

STATES OF JERSEY



MACHINERY OF GOVERNMENT: RELATIONSHIP BETWEEN THE PARISHES AND THE EXECUTIVE

**Lodged au Greffe on 9th March 2004
by the Policy and Resources Committee**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to refer to their Act dated 28th September 2001 in which they agreed that the Policy and Resources Committee, after consultation with the Comité des Connétables, should bring forward for approval by the States proposals on the future relationship between the Parishes and the other areas of public administration and, in particular, concerning the provision of services, resource allocation and financing, a review of the Parish institutions, and the position of the Parish of St. Helier; and to agree that, in line with the guiding principle that the cost to the Parishes and the States should be neutral at the date of transfer, which is aimed for May 2006 –

- (a) (i) the cost of ‘native’ welfare (including a 10% provision for the cost of administration) and residential care currently met by the Island’s ratepayers should be met from the general revenues of the States;
- (ii) the cost of providing the following services, currently met by the States through the cash limit of the Environment and Public Services Committee, should be funded by the Island’s ratepayers in exchange for ‘native’ welfare –
 - (A) main road routine maintenance, which concerns all highway resurfacing works, including the replacement of manhole covers as required, maintenance and resurfacing of footways, reactive maintenance repairs (potholes, etc.), laying of anti-skid surfacing at key locations, repairs to surface water systems including gullies on highways and inspection and supervision costs, and all work on cleaning (including gulley emptying), signs and markings, lighting, traffic signals and pedestrian crossings;
 - (B) parks and gardens;
 - (C) public conveniences;
 - (D) litter bin emptying;
 - (E) display and floodlighting;
 - (F) other service transfers that may be required to achieve the principle of cost neutrality at the date of transfer, to be agreed following discussions between the Policy and Resources Committee, the Environment and Public Services Committee, and the Comité des Connétables, and subject to the approval of the States.
- (iii) capital investment in the infrastructure of the Island’s main road network, which concerns all restorative maintenance, strengthening and reconstruction to the highway sub-structure, defective trench reinstatements (undertaken by the service companies in the past) and new surface water drainage systems, as well as the construction of new roads, should be met from the general revenues of the States;
- (b) (i) an Island-wide Commercial Rate, to be levied by the States on the recommendation of the Conseil des Connétables, should be introduced, in accordance with paragraphs 30-43 and 50-54 of the Committee’s report; and
- (ii) a Domestic Island-wide Services Rate, to be levied by the States on the recommendation of the Conseil des Connétables, should be introduced, in accordance with paragraphs 30-31

and 44-54 of the Committee's report ;

- (c) a Conseil des Connétables, comprising the 12 Parish Connétables, should be established as a body corporate with responsibility for, amongst other things, managing the Island-wide Services Fund into which the Commercial Rate and the Domestic Island-wide Services Rate will be paid;
- (d) the current responsibilities of the Economic Development Committee under the Policing of Beaches (Jersey) Regulations 1959, as amended, and the Places of Refreshment (Jersey) Law 1967, as amended, should be transferred to the Parishes together with the associated income;
- (e) the Finance and Economics Committee should be charged to undertake a review of the States land and property portfolio in order to bring recommendations to the States regarding the States' liability to rates;
- (f) the Policy and Resources Committee should be charged to prepare the necessary legislative changes to enable paragraphs (a)-(e) to be implemented, subject to States approval, in time for the Parishes' 2006/7 accounting year.

POLICY AND RESOURCES COMMITTEE

REPORT

Introduction

1. On 28th September 2001 the States approved (subject to some amendments) P.122/2001 ‘Machinery of Government: Proposed Reforms’ which stated that –

“The Policy & Resources Committee, after consultation with the Comité des Connétables, will bring forward for approval by the States proposals on the future relationship between the Parishes and the other areas of public administration and, in particular –
 - (i) *the provision of services;*
 - (ii) *resource allocation and financing;*
 - (iii) *a review of the Parish institutions; and*
 - (iv) *the position of the Parish of St. Helier.”*
 2. In January 2002 the Policy and Resources Committee, with the agreement of the Comité des Connétables, set up a Steering Group to undertake a review of the relationship between the Parishes and the Executive. This Steering Group included Member and Officer representatives of both the States and the Parishes and was chaired by Deputy David Crespel. Liz Burst, the Chief Internal Auditor from the States Treasury, was seconded to the Steering Group as its Executive Officer from January 2002 to September 2003.
 3. The Steering Group has produced 2 comprehensive reports summarising the results of its investigations. The Group’s Phase 1 report, ‘Background and Issues Identified’, published in May 2002, set the scene with regard to the relationship between the Parishes and the States and, in particular, outlined the various services which are provided by the 12 Parishes in Jersey and funded by the Island’s ratepayers. The Group’s Phase 2 report, entitled ‘Recommendations for Change’ was published in April 2003.
 4. Following the publication of the Phase 2 report, the Steering Group undertook a comprehensive consultation exercise which ran for 9 weeks. The Group held 12 public meetings (one at each Parish Hall, as well as a further 19 other meetings with States Members, Parish officials, States Committees and other interested parties. In addition to these consultation meetings, the Steering Group also received around 50 pieces of correspondence from States Members and members of the public providing feedback on the Group’s recommendations.
 5. Generally, the feedback received during the consultation period was very supportive of the Group’s recommended way forward. Several useful suggestions were made to further strengthen and improve the Group’s recommended changes to the rating system and the way in which services will be delivered in the future. Inevitably, some individuals expressed concern about some of the recommendations which had been made and the Steering Group has carefully considered these when putting forward its recommended way forward to the Policy and Resources Committee.
 6. The remainder of this report details the background to each part of the Proposition to which the Policy and Resources Committee is now seeking the approval of the States. This report does not, however, provide all the detailed discussion and analysis contained in the Steering Group’s Phase 2 report. (Additional copies of the Phase 2 report can be obtained from the Policy and Resources Department.)
 7. At Annex A is a full implementation plan covering all the recommendations made by the Steering Group.
- (a)(i) The cost of ‘native’ welfare (including a 10% provision for the cost of administration) and residential care currently met by the Island’s ratepayers should be met from the general revenue of the States.**

8. There is currently a split funding mechanism for welfare and residential care costs. The States funds the cost of ‘non-native’^[1] welfare and residential care and the Parishes fund the equivalent costs for ‘natives’¹.

Figure 1: Estimated ‘non-native’ welfare and residential care costs to be met by the States in 2003

	£
‘Non native’ welfare payments incurred by the Employment and Social Security Committee ^[2]	2,997,000
‘Non native’ residential care payments incurred by the Health and Social Services Committee ^[3]	<u>807,917</u>
	<u>3,804,917</u>

9. The Parishes’ accounting year differs from the States and runs from 1st May to 30th April, with the exception of St. Martin which currently has an accounting year ended 31st May^[4]. Figure 2 shows the value of ‘native’ welfare and residential care payments incurred by the Parishes over the last 3 years.

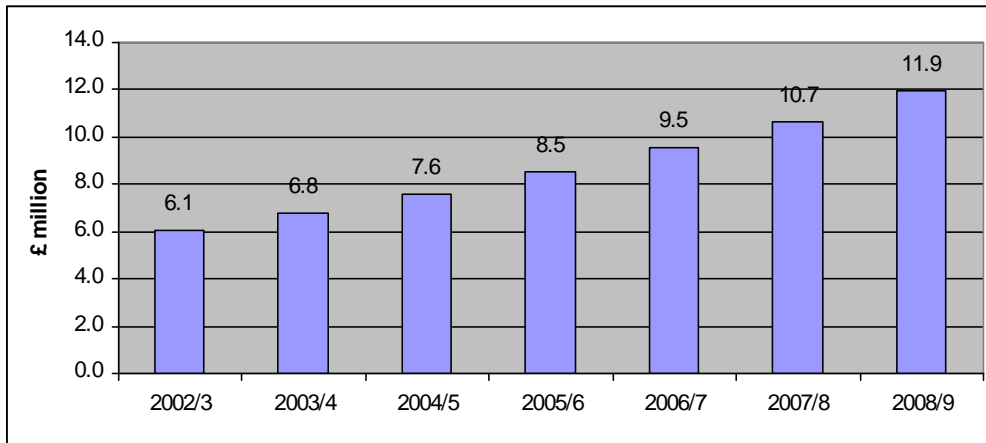
Figure 2: ‘Native’ welfare and residential care costs incurred by the Parishes over the last 3 years

	2000-1 £	2001-2 £	2002-3 £
Welfare payments	2,547,440	2,739,915	2,917,532
Residential care costs	2,135,544	2,363,645	3,134,766
Total	4,682,984	5,103,560	6,052,298

Increase of 9% Increase of
19%

10. Figure 2 shows the substantial increase in ‘native’ welfare and residential care costs which the Parishes have experienced over the last 3 years. Total costs increased by 19% between 2001-2 and 2002-3; the main increase was in residential care costs which increased by 33% in 2002-3. The figures in the above table do not include the administration costs incurred by the Parishes in processing ‘native’ welfare payments^[5]. In 2003-4 the Parishes estimate that the total ‘native’ welfare and residential care costs they will incur will be in the region of £6.8 million (excluding the cost of administering welfare). This would equate to an increase of over £0.7 million from 2002-3 or 12%.
11. If the cost of ‘native’ welfare and residential care continues to increase at the levels experienced since 2000-1, the costs will have doubled in 6 years. This is demonstrated in Figure 3. Figure 3 also shows th by 2006-7 (which is the year in which the changes to the rating system are intended to be implemented) the total ‘native’ welfare and residential care costs are likely to be around £9.5 million.

