effect to this decision.

Members present voted as follows -

Senators

Horsfall, Le Maistre, Stein, Qu  r  e, Bailhache, Norman, Walker, Le Sueur.

Conn  tables

Grouville, St. Martin, Trinity, St. Saviour, St. Brelade, St. Lawrence, St. Mary, St. John, St. P
St. Clement, St. Helier.

Deputies

H. Baudains(C), St. Mary, S. Baudains(H), Duhamel(S), Routier(H), Layzell(B), Grouville, Huet(H)
St. Martin, St. Peter, Dubras(L), St. Ouen, Dorey(H), Troy(B), Voisin(L), Scott Warren(S), Le H  riss
(S), Ozouf(H), Fox(H).

“Contre” (7)

Senators

Syvret, Le Claire.

Deputies

Breckon(S), St. John, G. Baudains(C), Martin(H), Southern(H).

[As an aide-m  moire, the decisions of the States on the Machinery of Government: proposed departmental structure and transitional arrangements are consolidated together immediately after this set of Minutes.]

Changes in Presidency

The Deputy Bailiff assumed the Presidency in place of the Greffier of the States during consideration of the amendment of Deputy G.C.L. Baudains to the Machinery of Government: proposed departmental structure (P.70/2002). The Greffier of the States resumed the Presidency following the lunch adjournment during consideration of the proposition as amended.

Agriculture and Fisheries: policy report 2001 - P.115/2002, comments, amendment

THE STATES commenced consideration of paragraph (a) of the proposition of the Agriculture and Fisheries Committee -

- (a) to endorse the future strategy for the agriculture and fisheries industries, as set out in the Policy Report 2001 of the Agriculture and Fisheries Committee, dated 9th August 2001 and, in particular, to approve -
 - (1) policies to safeguard and enhance the environment;
 - (2) the policy to improve the marketing of produce;
 - (3) policies to provide direct financial support;
 - (4) policies to provide infrastructure and support services;
 - (5) the continued provision of a legal framework and related statutory services;
 - (6) policies to support the fisheries industry;

Adjournment

THE STATES agreed to adjourn and resume consideration on 25th July 2002.

THE STATES rose at 5.30 p.m.

M.N. DE LA HAYE

Deputy Greffier of the States.

Machinery of Government: proposed departmental structure and transitional arrangements - P.70/2002, Amendments (1)-(4) and (6)

THE STATES, adopting a proposition of the Policy and Resources Committee, as amended, referred to their Act dated 28th September 2001, in which they approved reforms to the machinery of government and agreed that not more than ten departments of government should be established, each headed by a minister, and -

- (a) agreed that there should be ten departments of government in the ministerial system, with the responsibilities as described in Appendix 2, as amended, of the report of the Policy and Resources Committee, dated 25th April 2002, as follows -
 - (i) Chief Minister's Department,
 - (ii) Economic Development,
 - (iii) Education, Sport, and Culture,
 - (iv) Environment,
 - (v) Health and Social Services,
 - (vi) Home Affairs,
 - (vii) Housing,
 - (viii) Public Services,
 - (ix) Social Security,
 - (x) Treasury and Resources
- (b) agreed that in the transitional period, from the appointment of Committees in December 2002 until the introduction of the ministerial system, the number of committees of the States should be reduced and appointed in the order as described in Appendix 3, as amended, of the report of the Policy and Resources Committee dated 25th April 2002,

requested the Privileges and Procedures Committee to bring forward for approval the necessary Transfer of Functions Acts and amendments to the Standing Orders of the States of Jersey to give effect to this decision.

THE PROPOSED DEPARTMENTAL STRUCTURE: SUMMARY

1.1.1 The Committee's proposals for a ten department structure are as follows (in alphabetical order) -

- Chief Minister's Department;
- Economic Development;
- Education, Sport and Culture;
- Environment;
- Health and Social Services;
- Home Affairs;
- Housing;
- Public Services;
- Social Security;
- Treasury and Resources.

1.1.2 The proposed division of responsibilities is set out below.

1.2 Chief Minister's Department

1.2.1 The Chief Minister's Department will provide support and advice to the Chief Minister and Council of Ministers, enabling them to fulfil their duties and responsibilities for the executive government of the Island.

1.2.2 The wider responsibilities of the Department will consist of the following -

- corporate strategy and policy co-ordination;
- corporate E-Government and ICT strategy;
- corporate human resources policy and casework, and senior staff management;
- pensions policy, and overall relations with the PECRS Committee of Management;
- responsibility for the Law Draftsman's Office and the Law Commission;
- Jersey's Statistics (including responsibility for the Census);
- international relations, as well as relations with Her Majesty's Government;
- the Emergencies Council and emergency planning;
- liaison and consultation with the Connétables and the Parishes;

- relevant procedural and ceremonial functions, in consultation as appropriate with the Bailiff.

