STATES OF JERSEY

DRAFT ANNUAL BUSINESS PLAN 2009

Council of Ministers

F.H. Walker	Senator	Chief Minister
T.A. Le Sueur	Senator	Treasury and Resources and Deputy Chief Minister
P.F.C. Ozouf	Senator	Economic Development
M.E. Vibert	Senator	Education, Sport and Culture
B.E. Shenton	Senator	Health and Social Services
W. Kinnard	Senator	Home Affairs
T.J. Le Main	Senator	Housing
F.E. Cohen	Senator	Planning and Environment
P.F. Routier	Senator	Social Security
G.W.J. de Faye	Deputy	Transport and Technical Services

W.D. Ogley	Chief Executive

DRAFT ANNUAL BUSINESS PLAN 2009
PROPOSITION

The States are asked to decide whether they are of opinion:
to receive the draft Annual Business Plan 2009 and –

a) to approve the summary key objectives and success criteria for 2009 of the following States funded bodies as shown in Part One of the draft Annual Business Plan –
   - i Chief Minister's Department, as detailed in Part One of the report pages 10 to 12
   - ii Economic Development Department, as detailed in Part One of the report pages 13 to 15
   - iii Education, Sport and Culture Department, as detailed in Part One of the report pages 16 to 18
   - iv Health and Social Services Department, as detailed in Part One of the report pages 19 to 21
   - v Home Affairs Department, as detailed in Part One of the report pages 22 to 23
   - vi Housing Department, as detailed in Part One of the report pages 24 to 25
   - vii Planning and Environment Department, as detailed in Part One of the report pages 26 to 28
   - viii Social Security Department, as detailed in Part One of the report pages 29 to 30
   - ix Transport and Technical Services Department, as detailed in Part One of the report pages 31 to 32
   - x Treasury and Resources Department, as detailed in Part One of the report pages 33 to 35
   - xi Jersey Airport, as detailed in Part One of the report pages 36 to 37
   - xii Jersey Harbours, as detailed in Part One of the report page 38
   - xiii States Assembly and its services, as detailed in Part One of the report pages 39 to 40

b) to approve the summary set out in Part Three of the report Summary Table A, page 94, being the gross revenue expenditure of each States funded body and, based on a provision for pay awards of 3.2% for June 2008 and 2.0% for June 2009, totalling £672,759,100, and having taken into account any income due to each of the States funded bodies, the net revenue expenditure of each States funded body totalling £574,501,300, to be withdrawn from the consolidated fund in 2009;

c) to approve the summary set out in Part Three of the report Summary Table B, page 95, being the estimated income and expenditure and estimated minimum contribution, if any, that each States trading operation is to make to the States consolidated fund in 2009;

d) to approve each of the capital projects in the recommended programme of capital projects for each States funded body for 2009, as set out in Part Three of the report Summary Table D, page 97 that requires £54,851,000 to be withdrawn from the consolidated fund;

e) to approve each of the capital projects in the recommended programme of capital for each States trading operation, as set out in Part Three of the report Summary Table E, page 98, that require funds to be drawn from the trading funds in 2009;

f) to approve in principle the total net revenue expenditure for the States funded bodies, as set out in Part Three of the report Summary Table C, page 96, for the period 2010 to 2013 and the proposed programme of capital projects for the States funded bodies for 2010 to 2013 as set out in Part Three of the report Summary Table F, pages 99; and to request the Chief Minister to present Annual Business Plans to the States within these amounts, with any additional growth in the net revenue expenditure of a States funded body being offset by compensatory savings elsewhere within the total amounts;

g) to approve the schedule of properties for disposal in 2009 in the property plan, as detailed in Part Three of the report Summary Table G, page 100 to 101 of the report;

h) to approve the Legislation Programme for 2009, as set out in Part Three of the report Summary Table H, pages 102 to 104 of the report.

