

STATES OF JERSEY



ANNUAL BUSINESS PLAN 2008 (P.93/2007): SECOND AMENDMENT (P.93/2007 AMD.(2))– COMMENTS

**Presented to the States on 14th September 2007
by the Council of Ministers**

STATES GREFFE

COMMENTS

The Council of Ministers opposes this amendment.

The Council of Ministers opposes this amendment of Senator Shenton to expand the Television Licence Scheme allowing all households containing a person aged 75 or over to receive benefit to the value of a television licence regardless of their income. It opposes the amendment in both policy terms and for its financial impact.

Policy

The Council of Ministers is committed to promoting a safe, just and equitable society in which everyone living in Jersey has the opportunity to enjoy a good quality of life. It further supports the view that social assistance in the form of non-contributory benefits should be targeted to those in the community who are on low income and in real need.

Financial impact

The Council of Ministers opposes this amendment of Senator Shenton in the strongest terms. Senator Shenton's amendment seeks to extend the existing free television licence scheme at paragraph (a) and increase the Council of Ministers' proposed spending limits at paragraph (b) by £300,000 in 2008, but increasing to £307,500 in 2009, £315,000 in 2010 and by £325,000 in 2011.

The States' Fiscal Strategy identified a commitment to control States spending in return for the approval of new tax measures. The Strategic Plan identifies a commitment to States' income and expenditure being in balance over the economic cycle, and indeed the Council of Ministers' 2008 Business Plan has proposed balanced budgets over the 5 year planning cycle. This amendment proposes a recurring spending increase of over £300,000 p.a. This would increase the demand on tax revenues by over £300,000 for not just one year but to be maintained each and every year. This would increase spending by well in excess of £1.5 million over the 5 year cycle.

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.

The Council of Ministers therefore urges members to reject this amendment of Senator Shenton during the debate and to retain the current levels of expenditure shown in the Business Plan.