

**THE STATES assembled on Tuesday,
21st October 2003 at 9.30 a.m. under
the Presidency of the Bailiff,
Sir Philip Bailhache.**

**His Excellency the Lieutenant Governor,
Air Chief Marshal Sir John Cheshire, K.B.E., C.B.,
was present.**

All members were present with the exception of –

Senator Frank Harrison Walker – ill
Senator Terence Augustine Le Sueur – out of the Island

Prayers

Home Affairs Committee – resignation of member

THE STATES noted the resignation of Deputy Jacqueline Ann Hilton of St. Helier from the Home Affairs Committee.

Home Affairs Committee – nomination of member

Senator Wendy Kinnard proposed for appointment as a member of the Home Affairs Committee Senator Jean Amy Le Maistre.

Deputy Geoffrey Peter Southern of St. Helier was proposed by Deputy Terence John Le Main of St. Helier.

THE STATES, having proceeded to a secret ballot, were advised of the following results by the Bailiff –

Senator Jean Amy Le Maistre	23 votes
Deputy Geoffrey Peter Southern of St. Helier	28 votes.

The Bailiff accordingly declared that Deputy Geoffrey Peter Southern of St. Helier had been duly elected as a member of the Home Affairs Committee.

Matters presented

The following matters were presented to the States –

Public Sector manpower report for the period 1st January 2003 to 30th June 2003. <i>Presented by the Finance and Economics Committee.</i>	R.C.46/2003.
School Milk: provision for the years 2003, 2004 and 2005 (P.7/2003) – comments. <i>Presented by the Finance and Economics Committee.</i>	P.7/2003. Com.(3)
Proposed Ratification of the International Convention for Safety of Life at Sea, 1974 and Implementation of the Associated International Ship and Port Security Code (P.144/2003): comments.	P.144/2003. Com.

Presented by the Policy and Resources Committee.

The following matter was presented on 14th October 2003 –

Public right of access to information, financial and other records of the States of Jersey (P.34/2003): comments. P.34/2003.
Com.(3)
Presented by the Policy and Resources Committee.

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

Matters lodged

The following matters were lodged “au Greffe” –

Harbours and Airport Committee: Vote of No Confidence. P.143/2003.
Presented by Senator E.P. Vibert.

Proposed Ratification of the International Convention for Safety of Life at Sea, 1974 and Implementation of the Associated International Ship and Port Security Code. P.144/2003.
Presented by the Harbours and Airport Committee.

States Members’ remuneration: abolition of means testing. P.145/2003.
Presented by the Privileges and Procedures Committee, and referred to the Finance and Economics Committee.

States Members’ remuneration: establishment of an Independent Review Body. P.146/2003.
Presented by the Privileges and Procedures Committee.

The following matters were lodged on 14th October 2003 –

Draft Transfer of Functions (Policy and Resources Committee) (Jersey) Act 200-. P.140/2003.
Presented by the Policy and Resources Committee.

Residential and business parking scheme, Stopford Road area, St. Helier: fees. P.141/2003.
Presented by Deputy G.P. Southern of St. Helier.

Château La Chaire, Rozel, St. Martin: restoration of gardens. P.142/2003.
Presented by the Connétable of St. Helier, and referred to the Finance and Economics and the Economic Development Committees.

Bas du Mont Flats, Pier Road, St. Helier: sale to the Christians Together in Jersey (CTJ) Housing Trust– P.135/2003 – withdrawn

THE STATES noted that, in accordance with Standing Order 22(3), the President of the Housing Committee had instructed the Greffier of the States to withdraw the proposition concerning Bas du Mont Flats, Pier Road, St. Helier: sale to Christians Together in Jersey (CTJ) Housing Trust, (P.135/2003 lodged “au Greffe” on 30th September 2003), which had been set down for consideration at the present meeting.

States Members’ remuneration – P.238/2002 – withdrawn

THE STATES noted that in accordance with Standing Order 22(3), the President of the Privileges and Procedures

Committee had instructed the Greffier of the States to withdraw the proposition concerning States Members' remuneration, (P.238/2002 lodged "au Greffe" on 10th December 2002), the Committee having lodged a revised proposition at the present meeting.

Arrangement of public business for the next meeting on 4th November 2003

THE STATES rejected a proposition of Senator Philip Francis Cyril Ozouf that consideration of the amendment of Senator Edward Philip Vibert to the Tobacco Strategy (P.109/2003 Amd.– lodged "au Greffe" on 5th August 2003) be not considered at next meeting on 4th November 2003.

THE STATES confirmed that the following matters lodged "au Greffe" would be considered at the next meeting on 4th November 2003 –

Harbours and Airport Committee: Vote of No Confidence. Lodged: 21st October 2003. <i>Senator E.P. Vibert.</i>	P.143/2003.
A Tobacco Strategy for Jersey. Lodged: 15th July 2003. <i>Health and Social Services Committee.</i>	P.109/2003.
A Tobacco Strategy for Jersey (P.109/2003): comments. Presented: 9th September 2003. <i>Finance and Economics Committee.</i>	P.109/2003. Com.
A Tobacco Strategy for Jersey (P.109/2003): amendments. Lodged: 5th August 2003. <i>Senator E.P. Vibert.</i>	P.109/2003. Amd.
A Tobacco Strategy for Jersey (P.109/2003): second amendment. Lodged: 19th August 2003. <i>Deputy A. Breckon of St. Saviour.</i>	P.109/2003. Amd.(2)
A Tobacco Strategy for Jersey (P.109/2003): second amendment (P.109/2003 Amd.(2)) – comments. Presented: 23rd September 2003. <i>Employment and Social Security Committee.</i>	P.109/2003. Amd.(2)Com.
Jersey Legal Information Board: introduction of 'user pays' charges. Lodged: 7th October 2003. <i>Finance and Economics Committee.</i>	P.139/2003.
Draft Transfer of Functions (Policy and Resources Committee) (Jersey) Act 200-. Lodged: 14th October 2003. <i>Policy and Resources Committee.</i>	P.140/2003.
Residential and business parking scheme, Stopford Road area, St. Helier: fees. Lodged: 14th October 2003. <i>Deputy G.P. Southern of St. Helier.</i>	P.141/2003.