Figure 3: How ‘native’ welfare and residential care costs could escalate over the next five years

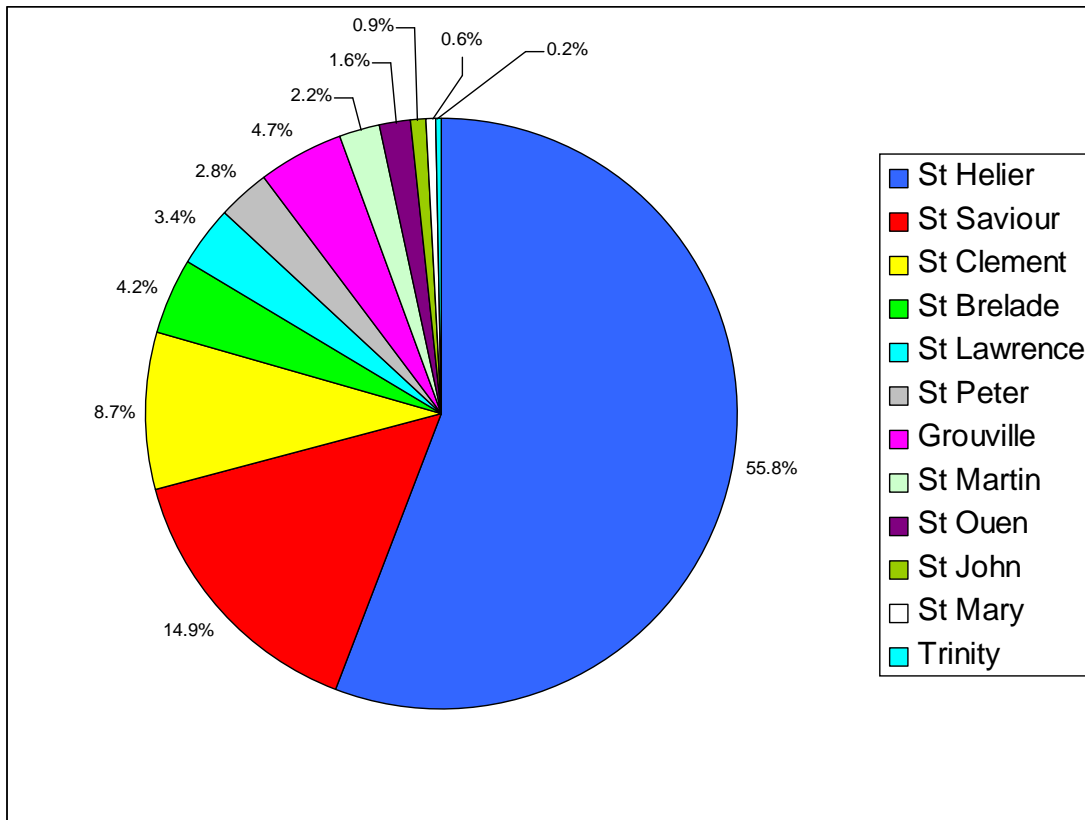


These projections include a 10% allowance for administration costs incurred by the Parishes in processing welfare claims and payments.

12. During the consultation period, some individuals expressed surprise and, in some cases, disbelief at the Steering Group's comment in their Phase 2 report, and during the presentations which were provided at the consultation meetings, that the cost of welfare and residential care met by the Island's ratepayers could possibly double in 5 years. The revised projections in Figure 3 assume that costs will increase by the average experienced over the last 3 years, which is rather less than originally estimated, but still very significant. The Committee considers that this is a prudent estimate and that the actual increases could be even greater if, for example, more individuals require assistance with the cost of residential care or the Island was to experience an increase in unemployment.

13. The burden of welfare and residential care on some Parishes is greater than others. Figure 4 shows that St. Helier's ratepayers met 55.8% of the total 'native' welfare and residential care costs in 2002-3. Ratepayers in St. Helier, St. Saviour and St. Clement met 79.4% of the total costs.

Figure 4: Proportion of 'native' welfare and residential care costs incurred by the Parishes in 2002-3



Total cost = £6.1 million

14. This inequitable distribution of costs is also shown in Figure 5, which shows the rates per quarter which each Parish needed to raise in 2003 in order to finance their estimated ‘native’ welfare and residential care costs in 2003-4. These vary from 1.2p per quarter in St. Helier, St. Saviour and St. Clement to just 0.2p in Trinity. 55% of the St. Saviour rate per quarter was raised to fund welfare and residential care, whereas the equivalent percentage in St. Ouen was 19 % and in Trinity just 11%.

Figure 5: Welfare rates per quarter

PARISH	2003 RATE PER QUARTER	2003 WELFARE RATE PER QUARTER	% OF RATE PER QUARTER SPENT ON WELFARE
St. Helier	2.65	1.2	45
St. Saviour	2.2	1.2	55
St. Clement	2.3	1.2	52
St. Breilade	1.6	0.4	25
St. Lawrence	1.65	0.6	36
St. Peter	1.8	0.6	33
Grouville	1.9	0.9	47
St. Martin	1.9	0.7	37
St. Ouen	2.1	0.4	19
St. John	1.6	0.4	25
St. Mary	1.9	0.5	26
Trinity	1.85	0.2	11
Average = 0.7p			

It should be noted that the welfare rates per quarter shown in Figure 5 are based on the estimated cost of welfare and residential care for 2003-4.

15. The rising cost of welfare and residential care is not just a risk to St. Helier, St. Saviour and St. Clemer. Indeed, a small increase in the number of individuals claiming welfare or assistance towards their residential care costs, can have a very significant effect on a small Parish. For example, it is estimated that just 5 new residential care cases could add 0.6p to the rate per quarter in St. Mary. This would necessitate a 32% increase to the rate per quarter in St. Mary, taking it to 2.5p.
16. The Committee supports the Steering Group's recommendation that the cost of all welfare and residential care should be met from the general revenues of the States. This recommendation gained overwhelming support during the consultation period. The main arguments in support of the transfer of cost can be summarised as follows –
 - (i) The original principle underlying welfare was that the rich of a Parish paid for those suffering financial hardship. This is no longer the case since everyone pays rates, including the less well-off. The States' access to a much wider taxation base is a much fairer way in which to raise income to fund support to those on low or nil incomes.
 - (ii) The current distinction between 'natives' and 'non-natives' is archaic (dating back to the late 18th Century), discriminatory and, in the 21st Century, no longer appropriate. Funding all welfare and residential care from one source would enable this terminology to cease.
 - (iii) As shown in Figure 3, if the cost of 'native' welfare and residential care continues to increase at the levels experienced over the last 3 years, the costs will have doubled by 2008/9. If these costs continue to be met by the Island's ratepayers, a two-fold increase would equate to an additional £6 million having to be raised from rates. This would necessitate a very large increase in rates paid by Islanders.
 - (iv) The Parishes have no control over residential care payments. The Parishes are not responsible for the policy of care for the elderly or the placement of individuals in care homes. Put simply, if a resident of a Parish is admitted to a care home and they are a 'native', then the Parish must meet the cost of the fees paid to the home (net of any pension the elderly person receives). It is extremely difficult for the Parishes to budget accurately for these costs.

Administration of welfare payments

17. Whilst the States is being asked to agree that the cost of welfare should be transferred from the Parishes to the States, the Committee agrees with the Steering Group's recommendation that the administration of welfare payments should remain with the Parishes. The Parishes already administer welfare payments to 'non-natives', with the value of these payments being reimbursed to the Parishes from the Employment and Social Security Committee. This reimbursement scheme would be extended to cover payments to 'natives' as well. The reimbursement would include a 10% administrative recharge with regard to welfare payments.
18. The Steering Group recommended that the relationship between the Parishes as service providers and the States as funder should be supported by a Service Level Agreement. The Steering Group also recommended that welfare payments administered by the Parishes should continue to be subject to regular audits by the Internal Audit Department of the States Treasury.
19. The Employment and Social Security Committee will be bringing forward proposals for a new low income support system in Jersey. During the development of this system, consideration will need to be given to the future role of the Parishes with regard to the administration of low income support.
20. At its meeting on 10th July 2003, the Policy and Resources Committee received a delegation comprising the Connétables of St. Helier and St. Clement and 9 St. Helier Deputies. At that meeting the Policy and Resources Committee made a commitment to develop an interim solution to the significant welfare burden which may be suffered by some Parishes in their 2004-5 accounting year pending the

implementation of the new rating system in 2006.

