

STATES OF JERSEY



DRAFT BUDGET STATEMENT 2019 (P.114/2018): AMENDMENT

Lodged au Greffe on 19th November 2018
by Deputy J.H. Young of St. Brelade

STATES GREFFE

PAGE 2, NEW PARAGRAPH (f) –

After paragraph (e), insert the following new paragraph –

“(f) to request the Council of Ministers to consider undertaking a review into the potential and feasibility of introducing environmental taxes and charges, in time for those taxes and charges, which are fair and proportionate, to be adopted within the States’ budget from 2020 and/or subsequent years, subject to legislative considerations, in order to provide additional funding for community infrastructure improvements; sustainable transport; and to encourage public behaviour changes towards a more sustainable future to help deliver the proposed Common Strategic Policy’s (CSP) objectives for the environment.”

DEPUTY J.H. YOUNG OF ST. BRELADE

REPORT

There are a number of policy tools available to influence and modify environmental behaviour changes. These include legislation, sanctions, Regulations, taxes, charges and subsidies, and the provision of public services and information. Within a review of possible environmental taxes and charges, there are a number of areas that could be considered and have the potential to deliver sustainable public behaviour change.

These could be focussed on the following issues and might include, *inter alia* –

(A) **Vehicle and road usage:**

Road space is a scarce resource in Jersey, and there are competing demands for its use. Much of the Island's road network, particularly in St. Helier, is at, or near, capacity, and the vehicular congestion that ensues creates many external costs related to extra travelling time – increased business costs; increased air pollution; greater probability of collisions and injury; concern about road safety; discouraging walking and cycling; and an erosion of the quality of the public realm.

Seeking to reduce vehicle use and congestion, and promoting more sustainable modes of transport, through the potential introduction of environmental charges and taxes, has the potential to contribute to a number of CSP objectives, including –

- promoting Islanders', and particularly children's, health and well-being by better enabling active, more sustainable travel, such as walking and cycling;
- reducing inequality by providing a greater choice and ability for people to travel, particularly those with lower incomes, by enhancing bus services and reducing fares;
- enhancing the quality of the environment, by reducing pollution through reduced levels of vehicle use and promoting low emission vehicles; and through reclaiming road space to provide an enhanced public realm for pedestrians, cyclists, residents and shoppers.

There are a range of fiscal measures that have been adopted in other places, and their applicability to Jersey should be explored: this could include workplace car parking charges; increased public car parking charges; road and vehicle usage charges applied in peak hours in town (congestion charge, with potential social, business and resident exemptions); and charges for polluting vehicles (VED replacement).

Waste reduction and management:

This could include charges for waste generated and sent to disposal, with the potential to encourage waste reduction, particularly single-use plastics, and a reduction in carbon emissions.

(B) Enhanced land development values:

This would adopt the principle which underpinned the previously proposed Jersey Infrastructure Levy (“JIL”), with the potential of generating significant additional funding from a very modest proportion of the enhanced development values realised by significant developments which benefit from public planning consents.

The principle of capturing a small proportion of the uplift in land value, for some form of public planning gain when planning decisions are made, has previously been agreed by the States; first in 2008 (*see* [P.33/2008](#)), and then in 2014, in Proposal 23 of the Revised 2011 Island Plan. Whilst the introduction of this principle was last considered, and rejected by the States Assembly in December 2017, Members sought more information about the potential operation of such a charge and a better understanding of its potential impact; therefore, the potential scheme of charges would need to be more clearly focused than previously proposed.

The additional funding generated would contribute to community infrastructure for much wider purposes than can be delivered through planning obligation agreements, which are limited to dealing with the immediate local impact of development. It would generate funding for environmental and community infrastructure improvements, including public realm enhancement, essential to ensure that the CSP theme of making St. Helier a more desirable place to live, work, do business and visit can be delivered.

Such reviews of potential environmental taxes and charges should be commenced as soon as possible, and no later than required to be considered for adoption and inclusion in the States’ Budget from 2020 and/or subsequent years, subject to legislative considerations. Reviews should include stakeholder and public consultation and draw upon in-house resources, supported by external advisers, where necessary.

Financial and manpower implications

In some cases, much work has already been done researching these possibilities; others may be new. It is, therefore, recognised that resources will be required to supplement in-house work, which I would estimate at up to £200,000. I believe that the benefit of this work justifies this cost being met from within existing budgets.