

Council of Ministers

(36th Meeting)

27th 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 I.J. Gorst of St. Mary, St. Ouen and St. Peter, Minister for Treasury and Resources and Deputy P.F.C. Ozouf of St. Saviour, Minister for External Relations and Financial 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 D.J. Warr of St. Helier South, Minister for Housing and Communities
 Deputy H.M. Miles of St. Brelade, Minister for Home Affairs
 Deputy J. Renouf of St. Brelade, Minister for the Environment (for items A1-A3, B1-B2 and B4 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 M.K. Jackson of St. Brelade, Representative of the Comité des Connétables (for items A1-A2 and B1-B2 only)
 Connétable A.N. Jehan of St. John, Assistant Chief Minister
 Deputy S.M. Ahier of St. Helier North, Assistant Minister for Treasury and Resources
 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
 S. Wylie, OBE, Chief Executive and Head of the Public Service, Government of Jersey (for a time)
 R. Summersgill, Comptroller of Revenue, Treasury and Exchequer (for items A3 and B4 only)
 Dr. M. Mathias, MBE, Director of Delivery and Improvement, Strategic Policy, Planning and Performance Department (for item B1 only)
 S. Duhamel, Director, Strategic Policy, Planning and Performance Department (for a time)
 A. Hacquoil, Group Director - Strategic Finance, Treasury and Exchequer (for items A1-A2, B1-B2 and part of item B3 only)
 J. Spybey, Head of Business Support, Strategic Policy, Planning and Performance Department (for item B1 only)
 K. Lemasney, Head of High Value Residency Engagement, Department for the Economy (for part of items A3 and B4 only)
 N. Day, Head of Strategic Housing and Regeneration, Strategic Policy, Planning and Performance Department (for item B2 only)
 K. Pearson, Head of Economic Analysis, Department for the Economy

T. Querée, Manager, Tax Policy and Technical, Treasury and Exchequer
(for part of items A3 and B4 only)
S. Perez, Head of Office, Office of the Chief Executive (for item B3 only)
J. Hardwick, Project Manager, New Healthcare Facilities (for item 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 5th June 2023 (Part A only), having previously been circulated, were taken as read and were confirmed.

Declarations of Interest. A2. Declarations of interest was made by the following –

- Deputy J. Renouf of St. Brelade, Minister for the Environment, in connexion with item B3, relating to new healthcare facilities, as he could be required to determine any appeal relating to planning permission (he withdrew from the meeting during consideration of this item);
- Connétable M.K. Jackson of St. Brelade, who received a standing invitation to the Council of Ministers as the representative of the Comité des Connétables, in connexion with item B3 as he was a member of the Future Hospital Scrutiny Panel (he withdrew from the meeting during consideration of this item);
- Deputy T.J.A. Binet of St. Saviour, Minister for Infrastructure, in connexion with part of items A3 and B4 to the extent that he was the co-owner of a property which was leased to high value residents;
- Deputy L.K.F. Stephenson of St Mary, St. Ouen and St Peter, Assistant Chief Minister, in connexion with item B3 to the extent that she had a relative who lived near the Overdale hospital; and
- Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter, Chief Minister, in connexion with part of items A3 and B4, to the extent that her husband was a lawyer and that it was possible that he had a high value resident as a client, but she was unaware of his client list.

Forthcoming business. A3. The Council of Ministers discussed 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 Income Tax (High Value Residents – Amendment) (Jersey) Law 202-(P.29/2023)

It was recalled that 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;

Removal of compulsory independent taxation for existing married couples and civil partnerships (P.32/2023)

It was noted that this Proposition, which had been lodged by Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter, requested the Minister for Treasury and Resources to ensure that ‘joint taxation’ remained available for any married couples

and civil partners, who currently completed a joint tax return and wished to continue to do so. It was recalled that upcoming legislation would require all married couples and civil partners to be independently taxed from the 2025 year of assessment, but only 2.4 per cent of people in that category had elected to move to independent taxation to-date and Deputy Farnham was of the view that the proposed change could prove unsettling for some couples.

The Council noted that Deputy Farnham had lodged an Amendment to his Proposition, by inserting an additional paragraph (c), which requested the Minister for Treasury and Resources to modernise joint tax returns to ensure that married couples and civil partners, who chose to remain subject to joint taxation, would have shared responsibility for their tax return and would both be required to sign the same.

An Amendment had also been lodged by Deputy C.S. Alves of St. Helier Central, which sought to ensure that those who had married or entered into civil partnerships since January 2022 were not financially worse off should one partner cease to work.

The Council decided that it wished to present Comments on Deputy Farnham's Proposition, which *inter alia* explained that part of the rationale for the move to compulsory independent taxation was to achieve compliance with CEDAW (the Convention on the Elimination of All Forms of Discrimination Against Women) and that there would be significant cost in operating 2 systems in tandem; and

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

The Council recalled that 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 ('HVR') 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.

The Council decided to present Comments, suggesting that the Assembly should reject the Proposition and including details of the significant benefit that the HVR made to the Island with their knowledge and connections and in economic and charitable contributions. It would also include additional data to counter the need for an in-depth cost benefit review to be undertaken.