CHIEF MINISTER

CONTENTS

Index of Tables and Charts

1a FOREWORD FROM THE CHIEF MINISTER

The States Annual Business Plan for 2009, published today, is a significant document, which continues the Council of Ministers' drive to improve the quality of life in Jersey.

It sets out the Council of Ministers' business proposals, confirming our determination to protect all aspects of Island life, maintain high quality public services and use the fruits of our economic success to provide proper support to the vulnerable members of our community.

It also outlines our ultimate level of spending. In the debate on the 2008 spending plans, the States gave a clear instruction to the Council of Ministers to produce a Business Plan for 2009 which was within the spending forecast agreed by the States. Accordingly, the spending plans set out in this Business Plan are within the limits agreed.

The Council has considered the Comptroller and Auditor General's report on States spending and has taken account of his conclusions. In relation to the major conclusion on pay levels the plan includes a provision for pay awards which excludes the effect of GST on the RPI. Thus a provision of 2% for pay in 2009 is expected to be 2% below the March 2009 RPI and will also reflect the Comptroller and Auditor General's conclusion. A general provision for efficiency savings in line with the review has been made and some much needed growth in the Law Officers' department has been provided. It has not been possible to provide increases in spending in relation to other areas of under funding in infrastructure maintenance and corporate departments.

In order to meet the cash limits, a rigorous prioritisation process was undertaken and inevitably a number of worthwhile areas of spending that the Council would have wished to include have had to be excluded due to a lack of available funding. These have been identified separately in the Business Plan so that States Members can take a view on whether they merit additional funding.

We have also made the process for producing the Business Plan more inclusive this year. States members have been presented with information at key points in the process. Scrutiny has been involved from the earliest meetings and has been encouraged to provide comments on the Council's proposals. The outcome of these deliberations was to reinforce the message that whilst scrutiny supported some of the proposals for increased spending the Council should propose a plan within the Cash Limit agreed last year.

The Council remains firm in its determination to deliver a sustainable long term future for our community and our finances. The programmes in this plan, if approved by the States, will achieve this balance.

The Business Plan draws on the latest financial forecast. The forecast is very positive based as it is on the new health and vitality of Jersey's economy. In 2007, a better than expected economic performance resulted in a £37 million surplus in States finances. However there is no room for complacency, if we are to secure a financially sustainable future we not only need to protect this surplus, but to continue with the agreed programme of fiscal reform to ensure that there is no underlying long term deficit.

The key elements in the Fiscal Framework are: economic growth, with an emphasis on local employment; combating inflation; the introduction of indirect taxation, in the form of a Goods and Services Tax; and increased efficiency in the delivery of public services.

Whilst we have enjoyed economic growth in recent years, we must not be complacent as Jersey will not be immune to external economic pressures. We are still on track with the efficiency programme and will achieve real savings of £20 million each year. There is an air in government of discipline, responsibility and confidence, as we continue to deliver the States Strategic Plan. It is for the States to decide whether any of the spending not included should be supported.

I am proud to present this Business Plan and I warmly commend it to the States.

Senator F H Walker **July 2008**

1b. FINANCIAL FOREWORD FROM THE MINISTER FOR TREASURY AND RESOURCES

The 2009 Spending proposals are in accordance with the spending target agreed by the States in last year's Business Plan. These cash limits are extremely tight. The 3.1% overall increase in spending is less than the rate of inflation. Yet despite this reduction in States spending in real terms additional funds have been found for:

- 2% real growth in Health and Social Services;
- a 5% increase in Overseas Aid;
- a further £1 million for the Prison Improvement Plan;
- £0.4 million for new GST allowances for those low income families falling between the Income Support and Income Tax systems;
- an extra £0.25 million to maintain adequate border controls; and
- an additional £0.4 million for pupils with special needs at Mont a L'Abbe.

In addition, in line with the commitment given last year and of particular relevance at this time, benefits for the less well off will be fully index linked to insulate them from inflation, including food and fuel increases.

