

# STATES OF JERSEY



## **MEDIUM TERM FINANCIAL PLAN 2016 – 2019 (P.72/2015): TWELFTH AMENDMENT**

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**Lodged au Greffe on 22nd September 2015  
by the Corporate Services Scrutiny Panel**

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**STATES GREFFE**

MEDIUM TERM FINANCIAL PLAN 2016 – 2019 (P.72/2015):  
TWELFTH AMENDMENT

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**1 PAGE 2, PARAGRAPH (a)(i) –**

After the words “as shown in Figure 18” insert the words –

“except that the intended total amount of States income shall be decreased by £1,000,000 in each of the years 2017 to 2019 by removing the additional proposed income to offset the payment of rates on States properties shown in Summary Table A”.

**2 PAGE 2, PARAGRAPH (b) –**

After the words “Summary Table C” in sub-paragraph (i) insert the words –

“except that the net revenue expenditure of the Treasury and Resources Department shall be increased by £1,000,000 for 2016 to fund the payment of rates on States properties”;

and after the words “Summary Table D” in sub-paragraph (ii) insert the words –

“except that the allocation to Contingency for 2016 shall be reduced by £1,000,000 to offset the increase in the net revenue expenditure of the Treasury and Resources Department to fund the payment of rates on States properties.”.

CORPORATE SERVICES SCRUTINY PANEL

## **REPORT**

The recommendation that the States pay rates on their properties has been agreed for some time now. The Panel believes this is a good step forward towards starting to recognise the true costs associated with holding property.

It is proposed in the MTFP that £1 million a year will need to be found to fund this payment in all of the years 2017, 2018 and 2019. At present, there is a lack of detail around how this £1 million will be raised, and the Panel is concerned that this cost will be passed on to Islanders. It is clear that some Parishes will benefit more than others, and the Panel considers that to implement a form of blanket tax to all Islanders seems unfair.

Instead, the Panel considers these payments should be funded from contingencies. It believes it is not unreasonable that of the £148.7 million contained within the current contingencies and central allocations for the years 2016 – 2019 (i.e. approximately £37 million per year), that £1 million per year could be applied from this amount in order to cover the payment of Parish rates by the States.

The Panel therefore believes that these payments should be funded for 2017 and beyond by reducing the amounts set aside for contingencies/central allocations when the detailed plans for 2017 to 2019 are brought forward next year in the second part of the MTFP.

In addition, the Panel proposes bringing forward the payment of property rates by the States from 2017 to 2019 in order to advance funding for the regeneration of St. Helier, which forms one of the Council of Ministers' strategic priorities.

Accordingly, the first part of this amendment seeks to remove the levy upon Islanders (as identified in Summary Table A) for the year 2017 onwards.

The second part of the amendment seeks to re-allocate £1 million in 2016 from central allocation and contingency to Treasury (in order to fund the payment of rates for 2016).

If these amendments are approved, there will need to be a further re-allocation (of £1 million per year) from central allocation and contingency for the following years 2017 to 2019 to Treasury and Resources. We are advised that this can only be implemented in the Addition to the MTFP that will be lodged next June.

### **Financial and manpower implications**

There are no manpower implications arising from this amendment.

The financial implications are as laid out in the report, namely that £1 million would be transferred from contingency/central allocation to Treasury in order to fund the payment of rates by the States rather than taxing Islanders for this amount.