

3.2 Deputy G.P. Southern of St. Helier of the Minister for Treasury and Resources regarding the States' liability to pay Parish Rates

What progress, if any, has the Minister made on the issue of the States liability to pay parish rates and when does the Minister intend to bring a report to the Assembly on this issue?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

Assistant Minister Noel will answer this question.

Deputy E.J. Noel of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):

I can inform Members that a very productive dialogue is taking place with the Chairman of the Jersey Rates Assessors. Firstly, significant progress has been achieved to produce an assessment of the likely cost of rates to the States based on the 2013 position. This essential background work provides an independent assessment that will inform the next steps to developing the commitment made to this Assembly. I would like to thank the Chairman and his fellow rates assessors for the work that they have undertaken at no cost to the public. Once the final estimate of the likely cost of States paying rates has been established in the next few months the Minister intends to discuss his proposals with the Comité des Connétables before reporting to the States. Second, we have asked for a broad-based review of the property taxes to be carried out to look at potential ways of meeting the cost of the States paying rates. An update will be provided as a Green Paper, alongside the Draft 2015 Budget, which will be lodged in July of this year. Third and finally, we are intending to publish a White Paper in 2015 on proposals for the States paying rates to cover that liability.

3.2.1 Connétable A.S. Crowcroft of St. Helier:

Is the Assistant Minister aware that more than 5 years ago on 11th December 2008, when the Minister stood for election as Minister for Treasury and Resources, Senator Ozouf, a former Parish of St. Helier Deputy, agreed that the States should pay rates, quote: "Because there is an unfairness"? Would he agree to ask the Minister to refresh his memory of last year's debate when Senator Ozouf spoke against my proposition that the States should pay rates from the documents currently on the Parish of St. Helier's website?

Deputy E.J. Noel:

I do not have to refresh the Minister's memory, he has an excellent memory. We are taking this matter forward and, as indicated, have set out that we will be bringing a Green Paper forward, alongside the Budget in July this year. We will be publishing a White Paper next year for implementation within the next M.T.F.P. (Medium Term Financial Plan).

3.2.2 Senator S.C. Ferguson:

Would the Assistant Minister like to give the States some idea of where the funds will come from to pay the rates?

Deputy E.J. Noel:

That is the whole purpose of having a Green and a White Paper is to go out to consultation on this and other works that we are carrying out on property taxes. It will be the outcome of those works that will determine where the States, if they are to pay rates, will find the money.

3.2.3 Senator L.J. Farnham:

Can the Assistant Minister share with the Assembly the estimated costs of the States paying rates?

Deputy E.J. Noel:

We have had some preliminary work. We have just, over last weekend, received an updated version. The Chairman is scheduled to meet with the Treasurer and Treasury officials this Friday but the indication is total costs of both occupiers and fonciers will be less than £2 million.

3.2.4 Deputy M. Tadier of St. Brelade:

The Deputy will be aware that this Assembly is not the only forum whereby the issue of Parish rates can be discussed but also a Parish Assembly, which can be called by parishioners of St. Helier. What would the Deputy's response be if a Parish Assembly were to be called, asking for the Parish not to collect any more of the rubbish in St. Helier from States buildings until the States started paying rates in St. Helier?

Deputy E.J. Noel:

That is a matter for the parishioners as an assembly of St. Helier, it is not a matter that I could pass comment on.

3.2.5 Deputy M. Tadier:

Would there be any contingency from the Property Holdings' properties, for example, if overnight rubbish were to not be collected, where would that money then come from for those services to be provided?

Deputy E.J. Noel:

We will have to deal with that situation as, when and if it arrives.

3.2.6 Deputy T.A. Vallois:

Could the Assistant Minister just make it clear that he stated that in order to pay rates to the Parishes that we would be looking at implementing a property tax?

Deputy E.J. Noel:

No, it was the answer to Senator Ferguson's question whereby how the States would cover this. We are saying that we would consider the different methods of covering the States paying rates after we have done the review, which we have given an undertaking to do, of property taxes.

3.2.7 Deputy J.A. Hilton:

Can the Assistant Minister confirm that if the States Assembly agrees, he is proposing that the money will be made available to the Parish in 2016 within the Medium Term Financial Plan?

Deputy E.J. Noel:

If the Assembly agrees that the States should pay rates then we will have to find that money. We are working towards this being implemented in the next M.T.F.P.

3.2.8 Deputy J.A. Hilton:

Can the Assistant Minister confirm that that is 2016?

Deputy E.J. Noel:

It is from 2016 to 2019.

3.2.9 The Connétable of St. Helier:

Would the Assistant Minister agree with me that Deputy Tadier's question, however well intentioned, shows a fairly fundamental misunderstanding of the purpose of rates? They are not to defray the cost of municipal services for the Parishes but they are a form of local taxation.

Deputy E.J. Noel:

I could not agree with the Constable more.

3.2.10 Connétable L. Norman of St. Clement:

Does the Assistant Minister think that if the States were to pay rates to the Parishes the Parishes could then be liable to rates themselves on the Parishes' own properties at all-Island rate and, therefore, most Parishes would be considerably worse off than they are now?

Deputy E.J. Noel:

That certainly is a distinct possibility of the outcome.

3.2.11 Senator L.J. Farnham:

I just wondered if the Treasury have identified any options of how these rates will be paid for.

Deputy E.J. Noel:

As I have already indicated, we are keeping that side of things open because we need to carry out the work and make an informed decision. What we would not want to see is funds being taken away from departments from providing front line services to pay rates, that would be wrong.

3.2.12 Deputy G.P. Southern:

Just to thank the Assistant Minister for his comprehensive answer and note, with some astonishment, that finally we did get a straightforward answer to a question, which is very refreshing. **[Laughter]**

Deputy E.J. Noel:

Delighted to be of service.