

7. Statement by the Chairman of the Comité des Connétables regarding Island-wide Rate Figure

7.1 Connétable K.P. Vibert of St. Ouen (Chairman, Comité des Connétables):

I wish to inform Members of the costs to ratepayers across the Island of the Island-wide rate for 2008. This has been determined in accordance with the Rates (Jersey) Law 2005. The 2008 annual Island-wide rate figure is the 2007 figure of £9,780,626 increased by the Jersey Retail Prices Index for the 12 months to March 2008 of 3.2 per cent, resulting in a sum of £10,093,606. In accordance with the Rates Apportionment (Jersey) Regulations 2006, 55 per cent of the annual Island-wide rate figure is to be met from the domestic rates and 45 per cent of the Island-wide rate figure is to be met from the non-domestic rates. Having rounded the figures to 2 decimal places the resulting rates to be charged this year will be 0.64 pence per quarter for domestic ratepayers - an increase of 1.6 per cent on the 2007 rates; and 1.16 pence per quarter for non-domestic ratepayers - an increase of 0.87 per cent on the 2007 rates. The difference between the percentage increase in the rates across the 2 groups of ratepayers is due to the fact that there is a 2.6 per cent increase in non domestic quarters but only a 1.3 per cent increase in domestic quarters. The apportionment of the 45/55 split is of the £10,093,606 which needs to be raised, not determined by the number of quarters.

The Bailiff:

Are there any questions for the Chairman? Senator Vibert.

7.1.1 Senator M.E. Vibert:

The Chairman of the Committee wondered if we would have any questions on this. I have got one. I wonder if he could tell in layman's terms if a member of the public asks me about this how I could explain it simply?

The Connétable of St. Ouen:

I suggest he ask that person to ring his namesake.

7.1.2 The Deputy of St. Ouen:

Perhaps the Constable could inform this Assembly... one of the consequences of large increases in commercial property as proposed in the Waterfront plan and the increase in quarters that have been identified, if this 45/55 split remains the same would it mean that in real terms the domestic rates would continue to increase however the commercial rates would decrease quite dramatically?

The Connétable of St. Ouen:

When the law was brought in in 2005 there was a commitment to a 3-year period. This is the final year assessment of that apportionment and the review body which had assisted the Comité des Connétables in the first place will now be called to meet to look again at the apportionment with the present day quarters figures.

7.1.3 Deputy G.C.L. Baudains:

I am hoping the Connétable can clarify something that obviously I have misunderstood. I notice that the domestic rate is going up at an increase almost twice that of the non-domestic ratepayers and yet the last paragraph seems to tell me it should be the other way around, if in fact there is a 2 per cent increase in non domestic quarters then surely the rates should be going down in comparison?

The Connétable of St. Ouen:

I think, Sir, where the Deputy is confused is on the fact that it is the number of quarters which is used to determine the 45/55 per cent split of the money not of the quarters - of the total money

needing to be raised, not of the quarters that are in hand. I accept it is a very difficult concept to understand, Sir, but that is the reason for the apparent discrepancy.

Deputy G.C.L. Baudains:

I am glad the Constable understands; I will just trust him.