

STATES OF JERSEY



MEDIUM TERM FINANCIAL PLAN 2013 – 2015 (P.69/2012): SECOND AMENDMENT

**Lodged au Greffe on 22nd October 2012
by Deputy J.H. Young of St. Brelade**

STATES GREFFE

MEDIUM TERM FINANCIAL PLAN 2013 – 2015 (P.69/2012):
SECOND AMENDMENT

1 PAGE 2, PARAGRAPH (b) –

After the words “as set out in Summary Table A” insert the words –

“except that the total amount of States net revenue expenditure shall be increased by £300,000 in each of the years 2013 and 2014 in order to provide additional funding for the 3 environmental projects identified in paragraph 7 of the report accompanying the amendment of Deputy J.H. Young of St. Brelade lodged ‘au Greffe’ on 22nd October 2012”.

2 PAGE 2, PARAGRAPH (c)(i) –

After the words “Summary Table B” insert the words –

“except that the net revenue expenditure of the Planning and Environment Department shall be increased by £300,000 in each of the years 2013 and 2014 in order to provide additional funding for the 3 environmental projects identified in paragraph 7 of the report accompanying the amendment of Deputy J.H. Young of St. Brelade lodged ‘au Greffe’ on 22nd October 2012, namely Countryside Infrastructure; Island Plan 2011 Implementation and Strengthening the Protection and Regulation of the Island’s Environment.”.

DEPUTY J.H. YOUNG OF ST. BRELADE

REPORT

Planning and Environment – MTFP

1. This Ministry is the smallest spender of all States Ministries. Of every one pound spent by the States each year in revenue expenditure, this Ministry accounts for less than **one penny** (0.8%). The Environment Scrutiny Panel Report on MTFP highlights the very lowest priority assigned to the services this Ministry provides and the failure of the plan to address long-term stewardship and sustainability issues.
2. The 2012 Business Plan allocated the Ministry £6.439 million of Revenue Expenditure. In 2013 this is proposed to be reduced to £5.601 million, a reduction of 13% by 2015, compared with the 13% increase proposed for the States spending overall. The Department will have over-achieved the CSR savings target of 10% set for all departments from 2010 to 2013 amounting to £1 million. Savings proposals of £1.314 million were put forward by the previous Minister in 2010 and have been carried forward to the MTFP, but from the comments made to the Scrutiny Panel, clearly do not have the support of the present Minister.
3. These savings proposals were first put forward before expenditure commitments were fully known and quantified. These arise from the Island Plan 2011, the requirements for increased environmental regulation to meet EU, and the arrears of expenditure on access and management of our conservation land and coastal paths. The Environment Scrutiny Panel's Report records the opinion of the Minister and Chief Officer that neither the Planning Policy Team nor the Environment Department are adequately resourced to properly carry out these tasks.
4. In particular, the MTFP requires the Department to increase income in 2013 from planning fees charged to users to raise £300K annually over and above increases of charges to users for inflation amounting to £79K. There will be no corresponding service improvement and a lower service standard has been adopted. It has always been recognized that both the public generally and the service users benefit from Planning. There needs to be equity in financing the service. As proposed, this element of the MTFP is unsatisfactory. Imposing a departmental income increase above inflation which goes back to the Treasury pot, I believe effectively amounts to a tax on users, and should properly be considered ultra vires.
5. As the Environment Scrutiny Panel reports on the MTFP, in view of the deficiency in the Department's budget and long-term funding issues, the Minister should have the opportunity to cross-subsidize his service priorities, using or applying all of the £300K additional income generated by the increased charges being imposed to service users in the MTFP, and not just any windfall in excess of this amount, but this option has been denied to the Minister as the MTFP is presently structured.