Machinery of Government: composition and election of the States Assembly – P.186/2002 – withdrawn

THE STATES noted that, in accordance with Standing Order 17(6), the following matter had been withdrawn –

Operation of the Jersey-St. Malo car ferry route– question and answer (Tape No. 861)

Senator Edward Philip Vibert asked Senator Leonard Norman, President of the Harbours and Airport Committee the following question –

“Would the President inform members –

- (a) of the exact amount of dues due to the Island by Emeraude Lines when the ordre provisoire was served, how long the various amounts making up the whole amount had been outstanding, and the normal trading terms applying to commercial operators at the Harbour?
- (b) of the total amount of outstanding dues beyond normal credit terms due to the States by other commercial operators at the time of the serving of the ordre provisoire, the names of those debtors and the amounts concerned, as well as the length of time each amount was overdue beyond normal credit terms?
- (c) of the total amount of outstanding dues beyond normal credit terms due to the States by Airport commercial operators as at the end of the last monthly accounting period, the names of those debtors and the amounts concerned, as well as the length of time each amount was overdue beyond normal credit terms?
- (d) whether the reason for granting Condor a licence on the Jersey St. Malo route was because the Committee feared that Emeraude might be in financial difficulties and it wanted to ensure that the St. Malo Jersey run was not left without a service; if so, would the President explain how that could have been possible, considering the presence of Condor on the Channel Island routes; if the answer is in the negative, would the President inform members why a licence was granted to Condor when it was known that Emeraude’s position was financially unsound and that the granting of such licence would further weaken that company’s position?”

The President of the Harbours and Airport Committee replied as follows –

- “(a) The total amount of dues owed to the Island by Emeraude when the ordre provisoire was served was £319,640.11, excluding the movements declared for the period 28th September to 6th October 2003.

This had been reduced by a cheque in the sum of £20,000, but unfortunately the Committee was notified last Thursday that this cheque had been returned unpaid.

Of the above mentioned sum £85,639.33 relates to July 2003, £151,029.67 relates to August 2003, and £80,917.11 relates to September 2003.

Normal trading terms applying to shipping operators at the harbour is 60 days from date of invoice.

- (b) This question requests commercially sensitive information which I hope members will understand that I am not at liberty to disclose.

However, at 30th September 2003, the largest other overdue debt was less than £27,000 and was cleared on 6th October 2003.

- (c) This question also seeks commercially sensitive information. However, I can say that at 30th September 2003, less than £50,000 was overdue in total, most of which was cleared within five days.

- (d) The Committee did not grant Condor a licence on the Jersey/St. Malo route as Condor were already in possession of a ramp permit, and indeed have been operating the route since 1964.

Condor's ramp permit simply precluded them from carrying accompanied private vehicles on the direct route to St. Malo. Members may be aware that Condor were, quite properly, carrying accompanied private vehicles from St. Helier to St. Malo via St. Peter Port.

In the autumn of 2002, an application was received from Condor requesting that the permit be varied to allow them to provide a direct service.

The Committee was advised that it could not refuse to give proper consideration to the application.

A public hearing was held to hear Condor's application on 17th October 2002.

Representatives of Emeraude were present at that hearing and were given the opportunity to raise objections.

After the hearing, the Harbours and Airport Committee decided to defer a decision on the application in an attempt to acquire additional information.

The Committee agreed that it required additional information in order to make a reasoned and valued judgement. Mindful that the Fisher Associates' Sea Access Strategy remained incomplete due to the fact that Emeraude had not provided data as requested, the Committee agreed that it would wish for further in-depth analysis to be undertaken to determine whether the route could sustain competition and if this would prove advantageous to users in the long term.

The Committee decided to ask the Jersey Competition Regulatory Authority, (JCRA), under the auspices of the former Industries Committee, to undertake further research in order to establish whether or not a variation of Condor's ramp permit would have adverse long term implications for the Island. It was agreed that Emeraude's full co-operation with the JCRA in this research would be conditional.

The Committee considered the matter again on 18th March 2003, and I quote from the relevant Act:

'The Committee, with reference to its Act No. B7 of 5th March 2003, discussed the background to the report, dated 10th March 2003, which had been prepared by the Commercial Director and the Director of Strategic Development, Economic Development Department, designated Committee Paper HAC/6/03 regarding the application by Condor Ferries Limited to vary the terms of its current ramp licence.

The Committee recalled that the licence held by the company permitted the carriage of vehicles between Jersey and St. Malo but was restricted to the carriage of bona fide freight and did not permit the carriage of cars accompanied by their drivers. It further recalled that, following a public hearing on 17th October 2002, a study had been prepared by the Jersey Competition Regulatory Authority (JCRA), on behalf of the former Industries Committee, in order to establish whether a variation of Condor's ramp permit to operate a car ferry service would have adverse long-term implications for the Island, bearing in mind that Emeraude Lines operated a service on the route, on the back of which it had invested heavily.