1.3 Economic Development

1.3.1 The Department for Economic Development will retain the current responsibilities of the Department for Economic and Commercial Development. To these responsibilities will be added the following -

- Agriculture and Fisheries (save marine environmental responsibilities);
- Tourism;
- policy oversight of the Harbours and Airport;
- policy towards the finance industry and relations with the Jersey Financial Services Commission;
- policy responsibility under the Telecommunications (Jersey) Law 2002 and the draft Postal Services Law 200-;
- transport policy (save for environmental issues) and the functions of the Jersey Transport Authority;
- employment policy, legislation, and training (including responsibility for the Training and Employment Partnership).

1.4 Education, Sport, and Culture

1.4.1 The department for Education, Sport, and Culture will have the following responsibilities -

- the present responsibilities of the Education Committee;
- the present responsibilities of the Sport, Leisure and Recreation Committee;
- liaison with the Jersey Arts Trust and the Jersey Heritage Trust.

1.4.2 Both the Jersey Arts Trust and Jersey Heritage Trust will maintain their independent status, under the sponsorship of the department of Education, Sport, and Culture. The Trusts will continue to have lead responsibilities for the delivery of services in their respective areas, save that on public records management policy the Jersey Heritage Trust will report direct to the Chief Executive as this is a corporate responsibility.

1.5 Environment

1.5.1 The Environment Department will have responsibility for the following areas -

- environmental policy and regulation except those functions presently undertaken by the Environmental Health Department;
- environmental aspects of energy and transport policy;
- environmental services and habitat management;
- land use policy and regulation;
- planning and development control;

- building control;
- historic buildings;
- water resources regulation;
- waste management regulation.

1.6 Health and Social Services

1.6.1 The Health and Social Services Department will continue to exercise the current department's important main responsibilities for delivering health and social services. The department will have a specific responsibility to develop strategies for primary, secondary, and tertiary care. The Department shall continue to have responsibility for the Environmental Health Department, which shall be re-named the 'Health Protection Department'.

1.7 Home Affairs

1.7.1 The Home Affairs Department will continue to be responsible for the services that currently report to the Home Affairs Committee, including the States of Jersey Police, Customs and Excise, the Fire Service, Driver and Vehicle Standards, the Prison Service, and the Immigration and Nationality Department.

1.7.2 The Home Affairs Department will also have the following responsibilities -

- criminal justice policy;
- Registration Services (encompassing the present responsibilities of the Etat Civil Committee, save for the Census, which will come under the Statistics Unit in the Chief Minister's Department).

1.8 Housing

1.8.1 This department will continue to fulfil all the main responsibilities of the existing Housing Department, i.e. Social Housing, Estates Management; Finance; and Law and Loans.

1.8.2 Responsibility for the housing benefits function will be transferred in due course to the Social Security Department.

1.9 Public Services

1.9.1 The Public Services Department will have responsibility for the following functions -

- waste management operations (including sewage disposal, drainage etc.);
- water resources operations;
- civil engineering design services;
- municipal operations, e.g. parks, gardens, open spaces;
- street cleaning;
- beach cleaning;
- maintenance of sea defences;

- footpath and land management;
- management of public transport contracts;
- main roads maintenance and management.

1.10 Social Security

1.10.1 The key roles of the Department would be to enhance social development and, in particular, social cohesion, within its field of operation, by minimising social and material deprivation. Responsibilities would include -

- identifying and commenting on social/labour issues at a ‘macro’ level;
- developing strategies and policies for presentation to the Council of Ministers, and thereafter;
- being responsible for their implementation (in conjunction with other Departments or Agencies where appropriate);
- monitoring, evaluating and reporting on their outcomes, and
- being accountable for their implementation.

The Department would have a service wing which would operate as a ‘one-stop-shop’ and initially encompass -

- **Employment:** enhancing work opportunities and self-sufficiency, and protecting individuals in the workplace;
- **Benefits:** ensuring full and adequate coverage across all aspects of the benefit system, ultimately including Housing benefit (to be subsumed into a new low income support scheme);
- **Pensions:** a growing area of activity especially in relation to links with pensions derived in, or payable in, other countries.

1.10.2 This department will be responsible for the ‘benefits and contributions’ side of the current Employment and Social Security Department, together with the Social Security Fund and the Social Security Reserve Fund. There will be a clear liaison with the new Treasury and Resources Department with which it will have mutual responsibility for managing the tax and benefits interface.

1.10.3 The department will also be responsible, once the proposed Low Income Support System is in place, for the housing benefits function currently within the Housing Department, i.e. in order to provide a single line of accountability for all benefits policy and payments.

1.10.4 Although the policy lead at a ‘macro’ level on employment matters, and on training and skills (including the Training and Employment Partnership), will move to the Department for Economic Development delivery of employment services, and legislation, related to individuals, will remain with Social Security.

1.10.5 The department will retain responsibility for the Health and Safety Inspectorate for the present, to retain the linkages between accident prevention and benefit savings.

