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Connétable Mike Jackson  
Chairman  
Environment, Housing and Infrastructure Scrutiny Panel  
Morier House  
St Helier  
Jersey  
JE1 1DD

25 October 2021

Dear Connétable,

## **Government Plan 2022 – Written Questions**

### **Infrastructure Fund – prefeasibility**

- 1. Infrastructure funding of £300,000 was included in the Central Planning Reserve for 2021, please can you provide a breakdown of the spend to date?**
- 2. The Government Plan 2022 notes Infrastructure funding of £250,000, please can you provide a breakdown of how the £250,000 in Central Planning Reserve will be spent as well as what this work entails?**

The Government Plan 2021-2024 set out the details behind the potential creation of an Infrastructure Fund.

In the 2021-2024 GP £300k was set aside in the Central Planning Reserve for this purpose, but due to the impact of the pandemic work was delayed and no spend on this initiative has been incurred in 2021.

Whilst there are no immediate plans to proceed with an Infrastructure Fund, the funding of infrastructure remains critical, and £250k of funding has been incorporated into the Government Plan 2022 to support work in this area. This replaces the £300k in the GP 2021-24.

In line with the operation of the CPV, the release of funding would be based on a business case, including details of how money would be spent.

- 3. The Government Plan 2022 notes that the Covid-19 pandemic has delayed the implementation of the initiative to create an Infrastructure Fund and that there are no immediate plans to proceed with an Infrastructure Fund. Can you please explain the rationale for this and the reason for taking this decision?**

Previous Government Plans have set out the rationale for considering the case for an Infrastructure Fund in Jersey. It was viewed as an innovative solution to the financing of

major projects to reduce the dependency on public sector finances. The impact of the pandemic delayed the implementation of this initiative.

Jersey currently has an immediate need to progress with a number of significant infrastructure projects including for example Our Hospital and affordable housing schemes. All of these projects currently have funding approval or at least at a strategic level a clear view on how funding might be achieved.

This has reduce the immediate demand for an infrastructure fund, and the government has instead chosen to prioritise other initiatives, including for example the issuance of new borrowing for the hospital.

### **Climate Emergency Fund (Road Duty and Vehicle Emissions Duty)**

**4. What is the actual revenue achieved for fuel duty to date in 2021 against what was forecast to be received at this point in 2021?**

Actual fuel duty revenues to 30 September 2021 totalled £18.3m (forecast for period: £18.2m).

Note on forecast: fuel duty revenue for the whole of 2021 is expected to total £24.2m. Apportioning this figure for a 9 month period gives estimated duty revenue to 30 September 2021 of £18.2m

**5. What do you now expect to raise in revenue from road duty specifically for the CEF by year end 2021?**

The answer assumes you require financial information for fuel duty and that you unintentionally requested information for “road duty”.

Expected fuel duty revenue hypothecated to the Climate Emergency Fund (“CEF”) for the period ended 31 December 2021 is expected to total £4.1m and consists of the following amounts:

- £1.6m hypothecated from 2020 fuel receipts (4p/litre hypothecated in this period); and
- £2.5m hypothecated from 2021 fuel receipts (6p/litre hypothecated in this period).

**6. What achievable revenue do you forecast to achieve for the CEF in 2022 through the requested increase in fuel duty?**

Fuel duty hypothecated to the CEF in 2022 as a consequence of the proposed increase in this year’s Finance Law of 3p/litre is estimated to total £1.3m.

The forecast for all fuel duty hypothecated to CEF in 2022 is estimated to be £4.0m<sup>1</sup>.

**7. What is the actual revenue achieved for Vehicle Emissions Duty to date in 2021 against what was forecast to be received at this point in 2021.**

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<sup>1</sup> As disclosed by the Government Plan 2022-2025

Actual Vehicle Emissions Duty (VED) revenues to 30 September 2021 totalled £1.9m (forecast for period: £1.7m).

Note on forecast: VED revenue for the whole of 2021 is expected to total £2.3m. Apportioning this figure for a 9 month period gives estimated duty revenue to 30 September 2021 of £1.7m

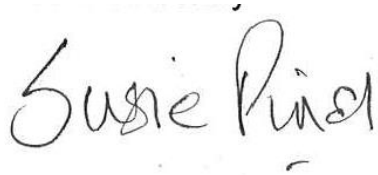
**8. What do you expect to raise in revenue from Vehicle Emissions Duty specifically for the CEF by year end 2021?**

No VED is hypothecated to CEF for 2021. The CEF hypothecation is introduced in this year's Finance Law and therefore will only impact CEF revenues in 2022.

**9. What achievable revenue do you forecast to achieve for the CEF in 2022 through the requested increase in Vehicle Emissions Duty?**

Forecast VED revenue for 2022 hypothecated to CEF is estimated to total £0.4m.

Yours sincerely

A handwritten signature in black ink that reads "Susie Pinel". The signature is written in a cursive style with a large initial 'S'.

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