ANTI-INFLATION STRATEGY (P.125/2000): SECOND AMENDMENT
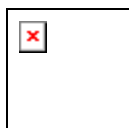
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**Lodged au Greffe on 29th August 2000
by the Health and Social Services Committee**

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STATES OF JERSEY

STATES GREFFE

ANTI-INFLATION STRATEGY (P.125/2000): SECOND AMENDMENT
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At the end of paragraph (f) of the proposition add the words -

".... subject to being able to fund adequately essential public services from within these percentage increases."

HEALTH AND SOCIAL SERVICES COMMITTEE

Report

The Finance and Economic Committee's report sets out the need to contain public expenditure if serious efforts are to be made to reduce inflation. There can be no argument such measures are essential if that goal is to be achieved. However, certain public services such as those mentioned in the report are of great importance to the community and are currently facing increasing pressure.

The Finance and Economic Committee's proposal assumes real growth in public expenditure between one per cent and two per cent per annum. Yet, the requirement for growth in Health and Social Services (which accounts for approximately 28 per cent of States revenue expenditure) for the period in question, is four per cent per annum and additional monies will also be required to meet the costs of the imbalance in the United Kingdom/Channel Islands Reciprocal Health Agreement.

The Health and Social Services Committee is aware the proposals in the report assume that money can be moved from less important areas of public service to those that are essential. In practice, however, such movement has proved most difficult and it would do the credibility of this Assembly no good at all to be seen to renege on its policy, should additional expenditure on certain essential public services be deemed necessary.

Paragraph (f) of the proposition is too binding and the States must leave itself some latitude to respond sensibly and sensitively to the not unreasonable expectations of the public in respect of certain essential services.