1.11 Treasury and Resources

1.11.1 The Treasury and Resources Department will have responsibility for the following areas -

- the present responsibilities of the States Treasury, including resource allocation and fiscal policy, payroll matters, pensions administration, currency management, and management of the capital programme;
- all taxes and receipts (although the office of Comptroller of Income Tax will remain unchanged under the Income Tax laws);
- corporate property (the 'client' role), including policy responsibility for property procurement, design and maintenance;
- allocation and monitoring of States manpower numbers;
- mutual responsibility with the Social Security Department for the tax/benefit interface;
- ownership responsibilities for States-owned companies.

1.12 Non-Executive Governmental Organisations

1.12.1 It is proposed that the following services should lie outside the structure of the ministerial departments -

- States Greffe;
- Attorney General's Chambers;
- Official Analyst's Laboratory;
- Probation and After-Care Service;
- Judicial Greffe;
- Viscount's Department.

1.12.2 In the case of the States Greffe and the Attorney General's Chambers, it will be necessary to draw up an appropriate mechanism to establish their budgets and ensure that they are identified and dealt with separately from those of the departments of the executive. It is proposed that this matter will be addressed during the transitional period leading up to the introduction of a ministerial system.

1.12.3 With regard to the Official Analyst's Laboratory, it is proposed that responsibility for its budget requirements should be transferred from the Finance and Economics Committee to the Chief Minister's Department.

1.12.4 It is acknowledged that the Probation and After-Care Service should be recognised as a department of the Royal Court, and it is accordingly proposed that budgetary responsibility for this service should be transferred from Home Affairs to the Royal Court.

1.12.5 The Committee proposes no change to the Judicial Greffe and Viscount's Department, which will continue to report to the Court.

1.12.6 With regard to the issue of the funding of the courts, it is proposed that the budget process should be initiated by conversations between the Bailiff and the Chief Minister. The Chief Minister will then put budget bids to the Council of Ministers for collective decision in the context of resource allocation as a whole.

1.13. **Overseas Aid**

- 1.13.1 An Overseas Aid Commission, reporting directly to the States, will be established outside the executive structure of government to manage the overseas aid function. The Chairman of the Commission will be a member of the States appointed by the States. There will be six other members appointed by the States, three of whom shall be members of the States and three of whom shall be non-States members.
- 1.13.2 Funding for Overseas Aid will be agreed by the States and reviewed every 5 years to ensure that appropriate funding is provided for the Commission.
- 1.13.3 Detailed proposals and terms of reference for the Commission will be brought forward by the Overseas Aid Committee during the transitional period. (Draft terms of reference are set out in the Appendix to the report of the Overseas Aid Committee dated 23rd July 2002.

TRANSITIONAL ARRANGEMENTS: SUMMARY

- 1.1 The Committee is proposing that steps should be taken to rationalise the present Committee structure after the elections in order to aid the transition to the ministerial system. It is recommended that there should be a smaller number of Committees for the period of transition, based on a renaming and amalgamation of the present 25 Committee structure.
- 1.2 A list of the proposed amalgamations is given in the chart below, and this has been designed to produce a sensible division of responsibilities that will facilitate the subsequent move to a ministerial system. It is proposed that committees should be appointed in the order shown in the chart.
- 1.3 Transition of Committees towards Ministerial System**

<i>Proposed Committee structure after December 2002</i>	<i>Present Committees amalgamated to create new Committee</i>	<i>Nearest equivalent Department in proposed ministerial system</i>
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1.	Policy and Resources Committee	Policy and Resources and Human Resources Committees	Chief Minister's Department
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2.	Privileges and Procedures Committee	Privileges and Procedures Committee and Special Committee to Consider the Relationship between Committees and the States	Privileges and Procedures Committee
3.	Finance and Economics	(No change)	Treasury and Resources
4.	Environment and Public Services	Planning and Environment and Public Services Committees	Environment
			Public Services
5.	Economic Development	Industries, Agriculture and Fisheries, Tourism and Gambling Control Committees; Jersey Transport Authority, Telecommunications Board.	Economic Development
6.	Health and Social Services Committee	(No change)	Health and Social Services

7.	Education, Sport and Culture Committee	Education and Sport, Leisure and Recreation Committees	Education, Sport and Culture
8.	Home Affairs Committee	Home Affairs and Etat Civil Committees	Home Affairs
9.	Employment and Social Security Committee	(No change)	Social Security
10.	Housing Committee	(No change)	Housing
11.	Harbours and Airport Committee	(No change)	Transferred to Economic Development
12.	Committee for Postal Administration	(No change)	Will become an incorporated body
13.	Legislation Committee	(No change)	(Functions to be assigned - see para. 6.11 of the report)
14.	Overseas Aid Committee	(No change)	Overseas Aid Commission

The Committee believes that the important role of the Privileges and Procedure Committee should be recognised in any transitional structure and is therefore proposing that it should figure as the second Committee in the proposed hierarchy, and its President would thus be elected immediately after the President of the Policy and Resources Committee. The remaining order proposed above, having taken account of the amalgamations, follows the existing order of appointment set out in Standing Orders.