

Council of Ministers

(35th Meeting)

20th June 2023

Part A (Non-Exempt)

All members were present, with the exception of Deputy C.F. Labey of Grouville and St. Martin, Minister for International Development, Deputy M.E. Millar of St. John, St. Lawrence and Trinity, Minister for Social Security and Deputy K.M. Wilson of St. Clement, Minister for Health and Social Services, from whom apologies had been received.

Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter, Chief Minister
 Deputy K.F. Morel of St. John, St. Lawrence and Trinity, Minister for Economic Development, Tourism, Sport and Culture
 Deputy I. Gardiner of St. Helier North, Minister for Children and Education
 Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter, Minister for Treasury and Resources
 Deputy P.F.C. Ozouf of St. Saviour, Minister for External Relations and Financial Services (for part of items A4 and B1 and items A5 and B2-B3 only)
 Deputy D.J. Warr of St. Helier South, Minister for Housing and Communities (for part of items A4 and B1 and items A5 and B2-B3 only)
 Deputy H.M. Miles of St. Brelade, Minister for Home Affairs
 Deputy J. Renouf of St. Brelade, Minister for the Environment
 Deputy T.J.A. Binet of St. Saviour, Minister for Infrastructure
 Deputy M.R. Ferey of St. Saviour, Assistant Minister for Social Security (in lieu of the Minister for Social Security)

In attendance -

Connétable M.K. Jackson of St. Brelade, Representative of the Comité des Connétables
 Connétable A.N. Jehan of St. John, Assistant Chief Minister
 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity, Assistant Minister for the Environment
 Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter, Assistant Chief Minister
 M.H. Temple, K.C., H.M. Attorney General
 L.-M. Hart, Greffier of the States
 S. Wylie, OBE, Chief Executive and Head of the Public Service, Government of Jersey (for items A4-A5 and B1-B3 only)
 R. Summersgill, Comptroller of Income Tax, Treasury and Exchequer (for part of items A5 and B3 only)
 T. Holvey, Chief Economic Adviser, Department for the Economy (for items A4 and B1 only)
 Dr. L. Magris, Group Director, Strategy and innovation, Strategic Policy, Planning and Performance Department (for items A4 and B1 only)
 K. Lemasney, Head of High Value Residency Engagement, Department for the Economy (for part of items A5 and B3 only)
 T. Querée, Manager, Tax Policy and Technical, Treasury and Exchequer (for part of items A5 and B3 only)
 P. Bradbury, Head of Ministerial Office

K.L. Slack, Secretariat Officer, States Greffe

Note: The Minutes of this meeting comprise Parts A and B.

Welcome and perspective from the Parish of St. John.

A1. Connétable A.N. Jehan of St. John welcomed the Council of Ministers to the Parish Hall and indicated that the Parish was proud of its coast, countryside and community and worked hard on engagement with Parishioners and in developing partnerships with the church, the Cheval Roc retirement home and the school. The Parish Hall was the hub of the Parish and was used for various activities to support the community, including seated keep fit classes and a book exchange. The opening hours of the Parish Hall had recently been extended and when a Parish meeting took place, question and answer sessions with the local Deputies were hosted, which were well attended.

Housing was the main challenge in the Parish, whether for younger or older residents and there were currently 200 individuals on the waiting list for affordable homes. The Parish precinct contained all necessary amenities and Islanders were keen to locate to the community. Every week the Parish Hall was contacted by people wanting to downsize and acquire property in St. John and increasing the number of 'right size' homes was a priority. The Council was informed that there had been sheltered housing in St. John for 49 years, which was run by the Greenwood Housing Association, rather than the Parish.

Another issue facing the Parish was the lack of mains drainage and connection to the mains water in some areas and, on a related note, the sewage treatment works at Bonne Nuit had performed well over the years but required upgrading. A consultation was currently underway on the potential to reduce speed limits in the Parish but, of the responses that had been received as at the date of the current meeting, 80 per cent had been against this proposal. However, people driving excessively fast at night was problematic and speeding fines of £4,500 had been levied to-date in 2023 with assistance from the States of Jersey Police. The Parish had an 'adopt a lane' scheme, which helped to ensure that they were kept well maintained and a 'clean up' on some of the larger roads was taking place during the weekend of 24th and 25th June 2023, with assistance from the Honorary Police.

St. John was well served by LibertyBus, with 32 buses leaving from the church each day. However, at peak times, the buses could already be full before arriving in St. Helier. Mindful that a new health centre would be opening at the former Les Quennevais School site, the Connétable wished for an East/West service to be established and had held a positive meeting with officers from the Infrastructure and Environment Department in this regard.

Refuse collection and recycling accounted for 38 per cent of the Parish's expenditure and there had been a significant increase in the cost, so a range of options were being considered. The Parish had an elected group, le Comité de la Commune Rurale, which met quarterly and commented on such matters as the Island Plan, the proposed solar farm at Sorel and the development at Sion. It was hoped that the school would have a playing field by September and the Connétable was endeavouring to assist with parking.

The Parish magazine (l'Etoile du Nord) alerted Parishioners to various events, included historical details and was a useful tool to gauge feedback. A number of supplements had been published, including 2 by the Climate Group, which had planted community patches in raised planters in the village. The Recreation Centre was run by St. John's Centre Limited, which was owned by St. John's Centre

Purpose Trust. The Trust's aim was to provide sport and recreation facilities in St. John – not solely for the use of the Parish – and a wide range of groups availed themselves of the Centre.

