

**THE STATES assembled on Tuesday,
15th July 2003 at 9.30 a.m. under the
Presidency of Michael Nelson de la Haye Esquire,
Greffier of the States.**

All members were present with the exception of –

Senator Stuart Syvret – out of the Island
Senator Christopher Gerard Pellow Lakeman – out of the Island
Francis Herbert Amy, Connétable of Grouville – ill
Jennifer-Anne Bridge, Deputy of St. Helier – out of the Island
Carolyn Fiona Labey, Deputy of Grouville – out of the Island.

Prayers

Legislation Committee – appointment of member

THE STATES appointed Deputy Gerard Clifford Lemmens Baudains of St. Clement as a member of the Legislation Committee.

Matters presented

The following matters were presented to the States –

Jersey Environmental Forum. <i>Presented by the Environment and Public Services Committee.</i>	R.C.34/2003.
Benefits paid by the Housing and Employment and Social Security Committees: protection (P.75/2003) – comments. <i>Presented by the Connétable of St. Martin.</i>	P.75/2003. Com.(3)
Benefits paid by the Housing and Employment and Social Security Committees: protection (P.75/2003) – comments. <i>Policy and Resources Committee.</i>	P.75/2003. Com. (4)
Machinery of Government: Establishment of Scrutiny Panels and Public Accounts Committee (P.79/2003) – amendments (P.79/2003 Amd.)– comments. <i>Presented by the Policy and Resources Committee.</i>	P.79/2003. Amd.Com.
Machinery of Government: Establishment of Scrutiny Panels and Public Accounts Committee (P.79/2003) – second amendment (P.79/2003 Amd.(2))– comments. <i>Presented by the Policy and Resources Committee.</i>	P.79/2003. Amd.(2)Com.

THE STATES ordered that the said reports be printed and distributed.

Matters lodged

The following matters were lodged “au Greffe” –

Draft Agricultural Marketing (Amendment No. 7) (Jersey) Law 200. <i>Presented by the Economic Development Committee.</i>	P.107/2003.
Draft Maincrop Potato Marketing Scheme (Revocation) (Jersey) Act 200-. <i>Presented by the Economic Development Committee.</i>	P.108/2003.
A Tobacco Strategy for Jersey. <i>Presented by the Health and Social Services Committee.</i>	P.109/2003.
An Alcohol Strategy for Jersey. <i>Presented by the Health and Social Services Committee.</i>	P.110/2003.
Draft Fish Health (Amendment) (Jersey) Regulations 200-. <i>Presented by the Economic Development Committee.</i>	P.111/2003.
Bas du Mont Flats, Pier Road, St. Helier: transfer of administration of land. <i>Presented by the Environment and Public Services Committee.</i>	P.112/2003.

Arrangement of public business for the next meeting on 22nd July 2003

THE STATES acceded to the request of the President of the Harbours and Airport Committee that the following matter be considered as the first item of public business at the next meeting on 22nd July 2003 –

La Collette Fuel Farm, St. Helier: lease to Shell U.K. Limited and Esso Petroleum Company Limited. Lodged: 13th May 2003. <i>Harbours and Airport Committee.</i>	P.60/2003.
--	------------

Financial arrangements with Connex Limited in respect of the provision of a local bus service – question and answer (Tape No. 832)

Senator Edward Philip Vibert asked Senator Terence Augustine Le Sueur, President of the Finance and Economics Committee, the following question –

“Would the President inform the Assembly –

- (a) whether the previous Finance and Economics Committee checked and approved the financial arrangements of the contract between Connex and the States of Jersey for the 7 year contract to provide the Island with a bus service, and, if so, explain the basis on which the estimated revenue from bus income for the first year of operation was obtained? and,
- (b) of the identified total anticipated loss over the next seven years and the source of funding of this loss, should the need arise?”