Enhancing services and benefits, whilst reducing total spending in real terms, has only been made possible by yet further improvements to States efficiency and through providing for pay awards at the projected rate of inflation excluding GST. If pay settlements are higher than this 2% provision then there would have to be very serious reductions in essential services including health and education. It is because maintaining tight control over the cost of the public sector pay bill is so critical to delivering vital services to the public, that for the first time ever the States are being specifically asked to approve the provision for a 2% pay award in 2009 in this Business Plan.

Although additional money has been found for the priorities listed above, this Business Plan is perhaps more interesting for what extra spending initiatives it doesn't include, rather than what it does. Pressures for enhancements to services are seemingly inexorable, yet it is just not possible to accommodate funding requests for nursery education, strategic fiscal policy/advice, international representation, increased waste recycling, and additional vocational training for people with special needs, to name but a few. The States cash limits for 2009, 2010 and 2011 assume no new taxes, but the consequence is that there is little or no money available for these, and other, new services. Indeed if inflation and pay awards are higher than projected the people of Jersey can expect to see cuts in the services they currently enjoy.

As we move forward with producing accounts and budgets in accordance with Generally Accepted Accounting Principles we are identifying the full costs of maintaining our property and essential infrastructure. The shortfall in funding is likely to be significant. Initial forecasts in this Business Plan suggest the required funding could add substantially to States spending. Managing these unavoidable demands as the figures are further substantiated will be one of the challenges of the next Strategic Plan and future business planning processes.

On a more positive note, the financial forecast shows we are on target to achieve our objective of balanced budgets over the medium term without any further tax increases. We must however, not return to the unsustainable increases in public spending of the past, as this would not only add to inflationary pressures, which would damage our economy, but also inevitably lead to additional taxation.

Senator T A Le Sueur **July 2008**

PART ONE

DEPARTMENTS' KEY OBJECTIVES AND SUCCESS CRITERIA

1. DEPARTMENTS KEY OBJECTIVES AND SUCCESS CRITERIA

Annual Business Plan

Part one sets out each Department's high-level key objectives for 2009. These objectives include the success criteria which will drive the Department's activity and resource allocation for the coming year and will be reported against in the 2009 Annual Performance Report, published in 2010.

Each of the departmental key objectives, which States members are asked to approve, are linked directly to the commitments, objectives, and where appropriate, initiatives already approved by the States in the Strategic Plan to ensure that activity and use of resource is always in accordance with the strategic direction that was approved by the States.

The early draft of the key objectives was made available to Scrutiny as soon as they became available at the end of May. The Council of Ministers has also undertaken to hold a briefing on the key objectives for all States members so that members can better understand the reasoning behind Minister's priorities and raise any questions prior to consideration of any possible amendments to the Annual Business Plan. This meeting will be held in July after the Annual Business Plan has been lodged.

A new Strategic Plan will be presented to the States for approval by the new Council of Ministers in May 2009. This will impact on departmental objectives and priorities going forward from 2010.

It is important that the detail of the Strategic Plan is kept under review to ensure that the overarching commitments and objectives are achieved. Accordingly, the Council of Ministers reviews the Strategic Plan as a matter of course during the annual business planning process, and in particular, reviews and continually updates the impact of changes in policy, or other unforeseen expenditure, on the financial framework. This is the framework within which the Executive develops policy, allocates resources and delivers services in accordance with the Strategic Plan.

A key element of the States decision on the Annual Business Plan is each department's key objectives/priorities and success criteria. States members therefore determine the priorities for Ministers and Departments.

Further information is provided in the Annex to the Annual Business Plan, where the detailed Service Analysis provides information about each of the service budget areas, their key performance indicators, changes in funding and manpower and a financial summary listing key investment areas – all linked back to one or more of the key objectives.