The Committee recognised that the JCRA report had failed to address the terms of reference "to make clear recommendations to the Harbours and Airport and Economic Development Committees concerning the granting of permits to car ferry operators" and also "to ensure that the interests of users of the service were best served". However, whilst the recommendations were inconclusive, the JCRA was of the view that the presumption should be in favour of competition on the route and had stated that it was for the incumbent operator, both north and south, to present compelling evidence to defend the status quo of protected routes. The Committee was mindful that Emeraude Ferries had

breached a number of terms of its Service Level Agreement, particularly with regard to making regular payments in respect of harbour dues. The Committee noted that, based on Condor's proposed schedule for 2003, there was only the potential for an increase of some 20 per cent on the overall number of passenger/cars which Condor would be able to carry without alteration to its schedules. In reality, it was anticipated that this would arise from a growth in the current market and should not be expected to harm competition between the two companies. The Committee was also conscious that increased opportunities for the tourist sector could be provided by an increase in capacity on the route and was mindful that a decision on the Condor application last autumn was still outstanding.

The Committee, having noted that the recommendations proposed in the report, dated 10th March 2003, had been supported by the Economic Development Committee at its meeting on 12th March 2003, accordingly agreed to vary the conditions of the ramp permit held by Condor Ferries Limited to allow formally the carriage of accompanied cars between Jersey and St. Malo for 2003 and 2004 on the existing route and schedules agreed with the Harbour Master for 2003. It was further agreed that the schedules would be renegotiated at the end of 2003 and that discussions should be held with the Economic Development Committee with regard to the award of ramp permits for all ferry operators and ferry routes after 2004.'

I am unable to state whether or not Emeraude was financially unsound. However, the issue, which is self-evident, is that its financial management was.”

Operation of the Jersey-St. Malo car ferry route– questions and answers (Tape No. 861)

The Deputy of St. John asked Senator Leonard Norman, President of the Harbours and Airport Committee, the following questions –

- “1. With regard to harbour dues, would the President inform members –
 - (a) whether the Committee is considering reducing harbour landing dues for this winter, and, if so, by how much? and,
 - (b) whether the Committee intends to approach the Tourism Development Fund to assist in reducing landing dues at the harbour, and, if not, the reasons for this?
2. With regard to the current situation regarding Emeraude Lines' financial difficulties, will the President inform members –
 - (a) whether the Committee will be working closely with the French Court representative in a manner that will benefit all the Emeraude employees, travelling public and Harbours Department? and,
 - (b) following receipt by all members of an open letter from a member of the public with reference to harbour dues, would the President advise whether he has responded to that letter, and, if so, whether he will be copying the response to members and if not, why not?
3. With regard to the Jersey-St. Malo ferry route, would the President inform members–
 - (a) of the Committee's reasons for opening up the route to two operators earlier this year?
 - (b) whether it is the Committee's intention of re-instating the Jersey-St. Malo route to a single operator, and, if not, the reasons for this? and,
 - (c) whether a service level agreement is to be put in place for all commercial operators who service the Jersey-St. Malo route, and, if not, the reasons for this?
4. Will the President inform members –

- (a) whether the Harbour Authorities, at the time of the seizure of Solidor V, had been holding meaningful talks with the French Administrator appointed by the Tribunal de Commerce in France to run Emeraude Lines' affairs, and, if not, the reasons why? and,
- (b) whether the French Administrator was present at discussions with the management of Emeraude Lines immediately following the seizure of Solidor V, and, if not, at what time during negotiations was the Administrator brought into the discussions and the reasons for this delay?"

The President of the Harbours and Airport Committee replied as follows –

- “1. (a) The Committee has already considered and agreed to discount harbour dues at 50 per cent on passengers and private cars for the winter period, 7th November 2003 – 27th March 2004.
- (b) No. It would, in my view, be more appropriate for ferry operators to seek such funding for marketing activity themselves.
- 2. (a) Yes, and as part of that process, the Committee expect to be meeting with the Administrateur Judiciaire in the next few days.
- (b) Yes, I have responded to that letter and copies have been distributed to Members.
- 3. (a) I have already effectively answered this question in my response to Senator Edward Vibert.
- (b) The ramp permits for both Condor and Emeraude expire at the end of 2004.

During the next twelve months, we shall be consulting with the Economic Development Committee regarding as to how the ramp permits should be allocated from 1st January 2005.

- (c) As part of our consultation with the Economic Development Committee, we shall be considering the desirability of negotiating service level agreements.
- 4. (a) At the time of the arrest of Solidor V, we were not in any talks with the French Administrator.

Additionally, and I quote from the legal advice received by the Committee at the time, ‘in the absence of a charge or any other form of security, as a practical matter we are unlikely to find relief from an administrator in France. There would seem to be little benefit in negotiating directly since any claim would be inferior to the principal secured creditors of Emeraude.’

The Committee had three reasons to effect the Ordre Provisoire and then negotiate:

- 1. It was made clear to me by the Deputy Bailiff that the Ordre Provisoire could not be mentioned in discussions and that any suggestion of undue influence or duress was to be avoided;
- 2. It was clear that the Committee ranked as an unsecured creditor under French insolvency law and could expect a polite dismissal if it raised a letter of enquiry. The Committee was not seeking to ride roughshod over the interests of French creditors, but rather to protect Jersey's interests; and,
- 3. It was important that the Committee conducted any discussion when it was in the best possible position to achieve a result. The procedure followed was consistent with advice by specialist French avocats acting on our behalf.

The onus was properly placed upon Emeraude and the Administrator to enter into talks with the Committee, as would be the case in any other procedure of this nature.

Following the Committee's actions and subsequent discussions, it now has the recognition it required, and guarantees regarding ongoing dues and comfort in connection with outstanding dues.