21. The solution put forward by the Policy and Resources Committee is that the States should meet the additional cost of 'native' welfare and residential care incurred by the Parishes in 2004-5 compared to the equivalent costs met by ratepayers in 2003-4. It is estimated that this will equate to an additional £2.1 million being met from the General Reserve. The Finance and Economics Committee has agreed to this proposal, subject to the States approving the proposals as set out in this report and proposition for the transfer of native welfare and residential care costs to the States, and to the subsequent production of a satisfactory implementation/business plan.

(a)(ii) The cost of providing the following services, currently met by the States through the cash limit of the Environment and Public Services Committee should be funded by the Island's ratepayers in exchange for 'native' welfare –

(A) main road routine maintenance, which concerns all highway resurfacing works, including the replacement of manhole covers as required, maintenance and resurfacing of footways, reactive maintenance repairs (pot holes etc), laying of anti-skid surfacing at key locations, repairs to surface water systems including gullies on highways and inspection and supervision costs, and all work on cleaning (including gully emptying), signs and markings, lighting, traffic signals and pedestrian crossings;

(B) parks and gardens;

(C) public conveniences;

(D) litter bin emptying;

(E) display and flood lighting;

(F) other service transfers that may be required to achieve the principle of cost neutrality at the time of transfer, to be agreed following discussions between the Policy and Resources Committee, the Environment and Public Services Committee, and the Comité des Connétables, and subject to approval by the States.

22. In the light of forecasted financial deficits in future years and the general pressure on States expenditure, a proposal to merely transfer 'native' welfare and residential care costs from the ratepayer could not be supported. As stated in paragraph 11, this would require the States to fund an estimated additional £9.5 million in 2006-7. Not only is the States being asked to take on the cost of welfare and residential care from the Parishes 2006-7 accounting year, but also the significant financial risk that these costs will continue to increase dramatically in the future (see Figure 3).

23. The Steering Group recommended that the following service costs should be transferred from the Environment and Public Services Committee to the ratepayers in exchange for 'native' welfare and residential care costs –

Main road routine maintenance
Parks and Gardens
Public conveniences
Litter bin emptying
Display and flood lighting

24. The Committee agrees with the Steering Group that these costs are a much fairer charge to the ratepayers than welfare and residential care. Ratepayers benefit from and use the services proposed for transfer; this is not the case for the majority of ratepayers with regard to welfare and residential care. The above costs will also be much easier to control and budget for than welfare and residential care since they should not experience dramatic, uncontrollable increases.

25. At the time the Steering Group produced its report, this proposed cost transfer would have provided the States with a pound for pound cost exchange at 2002 prices. However, as we have already demonstrated, welfare and residential care costs are increasing at levels well above inflation. 'Native' welfare and residential care costs are estimated to be £9.5 million in the Parishes' 2006-7 accounting year. It is intended that the cost exchange between the States and the Parishes will take place from 1st May 2006 to coincide with the start of the Parishes' 2006-7 accounting year. The estimated effect on States budgets in 2006 and 2007 is shown in Figure 6 –

Figure 6: Estimated effect on 2006 and 2007 States budgets

	2006 (May – December)	2007 (full year)
Employment and Social Security Committee (re 'native' welfare payments)	+£3,200,000	+£5,400,000
Health and Social Services Committee (re 'native' residential care costs)	+£3,100,000	+£5,200,000
Environment and Public Services (re main roads, parks and gardens, public toilets, litter bins and lighting)	-£5,500,000	-£8,600,000
and other services to effect cost neutral transfer	-£800,000	-£1,200,000
Overall effect on States budget	+£0	+£800,000

26. From 2008 onwards the States would have to meet any additional welfare and residential care costs. An indication of how these costs could increase is shown in Figure 3. Of course, the projections in Figure 3 only relate to 'native' welfare and residential care. The States will also be required to meet any increases in costs associated with 'non-native' welfare (which they are already currently funding).
27. The Steering Group recommended that the transfer of main road costs to the ratepayers provides an opportunity to address the current under funding of the routine maintenance costs of main roads. It is estimated that a further £1.5 million (at 2003 prices) needs to be spent on routine maintenance to the Island's main roads each year. There is also a requirement to refurbish 2 additional public conveniences per annum at a cost of £90,000 (at 2003 prices). The Steering Group proposed that this additional expenditure should be funded by the ratepayers and the Committee supports this. The Steering Group recommended that this additional expenditure should be phased in over a 3-year period.
28. In summary, the costs which would be transferred to the Island's ratepayers in exchange for 'native' welfare costs being met from States revenues are shown in Figure 7.

Figure 7: Costs to be met by the ratepayers in exchange for 'native' welfare and residential care being transferred to the States

MAIN ROAD ROUTINE MAINTENANCE	£
Current costs incurred by Public Services:	
Cleaning (including gulley emptying)	1,408,169
Maintenance (as defined in paragraph 30)	
Roads	965,345
Footpaths	<u>613,018</u>
	1,578,363
Signs and markings	411,532
Lighting	261,790

Traffic signals and pedestrian crossings	228,162
Total current costs	<u>3,888,016</u>
Required additional expenditure	
Routine annual maintenance (resurfacing)	717,600
Lighting	282,487
Road structures and edges	217,298
Signs and markings	108,649
Traffic signals	108,649
Inspections and monitoring	108,645
	<u>1,543,331</u>
Total main road routine maintenance costs	<u>5,431,347</u>
PARKS AND GARDENS	2,523,600
PUBLIC CONVENIENCES	
Current costs incurred by Public Services	649,953
Additional required refurbishment costs	<u>90,000</u>
	739,953
LITTER BIN EMPTYING	332,315
DISPLAY AND FLOOD LIGHTING	221,756
TOTAL COSTS TO BE MET BY THE RATEPAYERS	<u>9,248,971</u>

All costs are shown at 2003 prices

Note: all of the above costs are subject to review under the Fundamental Spending Review process

(a)(iii) **Capital investment in the infrastructure of the Island's main road network, which concerns all restorative maintenance, strengthening and reconstruction to the highway sub-structure, defective trench reinstatements (undertaken by the service companies in the past) and new surface water drainage systems, as well as the construction of new roads, should be met from the general revenues of the States.**

29. During the consultation period the main concern expressed with regard to the proposed cost transfer to the ratepayers was with regard to main roads. Concerns were expressed by members of the public regarding the requirement for significant capital investment in the roads. There was a fear that these costs would have to be met by ratepayers. The Committee considers that it is vital that the responsibility for funding the capital investment (predominantly repairs to the sub-structure of the roads) rests firmly with the States and that the ratepayers will be responsible for routine maintenance costs only. The components of routine maintenance costs are shown in Figure 7. In order that there should be a clear understanding of the nature of the respective responsibilities for capital investment and routine maintenance, these responsibilities are defined below as follows –

Capital Funding for Highways Maintenance (the States):

To undertake all restorative maintenance, strengthening and reconstruction to the highway sub-structure, defective trench reinstatements (undertaken by the service companies in the past) and new surface water drainage system.

Revenue Funding for Highways Maintenance (the Conseil des Connétables):

To undertake all highway resurfacing works, including the replacement of manhole covers as required, maintenance and resurfacing of footways, reactive maintenance repairs (potholes, etc.), laying of anti-skid surfacing at key locations, repairs to surface water systems including gullies

on highways and inspection and supervision costs, and all work on cleaning (including gulley emptying), signs and markings, lighting, traffic signals and pedestrian crossings.

(b)(i) An Island-wide Commercial Rate, to be levied by the States on the recommendation of the Conseil des Connétables, should be introduced, in accordance with paragraphs 30-43 and 50-54 of the Committee's report

30. The Steering Group proposed that two new Island-wide rates should be introduced, namely an Island-wide Commercial Rate and a Domestic Island-wide Services Rate. These rates would be used to fund the services listed in (a) (ii) (A-F) of the proposition. They would also enable additional required routine maintenance for main roads and public conveniences, currently provided for at a cost of £1.6 million per annum at 2003 prices, to be met by the Island's ratepayers (as noted in paragraph 27).

31. From the ratepayer's perspective, the system for the payment of rates will remain essentially the same. He or she will continue to receive an annual rates assessment from the parish, and payment will be made directly to the parish authorities, as before. A proportion of the rates received will then be allocated by the Parish to the central Island-wide Services Fund.

32. In relation to the Island-wide Commercial Rate, it is proposed that 70% of this rate would be paid into an Island-wide Services Fund, administered by a new body to be known as the Conseil des Connétables, and used to fund the services transferred from the States. The remaining 30% would be retained by the Parishes to part-fund their parochial costs. *(Note: The Conseil des Connétables would be based on the existing Comité des Connétables, and would be formally established in legislation as a legal entity in its own right. Further information about the proposed role of the Conseil is given in paragraphs 55-61 of this report).*

33. Many countries require businesses to contribute more towards the cost of local services than domestic householders. In 2003 commercial ratepayers in Jersey paid an average of 2p per quarter. In England the current Non-Domestic Rate levied on commercial ratepayers is 43p per pound of rateable value (equivalent to Jersey's 'quarter'). Rates in England fund a much wider range of services than in Jersey (for example: Education, Social Services and the Fire Service). Nevertheless, the concept of a higher rate for commercial ratepayers is well established in England. Guernsey's Tax on Rateable Values is charged at a higher rate for business premises than domestic.