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

“(a) The States, in supporting P.104/2001 entitled ‘Bus Strategy’, agreed that competitive bids should be sought for the operation of the Island’s bus service. This proposition was in the name of the then Public Services Committee and the subsequent tendering process was constructed and undertaken by that Committee, in accordance with the approved proposition. Neither the Treasury nor the Finance and Economics Committee were involved in the structure of the contract or the tendering process.

The Finance and Economics Committee, as previously constituted, met with the then Public Services

Committee and representatives of the Bus Strategy Steering Group on 12th March 2002. At that meeting, the Committee was advised as to the tender process and progress to date, and the estimated level of public subsidy required, based on bids submitted. At that point, the tendering process had not been completed but had been reduced to three shortlisted tenderers, each requiring different but substantial levels of subsidy.

The Committee agreed, in principle, to the estimated level of subsidy funding as provided by the then Public Services Committee for the first year of operation, and ratified this decision by a telephone meeting of the Committee on 15th March 2002.

The estimated income from fares was provided to the Finance and Economics Committee by the Public Services Committee, based on the best information available to that Committee.

- (b) Although it is far too early to identify with any precision the anticipated shortfall over the next seven years, the Finance and Economics Committee is working closely with the Environment and Public Services Committee to identify the scale of the funding requirement. Should additional funding be required, this will be considered by the two Committees at the relevant time, and it is not possible to predict at this stage the magnitude or the source of such funding.”

Methodology used to estimate the revenue generated by Connex Limited in respect of the provision of a local bus service – question and answer (Tape No. 832)

Senator Edward Philip Vibert asked Deputy Maurice François Dubras of St. Lawrence, President of the Environment and Public Services Committee, the following question –

“Would the President inform the Assembly –

- (a) of the methodology used by the then Public Services Committee to calculate the likely 12 months’ revenue that would be achieved by the Connex Bus Company in providing the Island bus service?
- (b) whether this revenue figure was crucial in the consideration of the size of subsidy to be paid by the people of Jersey for Connex to provide that service?
- (c) what that figure was, how it was arrived at, who provided it and what checks were carried out to ensure accuracy?

The President of the Environment and Public Services Committee replied as follows –

- “(a) The estimation of annual revenue expected for 2002-2003 was calculated in January 2002, and was based on fare income contained in a report quoting financial accounting figures of Jersey Bus in 1992 and 1993, when a similar level of service was operating. These were the last figures provided by the Diamond Jersey Group, parent company of Jersey Bus. This income figure was adjusted for inflation and fare increases, and an allowance made for a reduction in fare paying passengers in the intervening period.
- (b) An estimated revenue figure of the same order of magnitude was provided to all tenderers and was relevant to the bidding process only as being indicative of the passenger loadings to be expected. It does, however, have a bearing on the subsidy required to operate the same level of service as operated by Jersey Bus in 1999/2000. This level of service was approved by the States as part of the Bus Strategy, (P.104/2001). The difference between the likely revenue as calculated above and any accepted tender is, therefore, the likely subsidy on behalf of users of the service.

Members will recall that the then Public Services Committee formed a Bus Strategy Steering Group in September 2001 to develop the strategy and oversee the tender process. This group consisted of members of the States drawn from the then Public Services, Finance and Economics, and Industries

Committees together with a member from the Jersey Transport Authority.

Because of the inability to determine the exact bus income figure from Jersey Bus, the approach, recommended by transport consultants Halcrow Limited, advising the Bus Strategy Steering Group, was that, in order to attract meaningful tenders for the service, the States would have to accept the risk of achieving the estimated income level and pay a fixed contract price for the provision of the service. Had any operator been required to take the whole income risk as part of their tender, based on the lack of financial information, the tenders for the contract would almost certainly have been much higher.

(c) T
he likely income figure was estimated at £2.5 million.

It was calculated by Department officers as described in (a) above. It was considered an achievable target by consultants Halcrow Limited and was agreed as such by the then Public Services Committee and Bus Strategy Steering Group. The Finance and Economics Committee was advised of the figure at its meeting on 12th March 2002, when determining the amount of subsidy to be provided in the first year's operation.

