

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2024 - 2027 (P.72/2023) – THIRTY-THIRD AMENDMENT (P.72/2023 AMD.(33)) – AMENDMENT (P.72/2023 AMD.(33) AMD.) – COMMENTS

**Presented to the States on 8th December 2023
by the Council of Ministers**

STATES GREFFE

COMMENTS

Members are urged to oppose the amendment to amendment 33, which withdraws funds from the Strategic Reserve.

The main purpose of the Strategic Reserve is to provide funds to be used in exceptional circumstances to insulate the Island's economy from severe structural decline. It's not the proper funding source to dip into to fund ongoing Government expenditure.

A transfer from the Strategic Reserve is a one-off funding measure, meaning that the increase in revenue expenditure for agriculture and fisheries would be unfunded for 2025 onwards and lead to an overdrawn balance on the Consolidated Fund. This would not be fiscally sound and would contravene the Public Finances (Jersey) Law requirement to give due regard to the sustainability of public finances.

Government must live within its means, and if it chooses to increase expenditure in one area, this must be paid for either through taxes or reductions in expenditure elsewhere. There is no magic money tree, and there are hard financial choices to make.

In the report to P.74/2023 the Council of Ministers made clear that an increase in funding to agriculture and fisheries would mean that "an allocation of additional savings targets to departments would be included in the requested amendment to the Government Plan." This is the exact proposal that the Council of Ministers have made in P.72/2023(Amd)(33), with a net nil increase to overall Government expenditure, through reprioritising expenditure in accordance with the Assembly's wish to prioritise agriculture and fisheries funding.

The Council of Ministers therefore cannot support withdrawing funds from the Strategic Reserve to fund revenue expenditure on agriculture and fisheries expenditure and believes that the proposed approach of reducing other expenditure is far more fiscally responsible.

Comment under Standing Order 37A

[Presentation of comment relating to a proposition]

These comments were submitted to the Greffier after noon on the penultimate working day before the day the meeting at which the proposition is to be debated. The delay in submission is due to the need to conclude internal review procedures and the volume of government plan business.