

STATEMENT ON A MATTER OF OFFICIAL RESPONSIBILITY

The Bailiff:

Very well, that brings Questions to the Minister to a close. There are no matters under J, so we then come to Statements on a Matter of Official Responsibility and the Chairman of the Comité des Connétables will make a statement regarding the 2012 Island-wide rate.

7. Statement by the Chairman of the Comité des Connétables regarding the 2012 Island-wide rate

7.1 The Connétable of Trinity (Chairman of the Comité des Connétables):

I wish to inform the Assembly of the cost to ratepayers across the Island of the Island-wide rate for 2012, which has been determined in accordance to the Rates (Jersey) Law 2005. The 2012 annual Island-wide rate figure is the 2011 figure of £10,965,046 increased by the Jersey Retail Prices Index for 12 months to March 2012 of 4.7 per cent, resulting in the sum of £11,480,403. In accordance with the Rates (Apportionment) (Jersey) Regulations 2006, 55 per cent of the annual Island-wide rate figure is to be met by the domestic rate and 45 per cent of the annual Island-wide rate figure is to be met by the non-domestic rate. A sum of £6,314,222 is therefore to be raised by the domestic rate and the sum of £5,166,181 from the non-domestic rate. The rates are determined by dividing the sum to be raised between the number of quarters assessed on domestic and non-domestic property. The rates will therefore be 0.69 pence per quarter for domestic ratepayers and 1.21 pence per quarter for non-domestic ratepayers.

The Bailiff:

Very well, then Members have an opportunity of questions. Deputy of St. Ouen.

7.1.1 The Deputy of St. Ouen:

I wonder if the Chairman of the Comité des Connétables would confirm, first of all, whether there must be an increase in the rates levy each year and whether 4.7 per cent is the appropriate figure that has to be levied.

The Connétable of Trinity:

I am pleased to inform the Deputy of St. Ouen it is out of the Connétables hands. This is the amount we get sent from Treasury, which is the cost of the Island-wide rate. I am just the messenger telling you what will be added to the rates of the Parish from the Treasury and Resources Department to be added on for the Island-wide domestic and non-domestic rates. There is a figure we started with in 2005 and it goes up with the cost of living, and, unfortunately, this is where we are. That is 4.7 per cent but the actual cost, because there has been an increase in rates quarters in the Parishes, the actual increase would be in the region of 3 per cent and not 4.7 per cent.

7.1.2 Senator S.C. Ferguson:

When the Chairman of the Comité des Connétables makes a statement like this, perhaps it would be helpful if he would give the actual rates in pence per quarter for the previous year so that Members and the public can see the change in it because obviously a change in quarters would reduce the rate, as the Connétable has already said. Would the Connétable not agree and does he have last year's figures to give us, please?

The Connétable of Trinity:

Yes, I can help the Senator. Last year it was 0.67, this year it will be 0.69, a 3 per cent increase and on the non-domestic it was 1.17, it will increase to 1.21.

7.1.3 Deputy G.P. Southern:

Is the Chairman aware whether the 4.7 per cent, which I think was September's inflation rate, is prescribed in the regulations of governing the percentage rise?

The Connétable of Trinity:

Yes, I did.

7.1.4 Deputy J.H. Young:

I wonder if the Chairman could give a little bit further information on the base figure of the total rate of £10,965,000 and so on. Could he advise whether that figure, the base of rates, has increased from the previous year or whether it has remained the same?

The Connétable of Trinity:

If the Deputy wishes I can give him the figures from 2006 right through to 2012. In 2006 it was £9,368,416 and, as you can see, it has crept up, up to now, to £11,480,403 in 2012.

[12:30]

Then the cost, when we had originally started in 2006, it was 0.62 a quarter and 1.11 for the non-domestic and we are now at the figure of, as I have told you, 1.21 and 0.69.

7.1.5 Deputy J.H. Young:

Could I just ask the Connétable to clarify a point for me because I may not have asked my question very clearly? Can he tell whether any of the increases are due to the increase of the number of properties and the base of property going into bases or rate or is all of the increase due to year-on-year percentage increases?

