

Council of Ministers

(43rd Meeting)

31st October 2023

Part A (Non-Exempt)

All members were present.

Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter, Chief Minister
 Deputy C.F. Labey of Grouville and St. Martin, Minister for International Development
 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 (for items A1-A4, part of item A5, B1 and part of item B2 only)
 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
 Deputy D.J. Warr of St. Helier South, Minister for Housing and Communities
 Deputy H.M. Miles of St. Brelade, Minister for Justice and Home Affairs
 Deputy J. Renouf of St. Brelade, Minister for the Environment (for part of item A3, items A4-A6, part of item B1 and items B2-B3 only)
 Deputy M.E. Millar of St. John, St. Lawrence and Trinity, Minister for Social Security
 Deputy T.J.A. Binet of St. Saviour, Minister for Infrastructure
 Deputy K.M. Wilson of St. Clement, Minister for Health and Social Services

In attendance -

Connétable A.N. Jehan of St. John, Assistant Chief Minister
 Deputy L.M.C. Doublet of St. Saviour, Assistant Minister for Children and Education (From Tax item onwards)
 Deputy M.R. Ferey of St. Saviour, Assistant Minister for Social Security
 Deputy A.F. Curtis of St. Clement, Assistant Chief Minister
 M. Jowitt, K.C., H.M. Solicitor General
 L.-M. Hart, Greffier of the States
 R. Bell, Assistant Chief Executive and Treasurer of the States
 K. Briden, Chief Officer, Justice and Home Affairs Department (for item A4 only)
 I. Burns, Chief Officer, Customer and Local Services Department (for items A3 and B1 only)
 R. Sainsbury, Chief Officer, Children, Young People, Education and Skills Department (for item A4 only)
 R. Smith, Chief Officer, States of Jersey Police (for item A4 only)
 R. Summersgill, Comptroller of Revenue, Treasury and Exchequer (for items A5 and B2 only)
 T. Holvey, Chief Economic Adviser, Department for the Economy (for items A3 and B1 only)
 S. Duhamel, Director, Strategic Policy, Planning and Performance Department (for items A3 and B1 only)
 T. Queree, Deputy Director, Tax Policy, Treasury and Exchequer (for items A5 and B2 only)

M. MacGregor, Senior Policy Officer, Strategic Policy, Planning and Performance Department (for items A3 and B1 only)
P. Aked, Senior Meteorologist, Infrastructure and Environment Department (for item A4 only)
A. Le Maistre, Senior Meteorologist Forecasting, Infrastructure and Environment Department (for item A4 only)
B. Davis, Manager, Tax Policy and Technical, Treasury and Resources (for items A5 and B2 only)
M. White, Acting Director of Communications, Office of the Chief Executive (for item A4 only)
A. de Bourcier, Head of Environmental and Consumer Protection, Infrastructure and Environment Department (for part of items A6 and B3 only)
M. Humphreys-Foott, Head of Regulatory Improvement, Infrastructure and Environment Department (for part of items A6 and B3 only)
J. Vautier, Sector Lead, Rural and Marine, Office of the Chief Executive (for part of items A6 and B3 only)
O. Hasan, Health and Community Services Expert Change Team (for part of items A6 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.