- (b) I have no way of knowing when the Administrator started any discussions with the management of Emeraude.

For our part, communications commenced on Tuesday 7th October 2003, and negotiations were completed on Wednesday 8th October 2003, after eight hours of talks directly between the Administrator and myself. On Thursday 9th October 2003, I received a letter from the Administrator thanking me for the time, attention and understanding that I had shown."

Operation of the Jersey-St. Malo car ferry route– question and answer (Tape No. 861)

Senator Paul Vincent Francis Le Claire asked Senator Leonard Norman, President of the Harbours and Airport Committee, the following question –

“Would the President inform members –

- (a) the cost of accommodating stranded passengers in local hotels after the decision was made to impound Emeraude Lines' vessel Solidor V?
- (b) from which Committee's budget the foregoing accommodation costs were provided, and under whose authority such expenditure was sanctioned?
- (c) what other costs were incurred, if any, other than those relating to accommodation and from what source funding has been made available?
- (d) whether the Committee is aware of any expressions of interest in Emeraude Lines which have been made by other local ferry companies to the Administrateur Judiciaire, and, if so, would the President provide details?"

The President of the Harbours and Airport Committee replied as follows –

- “(a) £3,556.50 for the passengers accommodated on a bed and breakfast basis at the Merton Hotel, plus £80 for one at the Grand Hotel; total cost £3,636.50.
- (b) The money came from Jersey Harbours' Business Development and Marketing, Travel and Subsistence budget. The expenditure was sanctioned under the authority of the Harbours and Airport Committee.
- (c) Other costs – coaches to take passengers to and from the hotel £450, cash disbursements totalling £1,020 were given out for subsistence. All will come from Jersey Harbours' Business Development and Marketing, Travel and Subsistence budget.
- (d) No, the Committee is not aware of any such interest.”

Operation of the Jersey-St. Malo car ferry route– question and answer (Tape No. 861)

The Deputy of St. John asked Deputy Francis Gerald Voisin of St. Lawrence, President of the Economic Development Committee, the following question –

“With regard to the Jersey-St. Malo ferry route, would the President inform members whether the

Committee is considering providing assistance to Emeraude Lines in trying to restructure its operation?"

The President of the Economic Development Committee replied as follows –

“No.”

Connex bus service – question and answer (Tape No. 861)

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 members of the fare revenue for August and September achieved by Connex Transport Jersey Limited in the operation of the bus service?”

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

“The income received from the Connex bus service for payment periods in August and September 2003 is as follows:

August 4th to 31st	£252,670
September 1st to 28th	£227,115

Total £479,785 for the indicated 8 week period.

The total income during the first year of the contract, 29th September 2002, to 28th September 2003, is £2,115,383.

It should be noted that these are preliminary, unaudited figures. The reporting periods are four weekly, not by calendar month.”

Youth unemployment – question and answer (Tape No. 861)

Deputy Roy George Le Hérissier of St. Saviour asked Senator Paul Francis Routier, President of the Employer and Social Security Committee, the following question –

- “(a) Would the President state how many young people at or below the age of 25 are registered as unemployed at present, and is the Committee satisfied that this number is an accurate reflection of the real situation in regard to youth unemployment?
- (b) What measures, if any, are in place to deal with youth unemployment and how effective are these measures proving?”

The President of the Employment and Social Security Committee replied as follows –

- “(a) As at the 30th September 2003, there were 97 persons at or below the age of 25 registered as unemployed for contribution purposes out of a total of 342 of working age. There is no legal requirement to register as unemployed in Jersey so it may not fully reflect the real situation. However, young people who have recently left school are also encouraged to keep in touch with the Careers Service in the Department of Education, Sport and Culture. That Department has recently reported that 29 school leavers are still on their register.
- (b) There are a number of measures in place to support people, irrespective of age, to improve their skills, qualifications and access to the labour market.

Specifically, for young people, career guidance is provided in all educational establishments and every encouragement is given to pupils to attain qualifications which will help them achieve their career aspirations. I am advised that more young people than ever this year have chosen to continue their education after the age of 16 at Hautlieu and Highlands, the latter reporting that their enrolment has increased by 15 per cent to 710 full time students. Although, student choices may have been influenced by the tight labour market situation, it is a positive outcome for the Island because it will eventually contribute to a much higher skills base.

Highlands has been monitoring the destinations of its pupils and reports that well qualified students are continuing to gain employment with particularly good placement rates in childcare, construction, media, business and the motor vehicle trade.

In addition to the educational provision, apprenticeship schemes, funded through the Training and Employment Partnership, (TEP), are available in various trades including brick and block, carpentry, plumbing, painting, welding, motor vehicle and chefs. I am advised that there are currently 130 apprentices supported by these schemes. The TEP also sponsors a Skills Credit programme which provides help to young people between the ages of 16 and 19 with the costs of training.

Finally, the Work Services at the Employment and Social Security Department provide many different forms of support from help with career guidance, job matching and information, job applications and interview techniques to skill development and job coach support for those with special employment needs. The Workwise team now have a job coach whose sole responsibility is to support young people and who liaises closely with the schools. Young people with disabilities can also get support through the Jersey Employment Trust which operates a number of sheltered work and training schemes.

These approaches have been developed over a number of years and have been effective in keeping youth, and other unemployment, at very low levels. However, as I had said, there is no doubt that the employment situation has tightened this year and the Committee has been monitoring the position closely with other interested Committees. Basically, people can no longer walk into jobs with little or no qualifications or skills. It is for this reason that we have put so much emphasis on training and skill development. As with any programmes, they have to adapt with the changing times, and we are currently working with TEP and the Careers Service at the Department of Education, Sport and Culture and others to develop a new programme which can provide further help to improve the employability of all individuals who are finding it difficult to secure a job.”

