

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2022- 2025

AS AMENDED

Debated: 14th – 17th December 2021

STATES GREFFE

PROPOSITION

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

to receive the Government Plan 2022 – 2025 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 2022 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, except that –
- (i) the 2022 Estimate for Impôt Duties Total shall be decreased by £231,000 by increasing the Impôt Duties for Spirits, Wine, Cider and Beer at 1% under RPI, with the relevant figures for 2022 in Appendix 2 – Summary Table 1 updated in line with the following table, and subsequent figures updated accordingly –

	2022 Estimate (£000)
Impôt Duties Spirits	7,364
Impôt Duties Wine	9,211
Impôt Duties Cider	842
Impôt Duties Beer	6,299

- (ii) in Summary Table 1 the Return from Andium Homes and Housing Trusts shall be reduced by £2,750,000 in 2022 to allow for a social housing rents policy whereby rents are frozen for 2022, and capped at 80% of the market rate from 2022 onwards, and that Government shall continue to work with Andium to finalise a solution to minimise the impact on both Andium and the Consolidated Fund; and
- (iii) with the proposed taxation and impôts duties changes to include the introduction, following a review by the Minister for Treasury and Resources and no later than 31st December 2022, of a higher Stamp Duty rate for ‘Buy to Let’ investment properties, second homes and holiday homes
- b. to approve the Changes to Approval for financing/borrowing for 2022, as shown in Appendix 2 – Summary Table 3 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised

approvals except that, in Summary Table 3, for the row entitled “Fiscal Stimulus, including Refinancing”, in the column headed “Change to Approval” there shall be inserted the figure “-20,359” and, in each of the columns headed 2022, 2023, 2024 and 2025, the figure “50,000” shall be replaced with “29,641”;

- c. to approve the transfers from one States fund to another for 2022 of up to and including the amounts set in Appendix 2 – Summary table 2 to the Report, noting that the transfer from the Consolidated Fund to the Technology Fund is subject to the Assembly’s approval of a proposition to create such a Fund in 2022, in line with Article 9(2)(b) of the Law, except that the proposition to create such a fund shall explicitly seek the Assembly’s approval of the purpose and terms of that fund;
- d. to approve each major project that is to be started or continued in 2022 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 2022 contained in the Government Plan as set out in Appendix 2 Summary Table 6, with amendments made as appropriate to reflect the establishment of the Ministry of External Relations as provided for in (f), 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 2022, 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 –
 - (i) the Head of Expenditure for the General Reserve shall be reduced by £231,000 to accommodate a drop in States income caused by increasing the Impôt Duties for Spirits, Wine, Cider and Beer by 1% under RPI, and that, in Summary Table 5(i) – 2022 Revenue Heads of Expenditure;
 - (ii) in Summary Table 5(i) – 2022 Revenue Heads of Expenditure, the Head of Expenditure for Customer and Local Services shall be decreased by £1,849,000 to allow for a reduction in expenditure arising from a social housing rents policy whereby rents are frozen for 2022 and capped at 80% of the market rate from 2022 onwards , and that the Head of Expenditure for Covid-19 Response be reduced by £901,000 to meet the net impact of the rent freeze;
 - (iii) in Summary Table 5(i), £772,650 should be transferred from the General Reserve Head of Expenditure to the Infrastructure, Housing and Environment Head of Expenditure to reinstate the original business case funding request for Regulatory Sustainability;
 - (iv) in Summary Table 5 (i) –

