

*Para (a) rejected 10.2.81  
(b) adopted vote 40/10*

**REVENUE EXPENDITURE AND INDEX LINKED PENSIONS.**

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*Lodged au Greffe on 6th January, 1981 by Deputy J.S. Rothwell  
of St. Helier.*

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**STATES OF JERSEY**

STATES GREFFE

## **Explanatory Report.**

Although the need to control States revenue expenditure received vocal support from States' Members during the last two budget debates, no action was taken or formula produced to ensure that savings would or could be made. Meanwhile as the Finance and Economics Committee pointed out in their budget report for 1981 "the general trend of past years is thus continued, in that expenditure is increasing at a faster rate than income".

With the general uncertainty of the economic outlook aggravated largely by the worsening economic recession affecting the U.K. and Europe action is called for now to reverse this unhealthy trend. In order that the States can fund future essential capital expenditure projects without recourse to borrowing or raising taxes it should concentrate on a strategy to reduce the level of revenue expenditure.

On the subject of Index Linked Pensions, I am deeply concerned over the rising cost to the public of supporting the scheme of index linking. In my view a critical appraisal is called for.

### **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion—**

- (a) to instruct the Finance and Economics Committee to ensure that the total revenue expenditure budgeted for 1982 should not exceed by more than 10% the net revenue expenditure for 1981 based on the estimates approved by the States in December, 1980;
- (b) to instruct the Establishment Committee to prepare a report for presentation to the States on the pension arrangements for civil servants and other Government workers, with particular emphasis on the history and cost of index linked pensions.

**DEPUTY J.S. ROTHWELL OF ST. HELIER.**