

CORPORATE SERVICES SCRUTINY PANEL.

COST-OF-LIVING MINI BUDGET REVIEW

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C.C.S.P. Deputy Sam Mezec Chair.

Your request for comment was addressed to me in my capacity as Hon Chair of the Jersey National Park Ltd (Charity no 415) with four specific key areas identified for specific comment. I will attempt to cover these not only in that capacity but with reference to the other various voluntary (un-remunerated) roles I hold as identified above.

a) Consultation Process.

In none of my various capacities was I personally, or the organisations I am involved in, consulted that I am aware of in respect of the current cost of living crisis or indeed any of the main proposals lodged by the Minister for Treasury and Resources on behalf of the new government to deal with the same. I assume some broad consultation did take place before and after the election but to what level and with whom I do not know.

b) Areas of weakness in respect of the proposed budget measures / Alternative beneficial interventions.

Whilst appreciating the general logic in what has been proposed and produced to an extremely tight timescale and the targeted approach inherent in same designed at least in part as far as possible to assist many of those likely to be hit the hardest I do feel there are a number of serious omissions. The Fiscal measures appear designed to ease the tax burden to assist those who fall just above the current threshold limits whilst through the social security adjustments upwards there is support for lower income islanders in receipt of a range of assistance. Help is also to come for pensioners in October with a 7.7% increase. Whether these adjustments including the latter are sufficient when inflation I believe is predicted to reach 10% here in Jersey by the end of the year is debatable.

A promise to assist families who have children who have not been in the island for a full 5 years is also welcome especially by many of the organisations represented in the Community Action Group who often feel they are ignored and forgotten by the authorities. We await the detail on this in due course. Also positive are propositions such as adjustment upwards in two stages to the minimum wage, free period products for all that need them, and funding for community organisations to set-up advice and support services when considered from the standpoint of many that I represent. There are however I believe some serious omissions including some that have been considered but rejected for reasons detailed in the proposition. This is accentuated by concerns over the timescales linked to some of the adjustments proposed.

There is a solid case to be moving to a full living wage for the whole island sooner rather than later (? £11.20 per hour currently). I am aware there are sectors, some of which I am involved with, where this might prove problematical but with some lateral thinking there are offsets

(recognition of the benefit of food and accommodation support in agriculture and hospitality for instance) which could ease the burden. More direct financial support for agriculture to move towards the levels UK and EEC farmers enjoy should also be part of the on-going consideration. Hospitality and perhaps some areas of retail might also need additional support in the short-term to assist with the added burden imposed. The Care Sector also needs to be considered but this is a specific case I would like to deal with separately.

Also, I would argue there certainly needs to be more direct action to control rents particularly in the private sector. With rapidly escalating food prices and movement upwards in heat and light costs, thankfully in the case of the latter far lower than the UK, rental costs are the area that impacts most on people who are not house owners (many of the poorest in Society) and their ability to cope. Exhorting moderation from landlords in this area is not enough to provide the protection needed whilst demand continues to make the market overheated.

Similarly, I find the justification for not actioning cuts in GST on basic foods and fuel simply because it would benefit higher income households as well as the poor and add complexity as something of a fig leaf to prevent action. It is true that as an absolute amount the weekly saving to richer households would be higher but as a proportion of weekly expenditure this falls as income rises. The poorer you are, especially those at just above the margin for income support, the proportion of disposable income you will spend on food and fuel will rise dramatically and exceptional benefit to the wealthy can be clawed back through other fiscal methods. If variable rates were introduced as in most other jurisdictions (as a life-long retailer I don't believe this is anything like as complicated as made out) this could be targeted to provide most benefit to those in most need.

Perhaps surprisingly, providing there is careful management of available bus subsidies to contain fares, I can see the logic in terms of the island's Carbon Neutral strategy in not cutting fuel duty with special exceptions I will again cover later.

c) Environmental impacts as a result of the proposed budget measures.

So, are there any environmental impacts as a result of what is proposed especially from the standpoint of the Jersey National Park? The fiscal and social security adjustments proposed will have no real discernible impact I can see except by not adjusting downwards the tax / GST on fuel at a time of rising prices this action might provide at least some encouragement along with wider exhortation for people where they can to walk, cycle and use buses more and hence be beneficial in many ways.