- a. the head of expenditure for Children, Young People, Education and Skills should be increased by £53,266 to allow the Youth Service to ensure the retention of a full-time assistant youth worker to support the Inclusion Project; and
 - b. the head of expenditure for Children, Young People, Education and Skills for 2022 should be increased by £27,000 to allow the Youth Service to employ an additional part-time assistant youth worker to support a 2-year pilot Transition Programme within the Inclusion Project;
- (v) in Summary Table 5(i), the Head of Expenditure for Children, Young People, Education and Skills shall be increased by £30,000 to allow for additional resources to reinstate the Jersey Child Care Trust's full grant for 2022;
- (vi) in Summary Table 5(i), the General Reserve Head of Expenditure shall be decreased by £500,000 with the Head of Expenditure for Health and Community Services increased by the same amount in order to increase the 2022 allocation for Mental Health;
- (vii) in Summary Table 5(i) £200,000 should be transferred from the General Reserve Head of Expenditure to the Head of Expenditure for Strategic Policy, Planning and Performance, to facilitate and support the creation of a task force in relation to improving women's safety, such body to collect views from Islanders and to develop and propose direct and achievable action points, to achieve that objective, to the new government for inclusion in the next government plan.
- (viii) in summary table 5(i), an additional row should be inserted under 'Departments' with the name 'Ministry of External Relations', and with '145' inserted under the column for 'Income', '2,918' inserted under the column for 'Expenditure Allocation' and '2,918' inserted in the column for 'Head of Expenditure', with the figures for the Office of the Chief Executive, within which External Relations is currently based, being adjusted down accordingly so that the formal establishment of the Ministry of External Relations in this Government Plan is cost neutral;
- (ix) in Summary Table 5(i), the Head of Expenditure for Children, Young People, Education and Skills shall be increased by £330,000 and the Head of Expenditure for the Covid-19 Response shall be reduced by £330,000 in order for funding identified to support Early Years within the Covid Health and Social Recovery Project to be placed within the base departmental budget for Children, Young People, Education and Skills;

- (x) in Summary Table 5(ii), the Head of Expenditure for Central Planning Reserves shall include, as part of the existing allocation, £100,000 to allow for a feasibility study of appropriate sites including Piquet House for States Members office space;
 - (xi) in Summary Table 5(ii), the Head of Expenditure for Central Planning Reserve shall include £150,000, as part of the existing allocation, for 'First Tower playing field;
 - (xii) in Summary Table 5(i), £500,000 should be transferred from the General Reserve Head of Expenditure to fund the undertaking of an independent review of the Island's response to the Covid-19 pandemic, deliverable by 29th July 2022, the Council of Ministers being requested, in conjunction with the Privileges and Procedures Committee, to take such steps as are necessary to initiate a review that will deliver an objective and independent analysis of the actions undertaken in response to the Covid-19 pandemic and provide recommendations and guidelines for the management of any future pandemic or similarly disruptive event; and
 - (xiii) with funding to be allocated from the Covid-19 response head of expenditure in Summary Table 5(i), and made available for use by the Minister for Infrastructure, to provide for the establishment from 1st January 2022, or as soon as possible thereafter in 1st quarter of 2022, of a bus pass scheme (for which a charge of £20 per annum should be levied on the individual) for all people eligible to pay fares aged 18 years or under; with the overall cost of, take-up of, and customer satisfaction with the scheme, to be subsequently reviewed by the Minister and the outcome of the review to be published by the end of the third quarter of 2022;
- g. to approve up to £480 million to be appropriated from the Consolidated Fund for the Past Service Pension Liabilities Refinancing head of expenditure, subject to the availability of funding, which may include, in full or in part, use of the borrowing/financing referred in paragraph (b);
 - h. to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2022 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
 - i. to approve the proposed amount to be appropriated from each States trading operation's trading fund for 2022 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;
 - j. to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2022 as set out in Appendix 2 – Summary Table 9 to the Report, except that the proposed expenditure within the Climate Emergency Fund shall include an amount of up to £250,000 to fund and implement an air quality monitoring policy to include provision of all necessary equipment;

