

# **STATES OF JERSEY**



## **ANNUAL BUSINESS PLAN 2008 (P.93/2007): TWELFTH AMENDMENT**

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**Lodged au Greffe on 14th September 2007  
by the Chief Minister**

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**STATES GREFFE**

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*In paragraph (g) after the words “Summary Table C, page 45 for the period 2009 to 2012, insert the words “except that the net revenue expenditure of the Education, Sport and Culture Department be increased by £1,400,000 in 2009 and by £1,489,000 in 2010 and that this be funded by an equivalent transfer from the Grant to the Overseas Aid Commission for these years”.*

CHIEF MINISTER

**NOTE**

This amendment has been lodged by the Chief Minister less than 14 days before the start of the debate in accordance with the provisions of Article 11(5) of the Public Finances (Jersey) Law 2005. Paragraphs (4) and (5) of Article 11 are in the following terms—

- (4) A draft annual business plan is not capable of being amended during a debate in the States on the draft except in accordance with an amendment lodged at least 14 days before the start of the debate.
- (5) Paragraph (4) does not apply to an amendment moved by the Chief Minister if the States agree that the amendment may be debated forthwith or at a time approved by the States.

In accordance with the provisions of paragraph (5) the Chief Minister will seek the agreement of the States to debate this amendment during the debate on the Annual Business Plan 2008.

## REPORT

This 12th amendment is effectively the second part of the Chief Minister's amendment to the amendment of the Minister for Education, Sport and Culture concerning early years education. That amendment to the amendment deals with protecting the total spending limits for 2008 and this additional amendment (which for procedural reasons must be brought separately) proposes an option to protect the proposed total spending limits for 2009 and 2010 and will only be proposed if the amendment to the Amendment has been adopted.

The principle of the two proposals is to retain the proposed total spending limits of the Council of Ministers in the Business Plan. The Minister for Education, Sport and Culture's amendment proposes a recurring spending increase of £1.5 million p.a. This would increase spending by well in excess of £6 million over the 5 year cycle which would actually mean that budgets were no longer balanced.

If members are nevertheless minded to support an increase in funding in 2009 and 2010 for Education, Sport and Culture for early years education, then this Amendment offers members the opportunity to decide to fund that increase by transferring the funding from the Grant to the Overseas Aid Commission in 2009 and 2010. This would retain total spending at the levels proposed by the Council for 2009 and 2010.

The current formula funding for the Overseas Aid Commission runs to 2008, and beyond that period the States will need to determine future funding levels. The Business Plan proposes to increase funding of the Commission by 28% or £1.8 million over the 3 years to 2010, this amendment proposes reducing that growth to 4.7% or £298,000 by 2010 to enable additional funding of early years education.

The table below shows the impact of the Chief Minister's proposals:

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b><u>Education, Sport and Culture</u></b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Original Business Plan 2008	96,094	95,984	98,667	101,059
Proposed by Chief Minister	96,094	96,584	100,067	102,548
<b>Increase in Funding</b>		<b>600</b>	<b>1,400</b>	<b>1,489</b>
<b><u>Grant to Overseas Aid Commission</u></b>				
Original Business Plan 2008	6,331	7,363	7,731	8,118
Proposed by Chief Minister	6,331	6,763	6,331	6,629
<b>Reduction in Funding</b>		<b>(600)</b>	<b>(1,400)</b>	<b>(1,489)</b>

The States has to accept some responsibility for restricting the overall growth of public expenditure, and the level of growth reluctantly put forward and agreed by the Council of Ministers should not be increased, however worthy the principle. In this case, if expenditure on early years education is regarded as such a high priority, then a lesser level of increase in the Grant to the Overseas Aid Commission over the 3 years could be proposed.

There are no manpower implications.