

# STATES OF JERSEY



## GOVERNMENT PLAN 2021–2024 (P.130/2020): SEVENTEENTH AMENDMENT (P.130/2020 AMD.(17) – AMENDMENT

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Lodged au Greffe on 14th December 2020  
by the Council of Ministers

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STATES GREFFE

GOVERNMENT PLAN 2021-2024 (P.130/2020): SEVENTEENTH AMENDMENT  
(P.130/2020 AMD.(17)) – AMENDMENT

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**1 PAGE 2 –**

Designate the existing paragraph as paragraph 2 and insert the following paragraph –

**“1 PAGE 2, PARAGRAPH (f) –**

After the words “of the Report” insert the words –

“, except that in Summary Table 5(i), the Total Revenue Head of Expenditure for Strategic Policy, Planning and Performance shall be increased by £150,000 to provide funding for Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey and to provide funding to develop a Poverty Strategy”.”.

**2 PAGE 2 –**

For the existing sub-paragraph in the paragraph re-designated as paragraph 2, substitute the following sub-paragraph –

“We commit to funding Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey, to ensure that detailed information can be published on current levels of relative low income (“poverty”) in Jersey, using both established measures and also taking account of the work of the Social Metrics Commission; and to develop a Poverty Strategy for inclusion in the 2022 Government Plan.”.”

**COUNCIL OF MINISTERS**

**Note:** After the amendment of Deputy Pamplin, as amended by this amendment, the proposition would read as follows –

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

to receive the Government Plan 2021 – 2024 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2021 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;

- (b) to approve the amounts to be transferred from one States fund to another for 2021, in line with Article 9(2)(b) as set out in Appendix 2 – Summary Table 2 to the Report;
- (c) to approve the proposed borrowing to be obtained for 2021, in line with Article 9 (2)(c), up to and including the amount set out in Appendix 2 – Summary Table 3 to the Report;
- (d) to approve each major project that is to be started or continued in 2021 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved government plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (e) to endorse the efficiencies and other re-balancing measures for 2021 contained in the Government Plan as set out in Appendix 2 Summary Table 6 and reflected within each gross head of expenditure in Appendix 2 – Summary Table 5(i);
- (f) to approve the proposed amount to be appropriated from the Consolidated Fund for 2021, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, except that in Summary Table 5(i), the Total Revenue Head of Expenditure for Strategic Policy, Planning and Performance shall be increased by £150,000 to provide funding for Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey and to provide funding to develop a Poverty Strategy;
- (g) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2021 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (h) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2021 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 8 to the Report; (i) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2021 as set out in Appendix 2 – Summary Table 9 to the Report;
- (i) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2021 as set out in Appendix 2 – Summary Table 9 to the Report;
- (j) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2021-2024, as set out at Appendix 3 to the Report, except that, on page 60, after the words “when approved by the States Assembly” there should be inserted the following words –

“We commit to funding Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey, to ensure that detailed information can be published on current levels of relative low income (“poverty”) in Jersey, using both established measures and also taking account of the work of the Social Metrics Commission; and to develop a Poverty Strategy for inclusion in the 2022 Government Plan.”

## REPORT

The Council of Ministers acknowledges the two important issues raised by the Deputy's amendment.

### 1. Poverty Measurement

The main approach to measuring household poverty is to measure individual household incomes against an average household income in a country. Households that fall well below the average have a "relative low income". This is often referred to as "poverty". Poverty levels will vary significantly in different countries. To count the number of households in poverty it is essential to understand the distribution of incomes in the jurisdiction.

Statistics Jersey run a five yearly household income survey, based on a representative, random, sample of local households over a 12 month period. Additional information comes from the annual social survey and from surveys targeted specifically at children.

This enables Jersey to publish internationally recognised poverty measures and for the situation in Jersey to be compared to other jurisdictions. These include measures around medians and quintiles, relative low income, equivalised and unequivalised. This is done before and after housing costs, and additional measures are published, including 90-10 shares ratio, and the Gini coefficient.

A range of reports is available on [www.gov.je](http://www.gov.je).

The 5-yearly income survey started on time in 2019. However, it stopped four months before the full 12-month cycle was complete, in March 2020, with data collection not being possible during the pandemic.

