



**THE STATES assembled on Tuesday,  
6th December, 1988 at 10.15 a.m. under  
the Presidency of the Bailiff,  
Sir Peter Crill, C.B.E.**

---

His Excellency The Lieutenant Governor,  
Admiral Sir William Pillar, G.B.E., K.C.B.,  
was present.

---

All members were present with the exception of –

Leonard Picot, Connétable of Trinity – ill.  
Ronald Winter Blampied, Deputy of St. Helier – ill.  
Henri Leon Dubras, Deputy of St. Martin – out of the  
Island.

---

Prayers

---

**Matters noted – land transactions.**

THE STATES noted an Act of the Finance and Economics Committee dated 28th November, 1988, showing that in pursuance of Standing Orders relating to certain transactions in land, the Committee had approved –

- (a) as recommended by the Housing Committee, and in accordance with an Act of the States dated 26th April, 1988, the leasing to the Jersey Women's Refuge of the property 6, Plaisance Terrace, La Route du Fort, St. Helier, for an initial period of two years, commencing 3rd October, 1988, at an annual rent of £2,600;

- (b) as recommended by the Housing Committee, with the support of the Island Development Committee, the purchase from –

Miss Roza Alfreda Amy of the moiety of the garden wall alongside land administered by the Housing Committee opposite to, and on the other side of the road from No. 9, Parade Road, St. Helier, for the sum of £7,439,

Mr. Trevor Jones Williams of the moiety of the garden wall alongside land administered by the Housing Committee opposite to, and on the other side of the road from No. 10, Parade Road, St. Helier, for the sum of £7,439,

with the Housing Committee being responsible for the payment of legal fees.

**Matter lodged.**

The following subject was lodged “au Greffe” –

**Draft Family Allowances (Jersey) Regulations, 198 .  
P.168/88.**

Presented by the Social Security Committee.

**Draft Act with regard to the provision of expenses for elected  
Members of the States. P.144/88.**

THE STATES acceded to the request of the President of the Legislation Committee that the draft Act with regard to the provision of expenses for elected Members of the States (lodged on 8th November, 1988) be considered on 13th December, 1988.

**Public sector pay. Statement.**

The President of the Establishment Committee made a statement in the following terms –

“When my Committee assumed office, in April of this year, it inherited a situation whereby pay negotiations for a number of public sector groups remained outstanding, in some cases, for up to three years. This state of affairs had lead not only to considerable uncertainty in the minds of States’ employees but, also, in many cases, had raised expectations to a totally unrealistic level. This was all due to a series of agreements reached by the previous Committee which had attempted to relate the pay of most of the public sector groups of employees to total remuneration in the private sector. Therefore, following the completion of the job evaluation exercises and the subsequent implementation of the various agreements there was wide dissatisfaction amongst those who, contrary to their expectations, did not benefit from the exercises and, also, from those who had developed a grossly exaggerated perception of their rôle.

My Committee had hoped that, by now, it would be in a position to make a statement to mark the end of the 1987/1988 pay negotiations. Indeed, the Committee wished to pay tribute to the negotiators representing States’ manual workers who concluded negotiations in a full and frank manner and without unnecessary delay. However, my Committee is concerned that there are still certain groups, such as teachers and lecturers in further education, who are unable to bring their negotiations to a logical conclusion and who refuse to recognise the benefits of their work being so organised that they are able to enjoy up to 14 weeks holiday a year. Their attitude reflects a degree of unfairness towards other groups who have acted in a far more responsible manner. My Committee has therefore reached the stage where, before the end of this year, it will have to consider imposing a settlement on these outstanding groups.

The cost to the taxpayer of implementing the results of the remuneration survey for the Civil Service and the costs of the HAY based relativities between the Civil Service and other pay groups in the public sector are substantial and can be summarised as follows –

- (a) the annualised cost of implementing the results of the private sector remuneration survey for the Civil Service was £2.25 million;
- (b) the annualised cost of bringing other public sector groups in line with the Civil Service, after adjustments for differences in conditions of service, is £4.1 million.

Following the implementation of the agreements of previous years, the Committee was able to contain the 1988/89 pay increases for the relevant groups at 5.4 per cent, in line with the increase in the cost of living index. The annualised cost of this award was £3.8 million.

Following this year's agreement with the civil servants, a performance appraisal system for chief officers and for all other civil servants will be introduced as a matter of urgency. It is also hoped that other employing committees will adopt the same approach in relation to white collar workers under their control. To those in the private sector it will come as a surprise that many civil servants in the employ of the States are not presently subject to a formal system of performance appraisal. The Committee therefore wishes to establish a proper system of performance appraisal as a prerequisite to a performance related pay system.

However, on the one hand, we must not allow ourselves to be diverted down the road of consultants and their theories in relation to performance related pay when all we are seeking to ensure is that our employees perform their duties in at least a satisfactory manner and that those who do not so perform are dealt with appropriately, the Committee believes that a performance appraisal system, together with an element of performance related pay, will greatly reinforce the loyalty of staff to their chief officers and will lessen the dependence on the job evaluation system as the sole determinant of individuals' pay.

