

STATES OF JERSEY



DRAFT MEDIUM TERM FINANCIAL PLAN ADDITION FOR 2017 – 2019

Lodged au Greffe on 30th June 2016
by the Council of Ministers

STATES GREFFE

PROPOSITION

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

following the States' approval of the Draft Strategic Plan 2015 – 2018, P.27/2015, as amended, adopted on 30th April 2015, and of the total income targets and total States' net expenditure limits for 2016 – 2019 in the Medium Term Financial Plan 2016 – 2019, P.72/2015, as amended, adopted on 8th October 2015, to receive the draft Medium Term Financial Plan Addition 2017 – 2019 and, in accordance with the provisions of Articles 8 and 8A of the Public Finances (Jersey) Law 2005 –

- (a) to approve the following amounts (not exceeding in aggregate the total amount of States' net expenditure for financial years 2017 to 2019 which were approved in P.72/2015 as amended) –
 - (i) the appropriation of an amount to a revenue head of expenditure for each States funded body (other than the States trading operations) being the body's total revenue expenditure less its estimated income, including the in principle approval of the new user pays proposals, commercial liquid and solid waste charges, as set out in **Appendix 1**, for the financial years 2017 to 2019 set out in **Summary Table B**, with in relation to the head of expenditure of the Health and Social Services Department, the approval of £5,000,000 in each of the financial years 2017 to 2019 dependent in accordance with Article 16(4) of the Public Finances (Jersey) Law 2005, on the approval by the States of the transfer of these sums from the Health Insurance Fund to the Health and Social Services Department;
 - (ii) the amount to be allocated for Contingency for the financial years 2017 to 2019 as set out in **Summary Table C**;
 - (iii) the amount to be appropriated to Growth expenditure for the financial years 2018 and 2019, as set out in **Summary Table D**;
- (b) to approve the following, as set out in **Summary Table E**, in respect of the Jersey Car Parking and Jersey Fleet Management States trading operations for the financial years 2017 to 2019 –
 - (i) the estimated income;
 - (ii) the estimated expenditure;
 - (iii) the estimated minimum contribution to be made to the Consolidated Fund, if any;

- (c) to approve, in principle and in accordance with P.82/2012, the introduction of an income-based Health Charge to raise £7,500,000 in 2018 and £15,000,000 in 2019, with details of the charging mechanism and legislation to be proposed and debated as part of the Budget 2017;
- (d) to endorse the total estimated non-cash net revenue expenditure for depreciation for States funded bodies (other than the States trading operations) for the financial years 2017 to 2019 as set out in **Summary Table B**.

COUNCIL OF MINISTERS

Notes:

The full Medium Term Financial Plan Addition for 2017 – 2019 is published as a separate document.

Notwithstanding the expenditure proposal for the States' payment of rates from 1st January 2017, the Minister for Treasury and Resources will defer bringing forward details for a funding mechanism and legislation until the Budget 2018 to deliver £900,000 from 2018. This will maintain the Strategic Plan requirement to deliver an equivalent funding mechanism and importantly allow more time for consideration with the Comité des Connétables and Parish Officials.

As previously indicated in the Medium Term Financial Plan 2016 – 2019 ([P.72/2015](#)) as adopted by the States on 8th October 2015, the Council of Ministers and the Minister for Treasury and Resources will bring a separate proposition and relevant legislation forward to the Assembly to enable the Office Modernisation Project to progress and the relevant funding to be allocated in the 2017 – 2019 period.

The Council of Ministers has a preferred site for the future hospital provision for the Island, and will be considering the options for funding such a project. A Proposition will be brought to the Assembly for debate alongside the draft MTFP Addition in September 2016, with proposals for the approval of the preferred site and funding for the feasibility work. A final Proposition for the future hospital and proposed funding of such facilities will be brought forward in the first half of 2017.

To facilitate the phased introduction of an income-based Health Charge, legislation changes will be brought forward to allow the Health Insurance Fund to make a contribution to Health expenditure of £5 million in each of the years 2017 to 2019, and proposals will be required from the Minister for Social Security to be debated alongside the draft MTFP Addition in September 2016.

The Minister for Social Security will also be bringing forward proposals for a targeted Christmas Bonus and to continue the provision of the Food Costs Bonus.

The Minister for Infrastructure will be bringing forward proposals for the introduction of Concessionary travel for people with disabilities, following the States' unanimous adoption of [P.140/2015](#), for debate alongside the draft MTFP Addition, with the

proposed funding to be made available from the Car Parks Trading Fund, consistent with the remit of the Fund agreed by the States on 19th October 2004 with the adoption of the proposition: Car Parking Charges: allocation of additional income to the funding of transport initiatives ([P.147/2004](#)).

*The draft MTFP Addition also includes, as **Appendix 13**, estimates of the various Social Security Funds as recommended by the Comptroller and Auditor General in [R.38/2015](#): Review of Financial Management.*