- Minutes. A1. The Minutes of the meeting of the Council of Ministers of 26th September 2023 (Parts A and B), having previously been circulated, were taken as read and were confirmed, subject to some minor amendments. The progress made on actions arising from that meeting was noted.
- Declarations of interest. A2. Declarations of interest were received from the following –
- Deputy D.J. Warr of St. Helier South, Minister for Housing and Communities in connexion with items A3 and B1, as the proprietor of a business employing staff;
 - Deputies K.L. Moore of St. Mary, St. Ouen and St. Peter, Chief Minister, K.F. Morel of St. John, St. Lawrence and Trinity, Minister for Economic Development, Tourism, Sport and Culture, I.J. Gorst of St. Mary, St. Ouen and St. Peter, Minister for Treasury and Resources, I. Gardiner of St. Helier North, Minister for Children and Education, T.J.A. Binet of St. Saviour, Minister for Infrastructure, J. Renouf of St. Brelade, Minister for the Environment, P.F.C. Ozouf of St. Saviour, Minister for External Relations, A.F. Curtis of St. Clement, Assistant Chief Minister and Warr in connexion with part of items A6 and B3 as landlords;
 - Deputy C.F. Labey of Grouville and St. Martin, Minister for International Development, in connexion with part of items A6 and B3 as the reversionary owner of a property and fields; and
 - Deputies Ozouf, Moore and M.E. Millar of St. John, St. Lawrence and Trinity, Minister for Social Security, in connexion with part of items A6 and B3 as the owners of fields.
- Jersey Pension Saver. A3. The Council of Ministers received and noted a paper, dated 24th October 2023, entitled ‘Jersey Pension Saver’, which had been prepared by Policy Officers, an

accompanying draft Report and Proposition and an associated PowerPoint presentation and welcomed Messrs. I. Burns, Chief Officer, Customer and Local Services Department, T. Holvey, Chief Economic Adviser, Department for the Economy, the Senior Policy Officer and Mrs. S. Duhamel, Director, Strategic Policy, Planning and Performance Department, to the meeting.

The Council recalled that, in her Ministerial Plan for 2023, Deputy M.E. Millar of St. John, St. Lawrence and Trinity, Minister for Social Security, had undertaken to develop a policy framework for a mandatory workplace pension scheme, entitled the Jersey Pension Saver ('JPS'), whose objectives were to –

- increase the number of people of working age who were saving for their retirement;
- augment the retirement income of future pensioners, alongside the extant social security pension;
- provide a simple and efficient scheme with low administration costs;
- distribute risk and responsibility fairly across the system; and
- apply clear and fair regulation to protect future pensioners.

It was noted that, at the current time, only approximately one third of working age Islanders were proactively saving for their retirement. Accordingly, it was proposed that, subject to the approval of the States Assembly, those employers who did not currently provide an approved pension scheme would be required to enrol any eligible employees into the JPS, with contributions divided between the employer and employee. Eligible employees were noted to be those aged between 18 years and pension age and who possessed Entitled, Entitled to Work or Licensed status. Employees would have the choice to opt out of the scheme and would be re-enrolled every 3 years.

Employers would not be mandated to enrol Registered employees and those working on a seasonal basis. However, it was intended that these individuals could opt to pay into the JPS on a voluntary basis, as would also be the case for people who were self-employed or not currently in work. Once the savers attained pension age, the JPS would provide them with a monthly pension income dependent on the quantum of their contributions over time. In the event of a divorce, any monies held within the JPS would be treated in the same way as any other pension as there was no local provision for pension sharing orders.

It was noted that significant consultation with employers and Islanders would take place during 2024, with a view to the scheme potentially being introduced from late 2025, albeit this date could be delayed, subject to the prevailing financial situation at the time.

The Council signalled its in principle support for the JPS and asked officers and the working group to continue to develop proposals for its further consideration at a future meeting.

Storm Ciarán:
update.

A4. The Council of Ministers welcomed Ms. K. Briden, Chief Officer, Justice and Home Affairs Department, Mr. R. Sainsbury, Chief Officer, Children, Young People, Education and Skills Department, Mr. R. Smith, Chief Officer, States of Jersey Police and Mr. P. Aked and Ms. A. Le Maistre, Senior Meteorologists, Infrastructure and Environment Department, to the meeting, and received a PowerPoint presentation which had been shown to the Strategic Co-ordination Group ('SCG') and heard from them in connexion with Storm Ciarán, a significant weather event that was anticipated to severely impact the Island from the evening of 1st November 2023 through to the following day.