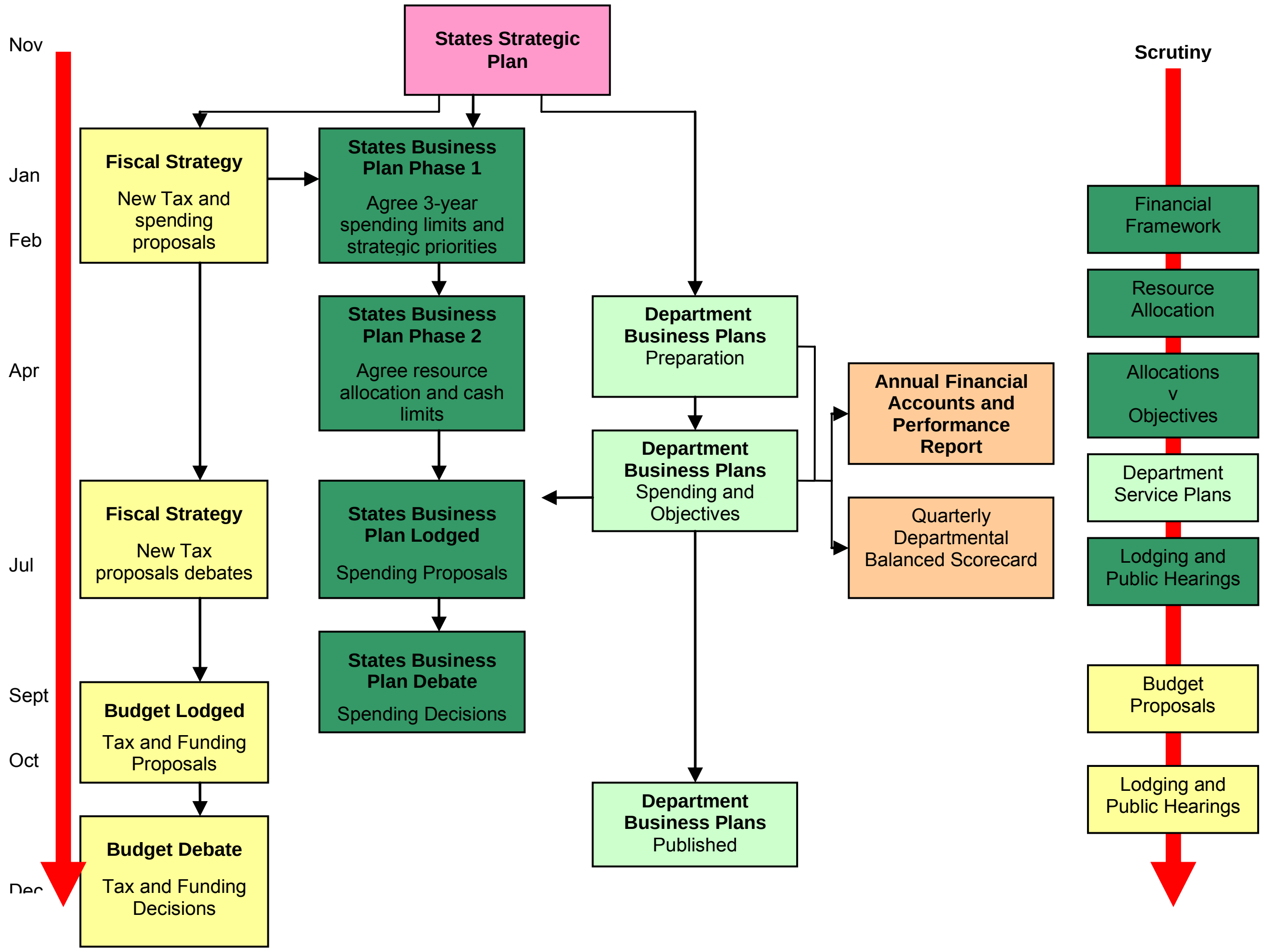
Departmental Business Planning

The Key Objectives and Success criteria approved by the States during the debate is used as a basis for the Departmental Business/Action Plans, with all activity set out in the departmental plans linked back to one or more of the Key Objectives. This ensures that the operational plans and individual tasks can be directly linked back, through the Key Objectives, to the Strategic Plan.