34. The Steering Group proposed that the aim should be to phase in an Island-wide Commercial Rate of 3p over a three to four-year period. Effectively this would mean that commercial ratepayers paid on average 50% more per quarter than their domestic counterparts. Whilst an Island-wide Commercial Rate of 3p was a realistic aim based on the Parishes' 2002 quarters, it is unlikely to be in 2005 when the changes to the rating system would be introduced.

35. The Parish Rate (Jersey) Law 2003 came into effect on 1st January 2004. Under this Law the repair and decoration allowances currently awarded to owners and occupiers of houses and other buildings (including commercial premises) cease. Under the old 1946 Law the following allowances were applied to the assessment of quarters –

- 20% reduction in respect of the costs of internal decoration; and
- 30% reduction in respect of the costs of other repairs.

These allowances were applied to the owner or occupier according to who had responsibility for the internal and external repairs and maintenance of the building.

36. The removal of these allowances increases the quarters at which owners and occupiers of houses and other buildings are assessed. For each property the quarters increase by a third. The result of this, under the current rating system, is that in 2004 the rates per quarter levied by the Parishes to fund their parochial costs will reduce (as there will be more quarters over which to spread those costs).

37. Given the increase in the number of quarters which are occurring in 2004, and the consequential decrease in the rates per quarter charged by the Parishes, the Committee does not consider that it is fair to agree what the Commercial Rate should be now. The principle that the Commercial Rate should be set at a level 50% higher than that paid by domestic ratepayers seems a fair starting point. If the predictions in Figure 3 were to be true, then the average rate per quarter payable by all ratepayers in 2004 would be 1.6p. An increase of 50% would produce a target Commercial Rate of 2.4p. At this stage the Committee is seeking States approval to the principle of an Island-wide Commercial Rate.
38. During the consultation period the Steering Group received much feedback on the proposal to introduce a Commercial Rate. The Chamber of Commerce commented in writing as follows –
- “We broadly approve the proposal. Chamber recognises that businesses in St. Helier have benefited from a low rate in the last year in particular due to the budgetary issues that have affected the Parish over the last few years. The introduction of a Commercial Rate will return their rates to a similar level of those in the past and its phased introduction will allow businesses to make sufficient allowance in their budgets. However, Chamber also notes that, for its members in other Parishes, there will be a significant percentage increase in rates paid.”
39. The concern about the effect of a Commercial Rate on businesses located in the rural Parishes was raised by a number of individuals during the consultation period. The Steering Group did recommend in its report that consideration should be given to establishing a system of relief from the Commercial Rate. The Steering Group suggested that such a scheme of relief should be extended to agriculture, tourism, small businesses and charities. The Policy and Resources Committee will work with the Comité des Connétables to develop a scheme of relief for the more financially vulnerable areas of the Island’s business community. In undertaking this task the Committee will liaise with the Chamber of Commerce and other interested parties.
40. It is also important to remember that the Commercial Rate will be phased in over a three year period so as to avoid any large increases in one year.
41. The Committee does not consider that the introduction of a Commercial Rate will be inflationary. Rates are a small proportion of a business’ overall costs in Jersey, and we do not believe that a phased increase of 50% will have a significant effect on the Island’s cost of living.
42. The recommended method for setting the Commercial Rate is set out in paragraph 50.
43. As mentioned in paragraph 39, the detail of which ratepayers should pay the Commercial Rate will need to be worked on by the Policy and Resources Committee and the Comité des Connétables. The Steering Group envisaged that a commercial foncier and occupier rate would be applied to offices, shops, lodging houses and other businesses. Private landlords of domestic properties which are let out could also be liable to pay the Commercial Rate on their foncier quarters, but the tenants of such property would be charged the domestic rate as occupier.
- (b)(ii) A Domestic Island-wide Services Rate, to be levied by the States on the recommendation of the Conseil des Connétables, should be introduced, in accordance with paragraphs 30-31 and 44-54 of the Committee’s report ;**
44. The Steering Group also recommended that there should be an Island-wide element to the rate paid by domestic ratepayers: the Domestic Island-wide Services Rate. This rate would be used to fund the balance of the cost of the services proposed to be transferred from the States once the 70% contribution from the Island-wide Commercial Rate had been taken into account.
45. Paragraph 37 explains why it is not possible to agree now what the Island-wide Commercial Rate should be. This is due to the increase in quarters which will arise in 2004 due to the removal of allowances. For the same reason it is not possible to estimate with certainty at what level the Domestic Island-wide

Services Rate will need to be set at the time it is introduced (the target being the Parishes 2006-7 accounting year).

46. However, it is possible to show what the scenario would have been if the new system had been in place for the Rate Year 2003 and the Parishes 2003-4 Accounting Year. Figure 8 shows the total rates which we estimate would have been payable by domestic ratepayers in 2003 if the 2 new Island-wide rates^[6] had been in place –

Figure 8: Estimated 2003 rates per quarter payable by domestic ratepayers under the new system

	2003 rate per quarter	Domestic Island- wide Services Rate	Parish Rate	Total rate per quarter	Increase/ (decrease)
St. Helier	2.65	0.7	1.6	2.3	(0.35)
St. Saviour	2.2	0.7	1.0	1.7	(0.5)
St. Clement	2.3	0.7	1.0	1.7	(0.6)
St. Brelade	1.6	0.7	1.2	1.9	0.3
St. Lawrence	1.65	0.7	1.0	1.7	0.05
St. Peter	1.8	0.7	1.2	1.9	0.1
Grouville	1.9	0.7	1.1	1.8	(0.1)
St. Martin	1.9	0.7	1.3	2.0	0.1
St. Ouen	2.1	0.7	1.8	2.5	0.4(*)
St. John	1.6	0.7	1.4	2.1	0.5(*)
St. Mary	1.9	0.7	1.4	2.1	0.2
Trinity	1.85	0.7	1.8	2.5	0.65(*)
	Av = 2.0			Av = 2.0	

(see para 47)

*St. Ouen increased its rate by 0.2p per quarter in 2003 to purchase a new refuse collection vehicle. This is a one-off item of expenditure which, if disregarded, reduces the increase to St. Ouen's rate per quarter in Figure 8 to 0.2p. St. John raised an additional levy of 0.2p per quarter in 2003 to create a fund to meet the eventual cost of the Parish Hall extension. It is hoped that sufficient money will be in the fund by 2005-6. This would reduce the increase for St. John shown in Figure 8 to 0.3p. Trinity's 2003-4 budget includes £200,000 for the Parish Hall extension and £50,000 for an extension to the cemetery. These 2 costs equate to 0.9p per quarter. These costs will not recur in 2005-6 which would reduce Trinity's Parish Rate in Figure 8 to 0.9p and the total rate paid by Trinity's domestic ratepayers to 1.6p, a 0.25p decrease from the actual 2003 rate per quarter of 1.85p. It should be borne in mind that other Parishes will from time to time need to make temporary adjustments to their rates in order to cater for projects of this nature, e.g. parish hall extensions.

47. It is not surprising that St. Helier, St. Saviour, St. Clement and Grouville would have seen a decrease in their 2003 rates per quarter under the alternative system. As shown in Figure 5, these 4 Parishes currently raise 45-55% of their rates to fund welfare and residential care costs. Taking 2003 as an example year, the Domestic Island-wide Services Rate of 0.7p would be less than the actual 2003 rate per quarter raised to fund welfare and residential care in those 4 Parishes (Figure 5). Taking into account the items of special expenditure provided for in the 2003 rates by St. Ouen, St. John and Trinity (see note under Figure 8 estimated increases to the other Parishes would range between 0.05p and 0.3p per quarter. The Committee does not consider these to be unacceptable or excessive increases.
48. It is important to note from Figure 8 that the average rate per quarter paid by domestic ratepayers across the Island had the new framework been in place in 2003, would have been 2p. This equates to the actual average rate per quarter paid in 2003. The effect on domestic ratepayers of the new framework for raising rates is that expenditure has been more fairly allocated across them. All domestic ratepayers pay the same rate per quarter towards the cost of the Island-wide Services. Under the new framework, domestic

ratepayers will be able to identify why the total rate per quarter they are required to pay may be greater or less than that in other Parishes. This is because the only variable element of the rate per quarter paid by domestic ratepayers will be the Parish Rate.

49. The Steering Group faced a difficult task in seeking a way in which costs could be allocated more equitably across the Island's ratepayers. Alternatives to the proposals which are being recommended were considered but none of these produced a fair outcome for all Parishes. At Annex B are some examples of the rates per quarter which would have resulted under 3 alternative options to the proposals put forward in this report.