There was no other means of determining a more accurate level of subsidy in the absence of any further contemporary and relevant information from the Diamond Jersey Group, parent company of Jersey Bus.”

**Housing Regulations: reductions in qualifying periods – P.73/2003
Comments – P.73.2003.Com.; Comments (2) – P. 73/2003.Com.(2)**

THE STATES rejected a proposition of the Deputy of St. Martin requesting them to–

- (a) agree, in principle, that the Housing (General Provisions) (Jersey) Regulations 1970, as amended, should be further amended –
 - (i) in order to reduce the required period of residence for persons qualifying under Regulations 1(1)(a) and 1(1)(h) from 10 to 6 years; and
 - (ii) so that the words “commencing prior to his twentieth birthday” in Regulation 1(1)(h) be deleted;and to charge the Housing Committee to bring forward for approval by the States within 3 months the necessary legislation to give effect to these proposals with the changes to come into immediate effect following approval of the amendments by the States;
- (b) agree that in the event of any further reduction in the qualifying period for persons qualifying under Regulations 1(1)(f) and 1(2C), the qualifying period should also be reduced by the same period for those persons qualifying under Regulations 1(1)(a) and 1(1)(h).

Members present voted as follows –

“Pour” (4)

Deputies

St. Martin, Le Hérisier(S), Martin(H), Southern(H).

“Contre” (39)

Senators

Le Maistre, Norman, Walker, Kinnard, Le Sueur, Routier, M. Vibert, Ozouf, E. Vibert.

Connétables

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

Deputies

Trinity, Duhamel(S), Breckon(S), Huet(H), St. John, Le Main(H), Dubras(L), Baudains(C), Dorey(H), Troy(B), Voisin(L), Fox(H), Bernstein(B), Ferguson(B), St. Ouen, Ryan(H), Taylor(C), St. Peter, Hilto(H), De Faye(H).

One member abstained from voting.

Draft Terrorism (Enforcement of External Orders) (Jersey) Regulations 200- P.84/2003

THE STATES commenced consideration of the draft Terrorism (Enforcement of External Orders) (Jersey) Regulations 200-, and adopted the preamble.

Members present voted as follows –

“Pour” (37)

Senators

Le Maistre, Norman, Walker, Kinnard, Le Sueur, Routier, M. Vibert, Ozouf, E. Vibert.

Connétables

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

Deputies

Trinity, Breckon(S), Le Main(H), Dubras(L), Dorey(H), Troy(B), Voisin(L), Scott Warren(S), Farnhar(S), Fox(H), Martin(H), Bernstein(B), Ferguson(B), Ryan(H), Taylor(C), St. Peter, Hilton(H).

“Contre” (9)

Deputies

Duhamel(S), Huet(H), St. Martin, St. John, Baudains(C), Le Hérissier(S), Southern(H), St. Oue De Faye(H).

Regulations 1 to 11 and the Schedule were adopted.

THE STATES, in pursuance of paragraph 11 of Schedule 3 to the Terrorism (Jersey) Law 2002, mad Regulations entitled the Terrorism (Enforcement of External Orders) (Jersey) Regulations 2003.

Change in Presidency

THE STATES re-assembled after the lunch adjournment under the Presidency of the Deputy Bailiff, Mr. Michael Cameron St. John Birt

Public and Private Sector Housing Rental Subsidy Schemes. – P.74/2003. (re-issue)

Addendum – P.74/2003.Add., Comments – P.74/2003.Com., Amendment – P.74/2003.Amd., second amendment – P.74/2003.Amd.(2).

THE STATES commenced consideration of a proposition of the Housing Committee concerning public and private sector housing rental subsidy schemes, and rejected an amendment of Deputy Peter Nicholas Troy of St. Brelade that there be added the following words at the end of sub-paragraph (a)–

“except that applicants who either solely, or with partners, have an income from all sources of less than £20,000 per annum, and who have one or more dependent children, will remain eligible”.