- k. to approve an amendment to the policy of the Strategic Reserve Fund to enable that Fund to be used as a holding Fund for any or all monies related to the repayment of debt raised through external financing, with the monies used to offset the repayment of debt, as and when required; and
- l. to agree that borrowing relating to COVID-19 and Fiscal Stimulus Fund requirements should be of a short-term nature only, for no more than 5 years (and, for example, funded from the revolving credit facility) and, accordingly, that:
- (i) the Council of Ministers be requested to bring forward proposals in future Government Plans to reduce this borrowing to zero by 31st December 2026; and
 - (ii) that the Minister for Treasury and Resources be requested to prioritise the application of any unspent funds at the end of 2021 and 2022, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund and that these funds, along with receipts relating to the move of all taxpayers to current year basis, be used to minimise the borrowing requirements for COVID-19 and the Fiscal Stimulus Fund and support the repayment of debt;
- m. to approve, in accordance with Article 9(1) of the Law, the Government Plan 2022-2025, as set out at Appendix 3 to the Report except that –
- (i) on page 139 of Appendix 3, after the words “A freeze in the rent levels” there should be inserted the words “(based on a policy that social housing rents should be capped at 80% of the market rate)” in addition to any further changes to Appendix 3 identified as required by the Council of Ministers to reflect the implementation of such a policy”;
 - (ii) on page 155 of Appendix 3, after the words “this review will conclude in 2022.” there shall be inserted the words “The Minister for Treasury and Resources will introduce a higher Stamp Duty rate for ‘Buy to Let’ investment properties, second homes and holiday homes no later than 31 December 2022.”, in addition to any further changes to Appendix 3 identified as required by the Council of Ministers to reflect the implementation of such a policy”.
 - (iii) on page 168 under “Health Insurance Fund” the following words should be inserted –
“The following safeguards and transparency measures will be put in place in relation to the establishment of the Jersey Care Model:
 - The independent non-executive board (establishment of which was approved in P.114/2020) will be supported to publish a review of the Tranche 1 and the use of 2021 funding by the end of March 2022 at the very latest; and
 - The digital health team within Modernisation and Digital establishes a protected, separately resourced sub-team (that includes a Manager grade role), to focus solely on the delivery of the Jersey Care Model digital systems, and the Digital Care Strategy. Regular updates on these workstreams should be

regularly reported on to the JCM Programme board; the Independent Oversight Board and the Health and Social Security Scrutiny Panel'.

The following safeguards and transparency measures will be put in place in relation to the operation of, and any transfers made out of, the Health Insurance Fund:

- The Minister for Health and Social Services will annually publish a report, which will also be presented in advance to the Health and Social Security Scrutiny Panel, to detail the information provided to the Minister for Social Security relating to the costs incurred on the Jersey Care Model that require a transfer of funds from the HIF;
 - The Minister for Social Security will publish a report, within 2 weeks of any transfer, to detail how any funds transferred out of the HIF for the purposes of the JCM or its related digital strategies costs have been verified;
 - An actuarial review of the Health Insurance Fund (HIF) is prioritised in 2022 and will include:
 - specific analysis of the use of the HIF for the purposes of the Jersey Care Model and its related digital strategies;
 - Consideration of the impact of all withdrawals on the fund since 2020; and
 - The future of the HIF, should withdrawals take place as per envisaged by P.130/2020.
 - As part of the wider review of sustainable healthcare funding to be undertaken in 2022, there will be a specific consideration to repaying the HIF (from the Consolidated Fund) for funding withdrawn for the establishment of the Jersey Care Model and its related digital strategies if no sustainable healthcare funding is operational by 2025.”;
- (iv) on page 169 of Appendix 3, after the words “sustainable model for health funding” there shall be inserted the words “, but the role of the Health Insurance Fund in meeting the requirement to subsidise the cost of G.P. consultations and the cost of prescriptions and other primary care services shall be maintained during the review”, in addition to any further changes to Appendix 3 identified as required by the Council of Ministers”; and
- (v) with amendments made as appropriate, including in R.150/2021, to reflect the establishment of the Ministry of External Relations as provided for in (f).