

STATES OF JERSEY



PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024): TWENTY- SEVENTH AMENDMENT

ARTS, HERITAGE AND CULTURE FUNDING

Lodged au Greffe on 12th 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):
TWENTY-SEVENTH AMENDMENT

1 PAGE 3, PARAGRAPH (o) –

After the words “as set out in the Appendix to the accompanying Report”, insert the words –

“, except that on page 46, under the subtitle Formula Driven Growth, for the words –

“As budgets for Arts, Heritage and Culture have now been increased to 1% of Net Revenue Expenditure, in future, this level will now be maintained and increased by RPI.’

substitute the words –

‘Following approval of Funding for Culture, Arts and Heritage (P.69/2024), the Government continues the commitment to maintain funding to this sector based on 1% of overall States revenue expenditure.’.”

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.
- (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.
- (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.
- (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 on page 46, under the subtitle Formula Driven Growth, for the words –

“As budgets for Arts, Heritage and Culture have now been increased to 1% of Net Revenue Expenditure, in future, this level will now be maintained and increased by RPI.”

substitute the words –

‘Following approval of Funding for Culture, Arts and Heritage (P.69/2024), the Government continues the commitment to maintain funding to this sector based on 1% of overall States revenue expenditure.’.”

REPORT

The proposed Budget 2025 – 2028, sought to maintain Arts, Heritage and Culture funding in line with inflation, based on the Jersey Retail Prices Index. Following adoption of Funding for Culture, Arts and Heritage (P.69/2024), the States Assembly voted to not change the model agreed via P.40/2019 so, in effect, to continue funding based on 1% of overall States revenue expenditure, and that no changes can be made, unless a separate proposition is brought to the Assembly for consideration.

This amendment removes the reference in the Budget to changes in the funding formula and reinstates the commitment to 1%.

The Council of Ministers recognises the value of a strong arts, heritage and culture sector in the Island, and the enrichment that this provides to Islanders lives.

The additional funding required to meet the target in 2025 will be provided from within existing budgets and resources. The debate of P.69/2024 included several examples of government support for AHC outside of the expenditure currently included, and government will review spending across Government to ensure that the total expenditure on arts, heritage and culture is captured when considering the 1%.

Forthcoming Budgets will consider the funding position each year to ensure that we continue to meet the 1% commitment.

Financial and staffing implications

Spending on arts, heritage and culture will increase in the current plan, by £751k in 2025, to £12.3m, with additional funding totalling approximately £3.4m over the period.

	2025	2026	2027	2028
£'000s	Estimate	Estimate	Estimate	Estimate
1% Target	12,305	12,395	12,618	12,950
RPI Linked	11,554	11,551	11,771	12,015
Max Difference	751	844	847	935

Children's Rights Impact Assessment

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