Performance Reporting

The Annual Performance Report will report on performance against the indicators set out in the Strategic Plan to show how well progress is being made against each of the Commitments. The Annex to the performance report reports back on the performance indicators set out in the Service Analysis in the Annual Business Plan Annex. Table 1.1 below shows the timetable and how the process fits together.

Table 1.1 - Business and Financial Planning Cycle



CHIEF MINISTER

AIM:

The aim of the Chief Minister's Department is to:

- **support and advise the Chief Minister and Council of Ministers in establishing, co-ordinating, communicating and implementing States approved policies and objectives.**
- **provide direction and leadership to the public service to ensure that policies and programmes are delivered in accordance with agreed priorities.**
- **develop and promote international relations to further Jersey's international standing and reputation.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: The co-ordinated development and implementation of States policies.

Success criteria:

(i) Strategic Plan delivered and monitored as per the agreed timetable;
(ii) Co-ordinated development and implementation of policies at ministerial and Corporate Management Board level;
(iii) The development of any new initiatives, policies or strategies prioritised and supported by all resource implications;
(iv) All policies are transparent, with clear accountability and reporting back on outcomes;
(v) Improved public satisfaction with government;
(vi) More opportunities for public consultation and participation in decision-making;
(vii) Continued close co-operation with the Parishes;
(viii) Closer co-operation with Scrutiny;
(ix) Annual Business Plan to be delivered within the total amounts set in the 2008 Annual Business Plan for the years 2009 to 2013.

Strategic Plan Commitment(s): *5.1, 6.1, 6.2 and 6.4.*

Objective 2: An efficient and effective public sector fit for the purpose of delivering the States Strategic Plan.

Success criteria:

(i) An effective law drafting service;
(ii) In conjunction with the relevant departments, the continued implementation of the Social Policy framework;
(iii) In conjunction with the Treasury and States Departments, keep plans on track to deliver the programme of efficiency savings in the public sector year on year resulting in savings of £20 million per annum by 2009;
(iv) Progress against an agreed organisational development programme;
(v) A business focussed Information Technology Department that underpins and supports the delivery of public services;
(vi) A streamlined Human Resources function which supports the welfare and development of the public sector workforce with a particular emphasis on maximising opportunities for local people;
(vii) Improved and more efficient access to public services and information through the customer services initiative;
(viii) A pay settlement with all public sector pay groups which is consistent with the States budgetary strategy in place by September 2009;

(ix) Public sector pension obligations properly monitored and accounted for;
(x) A robust resilience/response mechanism in place to deal with strategic crises/emergencies.

Strategic Plan Commitment(s): *2.4, 6.1, 6.2 and 6.4.*

Objective 3: Jersey's international responsibilities fulfilled and beneficial relations with other countries and regional organisations developed - including constitutional, political, economic, cultural and environmental links - which raise Jersey's positive international identity and promote Jersey's external influence.

Success criteria:

(i) Initiatives, in collaboration with other States departments and NGOs, to promote awareness and conformance with international obligations;
(ii) Jersey's constitutional relationship with the UK maintained and developed;
(iii) An improvement in Jersey's relationship with the EU and other countries with Jersey's position increasingly recognised and acknowledged;
(iv) Positive reports in national and international media demonstrating a favourable international perception and image for Jersey;
(v) Increased participation in international bodies and multi-lateral initiatives e.g. OECD, WTO, EU Financial Services Action Plan (where relevant);
(vi) A range of multi-lateral and bi-lateral links, in both financial services related and non-financial services related areas, consistent with enhanced status and increasing international recognition for Jersey developed;
(vii) Improved communication with the French Authorities in relation to nuclear activities on the Cotentin Peninsula.

Strategic Plan Commitment(s): *1.6, 3.4 and 5.2*

Objective 4: Growing international recognition for Jersey's reputation and standing amongst various international audiences as a well-regulated, co-operative international finance centre meriting increasing market access to major economies and trading entities (e.g. the European Union); and further investment in financial services provision in Jersey.