Method for agreeing the 2 Island-wide Rates

50. The 2 Island-wide Rates will not be agreed by Parish Assemblies. If a Parish Assembly were able to reduce the rate to fund main roads (and the other service costs which are proposed to be transferred to the ratepayers) this could seriously affect the required maintenance programme. Main roads rarely span just one Parish. Indeed some main roads cross 3 or more Parishes. The approval of expenditure and the associated rate on a Parish-by-Parish basis would not be practical. It is intended that the 2 rates would be set on an annual cycle. The suggested method for agreeing both rates is set out below.

Planning (September – December)

1. Conseil produces an annual Business Plan for the Island-wide Services, after consultation with the Public Services Department, which would set out a work programme for the year ahead, including proposals for expenditure and for the Island-wide rates.

Consultation (January – March)

2. Conseil consults with industry (via a Business Consultative Panel) on the proposed Commercial Rate.
3. Parish meetings are held to present the Island-wide Services Business Plan and the proposed Commercial Rate and Domestic Island-wide Services Rate and to receive comments on these.

Setting and approval of rates (March – June)

4. The plan would be forwarded to the Council of Ministers for consideration as part of the annual business plan and budget for onward submission to the States.
5. The States of Jersey approve or reject the Island-wide rate, without amendment.

51. Steps 2 and 3 are additional to the original proposal of the Steering Group for setting the Island-wide rates. They have been added to the process to address some of the concerns expressed during the consultation period regarding the lack of consultation and accountability with regard to the Island-wide Rates. The suggestion of a Business Consultative Panel (step 2) was put forward by the Chamber of Commerce.
52. In order to introduce the changes for the Parishes' 2006-7 accounting year, the first Island-wide Rates will need to be set during the period March-June 2006.
53. The Parish Rate will continue to be agreed by the Parish Assembly. As stated in paragraph 48, the Parish Rate will be the only variable element in the total rate per quarter payable by domestic ratepayers across the Island. The Parish Assembly will continue to retain the power to increase or decrease this rate. The role of commercial ratepayers at the Parish Assembly which sets the Parish Rate will need to be reviewed. Commercial ratepayers should retain the right to attend the Parish Assembly and ask the Connétable questions on the Parish Estimates for the year (since 30% of the rates paid by commercial ratepayers will be retained by the Parish to contribute towards parochial expenditure). However, the commercial ratepayers should not be allowed to take part in the vote to set a Parish Rate since they will not pay this. The Parish Rate is only chargeable to domestic ratepayers under the new proposals. This change will need to be effected when the Parish Rate (Jersey) Law 2003 is amended.

54. It is important to realise that whilst the Parish Assemblies will not be able to agree the 2 Island-wide Rates, (although they will have an opportunity every year to provide feedback to the Connétable on the proposed rates prior to them being formally set), the Assemblies cannot currently influence the amount of expenditure voted for welfare and residential care. As shown in Figure 5, the average 2003 welfare rate per quarter across all 12 parishes was 0.7p. This is the same level the Domestic Island-wide Services Rate would have been set, had it been in place in 2003. Therefore, it can be argued that on average, domestic ratepayers have as much influence over the Parish budget under the new proposals as they do now.
- (c) **A Conseil des Connétables, comprising the 12 Parish Connétables, should be established as a body corporate with responsibility for, amongst other things, managing the Island-wide Services Fund into which the Commercial Rate and the Domestic Island-wide Services Rate will be paid;**
55. The Steering Group recommended a new, enhanced role for the group of 12 Connétables. If the States supports this recommendation, then in the future the Connétables will play a very important role in the delivery of public services in the Island.
56. It is recommended that the current Comité des Connétables is renamed the Conseil des Connétables. The word ‘Conseil’ better reflects the collective decision-making responsibility the Connétables will have in the future.
57. At Annex C is a set of suggested terms of reference for the new Conseil des Connétables. The main responsibility the Conseil will have is for the delivery and funding of the Island-wide Services funded from rates (main roads, parks and gardens, public conveniences, litter bins and lighting). As explained in paragraph 50 this will include responsibility for setting the Island-wide Commercial Rate and Domestic Island-wide Services Rate.
58. In order to effectively meet these new and important responsibilities, the Committee agrees with the recommendation of the Steering Group that the Conseil des Connétables should be formally established in legislation as a legal entity in its own right. It is not proposed that the Conseil should become a Committee of the States since its responsibilities are not, and will not, be part of the Executive arm of the Island’s central government. The Conseil will be the custodians of ratepayers, rather than taxpayers, money and accordingly it will need to be accountable to the Island’s ratepayers.
59. The issue of the accountability of the Conseil des Connétables was raised by several individuals during the consultation period. Concerns were also expressed by the Bailiff in a letter to the President of the Policy and Resources Committee. The Committee has considered comments received on this subject carefully but considers there are sufficient checks and balances within the proposed framework for the Conseil to ensure adequate accountability to the ratepayers and the States. These checks and balances are –

Democratic accountability of the Conseil des Connétables

- | | |
|-------|--|
| (i) | The powers and responsibilities of the Conseil will be clearly set out in legislation. They will have delegated authority for certain functions. |
| (ii) | The States will be provided with some emergency powers in legislation in the event that they needed to issue directions to the Conseil or even remove some of their responsibilities. |
| (iii) | Every year the Connétables will present the Business Plan for the Island-wide Services and the associated proposed Island-wide Rates to Parish meetings in order to receive comments from ratepayers. The Business Plan will include targets and objectives which the Conseil will be expected to achieve. |
| (iv) | The Conseil des Connétables will consult with industry on the proposed Island-wide Commercial Rate via a Business Consultative Panel. |
| (v) | The 2 Island-wide Rates will be approved by the States of Jersey. |

- (vi) The Conseil des Connétables will be required to produce annual accounts for the Island-wide Services Fund. These accounts will be audited by the Comptroller and Auditor General. The Comptroller and Auditor General will also undertake value for money reviews of the Conseil's activities to provide the States and ratepayers with assurance as to whether the Conseil is exercising its functions with due regard to economy, efficiency and effectiveness. In particular the Comptroller and Auditor General would provide an opinion as to whether the Conseil had achieved its objectives and targets set out in the Island-wide Services Business Plan.
- (vii) The activities of the Conseil will also fall within the remit of the Public Accounts Committee.
- (viii) The Connétables will remain, as now, accountable to their ratepayers for parochial costs. Ultimately, if the ratepayers felt the Island-wide Rates were too high then they could penalise the Connétables by voting for a reduction in Parish expenditure and the associated Parish Rate. This is a control over the Connétables in terms of discouraging them from increasing Island-wide Rates to unacceptably high levels.
- (ix) Consideration could be given to establishing a single election day for Connétables. This would result in a new Conseil des Connétables being elected every 3 years. This suggestion would need to be referred to the Privileges and Procedures Committee.

The management of the Island-wide Services

- 60. It is intended that a Service Level Agreement will be drawn up between the Conseil des Connétables and the Public Services Department. Public Services have the necessary staff and expertise to deliver the services they currently do and which are to be transferred to the ratepayers and in the first 3 years the Conseil will need to use the services of that Department. The Service Level Agreement will include targets which Public Services are expected to deliver and there will be penalties for non-performance. If the Conseil wished to seek tenders from alternative providers, then they could do this, after a minimum of 3 years, in order to ensure the services they receive are as competitive and efficient as possible. In order that any industrial relations issues can be sensitively handled, the Conseil should inform the Chief Minister in advance if it decides to go out to tender for any services being provided to them by Public Services.
- 61. The Conseil will of course need access to its own independent advisers. The Steering Group recommended that the Conseil should have an Executive Officer as well as access to the services of a Quantity Surveyor or Engineer who could advise them on the programme of work for the main roads. It may be that these 2 roles could be undertaken by one individual to ensure costs are kept to a minimum. Alternatively, the services of a Quantity Surveyor or Engineer could be bought in from a private sector provider as and when required, rather than the Conseil recruiting a member of staff. The Conseil will also require access to accountancy services as well as legal advice from time to time. An allowance of £100,000 per annum (at 2003 prices) to fund these additional resources for the Conseil has been included in the estimate of the costs to be funded from the Island-wide Services Fund.
- (d) **The current responsibilities of the Economic Development Committee under the Policing of Beaches (Jersey) Regulations 1959, as amended, and the Places of Refreshment (Jersey) Law 1967, as amended, should be transferred to the Parishes together with the associated income.**
- 62. The Steering Group recommended that two areas of responsibility of the Tourism Department (which reports to the Economic Development Committee) should be transferred to the Parishes.
- 63. The first area is the responsibility to approve all activities, including trading activities, which are to be held on the Island's beaches. These responsibilities are currently set out in the Policing of Beaches

(Jersey) Regulations 1959. Currently individuals who wish to hold an event on the beach will be requested by the Tourism Department to contact the Connétable of the relevant Parish for his approval. The current Law already provides for the Connétable or Centenier of the Parish in which the beach is located to fine individuals who breach the provision of the Law. The fines are kept by the Parish and used to off-set the cost of maintaining by roads. The previous Tourism Committee agreed that the responsibility for licensing trading activities and dealing with the general public on beaches “was not essential to its core function.”⁷ The Committee considers the Connétables should be given responsibility for approving all activities on the Island’s beaches and that the individual Parishes should retain any income from licences issued (currently in the region of £20,000 per annum).

