

STATES OF JERSEY



DRAFT BUDGET STATEMENT 2014

Lodged au Greffe on 8th October 2013
by the Minister for Treasury and Resources

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to approve, in accordance with the provisions of Article 10(3)(a) of the Public Finances (Jersey) Law 2005, the estimate of income from taxation during 2014 of £639,513,000 as set out in summary Table A of the Budget Statement, with the sum to be raised through existing taxation measures and the proposed changes to income tax, Goods and Services Tax, Impôts duty, stamp duty and Land Transaction Tax for 2014 as set out in the Budget Statement;
- (b) to approve, in accordance with the provisions of Articles 10(3)(c) and 11(3) of the Public Finances (Jersey) Law 2005 the appropriation of £2,210,000 in 2014 and £1,460,000 in 2015 from the amount appropriated to growth expenditure in the Medium Term Financial Plan 2013 to 2015 to a revenue head of expenditure for each States funded body as set in the recommended allocation of growth expenditure in Summary Table B;
- (c) to approve, in accordance with the provisions of Article 10(3)(d) of the Public Finances (Jersey) Law 2005, a capital head of expenditure for each of the capital projects for States funded bodies to be started or continued in 2014 (other than States trading operations) as set out in the recommended programme of capital projects in Summary Table D totalling £88,892,000;
- (d) to approve, in accordance with the provisions of Article 10(3)(e) of the Public Finances (Jersey) Law 2005, each of the capital projects that are scheduled to start during 2014 in the recommended programme of capital for each States trading operation, as set out in Summary Table E that require funds to be drawn from the trading funds in 2014;
- (e) to agree –
 - (i) that, following the approval by the States on 16th May 2013 of the proposition “The Reform of Social Housing” (P.33/2013) and in accordance with the provisions of Articles 10(3)(b) and 21 of the Public Finances (Jersey) Law 2005, the States be authorised to borrow up to a maximum £250 million in 2014 for housing purposes and that, in accordance with the provisions of Article 10(3)(f) of the Public Finances (Jersey) Law 2005, the amount borrowed by the States be transferred from the consolidated fund to the Housing Development Fund;
 - (ii) in accordance with Article 3(3)(b) of the Public Finances (Jersey) Law 2005 that the purposes of the Housing Development Fund (“the Fund”) be varied to enable the

further provision and development of housing in Jersey and that –

- (A) the Fund be permitted to lend money up to a maximum £250 million to Housing Trusts/Associations/Companies or bodies with the same purpose registered in Jersey in order that they can provide housing for islanders, on terms and conditions to be agreed, after consultation with the Minister for Housing, between the Minister for Treasury and Resources, and the aforementioned Housing Trusts/Associations/Companies;
- (B) all administrative costs associated with the operation and maintenance of the activities of the Fund to be paid out of the Fund;
- (C) the fund to be invested through the Common Investment Fund in accordance with its own published investment strategy,

and that subject to the sanction by Her Most Excellent Majesty in Council and the subsequent coming into force of new Articles 3(3)(aa) and 3(3)(ab) of the Public Finances (Amendment No. 4) (Jersey) Law 201-;

- (D) all money due to the Fund, including any loan repayments and interest due from Housing Trusts/Associations/Companies, be credited to the Fund;
 - (E) money credited to the Fund does not form part of the annual income of the States;
- (f) to refer to their Act dated 5th December 2006 in which they approved a revised policy for the use of the Strategic Reserve Fund established under Article 4(1) of the Public Finances (Jersey) Law 2005 and agreed that the Fund should be a permanent reserve, where the capital value was only to be used in exceptional circumstances to insulate the Island's economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster and to their Act dated 6th November 2009 in which they varied that policy and agreed that the Fund could be used if necessary, for the purposes of providing funding, up to a maximum £100 million to meet the States contribution to the Bank Depositors Compensation Scheme and/or to meet any temporary cash flow funding requirements of the Scheme established under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009 and, in order to enable the creation of new hospital services as part of the proposals agreed by the States on 23rd October 2012 in adopting the proposition "Health and Social Services: a new way forward" (P.82/2012) –

to agree, as an exception to the approved policy for the use of the Fund, that the Fund may be used for the planning and creation of new hospital services in the Island, and to approve the transfer of an initial sum of £10.2 million from the Strategic Reserve Fund to the consolidated fund in 2014 so as to provide for these purposes, in accordance with the provisions of Article 4(3) and 10(3)(f) of the Public Finances (Jersey) Law 2005.

MINISTER FOR TREASURY AND RESOURCES

Note: The Report and Budget Statement accompanying this Proposition is published separately.