Members present voted as follows –

“Pour” (14)

Senators

Le Maistre, Le Claire, E. Vibert.

Connétables

St. Clement, St. Helier, St. Lawrence.

Deputies

Duhamel(S), St. Martin, Baudains(C), Troy(B), Scott Warren(S), Martin(H), Ferguson(B), De Faye(H).

“Contre” (29)

Senators

Norman, Walker, Kinnard, Le Sueur, Routier, M. Vibert, Ozouf.

Connétables

St. Martin, St. Saviour, St. Brelade, St. Mary, St. Peter, Trinity.

Deputies

Trinity, Breckon(S), Huet(H), Le Main(H), Dorey(H), Voisin(L), Farnham(S), Le Hérissier(S), Fox(H), Southern(H), Bernstein(B), St. Mary, St. Ouen, Ryan(H), St. Peter, Hilton(H).

One member abstained from voting.

THE STATES rejected amendments (1), (2) and (4) of Deputy Alan Breckon of St. Saviour that–

- (1) In the preamble paragraph there be deleted the words “with effect from 1st January 2004”;
- (2) In paragraph (a) after the words “for rental subsidy” there be inserted the words “, with effect from 1st January 2004,”; and,
- (4) At the end of the proposition, after paragraph (e) there be inserted the following paragraph –

“and to agree that the changes set out in paragraphs (b) to (e) above should not be introduced until a comprehensive new low income support scheme is put in place.”

Members present voted as follows –

“Pour” (14)

Senators

Le Maistre, Kinnard, Le Claire, E. Vibert.

Connétable

St. Helier.

Deputies

Duhamel(S), Breckon(S), St. Martin, Scott Warren(S), Le Hérissier(S), Martin(H), Southern(H), St. Pet De Faye(H).

“Contre” (25)

Senators

Norman, Walker, Routier, Ozouf.

Connétables

St. Martin, St. Saviour, St. Clement, Trinity, St. Lawrence.

Deputies

Trinity, Huet(H), Le Main(H), Dubras(L), Dorey(H), Troy(B), Voisin(L), Farnham(S), Fox(H), Bernstein(B), Ferguson(B), St. Mary, St. Ouen, Ryan(H), Taylor(C), Hilton(H).

THE STATES rejected amendment (3) of Deputy Alan Breckon of St. Saviour that in paragraph (b), after the words “£40 respectively” there be inserted the words “when they are in full time employment”.

Members present voted as follows –

“Pour” (15)

Senators

Le Maistre, Kinnard, Le Claire, E. Vibert.

Connétables

St. Clement, St. Helier.

Deputies

Duhamel(S), Breckon(S), St. Martin, Scott Warren(S), Le Hérissier(S), Martin(H), Southern(H), St. Pet De Faye(H).

“Contre” (24)

Senators

Norman, Walker, Routier, Ozouf.

Connétables

St. Martin, St. Saviour, Trinity, St. Lawrence.

Deputies

Trinity, Huet(H), Le Main(H), Dubras(L), Dorey(H), Troy(B), Voisin(L), Farnham(S), Fox(H), Bernstein

(B), Ferguson(B), St. Mary, St. Ouen, Ryan(H), Taylor(C), Hilton(H)

THE STATES then deferred further consideration of the proposition of the Housing Committee concerning public and private sector housing rental subsidy schemes.

Draft Parish Rate (Jersey) Law 200- P.82/2003

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Parish Rate (Jersey) Law 200-.

Adjournment

THE STATES then adjourned, having agreed to meet on 16th July 2003 for the purpose of continuing consideration of the proposition of the Housing Committee concerning public and private sector housing rental subsidy schemes together with the other outstanding items of public business.

THE STATES rose at 6.55 p.m.

D.C.G. FILIPPONI

Assistant Greffier of the States.