64. The second area is the approval and issue of trading licences for premises which sell food but not alcohol or pre-packed food – predominantly beach-side cafeterias. These responsibilities are currently set out in the Places of Refreshment (Jersey) Law 1967. The Connétables are already responsible for issuing permits to open a place of refreshment on Sundays, Good Friday, Christmas Day and Liberation Day. The previous Tourism Department also agreed this responsibility was not part of its core functions.⁷ The Committee considers that the responsibility for issuing licences to places of refreshment should rest with the Connétables and that the Parishes should retain any income from licence fees (currently in the region of £6,000 per annum).

(e) **The Finance and Economics Committee should be charged to undertake a review of the States land and property portfolio in order to bring recommendations to the States regarding the States liability to rates.**

65. The Steering Group notes in its report that –

“The issue of whether the States should pay rates on all its land and property has been considered on several occasions over the last 20 years.”

The Group went on to recommend –

“The States should pay rates on all its land and property. An exercise should be carried out to estimate the rateable values of all the States owned/occupied land and property for which rates are currently not paid.”

66. It is estimated that the States does not pay rates in relation to about 67% of its land and property portfolio. However, the States is St. Helier’s biggest ratepayer (paying in the region of £400,000 in 2002).

67. The Committee supports the Steering Group’s recommendation that a review of the States liability to rates should be undertaken. Given the imminent transfer of the States Property Services Department to the Treasury, the Committee considers that this exercise should be the responsibility of the Finance and Economics Committee, and that they should be charged to bring clear recommendations to the States at a later date. The Committee agrees with the Steering Group that to assess the rateable value of every States property and piece of land is likely to be a complex and time-consuming task. The Committee supports the suggestion of the Steering Group that a lump sum States liability to rates may be able to be agreed with the Comité des Connétables.

68. The review of the States’ liability to rates will need to encompass how any additional income raised should be applied. One option is for the relevant Parish to retain any additional income from the States, although this is likely to only significantly benefit St. Helier. An alternative could be that some or all of this additional income is paid into the Island-wide Services Fund so that all ratepayers across the Island benefit (since this would have the effect of reducing the two Island-wide Rates).

69. Consideration will also need to be given as to how the Commercial Rate will be applied to States owned and occupied property. For example: should the Housing Committee be required to pay Commercial Rates on its social housing?

(f) **The Policy and Resources Committee should be charged to prepare the necessary legislative changes to enable items (a)–(e) to be implemented, subject to States approval, in time for the Parishes’ 2006-7 accounting year.**

70. If the States approves the proposition, the Policy and Resources Committee intends to treat the implementation of the changes to the rating system set out in this report as a very high priority. There will be a significant law drafting requirement and work on law drafting instructions will need to begin immediately following a States decision, if the changes are to be implemented for the Parishes’ 2006-7 accounting year. The timetable for implementing the changes to the Parish rating system is as follows –

Task	Month
States debate Report and Proposition	March 2004
Policy and Resources Department prepare Law drafting instructions	April – August 2004
Law Draftsman instructed	August 2004
Law drafting	August 2004 – February 2005
States approve new Laws	December 2004 – March 2005
Privy Council Approval	December 2004 – October 2005
Implementation of the new rating system	January 2006

71. The Committee intends to establish a Parish Liaison Group (as recommended by the Steering Group) to, amongst other things, oversee the implementation stage of this project. The Group will comprise of officer and political representatives of both the States and the Parishes and will report to the Policy and Resources Committee. This Group will be responsible for, amongst other things, ensuring that the implementation plan at Annex A is delivered within the target dates.

Financial and manpower considerations

72. The estimated financial implications of the proposition are as follows –

Estimated increases in States expenditure

2006	£0	(Figure 6)
2007	£800,000	(Figure 6)
2008 and beyond	increases of 12% per annum on cost of welfare and residential care	(Figure 3)

73. There will be no immediate effect on States manpower although it is intended over time that savings may be able to be made as a result of bringing services such as main roads, parks, public conveniences and litter bin emptying under one body, the Conseil des Connétables.

74. At Annex D there is a list of the legislation to be changed to require to enable the above changes. The task of ensuring that all relevant legislation is in place to allow the changes listed in the above report is a major one. It should be noted that there is currently no allocation in the 2004 legislation programme to make these changes. If the States approves the Proposition it will be necessary for time to be made available from the contingency allocation within the 2004 Legislation Programme, and provision will also need to be made for law drafting in the 2005 Legislation Programme.

**REVIEW OF THE RELATIONSHIP BETWEEN THE PARISHES AND THE EXECUTIVE
IMPLEMENTATION PLAN**

Note: For the purpose of this implementation plan we continue to refer to the Comité des Connétables rather than the Conseil des Connétables.

Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
	5	Welfare		
1	5.11	The Parishes (both at political and officer level) should be involved in the development of the proposed low income support system.	2003-2006	Employment and Social Security Committee
2	5.13	All welfare costs, including the cost of residential care, should be met by the States.	May 2006	Policy and Resources Committee Finance and Economics Committee
3	5.16	The Parishes should continue to administer welfare payments prior to a new low income support system being introduced. The Health and Social Services Committee should continue to administer residential care payments.	No change	Parishes Health and Social Services Committee
4	5.20	If the Parishes play a role in the delivery of the new low income support system or any remaining discretionary system, the arrangements for reimbursing their administrative costs should be reviewed and standardised across the Parishes.	2006	Employment and Social Security Committee

Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of																		
5	5.21	A Service Level Agreement should be drawn up between the Employment and Social Security Committee and the 12 Parishes, setting out the service standards and general requirements regarding the Parishes' role in the administration of welfare payments.	January 2005	Employment and Social Security Committee Comité des Connétables																		
6	5.22	Audits of welfare payments administered by the Parishes should be carried out annually on a cyclical basis, so that all Parishes are visited at least once every 5 years. Given the magnitude of payments administered by St. Helier, it is suggested that this Parish has an audit visit each year.	2005 onwards (Audits will only cover 'non-native' welfare prior to the transfer of 'native' welfare costs to the States)	Employment and Social Security Committee Audit and Risk Management Division of the Treasury																		
	6	Balancing the books																				
7	6.12	The following service costs should be transferred to the Parishes in exchange for the States funding all welfare: <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;">£</td> </tr> <tr> <td></td> <td style="text-align: right;">2003</td> </tr> <tr> <td></td> <td style="text-align: right;">prices</td> </tr> <tr> <td>Main roads</td> <td style="text-align: right;">3,888,016</td> </tr> <tr> <td>Parks and gardens</td> <td style="text-align: right;">2,523,600</td> </tr> <tr> <td>Public conveniences</td> <td style="text-align: right;">649,953</td> </tr> <tr> <td>Litter bin emptying</td> <td style="text-align: right;">332,315</td> </tr> <tr> <td>Display and flood-lighting</td> <td style="text-align: right;">221,757</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>7,615,641</u></td> </tr> </table>		£		2003		prices	Main roads	3,888,016	Parks and gardens	2,523,600	Public conveniences	649,953	Litter bin emptying	332,315	Display and flood-lighting	221,757		<u>7,615,641</u>	May 2006	Policy and Resources Committee Finance and Economics Committee Environment and Public Services Committee
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	7	Charging ratepayers for the cost of services																				
8	7.5	The additional annual main road and public conveniences maintenance costs of £1.6 million should be funded from rates.	To be phased in during Parish accounting years 2006-7, 2007-8 and 2008-9	Environment and Public Services Committee Comité des Connétables																		

Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
9	7.10	An Island-wide Commercial Rate should be introduced.	January 2006	Policy and Resources Committee Comité des Connétables
10	7.13	The Island-wide Commercial Rate should be applied to all commercial quarters, both foncier and occupier.	January 2006	Comité des Connétables
11	7.14	The Island-wide Commercial Rate should be set by the States of Jersey in consultation with the Comité des Connétables and a Business Consultative Panel.	June 2006	States of Jersey
12	7.14	The Island-wide Commercial Rate should be phased in over a 3-year period.	2006-7 to 2008-9	Comité des Connétables
13	7.15	The rate per quarter paid by commercial ratepayers during the transitional period should be at least equal to that paid by domestic ratepayers in the same Parish.	2006-7 to 2008-9	Comité des Connétables
14	7.18	Consideration should be given to establishing a system of relief for certain commercial sectors such as tourism, agriculture, charities and small businesses.	October 2005	Comité des Connétables

Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
15	7.19	70% of commercial rate income collected by the Parishes should be paid into a central Island-wide Services Fund which would be managed by the Comité des Connétables. This Fund would be used to finance the service costs, such as main roads, transferred to the Parishes in return for the States funding welfare. The remaining 30% of commercial rate income should be retained by the Parishes to part-fund parochial expenditure.	May 2006	Comité des Connétables
16	7.21	All domestic ratepayers across the Island should be required to pay a fixed rate per quarter to part-fund the Island-wide services funded from rates. This will be known as the Domestic Island-wide Services Rate and will be paid into the Island-wide Services Fund administered by the Comité des Connétables. The first Domestic Island-wide Services Rate will be based on the assessment period January to December 2006.	May 2006	Policy and Resources Committee Comité des Connétables
17	7.22	The Domestic Island-wide Services Rate should be set annually by the States of Jersey in consultation with the Comité des Connétables and the ratepayers.	June 2006	States of Jersey
18	7.22	In order to limit any increases to domestic ratepayers, the £1.5 million per annum of additional on-going revenue expenditure required to be spent on main roads should be phased in over a 3-year period.	To be phased in during Parish accounting years 2006-7, 2007-8 and 2008-9	Comité des Connétables

Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
19	7.22	The cost of parks and gardens and public toilets which is currently met by the St. Helier ratepayers (£830,000) should be funded from the Island-wide Services Fund.	May 2006	Comité des Connétables
20	7.24	Any overall increases to the rates per quarter payable by domestic ratepayers in Year 1 should be limited to between 0.1p and 0.5p per quarter.	July 2006	Comité des Connétables
21	7.24	Parishes should retain responsibility for setting their own Parish Rate to fund core parochial expenditure (Parish Hall; Church; Honorary Police; by roads; refuse collection) and the Parish Assembly would continue to agree this rate. This Parish Rate would only be chargeable to domestic ratepayers.	July 2006	Parishes
22	7.38	If the States agrees to transfer 'native' welfare costs from the Parishes, the Steering Group urges the Policy and Resources Committee to champion the implementation of the recommendations made in this report and to give the highest priority to the legislative work required. The aim should be to transfer costs between the States and the Comité des Connétables with effect from 1st May 2006 (the start of the Parish accounting year).	May 2006	Policy and Resources Committee Finance and Economics Committee Comité des Connétables
23	7.39	The Island-wide Commercial Rate and Domestic Island-wide Services Rate should be	January 2006	

		implemented in the rate year 2006.		
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Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
24	7.39	St. Martin should bring its accounting year in line with the other Parishes from the year 2006-7.	May 2006	Parish of St. Martin
25	7.41	If 1st May 2004 cannot be achieved because the laws are not able to be put in place in advance of that date, the transfer of expenditure between the States and the Parishes and the implementation of the new rates should take effect from 1st May 2006.	May 2006	Policy and Resources Committee Comité des Connétables
26	7.43	Prior to the actual cost transfer between the States and the Parishes, calculations contained in this report should be updated to reflect any changes in costs or the rates per quarter charged by Parishes.	January 2006	Policy and Resources Department
	8	THE FUTURE ROLE OF THE COMITÉ DES CONNÉTABLES AND ITS RELATIONSHIP WITH THE EXECUTIVE		
27	8.2	The Comité should be established in legislation as a legal entity in its own right.	September 2005	Policy and Resources Committee
28	8.3	The Comité should have the power to take propositions and legislation to the States in its own name. This power should be secured in legislation.	September 2005	Policy and Resources Committee
29	8.3	The Comité should be renamed the 'Conseil des Connétables' (the Council of	September 2005	Policy and Resources Committee

		Constables).		Comité des Connétables
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Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
30	8.5	<p>The Comité should manage the following services which have been recommended to be funded by ratepayers –</p> <ul style="list-style-type: none"> ➤ main road routine maintenance, which concerns all highway resurfacing works, including the replacement of manhole covers as required, maintenance and resurfacing of footways, reactive maintenance repairs (potholes etc.), laying of anti-skid surfacing at key locations, repairs to surface water systems including gullies on highways and inspection and supervision costs, and all work on cleaning (including gulley emptying), signs and markings, lighting, traffic signals and pedestrian crossings; ➤ parks and gardens; <ul style="list-style-type: none"> ➤ public conveniences; ➤ litter bin emptying; ➤ display and flood lighting; <p>other service transfers that may be required to achieve the principle of cost neutrality at the time of transfer, to be agreed following discussions between the Policy and</p>	May 2006	<p>Comité des Connétables</p> <p>Environment and Public Services Committee</p>

	Resources Committee, the Environment and Public Services Committee, and the Comité des Connétables, and subject to approval by the States.	
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Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
31	8.6	The Comité should delegate some of its more routine responsibilities to a Management Board comprising of three Connétables (St. Helier, another urban Parish and a rural Parish) and an independent advisor (Quantity Surveyor or Engineer).	May 2006	Comité des Connétables
32	8.11	The respective roles of the States and Parish workforces employed under the Manual Worker Joint Council agreements should be reviewed. Groups of employees could be amalgamated where duplication in services has been identified. Such groups could be managed by one team of managers with standard terms and conditions of employment and deliver services to the Comité under the Service Level Agreement. This would provide the opportunity to maximise the potential of employees whilst providing best value to the Comité.	2004 onwards	Environment and Public Services Committee Comité des Connétables
33	8.12	The Comité should produce Business Plans and Annual Reports and Accounts for the Island-wide Services Fund setting out performance against targets in order to demonstrate whether value for money has been achieved. The accounts should be audited by the Comptroller and Auditor General.	First Business Plan – September 2005 First Accounts July 2007 (for the 2006-7 accounting year)	Comité des Connétables Comptroller and Auditor General
34	8.14	The Comité should have an Executive Officer in addition to their current Secretary.	January 2006	Comité des Connétables

35	8.15	The cost of the Comité's advisers and officers should be met from the Island-wide Services Fund.	May 2006	Comité des Connétables
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Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
36	8.20	The Connétables should not be allowed to hold the position of Minister or Assistant Minister for Public Services.	May 2006	States
37	8.22	The States should approve or reject the two proposed Island-wide Rates.	March – June 2006	States of Jersey
38	8.23	A dedicated post within the Chief Minister's Department should be identified to be responsible for liaison and consultation with the Connétables and the Parishes. This post would be responsible for overseeing the implementation period and ensuring this implementation plan is delivered.	March 2004	Policy and Resources Committee
39	8.24	The main link between the Comité and the Council of Ministers and the States should be via the Chief Minister's Department.	December 2005	Policy and Resources Committee
40	8.25	A Group should be established to oversee the implementation of the recommendations made in this report. The Group should be known as the Parish Liaison Group and should also have a brief to keep a watching eye over Parish/Executive relationships in general.	April 2004	Policy and Resources Committee

Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
	9	THE ROLE OF THE PARISHES AND THEIR RELATIONSHIP WITH THE STATES		
41	9.3	The postholder within the Chief Minister's Department (see recommendation 38) should communicate the services the States may be able to provide to the Parishes so that Parishes are more aware. This Officer should also encourage States Departments to include the Parishes on their list of potential customers.	April 2004	Policy and Resources Committee
42	9.4	The Parish Halls could act as information centres for the public. As the move towards e-government becomes a reality, the Parish Halls could provide an internet café facility for individuals who do not have access to computers at home but wish to find out about or register for public services on-line.	2005	Policy and Resources Committee Comité des Connétables Parish Liaison Group
43	9.5	The Connétables could take a leading role in coordinating the views of their Parishioners on proposed government policies and communicating these to the Council of Ministers and/or the States. (Via Parish Hall meetings or Community Focus Groups for example.)	2005	Comité des Connétables Parish Liaison Group
44	9.6	The Parish Liaison Group (see recommendation 40) should take forward the recommendations made (41-43) and identify other initiatives which could help to invigorate the Parishes.	April 2004 onwards	Parish Liaison Group

Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
	10	OTHER SERVICE ISSUES		
45	10.2	The Economic Development Committee and the Tourism Department should work with the Parishes and the Comité des Connétables to ensure that any duplication between the checks undertaken in relation to licence applications is identified and eradicated. The long-term aim should be to establish a 'one stop shop' for the applicant.	April 2004	Economic Development Committee Comité des Connétables
46	10.5	A proportion of the fees received from liquor licences should be paid over to the 12 Parishes to reimburse them for the expenses incurred in dealing with liquor licence applications. This reimbursement should be made by the Treasury.	January 2005	Finance and Economics Committee
47	10.6	The current responsibilities of the Tourism Department for the policing of beaches should be transferred to the Parishes together with the associated income.	May 2006	Policy and Resources Committee Economic Development Committee
48	10.10	The current responsibilities of the Tourism Department regarding the issuing of licences for places of refreshment should be transferred to the Parishes together with the associated income.	May 2006	Policy and Resources Committee Economic Development Committee
49	10.17	The Environment and Public Services Committee should work together with the Comité to agree a mutually acceptable solution to the waste collection challenges which the Island will face in	April 2004	Environment and Public Services Committee Comité des Connétables

the future.

