

STATES OF JERSEY



COMMUNITY COSTS BONUS: INCREASE (P.39/2022) – AMENDMENT

Lodged au Greffe on 22nd March 2022
by Senator K.L. Moore
Earliest date for debate: 29th March 2022

STATES GREFFE

COMMUNITY COSTS BONUS: INCREASE (P.39/2021) –
AMENDMENT (P.39/2022 AMD)

1. PAGE 2 –

In the first paragraph, delete the words “in respect of groceries and fuel”.

2. PAGE 2 –

For paragraphs (a) to (c) substitute the following –

“(a) to agree that the Community Costs Bonus increase should be 8%;

(b) to provide the Assembly with an estimate of the budget for this increased Bonus on the basis of the existing eligibility criteria;

(c) in addition to the existing recipients, to extend the eligibility of the existing Bonus –

- (i) to Islanders who pay Income Tax at the marginal rate; and
- (ii) to Income Support recipients;”

and, in paragraph (d), delete the words “on the basis of eligibility outlined in paragraph (b)”.

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

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

to request the Council of Ministers to bring forward Regulations to the Assembly to increase the Community Costs Bonus to offset the impact of cost-of-living increases and, in particular –

(a) to agree that the Community Costs Bonus increase should be 8%;

(b) to provide the Assembly with an estimate of the budget for this increased Bonus on the basis of the existing eligibility criteria;

(c) in addition to the existing recipients, to extend the eligibility of the existing Bonus –

- (i) to Islanders who pay Income Tax at the marginal rate; and
- (ii) to Income Support recipients;

(d) to agree that any funds required for an increase should be allocated from the 2021 underspend as identified by the Minister for Treasury and Resources; and

(e) to request that the Council lodge the Regulations so as to ensure that they can be debated before the end of the current term, in view of the urgency and

importance of addressing this matter, so that eligible Islanders can have the certainty of the Bonus increase before autumn and the onset of winter.

SENATOR K.L. MOORE

REPORT

Introduction

The cost-of-living crisis continues to escalate driven by the impacts of Russia's invasion in Ukraine.

This amendment reflects these changing circumstances and seeks to provide additional support in place to assist additional targeted islanders to get through this current crisis.

The amendment aims to provide more certainty with regard to the level of Bonus.

It seeks to propose to widen Bonus recipients to provide support to additional islanders, namely in addition to eligible Islanders who currently receive the CCB and income those who receive Income Support and the islanders who pay income tax at the marginal rate.

Part (a)

The aim of the revised working is to be clear as to whom assistance is being targeted.

There are significant cost increases expected that are affecting islanders and in particular those on lower incomes.

The leading UK Think Tank, the 'Resolution Foundation' has warned that, the least well-off households could see their cost-of-living jump by as much as 10% or more by this autumn if Russia's invasion of Ukraine leads to a prolonged conflict.

In Jersey, we already know that the Retail Price Index, rose by 3.8%, with the price of food rising by 1.9% in 2021. And the Consumer Council are calling for action to support islanders.

It is clear that the States cannot wait until the next scheduled uplifts and furthermore not to adopt a reactive 'wait and see' strategy to see what the precise level of inflation will be before acting.

It is clear that government should be moving quickly and now seek mitigate in some meaningful way the oncoming increases.

Not to do so would mean that benefits would only be made after prices have already risen and people have felt the impact.

Part (c)

The scale of crisis means we need to go further and faster than we might otherwise. As well as supporting those on Income Support, the amendment proposes that the States should agree to widen the eligibility criteria and provide support also islanders who pay tax at the marginal rate, who are by definition, those who are less well-off compared to 20% taxpayers.

While this will clearly add to the cost, addressing this now will help people when they truly need support not after the cost increases have already been incurred.

Financial and Manpower implications

As detailed within this amendment and within the original proposition, funding should be allocated from the 2021 underspend as identified by the Minister for Treasury and Resources.