The Council was informed that, during the daytime of 1st November 2023 winds would be Strong Force 6 to 7, which was not unusual for the time of year. However, from 8.00 p.m. they were due to increase to Gale Force 9 (from the south-southeast), with gusts of approximately 70 miles per hour. From 3.00 a.m. on 2nd November 2023 the winds would move to the southwest and from 5.00 a.m. they would be in the west-southwest of Storm Force 10, with gusts from 85 to potentially 95 mph. After 10.00 a.m. the winds were due to ease slightly, but the storm would continue. It was noted that the strongest winds during the October 1987 storm, which had significantly impacted the Island, had come from the south-southeast at speeds up to 98 mph. During Storm Ciarán the highest winds were anticipated to be of a similar strength but from the west-southwest.

Heavy rain was forecast for the weekend of 4th and 5th November and into the early part of the week commencing 6th November 2023. Coastal flooding was anticipated, most notably on the morning of 2nd November 2023, due to the high tide of 10.1 metres at 8.40 a.m. which was likely to increase by approximately one metre in height as a consequence of a deep low pressure, combined with a swell of approximately 5 metres. There was an adverse weather plan to deal with the overtopping of sea walls and the Honorary Police would be asked to provide assistance.

The Chief Officer, States of Jersey Police, informed the Council that he had chaired a meeting of the SCG on the morning of 31st October 2023 and that plans were in place to deal with the event in a calm and considered way with Islanders' safety being prioritised. It was not being considered a major incident at the current time, but this position would be reviewed at a subsequent SCG. The Island's schools would be closed on 2nd November 2023, with a decision to be taken with respect to 3rd November 2023 at a later point and people would be advised to remain at home in the interests of public safety.

Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter, Chief Minister, thanked the officers for their efforts and for preparing to deal with the incident in a calm and organised manner.

Independent
Taxation.

A5. The Council of Ministers, with reference to Minute No. A3 of its meeting of 27th June 2023, received and noted a paper, dated 19th October 2023, entitled 'Independent Taxation – revised proposals' and an associated PowerPoint presentation, which had been prepared by the Tax Policy Unit and welcomed Mr. R. Summersgill, Comptroller of Revenue and the Deputy Director and Manager, Tax Policy, Treasury and Exchequer, to the meeting. The Council was cognisant that the introduction of independent taxation had been identified as a key deliverable in the Government Plan 2023-2026 and the Treasury Delivery Plan 2023 and was necessary as part of the adoption by the Island of the Convention on the Elimination of All Forms of Discrimination Against Women ('CEDAW').

The Council recalled that the former Minister for Treasury and Resources had lodged a Proposition to commence reformation of the personal taxation system (P.119/2019 referred) and that, in February 2020, the States Assembly had agreed in principle to introduce a new system of independent taxation. The current Minister for Treasury and Resources had lodged draft legislation to deliver mandatory independent taxation, which had been due to be debated on 18th July 2023 (P.41/2023 referred) but Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter had pre-empted this with a Proposition entitled 'Removal of compulsory independent taxation for existing married couples and civil partnerships' (P.32/2023 referred).

The Council recalled that the aforementioned Proposition, as amended by the proposer and by Deputy C.S. Alves of St. Helier Central, had been debated on 5th July 2023 and whilst Members had rejected part (a): ‘Independent taxation should not be mandatory for existing married couples’ (as well as parts (c) and (d)), they had adopted part (b): ‘ensure that joint taxation [remained] available for existing married couples’. The apparently incompatible votes on parts (a) and (b) had led to confusion. Advice obtained from the States Greffe was that the outcome rested with political judgment rather than a procedural ruling and, as a consequence, the Minister for Treasury and Resources proposed that existing married couples should be permitted to choose to continue to file joint tax returns, but this would not be applicable to those who were newly married, or had arrived in the Island after 2022, who would be subject to independent taxation. This was in accordance with the States Assembly vote on part (d) of P.32/2023: ‘newly married and newly arrived couples should be able to access married thresholds’.

