

STATES OF JERSEY



GOVERNMENT PLAN 2021–2024 (P.130/2020): TWELFTH AMENDMENT (P.130/2020 AMD.(12)) – AMENDMENT

**Lodged au Greffe on 7th December 2020
by the Council of Ministers**

STATES GREFFE

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For the words “£2.6 million” substitute the words “£750,000” and for the words “for the completion of this project” substitute the words “, subject to the agreement of an updated business case and after the Jersey Heritage Trust and Ministers have worked together to thoroughly investigate other potential funding mechanisms”.

COUNCIL OF MINISTERS

Note: After this amendment, the amendment of Deputy Tadier would read as follows –

“After the words “of the Report” insert the words –

“, except that, in Summary Table 5(i), the Heads of Expenditure for Financial Services and Digital shall be increased by **£750,000** in 2021 in order to fund the repair and maintenance of Elizabeth Castle, with a commitment that funding shall be provided in 2022 and 2023, **subject to the agreement of an updated business case and after the Jersey Heritage Trust and Ministers have worked together to thoroughly investigate other potential funding mechanisms**, and that any such funding shall be over and above the 1% allocation for Culture, Arts and Heritage of overall expenditure”.”

After the amendment of Deputy Tadier, as amended by this amendment, the proposition would read as follows –

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

to receive the Government Plan 2021 – 2024 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 2021 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;
- (b) to approve the amounts to be transferred from one States fund to another for 2021, in line with Article 9(2)(b) as set out in Appendix 2 – Summary Table 2 to the Report;
- (c) to approve the proposed borrowing to be obtained for 2021, in line with Article 9 (2)(c), up to and including the amount set out in Appendix 2 – Summary Table 3 to the Report;

- (d) to approve each major project that is to be started or continued in 2021 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 2021 contained in the Government Plan as set out in Appendix 2 Summary Table 6 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 2021, 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, in Summary Table 5(i), the Heads of Expenditure for Financial Services and Digital shall be increased by £750,000 in 2021 in order to fund the repair and maintenance of Elizabeth Castle, with a commitment that funding shall be provided in 2022 and 2023, subject to the agreement of an updated business case and after the Jersey Heritage Trust and Ministers have worked together to thoroughly investigate other potential funding mechanisms, and that any such funding shall be over and above the 1% allocation for Culture, Arts and Heritage of overall expenditure;
- (g) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2021 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (h) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2021 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; (i) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2021 as set out in Appendix 2 – Summary Table 9 to the Report;
- (i) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2021 as set out in Appendix 2 – Summary Table 9 to the Report;
- (j) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2021-2024, as set out at Appendix 3 to the Report.

REPORT

The Council of Ministers has considered the Deputy's amendment and whilst it recognises that Elizabeth Castle is an important part of the Island's heritage and that it is the most visited castle Jersey has, the Council also has had to prioritise its expenditure across many commitments it made in Government Plan 2020-2023 for 2021-2023 as part of the process of lodging this Government Plan.

Ministers reviewed expenditure limits in light of the need to fund the cost of dealing with Covid and that the States would need to borrow considerable sums to finance those costs. As part of that review £80 million was removed from expenditure, including the £6 million for Elizabeth Castle.

Whilst the Ministers have had to make this prioritisation decision at this time, they are keen to help Jersey Heritage explore opportunities of raising funding in other ways and would encourage them to consider whether they have any other elements of their plans that might fit the Fiscal Stimulus Fund provision.

By providing the initial funding requirement for 2021, Ministers are making the commitment Jersey Heritage Trust need to make progress on their plans. The £750,000 will allow the Trust to get on with urgent maintenance works whilst also providing funding for their feasibility studies and planning costs of future planned developments.

Officers will also work with Jersey Heritage Trust to establish how best to support their funding requirements in other ways and help to look at ways to increase access, the single largest hurdle to visitor numbers at Elizabeth Castle and therefore restriction revenues.

If all other funding mechanisms are exhausted, in order to access further funding officers will need to work with Jersey Heritage Trust to develop an appropriate business case for consideration and approval for inclusion in the next Government Plan to ensure that the necessary work can be completed as soon as possible.

Financial and manpower implications

The financial implications of this amendment would be that the Financial Services and Digital head of expenditure as set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report is increased by £750,000 in 2021.

If this amendment is adopted by the Assembly then the reduction in the forecast Consolidated Fund balance for 2021 will be managed in the first instance by adjusting the Consolidated Fund working balance in that year, without proposing to increase the maximum borrowing requirement proposed in part (c) of P.130/2020.

Depending upon which amendments are adopted by the Assembly, the Chief Minister or Minister for Treasury and Resources may request an adjournment of the debate for a specified period to consider the consequences of the amendment under Standing Order 70A. Under Standing Order 80A the Chief Minister or Minister for Treasury and Resources may propose, without notice an amendment to the Government Plan at any time during the debate.

Providing this funding will increase the level of borrowing required by an equivalent amount each year over and above the amount of borrowing otherwise required.

The Council of Ministers will be bringing a proposition to the Assembly during 2021 seeking approval for long-term financing relating to Our Hospital. In the event that the maximum Covid-related borrowing requirement as approved in part (c) of P.130/2020 needs to be adjusted as a result of the value of amendments approved by the Assembly and updated forecasts, as well as the 2019 outturn, then approval will be sought for an amendment to the approved Government Plan at that time in accordance with Article 16 of the Public Finances (Jersey) Law 2019.

There are no manpower implications.