6. This amendment seeks to reverse this appropriation of departmental income by the Treasury for only 2 years, and to ring-fence this income to be used to fund environmental expenditure set by the Minister. The intention is to enable the ring-fenced funds to be used for these purposes during 2013 and 2014.
7. The specific environmental expenditure projects for 2014–15 which were put forward unsuccessfully by the Minister are identified in the MTFP. This amendment seeks to provide funding of £300,000 for three of these projects in 2013 and 2014, for which their objectives have been revised for clarity. This will enable an early start on these priorities, particularly the “return to work” coastal path scheme, and will bring the Department’s performance in these areas of deficiency up to the required standard within the first 2 years of the MTFP.
 - Countryside Infrastructure £100,000. This is required to adequately improve the standard of maintenance of coastal paths, and publicly-owned conservation land in the National Park. This will reverse the decline in standards and reduce risks of danger to users, arising from intensification of their use following our very successful tourism promotion for and changes in local lifestyles.
 - Island Plan 2011 Implementation. £100,000 – to deliver and implement the outstanding and overdue policy requirements of the Island Plan 2011, including master-plans, parish and local development plans, supplementary planning guidance and a replacement policy for the delivery of affordable housing.
 - Strengthening the protection and regulation of the Island’s Environment, £100,000 – including scientific and technical studies to assist compliance with environmental regulation and increase the frequency of environmental monitoring, particularly in Marine and Water Pollution.
8. The countryside infrastructure project includes the maintenance of 70 km. of public footpaths, 10 km. of bridle-paths, and 600 hectares of conservation land. The standard of maintenance of coastal paths and conservation land has already deteriorated and the risk of injury to users has increased. Following my suggestion to him in July, the Minister for Social Security has agreed to consider introducing for this project a “return to work” interim employment scheme for those seeking employment, as much of the work is manually intensive. Discussions between the Ministers on the parameters of such a scheme are still continuing, but I have been informed that the Minister for Social Security is in principle willing to meet the equivalent minimum wage cost element of the scheme from MTFO funds. However, the Department will need to meet any additional non-staff costs, including materials, vehicles and plant, protective clothing and technical supervision to deliver the scheme. This amendment provides additional funding for these costs, which should remove any possible financial bar to this scheme commencing early in 2013.

It will also enable social security funding to go further and assist more people seeking work. When the detail of the scheme is finalized, the allocation between Social Security and Environment Ministries can be adjusted with the agreement of the Minister for Treasury and Resources.

9. All 3 projects fit full square within the States Strategic Plan, allocating priority to sustainable long-term Planning. The countryside infrastructure project also fits with the States priority for “back to work” and thus carries a double benefit and should be given first priority for 2013.
10. In putting in this amendment forward, I am not seeking to exempt the Planning and Environment Ministry from the need to reduce spending, but consider these should come from real efficiency savings. The Ministry has already achieved the standard target set for CSR savings, and there is the potential for more real savings. The long overdue change to move the Planning appeal system from the Royal Court to an administrative Tribunal will generate very substantial savings. There would be staff savings in the Planning Department and the States Law Officers’ Department, savings in reduced Royal Court time, and costs for appellants which amount to many thousands of pounds would be entirely eliminated.

No account has been taken in the MTFP of the potential for these additional savings in 2015. The Minister is due to publish his Green Paper proposing the proposed change to the appeal system at the end of this year. If the States approve it, it should be possible to realize savings of at least £400K per annum by 2015. These savings would benefit both the Law Officers’ Department and the Environment Ministry, and would be available to fund essential environmental projects during that year. Because these details are uncertain, I have not included in this amendment any adjustment to departmental budgets in 2015.

11. Approval of this amendment would be consistent with the stated priorities of the States and the Council of Ministers. It will have an insignificant effect on the overall States Finances, but very significant benefit for the long-term stewardship of the Island. The additional cost for 2013–14. is non-recurring expenditure and could be recouped from 2015 onwards from new savings from the new Planning appeals system.

12. Financial and manpower implications

The financial implications are self-explanatory and require an additional £300,000 to be withdrawn from the Consolidated Fund for 2013 and 2014.

Management of the Countryside Infrastructure project will require additional organisation and on-site supervision, for which it is envisaged that 2 additional contract appointments are likely to be required. It may be possible that these might be arranged through an appropriately experienced local third sector organization, but this is still to be determined. The skills required are thought to be available locally.

It is believed there should be no other staffing implications, since the Island Plan work and environmental studies are suitable for contracting out.