Given more time I am sure the new Government and indeed myself could come up with considerably more tweaks and interventions to assist in the current crisis. Things like doctor's and other medical charges hit the least well off hardest especially when long-term conditions are in play. Extra support for child-care costs and improved targeted subsidised bus fare support are obvious examples that might be considered.

Throughout this paper to-date I have been referring to exceptions being needed in the case of Care and Disability for individuals and indeed for the organisations heavily involved in providing services for this substantial and growing proportion of the island's population. It is a fact that well over 15% of our total population carries some form of disability and that many thousands of islanders, spouses / partners, families and friends and indeed a surprising number of children are effectively unpaid carers and often under-appreciated. I can find little or no recognition of this in

the proposed mini budget even though the pressure and costs that often comes with many disabilities are exceptional.

I know the new Chief Minister in her recently set agendas for her new Ministers does indicate perceived priorities in a number of areas that are relevant to this. The Treasury and Resources Minister is required to invest the “necessary amounts in service improvements in areas such as mental health, education and children” but there is nothing I can see in respect of carers. I do believe that belatedly this has been recognised and that the Carers Federation has recently engaged with politicians to make their case but what about the Disabled community? The Infrastructure and the Housing Ministers are encouraged to release and utilise government properties to assist with the housing crisis and perhaps short-term provide more reasonably priced accommodation for key workers. Schemes also to support young people to enter the housing market and hence stay in the island are mooted and tighter regulation and registration of landlords is positive for renters but this is longer-term and the immediate impact of this on the current crisis is very small.

The fact that the Social Security Minister has been charged with “supporting islanders in response to the cost-of- living crisis” is more positive and indeed certain elements in the mini budget proposals are designed to help significantly. Positive indications in progress to a full living wage and noises about policies relating to disability and social inclusion are there but beyond the hold and review on the new hospital and the direction of travel in the proposed Jersey Care Model, important as these are, there is currently little indication of how the island might handle the current Crisis in Care accentuated by the cost-of-living hiatus.

From my many involvements detailed above I find little encouragement that there is full recognition of how critical things are in the broad health economy for those working in it and receiving services from it. Financial support to individuals and organisations of a voluntary and community nature is sadly lacking and plugging gaps in the provision of care to many is ever more difficult. This paper is perhaps the wrong place to discuss the huge skills gap in the sector, the workforce shortages and the escalating wage inflation this generates but consideration does urgently need to be given to the individuals and their carers and supporters so dependent on the provision of services needed. In the mini budget beyond what is available to all of the population there is nothing about supporting many of the most vulnerable in society. Too often at times like this their situation worsens rapidly as rarely can many walk or cycle being dependent on cars for transport as public transport can't meet their needs. Options like reducing heating and lighting consumption are extremely difficult and food cost escalation brings its own problems. The current Long Term Care scheme on the face of it quite generous by some standards is not fit for purpose as it is too rigid and inflexible.

So, in what is being proposed, these individuals feel neglected and the organisations trying to provide support are really struggling. The current weaknesses in the Health and Social Services operation are constantly being exposed driven by all providers, the State, the private sector and charities struggling to find and retain sufficient trained staff. Gaps in the provision of services are becoming more evident as waiting lists grow and services are ever more stretched, Covid of course didn't help but the situation is more fundamental than that. Many key providers of services in the charity sector are in all sorts of longer-term structural difficulties aggravated by the cost-of-living crisis and general rising pressure on their resources. Currently there appears to be no urgency in recognition from government as to how serious these problems are.

To give an example close to my involvements look at Long Term Care fees. In the face of escalating inflation of most costs the very small upwards adjustment in fees for individuals and hence the providers of services seen at the start of the year has long since been swallowed up and there is no prospect of additional support now until 2023. Services are therefore suffering and pressure building which will soon mean the withdrawal of support to many or a severe fall in the quality of services. This needs to be appreciated and dealt with as a matter of urgency and perhaps the current mini budget would have been a vehicle to make a start.

(note – more than happy to have a separate conversation on this whole issue with the C.S.S.P. or any other Scrutiny Panel).

Jim Hopley 20th August 2022.