Accordingly, this amendment to the amendment seeks to identify additional funding in 2021 to allow Statistics Jersey to undertake additional surveys and analysis as needed to complement the data and analysis that has been completed.

The exact nature of the additional work needed will be determined early in 2021. This will then allow a full suite of household relative low-income measures to be produced.

This approach delivers on the overall aims of the first part of the amendment to support accurate and appropriate measures, but acknowledges the existing expertise of Statistics Jersey, and maintains the data series that has been collected through the income and expenditure surveys for over a decade.

The Council of Ministers has full confidence in Statistics Jersey to act as an independent body collecting and analysing statistics in a professional and unbiased way. The Statistics and Census (Jersey) Law 2018 enshrines in law the political neutrality of the team. The work of Statistics Jersey is overseen by the independent Statistics Users Group.

The Social Metrics Commission is not a government body. It is an independent organisation funded through various charities and was set up to undertake a detailed and technical analysis of the methodology behind poverty measurement. It has suggested amendments to existing government measures so that they can be used to understand poverty in more detail.

The recommendations of the Social Metrics Commission are equally applicable to Jersey. The Council of Ministers does not believe it is necessary for Jersey to provide ongoing funding for a separate body to develop specific Jersey poverty and low income indicators - these would not be in use by other countries and so it would be difficult to make comparisons and identify areas where more action is needed.

Rather, this amendment proposes that one-off funding is used to provide an enhanced income dataset, from which it will be possible to report on the types of measures suggested by the Social Metrics Commission. Statistics Jersey will consult with stakeholders, as well as the Social Metrics Commission and the UK government, to ensure that any additional survey work captures all relevant data.

Following the completion of this additional work, the Council of Ministers proposes that resources are made available to Statistics Jersey to enable the income and expenditure survey to be repeated on a 4 yearly cycle in future to provide more frequent and timely results.

## **2. Poverty Strategy**

Deputy Pamplin's amendment also creates an expectation for the government to develop a Poverty Policy to be included in the 2022 Government Plan.

The 2022 Government Plan will be the last annual plan to be covered by the 2018-2022 Common Strategic Policy ("CSP"). The CSP sets out five strategic aims, including:

*We will reduce income inequality and improve the standard of living*

*We will do this by*

- *improving the quality and affordability of housing,*
- *improving social inclusion, and*
- *removing barriers to and at work.*

The actions under this CSP heading are designed to help everyone in Jersey enjoy a good job, good housing and a supportive community. Many households living in poverty may not enjoy all these basic rights. In other areas of the CSP, education and health services are also being addressed.

In the final year of the current CSP, it is appropriate for the Government to bring all these areas together and to set out its Poverty Strategy. This Strategy will draw on the range of poverty statistics available and identify areas where additional action is needed. This work will be undertaken in 2021 and will draw on external expert advice as needed.

### **Financial and manpower implications**

The financial implications of this amendment would be that the Strategic Policy, Planning and Performance head of expenditure as set out in Appendix 2 – Summary Tables 5(i) of the Report is increased by £150,000 in 2021.

If this amendment is adopted by the Assembly then the reduction in the forecast Consolidated Fund balance for 2021 will be managed in the first instance by adjusting the Consolidated Fund working balance in that year, without proposing to increase the maximum borrowing requirement proposed in part (c) of P.130/2020.

Depending upon which amendments are adopted by the Assembly, the Chief Minister or Minister for Treasury and Resources may request an adjournment of the debate for a specified period to consider the consequences of the amendment under Standing Order 70A. Under Standing Order 80A the Chief Minister or Minister for Treasury and Resources may propose, without notice an amendment to the Government Plan at any time during the debate.

Providing this funding will increase the level of borrowing required by an equivalent amount each year over and above the amount of borrowing otherwise required.

The Council of Ministers will be bringing a proposition to the Assembly during 2021 seeking approval for long-term financing relating to Our Hospital. In the event that the maximum Covid-related borrowing requirement as approved in part (c) of P.130/2020 needs to be adjusted as a result of the value of amendments approved by the Assembly and updated forecasts, as well as the 2019 outturn, then approval will be sought for an amendment to the approved Government Plan at that time in accordance with Article 16 of the Public Finances (Jersey) Law 2019.

There are no manpower implications.