

Submission to the GST Scrutiny Panel by Les Amis Inc.

Presentation by Carl Blackmore, General Manager

Introduction

Les Amis Inc. is an incorporated and Jersey-based charity providing residential support to adults with learning disabilities.

Currently 72 permanent residents are accommodated within the various services provided by the charity. We work with the residents in developing independence and life-skills with them, within community residential settings. We have 18 group homes and flats across the island in addition to 5 units of accommodation at Les Amis' headquarters at Five Oaks.

In addition to working with permanent residents, who are funded by a complex arrangement of various benefits, the main component of which is parish welfare, paid at residential rates, we provide adult and children's respite services and specifically tailored services under contract to, or by arrangement with, Health and Social Services and Jersey Mencap.

Although incorporated as a separate entity Les Amis Inc. is closely allied to Jersey Mencap and of its Committee, of six members, four at any given time are Mencap nominees.

A staff team of just over 100 support the clients, and other workings of the charity, including separate management, administration, maintenance and transport teams. The bulk of staff work directly with the residents in providing the levels of support necessary to lead 'normal lives' in the community.

Income and Expenditure

The vast majority of income attracted to and by Les Amis comes in the form of fees paid on behalf of the residents, either in the form of various social security benefits or, and for the majority of residents, through parish welfare. In a small number of cases the fees are paid by the residents themselves, or their agents, if and when they have capital assets above the 'welfare ceiling'.

In addition to this general level of income, obviously directly related to the number of residents, we receive financial support through various organisational grants paid by Health and Social Services or as direct payment for services delivered to them, or other agencies. For example we manage and operate, on behalf of Jersey Mencap, a specialist children's respite service, Maison Allo, housed in a separate building owned by Mencap or the Garden Flat, based within the main building at Five Oaks, offering specialist respite facilities to adults with profound physical needs in addition to learning disabilities. This latter service is run on behalf of Health and Social Services.

All monies attracted to Les Amis are used for the direct care of the residents; house-keeping costs, direct maintenance of the properties, clothes and holidays and, the overwhelming expenditure, on staff costs. In addition wider organisational costs have to come from the fees, backed up by donations, which are not regular, guaranteed or predictable.

Impact of GST

In the cases where we are clearly able to demonstrate that we provide a service, albeit a non-profit making one, we presume that we will have to levy GST on these services, for examples those delivered to Health and Social Services or to Jersey Mencap, thus greatly increasing the financial burdens to those organisations as we would have no choice other than to pass on those additional costs. In the case of services delivered to the statutory sector, obviously the burden is then one

shared by the island as a whole and necessitating increased budgets without increased service development.

It may also be argued that the parish welfare system might have to be included as we are, in effect, providing the parishes with services, residential accommodation, in our case, that were the tax to apply would have profound affects on the individual parishes currently but an even greater island-wide burden when the new, centralised income support system is introduced. Clarification on this is a matter of urgency and concern.

Les Amis promotes independence, choice and community opportunities for its residents and as part of normal life we would expect, and accept, that general goods, needed by all people to survive, would have the tax levied and as we wish our residents to be equal members of society, all well and good. However concern would be greatest in the very specialist and specific areas directly related to our 'core business' where increased costs might be inevitable as a result of the introduction of the tax and which, as a charity, we would have to pass on in even higher fees to the parishes or central government. Examples of this might be very specialist crafts or skills related to the adaptation of buildings or equipment, mobility equipment, medical supplies that are widely used but essential to certain clients with certain criteria, specially adapted vehicles, services provided by therapists, consultants or other related professionals deemed essential to the improvement of further development of the quality of life, of our residents.

Lastly, and with a very limited and much over-worked administration team we would suggest that increased staff was necessary for us to simply administer the tax and its implications to us, {and similar expansion would be predicted in a range of other organisations etc}. We do not have the means to increase the levels of staff without directly passing those costs on, to those providing us with our main income streams.

Appropriate treatment, {of the charitable, voluntary and non-profit making sectors}

Les Amis Inc. in common with most other local charities has suffered a decline in budgets, in real terms, for services provided to the state or in lieu of the state providing those services. We also do not attract large levels of donations from the public. Simple maintenance of existing services is difficult, new service development very difficult in these times.

Les Amis is providing vital services that are essential and were the charity not to exist would have to be provided by the state, at a greater cost.

Examples of exemptions for charities are world-wide and common and would be very simple to administer and monitor and would involve any charity having an exemption number or code.

Greater costs to the charitable sector cannot be met from existing resources or assets and will have to be passed on at some point, directly or indirectly, affecting central or local government and thus increasing their costs and creating an upward and potentially inflationary spiral within this sector.....

...Or should budgets not grow to meet new cost pressures a reduction in service delivery in real terms is inevitable.

Carl Blackmore,
General Manager,
Les Amis Inc.

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