

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 6th MARCH 2012**

**Question**

Will the Minister inform members what proposals, if any, he has under consideration relating to borrowing, user pays and drawing on the Island's 'significant resources', to deliver on the assurance he gave to the Assembly on 21st February 2012, that there need not be tax rises over the coming 3 years in order to meet financial targets?

Will he detail for members what aspects of the public sector terms and conditions he expects will deliver the £14 million savings required?

What contingency plans, if any, does the Minister have to compensate for the possibility that the terms and conditions savings, or Education, Sport and Culture Department savings are not delivered in 2012 and if not, why not?

**Answer**

The Minister for Treasury and Resources, together with his Ministerial colleagues, is in the early stages of planning and preparing for the Medium Term Financial Plan (MTFP). Detailed work to conclude the MTFP will commence after the States have approved the Strategic Plan. The Medium Term Financial Plan, due to be lodged in July, may contain proposals on some new appropriate user pays charges and a strengthened policy for maintaining the Island's Reserves. Borrowing has never been ruled out for capital investment that would yield a return, for example Social Housing. The Minister would not wish to bring any increases in the rates of Income Tax or GST to the States in the next three years, but it must be remembered that it is the States that ultimately decide on levels of spending, which must then be financed by taxes raised.

It is in the long term interests of the States, its employees and of Islanders in general that we develop a modern, flexible workforce that provides value for money for taxpayers. The 2012 Business Plan and Budget, which were agreed by the States, do not allow for any increase in the public sector pay bill.

The 2012/2013 public sector pay review is now underway and comes at a time of continuing economic uncertainty, when pay restraint is essential. We have fulfilled our commitment to staff by paying increments to c3600 colleagues which were due in January 2012 and have proposed a three-year pay deal. States employees have a very positive pay and benefits package that ensures a high degree of job security and I would encourage employee representatives to work with us as negotiations continue.

Discussions continue with employee representatives on opportunities for saving money on terms and conditions which could be used for staff remuneration. The aspects of public sector terms and conditions that will deliver savings will be developed by working in partnership with employee representatives.

The States is committed to achieving the £65 million CSR savings target. The States must live within its means so that issues such as unemployment, housing and reforming the health service can be tackled. This means that the financial savings outlined in the CSR need to be delivered. Departments continue to work on delivering the savings targets outlined in the Comprehensive Spending Review.