

# STATES OF JERSEY



## **GOVERNMENT PLAN 2020–2023 (P.71/2019): EIGHTEENTH AMENDMENT (P.71/2019 Amd.(18)) – COMMENTS**

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**Presented to the States on 25th November 2019  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

The Corporate Services Scrutiny Panel proposes the following in [P.71/2019 Amd.\(18\)](#) –

### **PAGE 2, PARAGRAPH (c) –**

After the words “of the Report” insert the words “, except that, in Summary Table 3(i), the Expenditure and Head of Expenditure for Customer and Local Services shall be increased by £41,374 by increasing the amount of the Food Costs Bonus to £258.25, with other affected lines in Summary Table 3(i) to be updated accordingly”.

### **The Council of Ministers accepts this amendment.**

The Food Costs Bonus was set up to acknowledge the cost of GST levied on food for lower-income households that do not pay income tax, but whose incomes are too high to receive Income Support.

The bonus originally offered compensation for the cost of GST levied on food among certain household groups. The value of the bonus was increased to include an element in respect of the cost of food itself, and then further increased to acknowledge the increase of GST from 3% to 5%.

The Corporate Services Scrutiny Panel’s amendment ([P.71/2019 Amd.\(18\)](#)) increases the value of the Food Costs Bonus from £227 to £258. The Panel explains the increase as being in line with the RPI increase from March 2014 to September 2019, a figure of 13.8%.

It would be more appropriate to increase this benefit in line with the increase in the cost of food, rather than the increases seen across the average basket of goods. Over the period in question, linking the increase in the benefit to all costs, rather than just food, has the impact of more than doubling the increase proposed.

The Council initially intended to correct the amendment of the Panel by adjusting the increase to that of the rise in food costs over the period; however, the Council has decided to support the amendment, given the relatively small amounts in question and that families on lower incomes will see the benefit.

### **Financial and manpower implications**

The additional money set out in this amendment – £41,374 – would increase the Head of Expenditure for Customer and Local Services by that amount.

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### **Statement under Standing Order 37A [Presentation of comment relating to a proposition]**

These comments were submitted to the States Greffe after the noon deadline as set out in Standing Order 37A following discussions with Members about the amendment.