

STATES OF JERSEY



STRATEGIC PLAN 2006 TO 2011 (P.40/2006): SEVENTEENTH AMENDMENT (P.40/2006. AMD.(17))– AMENDMENTS

**Lodged au Greffe on 13th June 2006
by the Council of Ministers**

STATES GREFFE

STRATEGIC PLAN 2006 TO 2011 (P.40/2006): SEVENTEENTH AMENDMENT (P.40/2006. AMD.(17))–
AMENDMENTS

In the proposed new Outcome 2.4 –

- (a) *in the Outcome 2.4 delete the word “independently, ”; and*
- (b) *in Action 2.4.1 delete the words “, independent”.*

COUNCIL OF MINISTERS

REPORT

In general terms, the Council is willing to accept the amendment that has been proposed by the Connétable of St. Helier. The Council agrees it is important that regulatory services should be 'appropriate', and that they should be 'impartially and efficiently delivered'.

The Council does not agree, however, with the use of the word 'independent' in the amendment. In the new Outcome 2.4 it is proposed by the Connétable that regulatory services should be 'independently' delivered, but this is a major change and it would have far-reaching implications. One of the key principles underlying the current round of government reforms is that there should be an appropriate separation of regulatory and operational functions (*see, for example, paragraph 2.4 of the report accompanying 'Machinery of Government: Proposed Departmental Structure and Transitional Arrangements, P.70/2002*). At the level of a nation state it may be perfectly reasonable to establish a wide range of independent regulatory agencies, but in a small island with limited resources such a move would be both expensive and of questionable benefit. There are several States departments that combine both regulatory and operational functions, and these arrangements would appear to be working successfully. Such departments include the Housing Department, in relation to the Housing and Lodging Houses Laws, and the Social Security Department in relation to laws on benefits and contributions. There are also successful arrangements in place for the regulation of functions within the same department, the most notable being the responsibility of Health and Social Services for regulating standards in nursing homes and hospitals. Another recent example is the States decision of 25th April 2006 to approve legislation enabling the transfer of Driver and Vehicle Standards from Home Affairs to Transport and Technical Services (P.26/2006).

Turning to the proposed actions arising from the amendment, the Council would be willing to carry out a review of the regulatory functions that are undertaken by the States (paragraph 2.4.1), and, if appropriate, to bring forward proposals for change.

The one-off cost of the proposed review has yet to be determined. Once established, an appropriate funding source will need to be identified.

The Council would like to remind members that a comprehensive review of regulation was undertaken in the recent past. The review on Regulatory Reform (also known as the 'Red Tape review') was conducted over the period December 2004-March 2005, with one working group being appointed for each committee of the States, and with each working group having at least one external independent member. The working groups examined over 400 pieces of legislation, covering an enormous range of regulatory functions (including Harbours, Social Security, Vehicle Registration, Income Tax etc). The results of this review were published in a report to the States in September 2005 ('Regulatory Reform: Report on the Review Findings', R.C.70/2005), and one of its main conclusions was that the case for over-regulation had not been proven. The review did succeed in identifying a number of areas where changes could be made, and these are currently being addressed.

The Council accepts, nonetheless, that it is important not to be complacent in this area, but to remain responsive and open to the possibility of change, particularly where there is clear evidence of benefit to the public.

In agreeing to carry out a further review, the Council is proposing the deletion of the word 'independent' from paragraph 2.4.1 for the reasons explained above.

With regard to the second proposed action (paragraph 2.4.2), the Council of Ministers wishes to work more closely with Guernsey to explore the opportunities to provide joint regulatory services, amongst other things. The Council is therefore willing to accept this part of the amendment.

In conclusion, therefore, the Council is willing to accept the amendment, subject to the deletion of words 'independently' in Outcome 2.4 and 'independent' in paragraph 2.4.1.

There are no additional financial or manpower implications arising from this amendment to the amendment.