Success criteria:

(i) Increased number of international fiscal and regulatory agreements concluded with other countries;
(ii) Progressive dismantling of blacklists and other trade barriers erected against Jersey by other countries;
(iii) Plans on track to implement changes arising from new EU Money Laundering Directives; new primary and secondary legislation on financial crime; and ratification of key international conventions (e.g. Corruption, Financing Terrorism, Transnational Crime);
(iv) Successful outcome from the IMF review being undertaken during 2008, reporting 2009.

Strategic Plan Commitment(s): *1.6, 1.8 and 5.2,*

Objective 5: Decision-making improved and debate better informed through the provision of accurate and timely professional economic and statistical advice and information on major issues.

Success criteria:

(i) Quality and availability of economic advice;
(ii) States assisted to meet its inflation target through the provision of timely advice on policy;
(iii) Statistical information available to all and all Statistics Unit releases produced independently to pre-announced release dates.

Strategic Plan Commitment(s): *1.1, 1.2, 1.3, 1.4, 1.5, 1.7, 6.1 and 6.3*

Objective 6: A balance between economic growth and the supply and demand of labour, accommodation, infrastructure and resources, and the promotion of greater social inclusion.

Success criteria:

(i) States approval of policies for job licensing and control over access to accommodation;

(ii) An Island population register implemented;

(iii) Plan to address the issues raised by the ageing population approved by the States

Strategic Plan Commitment(s): *1.2, 1.4, 1.5, 1.7, 2.1, 2.5, 2.6 and 2.11*

Objective 7: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions where appropriate;

(iii) Management costs minimised to ensure maximum resources are directed to front line services;

(iv) Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;

(v) Staff developed to help them achieve their full potential;

(vi) Need for an independent person or agency to receive approaches from persons raising serious concerns to be assessed.

Strategic Plan Commitment(s): *6.1 and 6*

ECONOMIC DEVELOPMENT DEPARTMENT

AIM:

The aim of the Economic Development Department is to:

> **encourage and facilitate sustainable economic growth with low levels of inflation coupled with economic diversification and the creation of job opportunities.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Sustainable long term economic growth, at or above planned targets, delivering additional tax receipts and more diverse employment opportunities for local people whilst managing inflationary pressures within the economy.

Success criteria:

(i) Controlled, sustainable real economic growth at or above 2% p.a with net inward migration within States policies over the plan period;

(ii) New strategies to support economic growth, including but not limited to retail strategy, tourism strategy and a Business Enterprise Development strategy fully implemented;

(iii) Full employment for local people with an increase in job opportunities in both existing and new sectors;

(iv) Higher efficiency and profitability in all sectors of the economy;

(v) Less reliance on government subsidy within the rural economy;

(vi) Increased economic diversity across all sectors of the economy;

(vii) Broader skills base in the island meeting business needs;

(viii) In conjunction with the Population Office, Regulation of Undertakings Law applied;

(ix) Inflation due to economic pressure kept within the Fiscal Strategy targets

Strategic Plan Commitment(s): *1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 2.5, 2.6, 5.1, 6.5*

Objective 2: New enterprises and companies with high value-added potential developed.

Success criteria:

(i) Increased number of business start-ups with high value-added potential;

(ii) Increased business success defined by % of start ups still trading after three years;

(iii) Increased number of high value-added businesses and individuals migrating to the island.

Strategic Plan Commitment(s): *1.4, 1.5, 1.6, 1.7.*

Objective 3: A co-ordinated approach to developing the skills required to support the economy.

Success criteria:

(i) EDD to play its full role in the success of the Skills Executive in particular the delivery of the demand capture function.

Strategic Plan Commitment(s): *1.2, 1.4, 1.5*

Objective 4: A Financial Services Industry with an international reputation for integrity.

