

STATES OF JERSEY



PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024): ELEVENTH AMENDMENT (P.51/2024 AMD.(11)) – AMENDMENT

**Lodged au Greffe on 19th November 2024
by the Council of Ministers
Earliest date for debate: 26th November 2024**

STATES GREFFE

PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024):
ELEVENTH AMENDMENT (P.51/2024 AMD.(11)) – AMENDMENT

1 PAGE 2, PART 1 –

For the words “151 grams” substitute “176 grams” and for the figures presented in the table for “Impôt Duties Vehicle Emissions Duty”, substitute the following –

2025 Estimate (£000)	2026 Estimate (£000)	2027 Estimate (£000)	2028 Estimate (£000)
3,190	3,045	2,906	2,783

2 PAGE 2, PART 2 –

For the words “151 grams” substitute “176 grams” and for the proposed amendments to the proposed transfers from the Consolidated Fund to the Climate Emergency Fund, substitute the following –

2025 Proposed	2026 Proposed	2027 Proposed	2028 Proposed
4,358	4,313	4,269	4,226

3 PAGE 4, PART 3 –

For the words “151 grams” substitute “176 grams” and, in the column of the table headed “2025 Estimate (as amended)”, substitute the following for the figures provided –

5,950
4,358
(8,346)
1,962

4 PAGE 3, PART 4 –

For the words “10%, 15% and 25%” substitute “5%, 15% and 25%”.

For the figures provided in the first table against vehicles with emissions from 151 to 175 grams of CO₂ substitute the following –

2024 Actual	2025 proposed (as amended)	Proposed Increase %
1,367	1,435	5%

In the second table, for “315” substitute “301” each time it appears.

COUNCIL OF MINISTERS

Note: After this amendment, the eleventh amendment would read as follows -

1 PAGE 2, PARAGRAPH (a) –

After the words “Article 9(2)(a) of the Law” insert the words –

“, except that the total estimate for 2025, 2026, 2027, 2028 Vehicle Emissions Duty (VED) shall be increased to reflect increased duties for non-commercial vehicles with CO2 mass emissions above 176 grams, with the relevant figures in Appendix 2 – Summary Table 1 updated in line with the following table, and subsequent figures updated accordingly

	2025 Estimate (£000)	2026 Estimate (£000)	2027 Estimate (£000)	2028 Estimate (£000)
Impôt Duties Vehicle Emissions Duty (as amended)	3,190	3,045	2,906	2,783

2 PAGE 2, PARAGRAPH (c) –

After the words “Article 9(2)(b) of the Law” insert the words –

“, except that proposed transfer of monies from the Consolidated Fund to the Climate Emergency Fund shall be increased in 2025, 2026, 2027 and 2028 to reflect increased duties for non-commercial vehicles with CO2 mass emissions above 176 grams, with the relevant figures in Appendix 2 – Table 3 updated in line with the following table, and subsequent figures updated accordingly –

£'000		2025 Proposed	2026 Proposed	2027 Proposed	2028 Proposed
Transfer from	Transfer to				
Consolidated Fund	Climate Emergency Fund	4,358	4,313	4,269	4,226

”.

3 PAGE 4, PARAGRAPH (j) –

After the words “Summary Table 8 to the Report” insert the words – “, except that the proposed transfer of monies from the Consolidated Fund to the Climate Emergency Fund shall be increased in 2025 to reflect increased duties for non-commercial vehicles with CO2 mass emissions above 176 grams, with the

relevant figures in Appendix 2 – Table 8 updated in line with the following table, and subsequent figures updated accordingly –

£'000		2025 Estimate (as amended)
Opening balance		5,950
Transfer from the Consolidated Fund	Climate Emergency Fund	4,358
Expenditure		(8,346)
Closing balance		1,962

4 PAGE 4, PARAGRAPH (o) –

After the words “to the accompanying Report” insert the words – “, except that in the section “Vehicle Emissions Duty” on page 32 after the words “the highest three emission bands will be increased by” replace the figures “5%, 10% and 20%” with the figures “5%, 15% and 25%” with the relevant figures in Table 5 and Table 6 updated in line with the following figures –

