

STATES OF JERSEY



DRAFT COMMUNITY COSTS BONUS (JERSEY) REGULATIONS 202- (P.95/2020): COMMENTS

**Presented to the States on 1st September 2020
by the Corporate Services Scrutiny Panel**

STATES GREFFE

COMMENTS

1. The [Draft Community Costs Bonus \(Jersey\) Regulations 202-](#) (hereafter “the Proposition”), was lodged by the Minister for Social Security on 27th July 2020 for debate by the States Assembly on the 8th September 2020. If passed, the Proposition will see the extension of the [Food Costs Bonus \(Jersey\) Regulations 2016](#) which expired on 30th June 2020. The continuation of this bonus was accepted through the approval of the [Government Plan 2020-2023](#), with an adopted amendment ([P.71/2019 Amd.\(18\)](#)), lodged by the Corporate Services Scrutiny Panel (“the Panel”), requesting an increase in the value of the bonus in line with the Retail Price Index (“RPI”) for the period 2014 – 2019.
2. The bonus was first introduced in 2008 to offset the cost of the Goods and Services Tax (“GST”) on food items for households who neither receive income support nor are liable to pay income tax and have at least 1 member who has been ordinarily resident in Jersey for at least 5 years. The unamended Government Plan 2020-23 would have continued the bonus at a value last reviewed in 2014 without taking into account the impact of inflation. The Panel’s amendment rectified this. Following input from the Citizen’s Advice Bureau, a calculation of the RPI increase of 13.8% led the Panel to propose an increase of the bonus from £226.95 to £258.25.
3. The Panel is pleased to see the implementation of its amendment, which will help to protect lower income households from the impact of GST. During 2019, 1157 bonuses were paid and the Panel envisions that the bonus will provide a lifeline to many who may struggle due, especially, to the effects of the COVID-19 pandemic.
4. The Panel expresses slight disappointment that the Proposition does not increase the value of the bonus in line with the RPI for each year of the new Triennial Regulations, running through to 2022. However, following a briefing from Government Officers, the Panel is satisfied that this is primarily due to the administrative strain of lodging new regulations for each year, and using a fixed amount based on the RPI of the previous 3 years is an effective way of bringing the regulations forward. The Panel expects that should the bonus continue past 2022, as it is hoped, then a new value, in line with any overall increase of RPI during the 2020-23 period, will be used.
5. During its briefing with Officers, the Panel questioned if the timing of the Proposition would allow applicants to receive the correct amount for 2020. The Panel was reassured that, as an annually claimed bonus, with applications being processed at the end of the year, those entitled to the bonus will receive the entitled amount for 2020.
6. In conclusion, the Panel is supportive of the Proposition. It will match the commitments made through the Government Plan 2020-23 and the Panel’s amendment, as well as update the bonus’ name to reflect the incorporation of the RPI.