Career assistance for young people – question and answer (Tape No. 861)

The Deputy of St. John asked Senator Michael Edward Vibert, President of the Education, Sport and Culture Committee, the following question –

- “(a) As a number of young people have left school and gone out into the workplace but have been unable to obtain employment, what preparations has the Committee put in place to help young people wishing to return to full-time education or to assist them to obtain a job placement?
- (b) With the apparent reduction in the number of jobs in the finance industry, what steps is the Committee taking to encourage young people into other careers, such as nursing, engineering and other manual trades?”

The President of the Education, Sport and Culture Committee replied as follows –

- “(a) All young people leaving compulsory education at 16 years of age have the option to remain in full-time education either in one of the schools that provide ‘sixth form programmes of study’, or at Highlands College. I understand that this year about 97 per cent of sixteen year olds took this option. The Careers Service tries to maintain contact with those who do not remain in full-time education

and have difficulty in securing employment. Discussions are underway with representatives from the Training and Employment Partnership, and the Employment and Social Security Department to consider whether any additional programmes or measures should be taken to raise vocational skill levels among this group and others who may need further training or support in order to gain employment in the current economic climate.

- (b) The Careers Service, through its publications, events and presentations to pupils and parents, has always encouraged young people to take the widest possible view of career and training options available to school leavers. All Key Stage 4 students in Jersey undertake courses of careers education in schools and have one-to-one interviews with careers teachers when considering their career options. The job opportunities for 16 year olds in the finance industry have been reducing for a number of years and so encouragement to consider a wide range of training and employment opportunities is not a new phenomenon. Indeed, recent years have been marked by increasing numbers of school leavers progressing to Highlands College at 16+ to undertake programmes in practical areas.”

Housing developments in St. Clement– questions and answers (Tape No. 861)

Deputy Gerard Clifford Lemmens Baudains of St. Clement asked Deputy Terence John Le Main of St. Helie President of the Housing Committee, the following questions –

“1. Would the President –

- (a) confirm the undertaking he gave at a meeting of St. Clement parishioners on 30th September 2003, namely that the Committee will sell 139 three-bedroom houses from the Le Squez Estate and 53 three-bedroom houses from the redeveloped Le Marais low rise to first time buyers?
- (b) confirm that the refurbishment of Le Squez Estate will increase the number of bedrooms there from 589 to 691, namely 416 for sale and 275 for States rental?
- (c) advise members whether the Committee expects the profit from the Le Squez redevelopment sales to fund the whole estate’s redevelopment?
- (d) explain why the Committee did not consult with the Parish regarding the allocation of social rented and first time buyer homes on St. Clement’s rezoned sites and will he give a commitment to do so in future? and,
- (e) confirm whether Field No. 40, St. Clement is part of an agreement involving a field in St. Oue whereby all of the former is to be developed for social rented accommodation thereby avoiding the 45/55 per cent split with first-time buyer properties?

- 2. Will the President explain the funding mechanism for building social rented housing on Hodge Phase II and Field No. 40, St. Clement?”

The President of the Housing Committee replied as follows –

- “1. (a) The actual numbers may vary slightly but I can confirm that, subject to States approval, the Committee will sell about 150 three bedroom houses from Le Squez and about 55 three bedroom houses from Le Marais to firsttime buyers, with preference being given to existing Committee tenants and in particular those currently living in the area.
- (b) Again, the exact number of bedrooms will vary as the detail of the schemes is developed but, as presently proposed, there will be 683 bedrooms in the new development to replace the existing 589. The proposed split will provide 465 for sale and 218 for rental.

- (c) A capital vote of £4.68 million was granted for the first phase of the Le Squez redevelopment. The total cost is estimated to be about £33 million and, after expending the sum voted, the remaining requirement of about £28.32 million is expected to be funded from sales.
 - (d) The Committee did consult the Parish on the allocation of first-time buyer homes on the Hodge Phase I development. The allocation of first-time buyer homes on the sites rezoned in 2002 will be controlled by the developers of the sites and not by the Housing Committee. In terms of social rented housing, any recommendations made by the Parish will always be given due consideration. The Committee has always been happy to consult with the Parish over these matters and will continue to do so.
 - (e) The Committee intends, subject to States approval, to enter into a binding legal agreement with the developer of Field No. 40 to provide wholly social rented housing on that site. At the same time, the Committee would enter into a binding legal agreement with the developer of Field Nos. 786 and 787, St. Ouen to provide predominantly but not all first-time buyer dwellings. The intention would be to maintain overall the 45/55 per cent split for social rented and first-time buyer housing on rezoned sites.
2. The Committee is currently holding discussions with the Finance and Economics Committee over the most appropriate funding option for the development for social rented housing of the Hodge Phase II and Field No. 40 sites.”

‘First-time’ buyers – question and answer (Tape No. 861)

Deputy Gerard Clifford Lemmens Baudains of St. Clement asked Senator Philip Francis Cyril Ozouf, Vice-President of the Finance and Economics Committee, the following question –

“Will the Vice-President advise whether the Committee has a strategy to assist first-time buyers who become trapped in negative equity situations with their lenders?”

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

“‘First-time buyers’ is a term which is used in a number of different contexts. The States of Jersey has a number of strategies to assist first-time buyers including zoning land, developing subsidised properties, reducing stamp duty and providing loan interest tax relief.