CO2 Mass emissions (grams)	2024 Actual	2025 proposed (as amended)	Proposed Increase %
0	-	-	-
1-50	35	35	-
51-75	73	73	-
76-100	240	240	-
101-125	422	422	-
126-150	715	715	-
151-175	1,367	1,435	5%
176-200	4,200	4,830	15%
201 or more	7,937	9,921	25%

£'000	Proposed vs Forecast (as amended)	Proposed vs no change (as amended)
Vehicle Emissions Duty increases	301	301

COUNCIL OF MINISTERS

Note: After this amendment, the proposition would read as follows –

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

to receive the Government Plan 2025 – 2028 (entitled “Budget 2025-2028”) 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 2025 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 the total estimate for 2025, 2026, 2027, 2028 Vehicle Emissions Duty (VED) shall be increased to reflect increased duties for non-commercial vehicles with CO2 mass emissions above 176 grams, with the relevant figures in Appendix 2 – Summary Table 1 updated in line with the following table, and subsequent figures updated accordingly.

	2025 Estimate (£000)	2026 Estimate (£000)	2027 Estimate (£000)	2028 Estimate (£000)
Impôt Duties Vehicle Emissions Duty (as amended)	3,190	3,045	2,906	2,783

(b) to approve the proposed Changes to Approval for financing/borrowing for 2025, as shown in Appendix 2 – Summary Table 2 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 approval amounts.

(c) to approve the transfers from one States fund to another for 2025 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law except that proposed transfer of monies from the Consolidated Fund to the Climate Emergency Fund shall be increased in 2025, 2026, 2027 and 2028 to reflect increased duties for non-commercial vehicles with CO2 mass emissions above 176 grams, with the relevant figures in Appendix 2 – Table 3 updated in line with the following table, and subsequent figures updated accordingly.

£'000		2025 Proposed	2026 Proposed	2027 Proposed	2028 Proposed
Transfer from	Transfer to				
Consolidated Fund	Climate Emergency Fund	4,358	4,313	4,269	4,226

(d) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2025 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st December 2024 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2025.

(e) to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2025 of up to £2 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2024 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2025;

(f) to approve each major project that is to be started or continued in 2025 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.

- (g) to approve the proposed amount to be appropriated from the Consolidated Fund for 2025, 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.
- (h) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2025 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report.
- (i) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2025 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report.
- (j) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2025 as set out in Appendix 2 – Summary Table 8 to the Report except that the proposed transfer of monies from the Consolidated Fund to the Climate Emergency Fund shall be increased in 2025 to reflect increased duties for non-commercial vehicles with CO2 mass emissions above 176 grams, with the relevant figures in Appendix 2 – Table 8 updated in line with the following table, and subsequent figures updated accordingly.

£'000		2025 Estimate (as amended)
Opening balance		5,950
Transfer from the Consolidated Fund	Climate Emergency Fund	4,358
Expenditure		(8,346)
Closing balance		1,962

- (k) to approve an updated and consolidated policy of the Strategic Reserve Fund as follows:

“The Strategic Reserve Fund, established in accordance with the provisions of Article 4 of the Public Finances (Jersey) Law 2005, is a permanent reserve only to be used:

- i. in exceptional circumstances to insulate the Island’s economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster.
- ii. if necessary, for the purposes of providing funding (up to £100 million) for the Bank Depositors Compensation Scheme established under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009, including to meet the States contribution to the Scheme and/or to meet any temporary cash flow funding requirements of the Scheme.

