

STATES OF JERSEY



DRAFT ANNUAL BUSINESS PLAN 2011 (P.99/2010): FIFTH AMENDMENT (P.99/2010 Amd.(5)) – AMENDMENT (P.99/2010 Amd.(5).Amd.) – COMMENTS

**Presented to the States on 10th September 2010
by the Council of Ministers**

STATES GREFFE

COMMENTS

The majority of the Council of Ministers supports this amendment. The Minister for Social Security does not support the amendment and maintains the original proposal for Comprehensive Spending Review proposal SS-S4 (removal of GST bonus).

Deputy J.A.N. Le Fondré of St. Lawrence proposes that –

the net revenue expenditure of the Social Security Department shall be increased by £138,000 and not proceed with the Comprehensive Spending Review proposal SS-S4 (removal of GST bonus); and

reduce net revenue expenditure of Treasury and Resources by £138,000 from Central Reserves costs.

Comment

GST bonus is paid to households where income is too high to receive income support, but they do not pay income tax, this scheme was set up on a 3 year regulation which will expire in July 2011.

The Social Security Department identified CSR savings on the basis of protecting those most in need of support, the full CSR savings is £638,200 as the budget for GST bonus was set based on estimate by Treasury where as actual claims have been lower than expected.

Deputy G.P. Southern of St. Helier proposes an increase of £300,000 to fund the bonus in 2011. This would reinstate a budget in excess of actual requirements.

Deputy le Fondré proposes an increase of £138,000. This would be sufficient to fund the full bonus in 2011 as the Social Security Department already has £162,000 for 2011. The amended increase added to the existing budget would create a total budget of £300,000 sufficient to allow the scheme to continue at existing take up. This would still deliver a saving of £500,000 in 2011.

Financial implications

The financial impact of the amendment on the Consolidated Fund is neutral as a result of the proposed decrease of £138,000 from the 2011 allocation to the contingent central reserves.