Success criteria:

(i) Growth in real terms in the financial sector;

(ii) Compliance with international financial standards to which Jersey is subscribed;

(iii) Increased profitability in the finance industry;

(iv) Stable or growing employment numbers in financial services.

Strategic Plan Commitment(s): *1.2, 1.4, 1.8*

Objective 5: A vibrant visitor economy which adds value to Island life.

Success criteria:

(i) Increased capital expenditure in the tourism sector to align the Jersey product to current market demand;

(ii) Increased number of visitors to the island and increased on-island visitor spend;

Strategic Plan Commitment(s): *1.2, 1.4, 1.5, 1.6, 1.7, 2.6,*

Objective 6: A diverse working countryside.

Success criteria:

(i) GVA from the rural sector increased in real terms;

(ii) Greater diversity and enterprise in the rural economy;

(iii) Increased value of exports in rural sector;

(iv) Sustainable dairy and potato sector.

Strategic Plan Commitment(s): *1.2, 1.4, 1.5, 1.7, 2.5, 2.6, 4.1*

Objective 7: A regulatory environment in which business can prosper.

Success criteria:

(i) A strong consumer voice;

(ii) Competition and consumer choice in all sectors;

(iii) Appropriate levels of consumer choice and protection;

(iv) Reduced processing time for the regulatory applications;

(v) Fit for purpose regulatory regimes for postal services and telecommunications in Jersey.

Strategic Plan Commitment(s): *1.6, 1.7, 1.8, 2.4*

Objective 8: A comprehensive external transport strategy which benefits both business and residents.

Success criteria:

(i) Regular, reliable and sustainable air and sea services provided;

(ii) Development of new routes and extension of capacity where possible to existing routes;

(iii) Reduce passenger charges;

(iv) Reduce or maintain low freight charges;

(v) Increased passenger traffic across a broader transport network;

(vi) Improve freight services.

Strategic Plan Commitment(s): *1.6, 6.5.*

Objective 9: An Airport that meets the economic and social needs of the Island, the expectations of passengers and the expectations of airlines.

Success criteria:

(i) Optimise revenue generation to address operating costs and future capital liabilities;
(ii) Growth in annual passenger numbers;
(iii) Existing routes retained and UK/European route network expanded;
(iv) Increased commercial revenues;
(v) Improve freight services;
(vi) No significant pollution problems;
(vii) Positive and influential contribution to the development of a transport strategy.

Strategic Plan Commitment(s): *1.5, 1.6, 1.7, 3.4, 6.5*

Objective 10: A modern port that meets the economic and social needs of the Island, the expectations of passengers and the expectations of carriers.

Success criteria:

(i) Optimise revenue generation to address operating costs and future capital liabilities;
(ii) Growth in annual passenger numbers;
(iii) Existing routes retained and expanded;
(iv) Improve freight services;
(v) Effective Coastguard service;
(vi) Positive and influential contribution to the development of a transport strategy.

Strategic Plan Commitment(s): *1.5, 1.6, 1.7, 3.4, 6.5*

Objective 11: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and, total budget and spend profile consistent with forecast;
(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions;
(iii) Management costs minimised to ensure maximum resources are directed to front line services;
(iv) Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;
(v) Staff developed to help them achieve their full potential.

Strategic Plan Commitment(s): *6.1 and 6.2*

EDUCATION, SPORT AND CULTURE

AIM

The aim of the Department for Education Sport, and Culture is to:

strengthen our community by providing a first class education service, supporting the development of skills and promoting leisure and cultural activities that enrich our lives.

The aim is to:

- **Ensure that our children enjoy the best start possible;**
- **Prepare our young people for the challenges of the future and encourage them to make a positive contribution to society;**
- **Encourage lifelong learning and active participation in sport and culture and help people develop their skills and potential throughout their lives;**
- **Promote social inclusion and equal opportunity.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: To improve key outcomes for children and young people

Success criteria:

(i) Early years education and care strategy reviewed to take account of Scrutiny Report;
(ii) Revised literacy strategy developed and implemented in early years, primary and secondary schools;
(iii) GCSE results in English and Mathematics compare favourably with benchmark authorities;
(iv) ICT Curriculum Strategy objectives for 2009 delivered to schools and colleges;
(v) Comprehensive ‘Youth’ strategy developed;
(vi) Action plan responding to recommendations in Williamson report developed and implemented;
(vii) Recommendations of the 2008 review of French teaching in Jersey Schools implemented.

