

STATES OF JERSEY



MACHINERY OF GOVERNMENT: RELATIONSHIP BETWEEN THE PARISHES AND THE EXECUTIVE (P.40/2004) – COMMENTS

**Presented to the States on 25th May 2004
by the Finance and Economics Committee**

STATES GREFFE

COMMENTS

The Finance and Economics Committee appreciates the efforts being made to ensure that this proposition is initially cash neutral but notes that longer-term financial implications to the States could well be significant.

The Committee supports the principle of the transfer of native welfare and residential care costs, however it wishes the States to note that the projected annual increases of the related costs will have to be included as growth demands within annual Fundamental Spending Reviews and will have to be met from within overall spending targets or other sources of funding to be explored in conjunction with the Employment and Social Security Committee. It is likely that these costs will be of sufficient high priority to obtain growth funding and, at the projected levels, will therefore significantly reduce the ability of the States to fund other initiatives.

The Committee supports the introduction of the Island-wide commercial and domestic rates given that the rates will be subject to final ratification by the States and will therefore complement the States' fiscal strategy.

The Finance and Economics Committee considers the issue of the States' liability to parish rates merits discussion and therefore supports the proposal that a high level review should be provided to the States before July 2005. The Committee will undertake to review the principles of the argument and present its findings to the States within that timescale. However, the Committee wishes States members to be aware that this review is unlikely to include an accurate assessment of the total financial value of the liability, as to do so would necessitate significant financial and manpower resource from both the States and the parishes and could not be achieved within the timescale proposed.