The Council thanked the Connétable for the informative update. The Chief Minister, Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter expressed gratitude to those officers who made it possible for the Council of Ministers to hold meetings in the Parishes and meet Parishioners thereafter in an environment which was, potentially, more convenient for them.

Declarations of interest.

A2. Declarations of interest had been received from certain Ministers in connexion with item A4 to the extent that they had a social connection with a representative from a company that might potentially be interested in any offshore wind energy project.

A declaration of interest was made by Deputy T.J.A. Binet of St. Saviour, Minister for Infrastructure, in connexion with items A5 and B3 to the extent that he was the co-owner of a property which was leased to high value residents.

Minutes.

A3. The Minutes of the meetings of the Council of Ministers, held on 14th April (Part A only) and 16th May 2023 (Parts A and B), having previously been circulated, were taken as read and were confirmed.

Offshore wind energy.

A4. The Council of Ministers received and noted a PowerPoint presentation, entitled 'Adopting policy and establishing a programme to secure the benefits of offshore wind for Islanders' and heard from Dr. L. Magris, Acting Group Director Strategy and Innovation, Strategic Policy, Planning and Performance Department and Mr. T. Holvey, Chief Economic Adviser, Department for the Economy, in connexion therewith.

It was noted that Jersey currently consumed approximately 636 Gigawatt hours ('GWh') of electricity *per annum* and that this figure was anticipated to increase to between 859 and 1,014 GWh by 2040. If electricity were the sole source of energy for the Island, *circa* 1,664 GWh would be required annually, whilst a one Gigawatt ('GW') offshore wind power plant would be anticipated to produce approximately 3,800 GWh of energy. During 2021, 38 per cent of the final energy consumption for Jersey had come from electricity, of which 96 per cent was low carbon and imported from France.

The Council recalled that, as part of the Carbon Neutral Roadmap, which had been adopted by the States Assembly in April 2022, there was a commitment to work with the other Channel Islands to explore options for utility-scale, renewable, energy generation to meet future needs, whilst the Bridging Island Plan contained a high level policy framework for certain aspects of offshore wind development and proposed the development of new policy and planning frameworks for the marine environment and Jersey's infrastructure.

In 2018, a local feasibility study had been undertaken, which had concluded that the Island had significant offshore wind potential in its water and that it would be possible to make use of the resource to produce reliable power at a low cost. The study had been updated in 2022 and had shown that overall maintenance and capital costs had reduced since 2018. In 2019, during the consultation on the Island Plan, 85 per cent of responders had favoured the development of offshore wind and tidal energy.

In deciding where any offshore wind turbines could potentially be located and the size and type thereof, consideration would need to be given to the optimum grid

design, including where the power would come ashore and how it would link in with the extant grid. The 2018 study had suggested that a site to the southwest of the Island would offer the best opportunity, with the potential to extend further north from that location if more than one GW of electricity was required.

The Council noted the position.

Forthcoming
business.

A5. The Council of Ministers considered the following items of public business which were due to be debated at the meeting of the States Assembly that was scheduled to commence on 4th July 2023 –

Draft Taxation (Exchange of Information – Amendment) (Jersey) Regulations 202- (P.28/2023)

These Regulations, which had been lodged by the Minister for External Relations, would, if approved, amend various pieces of legislation relating to taxation in order to provide clarity around the international standards of ‘foreseeable relevance’, which were set by the Organisation for Economic Co-operation and Development (OECD). It would also clarify that tax residency did not have to have been finally determined by a Third Country before information could be requested from Jersey that might help it to decide on the liability of a person to taxation in that Third Country. It was noted that this over-ruled the extant position in Jersey law, established by the Royal Court judgment in the case of *Prahl and Triton v The Office of the Comptroller of Revenue*;

Draft Income Tax (High Value Residents – Amendment) (Jersey) Law 202- (P.29/2023)

This draft Law, which had been lodged ‘*au Greffe*’ by the Minister for Treasury and Resources, would amend Article 135A of the Income Tax (Jersey) Law 1961 (‘the 1961 Law’) in relation to high value residents, who had been granted Entitled status under Regulation 2(1)(e) of the Control of Housing and Work (Residential and Employment Status) (Jersey) Regulations 2013. It would introduce a new tax regime for those high value residents who were granted Entitled status on or after 14th July 2023 or who had previously been granted that status and became chargeable to tax on or after 1st January 2024. The draft Law would also amend the Income Tax (Prescribed Limit and Rate) (Jersey) Regulations 2013 to prescribe a tax limit of £1,250,000 above which income tax would be chargeable at one pence in the pound; and

Taxation of High Value Residents (P.44/2023)

This Proposition, which had been lodged by Deputy L.V. Feltham of St. Helier Central, requested the Minister for Treasury and Resources to make amendments to the 1961 Law to remove the prescribed limit relating to the income tax contribution of High Value Residents and to suspend the scheme relating to those individuals until those changes had been made. It further requested the Council of Ministers to carry out an in-depth cost benefit review of the scheme and to present its findings as a Report to the States Assembly by 1st November 2023.