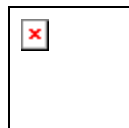


ANTI-INFLATION STRATEGY (P.125/2000): THIRD AMENDMENTS

**Lodged au Greffe on 29th August 2000
by Deputy A.S. Crowcroft of St. Helier**



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ANTI-INFLATION STRATEGY (P.125/2000): THIRD AMENDMENTS

- (a) *in paragraph (c) of the proposition, before the words civil engineering projects for the word and substitute a comma and after the words civil engineering projects insert the words and the Millennium Town Park;*
- (b) *in paragraph (d) of the proposition after the words in extremely compelling cases only, insert the words or where higher charges are required to achieve environmental objectives or meet the Island's environmental commitments, and at the end of the paragraph insert the words and the Policy and Resources Committee.*

DEPUTY A.S. CROWCROFT OF ST. HELIER

Report

While accepting that we have a serious problem with what Mr. Parr terms in his report “this steady deterioration in Jersey’s inflation position” and that this “may well be a powerful factor in explaining the problems of the agriculture and tourism pillars of the Jersey economy vis-à-vis the UK”, I believe that in our efforts to address the problem the States must be mindful of two commitments they have made in recent years.

- (a) The first is of a specific nature and it concerns the Millennium Town Park. The States’ recognition of the importance of this project to the Island has already been demonstrated on a number of occasions, notably in the purchase of the Talman land (P.206/97) and in the debate on the Island’s Millennium projects (P.27/98). The petition of over 16,000 signatures calling for the creation of the Millennium Town Park (P.190/97) has yet to be debated, but this is likely to take place as soon as the Policy and Resources Committee present their Report on the proposition, (the Report of the Public Services Committee having been presented in June 1998, while in March 2000 the Planning and Environment Committee presented its Report, that being a summary of the comprehensive consultation and investigation into the project which has been carried out by the Town Park Feasibility Steering Group.)

It has already been established by the Policy and Resources Committee that the Town Park is the Island’s preferred Millennium project, and it was withdrawn from the Capital Programme on the clear understanding that it would be subject to separate consideration for funding from the Millennium Fund and the Car Park Trading Fund once the feasibility studies were complete. Those studies have been completed and the recommended option of the Steering Group as set out in Planning and Environment’s Report is a park across both the Talman and Gas Place car parks, with three levels of underground car parking beneath the latter, at a total cost at November 1999 prices of £23.18 million (following the risk evaluation workshop a further £4.92 million would need to be set aside for contingencies).

It has yet to be decided whether the Millennium Town Park will be constructed by the public sector, the private sector, or by some combination of the two, but whatever funding mechanism is adopted the out-turn cost of the project could be in the region of £28 million. This is a significant proportion of the total capital expenditure which it is proposed to cap in P.125/2000, especially if private sector funding is not forthcoming and the whole financial responsibility for the project falls on the States. The purpose of this amendment, therefore, is to remove the Millennium Town Park from the sphere of construction activity which it is proposed to cap, and from the prioritisation process which must inevitably follow.

Clearly it would be possible for any States’ committee or States’ member to claim that a particular capital project should not be subject to the capping of expenditure proposed in P.125/2000, but I do believe that the Millennium Town Park is a special case: it enjoys an unprecedented level of popular support; it promises significant improvements to the quality of life of residents in the most densely populated part of St. Helier; it will be the catalyst for urban regeneration and increased economic vitality; it will provide essential open space and car parking for the hundreds of new homes which are to be built in the town; it will remediate the contamination of States’ owned land.

The debate on P.190/97 will take place shortly. If the States give their approval to the creation of the Millennium Town Park with underground car parking that work should be able to commence unfettered by an earlier decision by the States on P.125/2000 which could delay the work indefinitely. It was never anticipated that the project would be ready in time for the Millennium, but if it receives the “all clear” from the States in the Millennium year its title will still be fitting.

- (b) The second commitment by the States is of a general nature, and it relates to the Island’s environmental obligations. Jersey is signatory to many international conventions and its high reputation in both the tourism and the finance industries depends to some extent on its willingness to comply with the requirements of those conventions, and to meet international targets in such matters as greenhouse gas emissions. Relatively recently the Island has become involved in high-level discussions as part of our new role in the British-Irish Council, and there is no doubt that our environmental credentials will be increasingly scrutinised. Implementing policies designed to achieve environmental objectives in line with our international commitments may require some charges to rise in excess of the 2.5 per cent limit proposed in paragraph (d) of the Anti-Inflation Strategy, and, therefore, the maximum level of increase proposed could seriously prejudice the flexibility that is essential in the implementation of charging structures which offer environmental benefits. Of most immediate significance in this regard is the forthcoming Sustainability Strategy and the results of the Fiscal Review Working Group, both of which may advocate that the States increases the charges for environmentally damaging activities while encouraging environmentally-friendly practices.

P.125/2000 accepts that there may be exceptions to the 2.5 per cent maximum rise proposed (21, 22) and refers to higher charges which are consistent with the "user pays" philosophy, or which can be shown to be imposed in pursuit of health or environmental objectives. However, the Proposition states that these will be allowed by the Finance and Economics Committee "in extremely compelling cases only", while the Report refers to a Code of Direction that will be "issued presently".

The difficulty facing the States is two-fold: firstly, in the absence of a Code of Direction we cannot be certain about what will constitute an "extremely compelling" case; secondly, the granting of the decision-making function in such matters is being left up to the Finance and Economics Committee. The purpose of this amendment is, therefore, to allow the States to remain on course with regard to its implementation of environmental policies and not to restrict its use of higher environmental charges where these are necessary. At the same time, the States are asked to agree that the Policy and Resources Committee should share in the decision-making process over all exceptions to the 2.5 per cent rule, as the latter Committee clearly has a crucial role to play, both in its overseeing of the Island's international commitments, and in its source of relevant advice in the Economic and Environmental Advisers. In exercising this function, the Policy and Resources Committee would be expected to consult with other relevant States Committees, particularly the Planning and Environment and Industries Committees with regard to any proposed environmental and economic charges respectively.