The employment market for white collar workers in the Island is greatly influenced by the demands of the finance industry and its supporting services. The increased

competition for staff is further exacerbated by the constraints of the housing controls. It has led to some sectors offering huge non-cash benefits as inducements to obtain staff at a time when they have publicly professed to follow a policy of pay restraint. Whilst there may be justifiable grounds for concern about the recent level of increases, pay restraint in the public sector will not resolve the problem of pay inflation unless the private sector exercises similar and genuine constraint.

Manpower costs represent approximately 53 per cent of the total budgeted States' expenditure in 1989, excluding capital servicing. Whereas all other items of States' expenditure are subject to rigorous control and scrutiny it is evident that manpower costs have not been subject to the same disciplines. Accordingly, my Committee has already taken the positive step towards containing manpower costs in the public sector by proposing the introduction of a manpower budgeting system as set out in P.154 of 1988.

My Committee has already commenced discussions with the Finance and Economics Committee where it has been agreed that aggregate pay increases in 1989 should not be allowed to exceed the increase in the cost of living. However, the Committees are concerned to note that even such limited adjustments will increase the total annual manpower costs by about £7 million in a full year.

This figure is based on existing wage rolls and, with the exception of Public Health, takes no account of the requests being made by committees for more and more staff. The budget estimates for 1989 include £1.6M for additional staff who were not included in the 1988 budget estimates.

Tighter controls must be exercised to limit the size of the public sector and future propositions must be closely examined in order that the manpower content is realised at the time of the debate. Far too often the States have passed schemes without the knowledge of what these mean in terms of employment and, even if it means a delay, the House should accept that in the long-term it is the only way for a responsible government to succeed.

We therefore ask for support on a pay policy for 1989 and a careful examination of manpower needs for the future in order that the heavy burden of meeting the cost of the public sector may be tackled.”

## **BUDGET 1989.**

THE STATES commenced the consideration of the Budget for the financial year commencing 1st January, 1989, which in accordance with Article 16 of the Public Finances (Administration) (Jersey) Law, 1967, had been presented to the Assembly on 8th November, 1988, by the Finance and Economics Committee and comprised –

- (i) the estimate of the revenue expenditure and of the income of the committees of the States;
- (ii) the estimate of the transactions of the capital fund; and
- (iii) the Report of the Finance and Economics Committee thereon.

THE STATES, having considered the estimates of the revenue expenditure and of the income of the various committees, decided to allow the said estimates as detailed in the undermentioned pages of the Budget as follows –

Finance and Economics Committee – Pages 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11.

Defence Committee – Pages 12, 13, 14 and 15.

Public Works Committee – Pages 16, 17, 18, 19, 20 and 21.

Education Committee – Pages 22, 23, 24, 25, 26, 27, 28, 29, 30, and 31.

Public Health Committee – Pages 32, 33, 34 and 35.

Resources Recovery Board – Pages 36 and 37.

Agriculture and Fisheries Committee – Pages 38 and 39.

- Tourism Committee – Pages 40 and 41.
- Etat Civil Committee – Pages 42 and 43.
- Social Security Committee – Pages 42 and 43.
- Cottage Homes Committee – Pages 42 and 43.
- Establishment Committee – Pages 44 and 45.
- Island Development Committee – Pages 46 and 47.
- Elizabeth House Committee – Pages 46 and 47.
- Housing Committee – Pages 48 and 49.
- Prison Board – Pages 48 and 49.
- Constitution Committee – Pages 48 and 49.
- Fort Regent Development Committee – Pages 50 and 51.
- Gambling Control Committee – Pages 52 and 53.
- Legislation Committee – Pages 52 and 53.
- Overseas Aid Committee – Pages 52 and 53.
- Broadcasting Committee – Pages 52 and 53.
- Industrial Relations Committee – Pages 54 and 55.
- Harbours and Airport Committee – La Collette Reclamation Scheme – Pages 54 and 55.

### **TRADING COMMITTEES**

- Harbours and Airport Committee – Pages 56 and 57.
- Telecommunications Board – Pages 56 and 57.
- Committee for Postal Administration – Pages 56 and 57.

THE STATES, referring to the summary of income and revenue expenditure appearing on page 65 agreed the total revenue expenditure in the sum of £223,625,000, the total income from committees in the sum of £121,870,800 and having allowed for a balance in hand at 31st December, 1988 of £18,185,000 agreed the amounts to be transferred to the strategic reserve, accumulated reserve and general reserve in the sums of £30,000,000, £2,000,000 and £31,875,000 respectively.

THE STATES noted that on the basis of levels of taxation proposed by the Finance and Economics Committee the surplus on the revenue account to be transferred to the capital fund amounted to £28,550,800.