- iii. to support the development of future healthcare facilities and the borrowing costs for such work, in line with a financing strategy agreed by the Assembly;
 - iv. as a holding fund for any or all monies raised through external financing until required, and for any monies related to the repayment of debt raised through external financing used to offset the repayment of debt, as and when required; and
 - v. in accordance with Article 24 of the Public Finances (Jersey) Law 2019, where the Minister for Treasury and Resources is satisfied that there exists an immediate threat to the health or safety of any of the inhabitants of Jersey, to the stability of the economy in Jersey or to the environment, for which no other suitable funding is available.”
- (l) to approve the transfer to the Strategic Reserve of the amounts due as a result of the move from prior-year basis taxation after 31st December 2025, as and when these payments are received (estimated at £280 million).
- (m) in relation to the new Government Headquarters (office), to approve;
- i. the exercising of the option to acquire the new Government Headquarters (estimated at £91 million), by the Public of the Island, in line with the pre-agreed terms; and
 - ii. the acquisition of the new Government Headquarters as an investment of the Social Security (Reserve) Fund (including authorising the meeting of expenses incurred in connection with the acquisition); and
 - iii. the subsequent leasing of the new Government Headquarters by the Public of the Island from the Social Security (Reserve) Fund, with commercial terms to be agreed between the Minister for Infrastructure (on behalf of the Public) and Minister for Social Security and the Minister for Treasury and Resources (both on behalf of the Fund); and
- (n) in relation to the new Government Headquarters, to authorise H.M. Attorney General, the Greffier of the States, the Ministers for Infrastructure, Social Security and Treasury and Resources, and the Public of the Island, to enter into such arrangements, including financing, and pass any contracts as are necessary to put into effect paragraph (m).
- (o) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2025-2028, as set out in the Appendix to the accompanying Report **except that in the section “Vehicle Emissions Duty” on page 32 after the words “the highest three emission bands will be increased to” replace the figures “5%, 10% and 20%” with the figures “5%, 15% and 25%” with the relevant figures in Table 5 and Table 6 updated accordingly.**

CO2 emissions (grams)	Mass	2024 Actual	2025 proposed (as amended)	Proposed Increase %
0		-	-	-
1-50		35	35	-

51-75	73	73	-
76-100	240	240	-
101-125	422	422	-
126-150	715	715	-
151-175	1,367	1,435	5%
176-200	4,200	4,830	15%
201 or more	7,937	9,921	25%

£'000	Proposed vs Forecast (as amended)	Proposed vs no change (as amended)
Vehicle Emissions Duty increases	301	301

REPORT

The purpose of amendment 11 to the Proposed Budget 2025-2028 is to increase the income generated by Vehicle Emissions Duty (VED) for transfer to the Climate Emergency Fund from the most polluting categories of non-commercial vehicles.

In putting forward this amendment to amendment 11 the Council of Ministers seeks to support the ambition to:

- increase income into the Climate Emergency Fund and
- disincentivise the purchase of the most polluting non-commercial vehicles, while taking on board concerns from the motor industry to the Treasury Minister that the third highest band (151-175g CO₂) covers large family cars.

The amendment to the amendment therefore proposes the higher level of increase proposed by the EHI Scrutiny Panel for just the two highest emission bands for non-commercial vehicles. The 151-175g band remains as originally proposed in the draft Budget, at a 5% increase on 2024 levels.

The increase from 2024 levels of vehicle emissions duty proposed is therefore 5%, 15% and 25% for the top three emissions bands respectively.

A comparison of what is proposed in the Budget, Amendment 11 and this Amendment to Amendment 11 are summarised in the table below.

	2024 VED rates	Proposed Budget 2025-2028	(Amd) (11) EHI Scrutiny Panel	(Amd)(11)(Amd)
Proposed change to Vehicle Emissions Duty		Increase top 3 bands by 5%, 10% and 20%	Increase top 3 bands by 10%, 15% and 25%	Increase top 3 bands by 5%, 15% and 25%
151-175gCO ₂	£1,367	£1,435 (5% increase)	£1,504 (10% increase)	£1,435 (5% increase)
176-200gCO ₂	£4,200	£4,620 (10% increase)	£4,830 (15% increase)	£4,830 (15% increase)
201 or more gCO ₂	£7,937	£9,524 (20% increase)	£9,921 (25% increase)	£9,921 (25% increase)
Additional revenue into Climate Emergency Fund		£243,000	£315,000	£301,000

Financial and staffing implications

There are no financial or manpower implications of this change.

Children’s Rights Impact Assessment

A Children’s Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.