Current policy does not extend to a strategy to assist in the event of negative equity. The reason for this is that financial arrangements for house purchases are a private matter between a lender and a borrower; and as such the Finance and Economics Committee has no plans or intentions to intervene as a matter of broad policy.”

Construction of a nursing home and day care centre at Belle Vue, St. Brelade– question and answer (Tape No. 861)

The Connétable of St. Helier asked Senator Stuart Syvret, President of the Health and Social Services Committee the following question –

“Following the decision of the States dated 18th September 2003, in which, as part of the States Resource Plan 2004-2008, they approved capital expenditure of £3,819,000 for 2004, and approved in principle capital expenditure for 2005 of £2,804,000, to enable the construction of a 28-bed nursing home and day care centre at Belle Vue, St. Brelade, would the President undertake to prepare and present to the States a full business case to support the development of the residential nursing home and day care centre, and to include in the business case an examination of the alternative means of providing a similar number of residential nursing beds, before he presents to the States for approval the drawings relating to this

project?”

The President of the Health and Social Services Committee replied as follows –

“No.

The Belle Vue project has been proposed since 1993, and was originally given high priority in the 1998 capital programme. It complies with all existing States’ policies in respect of capital developments and has been subjected to the full existing scrutiny process, including decision conferencing and approval from the former Planning and Environment Committee. The project has already been approved by this Assembly, in the Resource Plan debate, and, moreover, was subjected to specific debate during the Connétable’s unsuccessful amendment which sought to have it excised from the capital programme. If the course of action suggested by the Connétable were deemed to have merit, the argument would apply equally to all States’ capital projects, not just those of the Health and Social Services Committee. To be consistent and rational, the States would need to agree an entirely new policy that required all existing approved capital projects to be put on hold whilst an examination that met the Connétable’s requirements was prepared for each of them, and for each to then be debated in turn by this Assembly.”

Use of the Howard Davis Farm, Trinity – question and answer (Tape No. 861)

Deputy Gerard Clifford Lemmens Baudains of St. Clement asked Deputy Francis Gerald Voisin of St. Lawrence President of the Economic Development Committee, the following question –

“Would the President inform members which functions the Committee intends to relocate to the Howard Davis Farm, and whether these proposals conform with the 1927 Deed of Gift by Mr. Davis, namely that the property is to be used as ‘... *une ferme d’expériences pour le développement de l’étude de l’agriculture et pour l’instruction en cette science de jeunes Jersiais et autres personnes intéressées*.’”

The President of the Economic Development Committee replied as follows –

“The Economic Development Committee is not proposing to relocate any of its functions to Howard Davis Farm.

Members will be aware from the Statement made by the President of the Environment and Public Services Committee on the 7th October 2003, that as a result of the review of the Agriculture and Fisheries Department’s services and the proposal to transfer responsibility for the functions of fisheries, land regulation, technical, veterinary regulation and all operational services from Economic Development Committee to the Environment and Public Services Committee, there is a subsequent proposal by the Environment and Public Services Committee that the Environment Services team from South Hill and the Water Resources team from Bellozanne will relocate to Howard Davis Farm.

The Environment and Public Services Committee is taking advice from the Law Officers’ Department on this latter proposal.”

Sales tax and income distribution – questions and answers (Tape No. 861)

Deputy Geoffrey Peter Southern of St. Helier asked Senator Philip Francis Cyril Ozouf, Vice-President of the Finance and Economics Committee, the following questions –

- “1. In the document ‘Social Trends’, Edition No. 33:2003, produced by the U.K. Office for National Statistics, it is revealed that the percentage of disposable income paid out in indirect taxes in the U.K. rises from 16% for top earners to 33% for those on the lowest incomes.

Will the Vice-President inform members whether the introduction of a sales tax in Jersey, as outlined

in his presentation to members on 8th October 2003, will inevitably have greatest impact upon those on low incomes?

2. (a) Does the Vice-President accept that the data revealed in Table 9 of the Jersey Income Distribution Study 2002 prepared by the Statistics Unit of the Policy and Resources Department, summarised below, demonstrates that our current tax and benefit system fails to compensate for the high cost of housing in the island, pushing the poorest households into greater relative poverty?

Composition of household weekly income by quintile group (after housing costs) –

	Bottom 20%	Top 20%	Ratio (top/bottom)
Pre-benefit income	£245	£1,703	6.9
Net income (after housing costs, benefits and tax)	£154	£1,361	8.8

- (b) What changes to the tax and benefits system does the Vice-President propose in order to remedy this situation in the short term?
3. The Jersey Income Distribution Study 2002 revealed that ‘the average pay of a full-time worker was about £480 per week’. The equivalent figure of ‘average gross weekly earnings’ taken from the New Earnings Survey of April 2002 from the Office for National Statistics for the U.K. is £462.60.

Is the Vice-President satisfied that the statement made at the presentation of 8th October 2003, that Jersey household incomes are between 45% and 70% higher than the U.K., is accurate?”

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

- “1. The Finance and Economics Committee is working on several options with respect to the future structure of taxation in the Island. A sales tax is only a part of those options.

A sales tax introduced in isolation would in all probability be regressive in its impact, in that the greatest effect on disposable incomes of such a tax would be upon lower income households. The extent and distribution of the impact would depend to some extent on the design of that tax.

However, the Deputy attended the recent presentation on future tax options and will be aware that the Finance and Economics Committee would not propose a tax on sales in isolation from other measures. Any such tax would be introduced as part of a package of measures.

For example, the impact of a tax on sales on prices in the Island would be assessed through the price review mechanism within the Income Support structure.