Rec. Number	Ref. to Phase 2 report	Recommendation	Timescale for implementation	Responsibility of
	11	SHOULD THE STATES PAY RATES ON ALL ITS LAND AND PROPERTY?		
50	11.8	The Finance and Economics Committee should be charged to undertake a review of the States land and property portfolio in order to bring recommendations to the States regarding the States liability to rates, and a small working group should be set up to oversee this review.	to be confirmed	Finance and Economics Committee

THE RESULT ON PARISH RATES PER QUARTER OF ALTERNATIVE OPTIONS OF COST ALLOCATION

Welfare Equalisation

	2003 rate per quarter	2003 Welfare equalisation rate	Parish Rate (exc. welfare)	Restated 2003 rate per quarter	Increase/ (decrease)
St. Helier	2.65	0.9	1.45	2.35	(0.3)
St. Saviour	2.2	0.9	1.0	1.9	(0.3)
St. Clement	2.3	0.9	1.1	2.0	(0.3)
St. Brelade	1.6	0.9	1.2	2.1	0.5
St. Lawrence	1.65	0.9	1.05	1.95	0.3
St. Peter	1.8	0.9	1.2	2.1	0.3
Grouville	1.9	0.9	1.0	1.9	0
St. Martin	1.9	0.9	1.2	2.1	0.2
St. Ouen	2.1	0.9	1.7	2.6	0.5
St. John	1.6	0.9	1.2	2.1	0.5
St. Mary	1.9	0.9	1.4	2.3	0.4
Trinity	1.85	0.9	1.65	2.55	0.7

Welfare equalisation was not recommended by the Steering Group since the Group concluded that it was no longer appropriate that welfare and residential care costs should be met by the ratepayers. (See paragraph 16)

Allocation of main roads, parks and gardens, public conveniences, litter bins and display and flood lighting costs on the basis of one Island-wide rate (i.e. no commercial rate)

	2003 rate per quarter	Island-wide Services Rate	Parish Rate (exc. welfare)	Restated 2003 rate per quarter	Increase/ (decrease)
St. Helier	2.65	1.1	1.45	2.55	(0.1)
St. Saviour	2.2	1.1	1.0	2.1	(0.1)
St. Clement	2.3	1.1	1.1	2.2	(0.1)
St. Brelade	1.6	1.1	1.2	2.3	0.7
St. Lawrence	1.65	1.1	1.05	2.15	0.5
St. Peter	1.8	1.1	1.2	2.3	0.5
Grouville	1.9	1.1	1.0	2.1	0.2
St. Martin	1.9	1.1	1.2	2.3	0.4
St. Ouen	2.1	1.1	1.7	2.8	0.7
St. John	1.6	1.1	1.2	2.3	0.7
St. Mary	1.9	1.1	1.4	2.5	0.6
Trinity	1.85	1.1	1.65	2.75	0.9

Allocation of main roads, parks and gardens, public conveniences, litter bins and display and flood lighting costs on the basis of population

	2003 rate per quarter	Island-wide Services Rate (based on population)	Parish Rate (exc. welfare)	Restated 2003 rate per quarter	Increase/ (decrease)
St. Helier	2.65	0.9	1.45	2.35	(0.3)
St. Saviour	2.2	1.3	1.0	2.3	0.1
St. Clement	2.3	1.7	1.1	2.8	0.5
St. Brelade	1.6	1.2	1.2	2.4	0.8
St. Lawrence	1.65	0.8	1.05	1.85	0.2
St. Peter	1.8	1.1	1.2	2.3	0.5
Grouville	1.9	0.6	1.0	1.6	(0.3)
St. Martin	1.9	1.5	1.2	2.7	0.8
St. Ouen	2.1	1.2	1.7	2.9	0.8
St. John	1.6	1.9	1.2	3.1	1.5
St. Mary	1.9	1.3	1.4	2.7	0.8
Trinity	1.85	1.1	1.65	2.75	0.9

CONSEIL DES CONNÉTABLES

SUGGESTED TERMS OF REFERENCE

1. To manage the delivery of the following Island-wide services funded from rates:
 - Main road routine maintenance, which concerns all highway resurfacing works, including the replacement of manhole covers as required, maintenance and resurfacing of footways, reactive maintenance repairs (pot holes etc), laying of anti-skid surfacing at key locations, repairs to surface water systems including gullies on highways and inspection and supervision costs, and all work on cleaning (including gulley emptying), signs and markings, lighting, traffic signals and pedestrian crossings.
 - Parks and Gardens.
 - Public Toilets.
 - Litter bin emptying.
 - Display and flood lighting.
 - Other service transfers that may be required to achieve the principle of cost neutrality, to be agreed following discussions between the Policy and Resources Committee, the Environment and Public Services Committee, and the Comité des Connétables, and subject to approval by the States.

In particular to:

- (i) approve the annual programme of work and associated budget;
- (ii) approve the Service Level Agreement with Public Services each year;
- (iii) authorise payment to Public Services for work carried out;
- (iv) approve any additional work over and above that contained in the annual programme;
- (v) monitor performance of and value for money provided by all service providers;
- (viii) ensure that the Island-wide Services Fund is used for the purposes intended and that full annual accounts are produced and independently audited;
- (vi) approve Road Traffic Orders.

A Management Board comprising three Connétables and an independent adviser will advise the Conseil on the above responsibilities and act as the coordinating body between the Conseil and Public Services.

2. To agree annually (in consultation with the Finance Minister and the Business Consultative Panel) the Island-wide Commercial Rate.
3. To agree annually (in consultation with the Finance Minister and the ratepayers) the Domestic Island-Wide Services Rate.
4. To discuss proposed States policies and initiatives which may impact on Parish services and provide

formal responses to the Chief Minister's Department.

5. To bring forward proposals to the Chief Minister's Department for changes to States policies or legislation relating to Parish services.
6. To discuss common Parish issues in order to share best practice, ensure consistent approaches and clarify areas of uncertainty.
7. To promote a positive and proactive relationship between the Parishes and States Departments; to discuss any areas where relationships are less than satisfactory and, where necessary, to bring these to the attention of the Chief Minister's Department.
8. To ensure that welfare is administered consistently from Parish to Parish and in accordance with the Service Level Agreement with the Employment and Social Security Department.
9. To be the legal recipient of other responsibilities which the States may decide to allocate from time to time.
10. To promote laws.

LIST OF LEGISLATION TO BE AMENDED

Roads Maintenance

Customary Law (Choses Publiques) (Jersey) Law 1993
 Electricity (Jersey) Law 1937
 Entertainments on Public Roads (Jersey) Law 1985
 Extinguishment of Roads (Jersey) Law 1972
 Island Planning (Exempt Operations) (Jersey) Regulations 2002
 Jersey Gas Company (Jersey) Law 1989
 Motor Vehicle Races (Jersey) Law 1946
 Planning and Building (Jersey) Law 2002
 Public Utilities Road Works (Jersey) Law 1963
 Roads (Administration) (Jersey) Law 1960
 Roads (Drainage) (Jersey) Law 1962
 Road Traffic (Jersey) Law 1956
 Road Traffic (Bye-laws) (Notices) (Jersey) Order 1956
 Telecommunications (Jersey) Law 2002
 Water (Jersey) Law 1972

Parks and Gardens

Policing of Parks (Jersey) Regulations 1962

Policing of Beaches (Jersey) Regulations 1959

Places of Refreshment (Jersey) Law 1967

Conseil des Connétables

Firearms (Jersey) Law 2000
 Firearms (Amendment) (Jersey) Law 2000
 Firearms (Excepted Air Weapons) (Jersey) Order 2001
 Firearms (General Provisions) (Jersey) Order 2001
 Police (Complaints and Discipline) (Jersey) Law 1999
 New law to establish Conseil des Connétables

New Rates Structure

Parish Rate (Administration) (Jersey) Law 2003
 Parish Rate (No. 2) (Jersey) Law 2003

New Welfare Proposals

- Poor Law Amendment (Jersey) Law 1953
 Loi (1908) sur l'administration de l'assistance paroissiale à St. Helier

[1] *In the case of single people, 'natives' are individuals who were born in Jersey; 'non-natives' are individuals who were born elsewhere. However, married women take on the status of their husband (i.e. a 'non-native' woman can become a 'native' spouse and vice-versa).*

[2] *This figure comes from the 2003 States of Jersey Budget book and includes an administrative recharge to most of the*

Parishes.

[3] *Estimate of 2003 outturn costs provided by Health and Social Services Department, August 2003.*

[4] *One of the recommendations made by the Steering Group is that St. Martin should move its accounting year in line with that of the other Parishes.*

[5] *Residential care payments are administered by the Health and Social Services Department for both 'natives' and 'non-natives'.*

[6] *If the changes had been implemented in 2003, the aim would have been to phase in an Island-wide Commercial Rate of 3p per quarter.*

[7] *Tourism Committee meeting 6th February 2001.*