

# STATES OF JERSEY



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

### **INCREASE REVENUE EXPENDITURE FOR AGRICULTURE AND FISHERIES**

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**Lodged au Greffe on 5th December 2023  
by Deputy S.Y. Mézec of St. Helier South**

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**STATES GREFFE**

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

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**1 PAGE 2, PARAGRAPH 1 –**

Before Paragraph (1) insert a new paragraph as follows and re-designate the subsequent paragraphs accordingly –

**“PAGE 2, PARAGRAPH (e)**

After the words “in line with Article 9(2)(b) of the Law” insert the words –

“,except that within Summary Table 3 the transfer from the Strategic Reserve to the Consolidated Fund should be increased by £3,000,000 for 2024, with this funding of £3,000,000 for subsequent years to be identified from an alternative sustainable funding source”.”.

**2 PAGE 2, PARAGRAPH 2 –**

Substitute the words following “increased by” with the words “£3,000,000”.

DEPUTY S.Y. MÉZEC OF ST. HELIER SOUTH

**Note:** After this amendment, the amendment would read as follows –

**1 PAGE 2, PARAGRAPH (e)**

After the words “in line with Article 9(2)(b) of the Law” insert the words, “, except that within Summary Table 3 the transfer from the Strategic Reserve to the Consolidated Fund should be increased by £3,000,000 for 2024, with this funding of £3,000,000 for subsequent years to be identified from an alternative sustainable funding source”.

**2 PAGE 2, PARAGRAPH (f) –**

After paragraph (f), insert the following new paragraph and re-designate the subsequent paragraphs accordingly –

“(g) to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2024 of up to £10 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2023 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2024;”.

**3 PAGE 2, PARAGRAPH (h) –**

After the words “of the Report” insert the words –

“, except that, in Summary Table 5(i), the Head of Expenditure for Economic Development, Tourism, Sport and Culture should be increased by £3,000,000”.

**Note:** After this amendment, the proposition would read as follows –

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

to receive the Government Plan 2024 – 2027 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2024 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to refer to their Act dated 30th September 2016 and to approve the application of existing resources for work on the development of ‘user pays’ charges in relation to all aspects of waste, including commercial and domestic liquid and solid waste;
- (c) to approve the proposed Changes to Approval for financing/borrowing for 2024, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (d) to approve the extension of the use of the existing Revolving Credit Facility to include the provision of funds that would otherwise be implemented through bank overdraft or bank overdraft facilities under Article 26 (1)(a) of the Law, should they be needed, subject to the limits outlined in that article;
- (e) to approve the transfers from one States fund to another for 2024 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law; After the words “in line with Article 9(2)(b) of the Law” insert the words, **except that within Summary Table 3 the transfer from the Strategic Reserve to the Consolidated Fund should be increased by £3,000,000 for 2024, with this funding of £3,000,000 for subsequent years to be identified from an alternative sustainable funding source”;**
- (f) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2024 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31 December 2023 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31 December 2024;

- (g) to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2024 of up to £10 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2023 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2024;
- (h) to approve each major project that is to be started or continued in 2024 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (i) to approve the proposed amount to be appropriated from the Consolidated Fund for 2024, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, except that, in Summary Table 5(i), the Head of Expenditure for Economic Development, Tourism, Sport and Culture should be increased by £3,000,000;
- (j) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2024 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (k) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2024 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (l) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2024 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (m) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2024-2027, as set out at Appendix 3 to the Report.

## REPORT

### Summary

If adopted, this amendment to the [33rd amendment to the Government Plan](#) would fund the increased support for agriculture and fisheries (as agreed in principle by adoption of [P.74/2023](#)) through a one-off transfer from the Strategic Reserve, rather than their proposed method of increasing savings through the ‘Value for Money’ programme.

It also requires the government to come up with a sustainable funding proposal for future years.

### Rationale

To be clear – this amendment is not proposed as an ideal solution to the need to provide more funding for agriculture and fisheries. It is proposed as a sad but necessary last-minute alternative to the funding proposal made by the government, which is predicated on asking government departments to suffer £3m in cuts, beyond the £10m of Value for Money savings already earmarked in the plan.

States Members are being asked by the government to tie our support for a vital part of our economy to their plan to impose cuts to government departments, without telling us what those cuts will actually be. This is an unfair choice to force on Members when alternative ways of meeting the intention of [P.74/2023](#) exist.

In the report to the [33rd amendment to the Government Plan](#), the government offers nothing more than a single sentence to justify the additional £3m in Value for Money savings. A table is provided showing a breakdown of how this will be distributed across departments, but not a word explaining how this will be delivered without risking turning efficiency savings into cuts.

The Value for Money programme is already contentious, due to the fact it is proposed in defiance of the Fiscal Policy Panel’s recommendations against including speculative savings in the Government Plan. This has now happened for the second year in a row, despite this recommendation from this independent panel of experts being reiterated by them again this year.

The question must be asked – if the government had the capacity to deliver £13m of genuine efficiency savings which do not risk affecting the viability or standards of public services, why did they originally only propose £10m this year? If an extra £3m of wasteful and inefficient spending could have been eliminated, it should have been part of the Plan in the first instance. The fact it was not done and has now been conjured as an option at the last minute, without any detail to substantiate it, gives the impression of it lacking credibility.

The Government Plan itself contains very little detail on the success of the Value for Money programme thus far. The [12th amendment to the Government Plan](#) (lodged by the Corporate Services Scrutiny Panel) seeks to provide greater transparency for this programme in future years. Without this transparency and evidence that the savings proposed in this programme are anything more than speculation, it is impossible to tolerate increasing those savings targets by 30%.

In the wording of the final adopted version of [P.74/2023](#), the proposition did not specify that the funding must come from cuts to government departments. It merely referred to “compensating measures”. Only the report to the government’s amendment referred to “an allocation of additional savings targets to departments” being included in the amendment to the Government Plan.

Funding this instead through a one-off use of the Strategic Reserve is not ideal, especially when we ought to be growing the Strategic Reserve. But it is proposed now as a last-minute option to prevent potential damage being done to our public services, because the government did not present a more palatable option.

However, Reform Jersey can at least highlight that our Income Tax reform proposals (found in the [7th amendment](#) to the Government Plan) would not only provide a sustainable funding source for future years of support for the agriculture and fisheries industries, but in 2025 would raise enough revenue to pay back into the Strategic Reserve every penny that was taken out in this instance. Therefore, our commitment to responsible management of public finances, whilst supporting our industries and not driving ideologically motivated cuts to public services, remains consistent and credible.

#### **Financial and staffing implications**

The financial and staffing implications are exactly as outlined in the wording of this amendment.