A major priority of the Committee will be to ensure that the overall package, which might include a sales tax of some variety, would be progressive with respect to levels of household income.

Similar issues arise with respect to the figures which the Deputy has quoted for the United Kingdom.

These represent the direct impact of indirect taxes on incomes of U.K. households, in isolation from the impact of other taxes and welfare transfers on the overall picture.

2. (a) The Deputy does not define ‘poverty’ in his Question and so I am not able to comment on his assertion with respect to ‘relative poverty’.

The Jersey Income Distribution Study 2002 made no reference to poverty, relative or otherwise. The Deputy will be aware that there is no agreed definition of 'poverty'. Various jurisdictions define poverty in a number of different ways.

The Deputy will know very well that the States spends a considerable amount of money each year on rent subsidies. The system of rent subsidies is designed to favour lower income households. Through the rent subsidy system, households on the lowest incomes should pay no more than 20 per cent of that income in rent.

- (b) Work on fiscal strategy and the Income Support Initiative will include careful assessment of the distribution of gross and net incomes in the Island and the impact which any future changes in the States spending, tax and welfare systems might have on the overall distribution. For its part, a major priority of the Finance and Economics Committee will be to ensure that future changes in spending and taxation are introduced in the most equitable way for everyone in the Island.
3. The Finance and Economics Committee does not have direct responsibility for the Jersey Income Distribution Study 2002.

However, based on advice from the Head of Statistics in the Policy and Resources Department, I can confirm that the results of the Jersey Income Distribution Study 2002 revealed that the average personal incomes of a representative member of a household in Jersey (in 2002) were typically around 45 per cent and 70 per cent higher than those in the United Kingdom (in 2001/02).

These two percentages relate to equivalised weekly net total income before housing costs and equivalised weekly final income after housing costs.

The Jersey Income Distribution Study 2002 also reports an estimate showing that the average pay of a full-time worker in Jersey was about £480 per week.

The Deputy has compared this estimate with the figure for 'U.K. average gross weekly earnings' taken from the U.K. New Earnings Survey of April 2002.

Work is being undertaken to assess whether these two figures are directly comparable."

Update of the dairy industry – statement

Deputy Francis Gerald Voisin of St. Lawrence, President of the Economic Development Committee, made a statement in the following terms –

“The publication of the McQueen Report in February 2003, indicated clearly the low profitability of the dairy industry following the collapse of the milk price paid to dairy farmers in 2002. In addition, the report also highlighted the need for a comprehensive restructuring of the operations at Jersey Milk following the export of approximately 25 per cent of the Island herd which reduced milk output from 18.5 to 14.5 million litres. The following is a résumé of the actions taken by all concerned with the industry since the publication of the McQueen Report.

1. ‘Headage’ payments 2003

Dairy farmers have received full payment of the agreed 2003 ‘headage’ subsidy comprising £300 per annum for the first 50 cows and £275 per annum for all other cows in their milking herds. In addition, an emergency payment of £120 per cow was paid in compensation for the very low level of profitability in 2002 and in recognition that the milk price will not rise substantially above 29.5 pence per litre in 2003.

2. Jersey Island Dairy Industry – Recovery and Development ‘Road Map’

This strategic document has been formulated following in depth discussions and consultations within the industry and prepared with the advice and assistance of high quality expertise. The objective of ‘Road

Map' is to give a clear direction to the way forward for the Jersey dairy industry. The 'Road Map' has five inter related strands, Jersey Milk, industry structure, services required by the industry, countryside management and farm efficiency each of which must be pursued in a co-ordinated manner in order to maximise benefits to producers and the Island as a whole. The above plan has been adopted by the Jersey Milk Marketing Board and actions are currently being pursued.

3. Jersey Milk – 100 day plan

Restructuring in the operations of Jersey Milk are now well underway following the 100 day report. These developments are designed with the primary goal of bringing financial and structural stability to the dairy, restoring profitability and increasing returns to producers. In future, it is recognised that Jersey Milk will have to continue to increase profitability by the development of new markets and building and exploiting the potential of an 'Island produced' Brand.

There is every indication that the improvements at Jersey Milk will be translated into higher milk prices to producers starting in November 2003.

4. Farm Efficiency

The dairy producers have recognised that as part of the 'Road Map' to recovery they must be as efficient as possible in their husbandry methods in order to reduce input costs. The Dairy Industry Costings Scheme has been developed to benchmark current performance and monitor farm profitability, financial information having been provided from the vast majority of dairy herds. In addition, producer work shops and training courses have been undertaken to highlight husbandry improvements which will decrease current feeding costs, such as home grown cereals. Financial support has also been provided by the industry to part fund CEDAR (dairy research unit), Reading University to look at the specific nutritional requirements of the Jersey Cow which should bring great benefits in future.

5. Services required by the Industry

The industry and the Economic Development Department are looking thoroughly into how these services should be provided in the future and at what level they will be required. It is proposed that the Milk Recording service and the Artificial Insemination service should be transferred to the industry as from the January 2004. The Royal Jersey Agricultural and Horticultural Society has recently commissioned a report into the 'Future breeding of the Island Herd' and this is currently being developed into a future policy. The exact method of transferring services and the funding method required has still to be finalised.

The Jersey dairy industry has recognised that it cannot rely in future on increasing levels of direct support from Government and that the long term goal must be to create an industry with an ever decreasing reliance on support for the primary function of milk production. It does feel, however, that it is valid to expect support for activities which benefit the Island as a whole such as countryside management, amenity, heritage and the development of the 'Jersey Island Brand'."