The Connétable of Trinity:

Deputy, the increase is year-on-year increases but because there are always more quarters in every year with new properties and different properties that have been renovated the increasing quarters goes up, so the cost that we are sent from Treasury, at say 4.7 per cent, is turning out at 3 per cent because we have more quarters. In other words, we are not giving the full 4.7 because of the increasing quarters when properties have been built in certain Parishes. It will affect different Parishes, you might have a Parish that has a housing estate built then quarters will rise. It has taken over the whole Island rates quarters. It is not individual Parishes. This is an Island-wide rate.

7.1.6 Deputy M. Tadier:

Was any consideration given to the appropriateness of introducing a 4.7 per cent increase, which is in line with R.P.I. (Retail Price Index), when many of the Island and States employees are facing a pay freeze?

The Connétable of Trinity:

For the Deputy's information, it is set by law.

7.1.7 Senator F. du H. Le Gresley:

On the same tack really, the Rates (Jersey) Law was introduced in 2005. Since then, there is a new measure of inflation called R.P.I.Y. which excludes the effect of G.S.T. (Goods and Services Tax) and I would just like to ask the Connétable if he thinks we should perhaps change the legislation to use R.P.I.Y. in future.

The Connétable of Trinity:

Maybe we will talk to the Minister for Treasury and Resources about that. As far as I am concerned this is set for the Connétables to erase. The Treasury and Resources Department are very fortunate, these Parishes collect this for them and we just send cheques into the Department. They have a very cheap administration.

The Bailiff:

The generosity of the Connétables is well known. [Laughter] [Approbation] Are there any other questions?

Deputy M. Tadier:

Sir, may I, if there is still time left?

The Deputy Bailiff:

Yes.

7.1.8 Deputy M. Tadier:

Would the *Chef* Connétable or the *Président* of the [Aside] ... Chairman. We could have at least had a French word for the ... I prefer to call him *Président*. Would he seek to see whether or not changes could be made by the law that necessitate an increase in R.P.I. to take into account effects such as austerity, whereby if people are facing pay freezes that the actual reference point should not be the R.P.I. but alternatively the earnings index.

The Connétable of Trinity:

That is possible; we can talk with the Treasury and Resources Department. We can look at other ways maybe. Another thing that has to come to this House is the apportionment. We go 55/45, and so that could be reviewed if people thought domestic ... the trouble is it is one of those things, you have businesses which are struggling at the moment, do you put more on the businesses and less on the domestic or do you put ... we came up with a figure that is pretty fair. We thought that on the figures of quarters that 45/55 was a fair percentage and that is what we have at the moment but nothing unreviewable. Maybe I might just say to the Assembly, if they think this was bad, there was talk at the time of the Connétables taking over repairing the roads. I think we took a better way and kept on this one. Thank you.

7.1.9 Senator P.F.C. Ozouf:

Would the Connétable agree with me that Parishes have been significantly better off, notwithstanding the inflation increase, or slightly less than inflation increase, as a result of the States taking full responsibility for welfare and residential care?

The Connétable of Trinity:

Yes, I would agree, certainly. But certainly, as you know, this is a far fairer situation than was there before because Parishes like St. Saviour, St. Clement and St. Helier bore the brunt of the welfare, whereas fortunately Parishes like my own, we had a very, very low welfare payment. This is far fairer because everyone in the community pays exactly the same amount towards this sum of money. There was a road show that went around the Parishes and there were a lot of contentious things going on but, at the end of the day, we came to this agreement and I think at the end of the day it was better for everyone. This is a good agreement and we are happy to comply with it.

7.1.10 The Connétable of St. Helier:

Would the Chairman agree that notwithstanding his response to the previous question, there still exist areas of unfairness between the Parishes and, in particular, the funding of public conveniences, parks and gardens and street cleaning in the urban Parishes?

The Connétable of Trinity:

I have no comment on that one. We are fortunate; our toilets are cleaned by the States. [Laughter]