Having allowed for a balance of £33,269,000 to be brought forward at 1st January, 1989, and taking into account the capital repayments of £9,735,000, the States noted that there would be available in the capital fund the sum of £71,554,800. The States then proceeded to consider the estimates of capital expenditure recommended by the Finance and Economics Committee on pages 58 and 59 of the Budget and –

### **NON-TRADING COMMITTEES**

The estimate of the capital expenditure of the Finance and Economics Committee appearing on page 58 of the Budget was allowed.

The estimate of the capital expenditure of the Defence Committee appearing on page 58 of the Budget was allowed.

The estimate of the capital expenditure of the Public Works Committee appearing on page 58 of the Budget was allowed.

The estimate of the capital expenditure of the Education Committee appearing on page 58 of the Budget was allowed.



The estimate of the capital expenditure of the Public Health Committee appearing on page 58 of the Budget was allowed.

The estimate of the capital expenditure of the Resources Recovery Board appearing on page 58 of the Budget was allowed.

The estimate of the capital expenditure of the Agriculture and Fisheries Committee appearing on page 59 of the Budget was allowed.

The estimate of the capital expenditure of the Island Development Committee appearing on page 59 of the Budget was allowed.

The estimate of the capital expenditure of the Housing Committee appearing on page 59 of the Budget was allowed.

The estimate of the capital expenditure of the Fort Regent Development Committee appearing on page 59 of the Budget was allowed.

### **TRADING COMMITTEES**

The estimate of the capital expenditure of the Harbours and Airport Committee appearing on page 59 of the Budget was allowed.

The estimate of the capital expenditure of the Telecommunications Board appearing on page 59 of the Budget was allowed.

The estimates of capital expenditure not recommended by the Finance and Economics Committee appearing on page 60 of the Budget were disallowed.

THE STATES having terminated the discussion on the capital estimates noted that the amount to be voted from the Capital Fund was £33,535,000.

THE STATES considered the estimates of income to be produced from taxation appearing on page 63 of the Budget and agreed the estimates as follows –

	£	£
Impôts on spirits	4,620,000	
Impôts on wines	2,420,000	
Impôts on tobacco	3,360,000	
Impôts on beer	1,595,000	
Impôts on motor fuel	1,850,000	
Goods imported into the Island (Tariff)	650,000	14,495,000
Income tax and corporation tax		160,300,000
Motor tax		1,200,000

THE STATES adopted in second reading a Bill to continue certain expiring fiscal Laws; to prescribe the standard rate of income tax for the year nineteen hundred and eighty-nine; to amend further the law relating to income tax to increase personal allowances and reliefs, to make new provisions for the taxation of companies and to increase the upper limit of premiums payable under approved annuity contracts; to repeal the Corporation Tax (Jersey) Law, 1956, as amended; and to increase wines and spirits duty, beer duty and tobacco duty.

The said Bill was lodged “au Greffe”.

THE STATES, in pursuance of Article 25 of the Public Finances (Administration) (Jersey) Law, 1967, have declared that the Bill to continue certain expiring fiscal Laws; to prescribe the standard rate of income tax for the year nineteen hundred and eighty-nine; to amend the law relating to income tax to increase personal allowances and reliefs, to make new provisions for the taxation of companies and to increase the upper limit of premiums payable under approved annuity contracts; to repeal the Corporation Tax (Jersey) Law, 1956, as amended; and to increase wines and spirits duty, beer duty and

tobacco duty (which Bill has this day been lodged “au Greffe”), shall immediately have effect as if it were a law passed by the States and sanctioned by Her Majesty in Council.

THE STATES having terminated the discussion on the Budget agreed the summary of the estimated income and revenue expenditure for 1989 appearing on page 65 of the Budget as follows –

<b>INCOME</b>		£
Committees		121,870,800
Taxation		<u>175,995,000</u>
		297,865,800
<b>DEDUCT</b>		
Revenue Expenditure		<u>223,625,000</u>
		74,240,800
<b>ADD</b>		
Estimated balance in hand at 31st December, 1988.		<u>18,185,000</u>
		92,425,800
<b>APPROPRIATION TO RESERVES</b>		
Strategic Reserve	30,000,000	
Accumulated Reserve	2,000,000	
General Reserve	32,000,000	
LESS estimated balance in hand at 31st December, 1987	<u>125,000</u>	
		<u>31,875,000</u>
		63,875,000
Balance to be transferred to Capital Fund		<u>28,550,800</u>

THE STATES further agreed the estimated transactions of the capital fund for 1989 as follows –

	£
Balance brought forward	33,269,000
Capital repayments	9,735,000
Estimated balance on Revenue Account (as above)	<u>28,550,800</u> 71,554,800
Capital expenditure	<u>33,535,000</u>
Estimated balance in hand at 31st December, 1989	<u>£38,019,800</u>

THE STATES rose at 5.35 p.m.

**E.J.M. POTTER,**

*Greffier of the States.*