Draft Transfer of Functions (Environment and Public Services Committee) (No. 2) (Jersey) Act 200 P.134/2003

THE STATES, in pursuance of Article 29 of the States of Jersey Law 1966, made an Act entitled the Transfer of Functions (Environment and Public Services Committee) (No. 2) (Jersey) Act 2003.

Draft The Lloyds TSB (Jersey) Law 1997 (Appointed Day) (No. 3) (Jersey) Act 200 P.136/2003

THE STATES, in pursuance of Article 1 of the Lloyds TSB (Jersey) Law 1997, made an Act entitled The Lloyds TSB (Jersey) Law 1997 (Appointed Day) (No. 3) (Jersey) Act 2003.

Le Rocquier School, St. Clement: redevelopment Phase 2- construction of new school – approval of drawings – P.138/2003

THE STATES adopting a proposition of the Education, Sport and Culture Committee –

- (a) approved the architects' drawings listed in the Appendix to the report of the Education, Sport and Culture Committee dated 7th October 2003, showing the proposed new school building to be constructed within the grounds of Le Rocquier School, St. Clement; and,
- (b) authorised the Greffier of the States to sign the said drawings on behalf of the States.

Members present voted as follows –

“Pour” (43)

Senators

Le Maistre, Syvret, Norman, Kinnard, Routier, M. Vibert, Ozouf, E. Vibert.

Connétables

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

Deputies

Trinity, Duhamel(S), Breckon(S), Huet(H), St. Martin, Le Main(H), Dubras(L), Dorey(H), Troy(B), Voisin(L), Scott Warren(S), Le Hérisier(S), Fox(H), Bridge(H), Martin(H), Southern(H), Bernstein(B), Ferguson(B), St. Mary, St. Ouen, Ryan(H), Taylor(C), Grouville, St. Peter, Hilton(H), De Faye(H).

“Contre” (3)

Connétables

St. Peter.

Deputies

St. John, Baudains(C).

School milk: provision for the years 2003, 2004 and 2005 – P.7/2003

Comments – P.7/2003. Com.; P.7/2003. Com.(3);

THE STATES, adopting a proposition of Deputy Geoffrey Peter Southern of St. Helier–

- (i) agreed that the cost of the provision of free school milk should continue to be met from public funds for the years 2003, 2004 and 2005;
- (ii) requested the Finance and Economics Committee to identify the appropriate source of funding for the remainder of 2003; and,
- (iii) agreed that funds for this provision should be inscribed in the budget of the Economic Development Committee, and ring-fenced for this purpose, for the years 2004 and 2005.

Members present voted as follows –

“Pour” (40)

Senators

Le Maistre, Syvret, Kinnard, Le Claire, Lakeman, Routier, M. Vibert, E. Vibert.

Connétables

St. Martin, St. Ouen, St. Brelade, St. Mary, St. John, St. Peter, St. Clement, St. Helier, St. Lawrence, St. Grouville.

Deputies

Trinity, Duhamel(S), Breckon(S), Huet(H), St. Martin, St. John, Le Main(H), Baudains(C), Troy(B), Scott Warren(S), Le Hérissier(S), Fox(H), Bridge(H), Martin(H), Southern(H), Bernstein(B), Ferguson(B), Ryan(H), Grouville, St. Peter, Hilton(H), De Faye(H).

“Contre” (7)

Senators

Norman.

Deputies

Dubras(L), Dorey(H), Voisin(L), Farnham(S), St. Mary, Taylor(C).

Senator Philip Francis Cyril Ozouf, the Connétable of St. Saviour, the Connétable of Trinity and the Deputy of St. Ouen declared an interest and withdrew from the Chamber prior to the consideration of this matter.

Draft Protection of Children (Amendment No. 3) (Jersey) Law 200 P.133/2003

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, adopted a Law entitled the Protection of Children (Amendment No. 3) (Jersey) Law 200-

Residents’ Parking Scheme– statement

Deputy Maurice François Dubras of St. Lawrence, President of the Environment and Public Services Committee made a statement in the following terms –

“This Statement concerns the Residents’ Parking Scheme and relates to P.141/2003 of Deputy G.P. Southern, due to be debated on 4th November 2003.

The present trial scheme will end after 4th November 2003, unless an Order has been made for it to continue.

The Committee at a meeting this lunchtime has made two Orders related to the Scheme.

Amendment No. 13 to the Road Traffic (St. Helier) Order was made to enable, among other change requested by the Connétable of St. Helier and others, the present trial scheme to continue from 5th November 2003.

While the Committee has taken into account comments of the Connétable and the Deputies for St. Helier and it has listened to and taken into account residents’ comments, the Committee cannot continue to subsidize the Scheme at its present rate.

Therefore, taking all factors into consideration, we have agreed to make Amendment No. 14 and increase the charge to £150 for the next six months, equivalent to an annual rate of £300.

That does not mean it is the final change. The Committee has asked the officers to provide by April 2004 comprehensive estimates, based on new survey data, of the true cost of providing residents parking schemes, in the event it is to be extended to other parts of St. Helier or other Parishes, taking into account

the effect on car parks and the Car Park Trading Account.

Information for residents wishing to apply for a permit under the Scheme will be mailed out shortly.”

Adjournment

THE STATES then adjourned, having agreed to defer consideration of the proposition of the Legislation Committee concerning Succession Rights for children born out of wedlock (P.121/2003 lodged ‘au Greffe on 12th August 2003) until the next meeting on 4th November 2003, and having agreed, in accordance with Standing Order 5(1C)(b), to meet on 11th November 2003, if necessary, to complete consideration of those matters set down for the next meeting.

THE STATES rose at 5.30 p.m.

A.H. HARRIS

Deputy Greffier of the States.