The Minister for Treasury and Resources proposed to withdraw P.41/2023 and to submit revised proposals. If these were adopted by the States Assembly, all couples would be subject to independent taxation from 2026 onwards, unless they were married or in a civil partnership and resident in the Island before 1st January 2022 (‘existing married couples’) and both parties elected to submit a joint tax return either online or in paper form with one ‘responsible spouse’ filing on behalf of the couple. That decision would remain in place until revoked and each party would be able to make that revocation unilaterally. In the event that a couple did not nominate a ‘responsible spouse’, the default position would be that they would file separate returns.

For other couples, each spouse or civil partner would receive their own tax return from 2027 in respect of the 2026 year of assessment and based only on their own income and allowances. However, even where the choice was made to submit a joint return, the individuals would be taxed independently and have their own ITIS effective rate, rather than a combined one.

The Council noted the position, approved proceeding with mandatory Independent Taxation as the default position for all couples in legal relationships and agreed to provide the option for existing married couples to file a joint tax return. It also determined to delay the implementation of mandatory Independent Taxation until the 2026 year of assessment to afford sufficient time for the required changes to Revenue Jersey’s computer system and tax returns to be made.

Forthcoming
business.

A6. The Council of Ministers discussed the following items of public business which were due to be debated by the States Assembly at the meeting that was scheduled to commence on 7th November 2023 –

Draft Public Health and Safety (Rented Dwellings) (Licensing) (Jersey) Regulations 202- (P.40/2023)

The Council recalled that the principles of these draft Regulations, which had been lodged by the Minister for the Environment, had been adopted by the States Assembly on 18th July 2023. They would require rented dwellings to be licensed and make it an offence to allow a property to be rented unless such a licence was in place.

The Environment, Housing and Infrastructure Scrutiny Panel had called in the Proposition and undertaken a review. Due to the time that had elapsed whilst that was underway, the Minister had proposed some changes to the Regulations, including bringing them into force on 1st May instead of 1st January 2024. It was noted that the Scrutiny Panel had lodged 9 Amendments to the Proposition, some of

which were interconnected and had the potential for unintended consequences if one was approved and another not.

The Council discussed the various Amendments and decided to establish a small Ministerial sub-group to determine an agreed position;

Draft Sea Fisheries (Vessel Monitoring Systems) (Amendment) (Jersey) Regulations 202- (P.68/2023)

The Minister for the Environment, who had lodged this Proposition, informed the Council that the fishing fleet was accepting of these Regulations, which predominantly reflected current practice as they required vessels under 12 metres in length to have on board and use vessel monitoring equipment based on the mobile phone networks, rather than satellite monitoring equipment. It was noted that the French boats used the latter system; and

Increase in Revenue Expenditure for Agriculture and Fisheries (P.74/2023)

It was recalled that, at its meeting on 10th October 2023 (Minutes Nos. A4 and B5 referred), the Council had proposed that discussions should take place with Deputy S.G. Luce of Grouville and St. Martin, who had lodged the Proposition and representatives of the industry and was provided with an update in relation thereto.

Deputy Luce had lodged an Amendment to his Proposition in which he made reference to the Rural and Marine Support Schemes, which had been specifically designed to deliver public goods in exchange for financial support and, following the meeting, had lodged a second Amendment, which sought an increase in the revenue expenditure directly on those schemes to a minimum of £6.7 million in 2024, increasing annually thereafter by the greater of RPI(X) or the percentage increase in the minimum wage. It further requested the Minister for Treasury and Resources to bring forward proposals to provide for the recapitalisation of the Agriculture Loans Fund in 2024 to a level of not less than £10 million.

Having received a briefing from the Sector Lead, Rural and Marine and discussed the foregoing at some length, **the Council decided that it was minded to amend the Proposition and instructed officers to arrange for an Amendment to be prepared and circulated for its approval.**