Strategic Plan Commitments: *2.7, 2.7.1, 2.7.2, 2.7.7, 3.2.10*

Objective 2: To implement plans for a Skills Executive that will steer the development of vocational education and training to meet the economic needs of the Island.

Success criteria:

(i) ‘Skills Jersey’ formed and functioning effectively;
(ii) Vocational qualification introduced for 14-16 year olds;
(iii) New funding formula implemented for Highlands College;
(iv) New arrangements in place to support the employment of young people with learning difficulties post 19 years;
(v) Sixth form collaboration evident from curriculum analysis;
(vi) Higher Education/University Centre for Jersey created and functioning in accordance with aspirations of the States following the 2005 Review of Higher Education (Goldstein Report);
(vii) Financial literacy integrated into schools' PSHE curriculum.

Strategic Plan Commitments: *1.4, 1.4.5, 1.5.1, 2.5.3, 2.6.2, 2.7, 2.7.4, 2.7.5, 2.7.6*

Objective 3: To promote a culture of continuous improvement by ensuring that training and development is geared towards raising achievement and implemented through clear systems of performance management.

Success criteria:

(i) Performance review and appraisal implemented for all eligible staff;

(ii) Quest accreditation undertaken at sports centres indicates improved performance;

(iii) Development plans prepared by sports governing bodies implemented and monitored;

(iv) Further training provided to enhance skills in First Aid, Health and Safety and Coaching;

(v) ‘Critical Skills’ and ‘Assessment for Learning’ programmes progressed with schools;

(vi) A targeted professional development and graduate teacher training programme implemented;

(vii) A comprehensive leadership programme for aspiring and serving head teachers developed to support succession planning;

(viii) Sharing good practice sessions facilitated across all phases of education.

Strategic Plan Commitments: *2.7, 2.7.2*

Objective 4: To encourage widespread enjoyment of sport and culture and support talent and excellence in the community.

Success criteria:

(i) Committee established and bid developed for hosting 2015 Island Games;

(ii) Support provided to enable individuals and teams to compete in national and international competitions;

(iii) ‘Access for all’, affordable rates maintained to activities and facilities;

(iv) Jersey Annual Social Survey indicates increased levels of cultural and sporting activity;

(v) Cultural Strategy objectives for 2009 implemented;

(vi) Library Service Improvement Plan implemented.

Strategic Plan Commitments: *2.2, 2.8, 2.8.2, 2.8.3, 2.9, 3.2.9*

Objective 5: To enhance arrangements for planning, governance, and accountability to ensure effective services and value for money.

Success criteria:

(i) Ten year ESC Strategic Plan developed;

(ii) Professional partnership arrangements in place for all schools and colleges;

(iii) New framework for school evaluation implemented Island wide;

(iv) School funding model reviewed to take account of changing demographics;

(v) Training programme in place for school governors;

(vi) New planning and partnership agreements in place for cultural organisations.

Strategic Plan Commitments: *1.4.5, 2.6.3, 2.7.4, 2.7.6, 2.9.1, 2.9.2, 3.2.9, 6.1, 6.2*

Objective 6: To review and develop initiatives and programmes designed to promote social inclusion and equal opportunity.

Success criteria:

(i) More hard to reach groups engaged in sporting activities;
(ii) Youth Work Strategy implemented;
(iii) Number of partnerships with the Parishes extended;
(iv) Increased youth engagement in the community evident through the Youth Forum and Youth Council;
(v) Participation in adult basic education increased;
(vi) Inclusive educational practice reviewed in primary schools, secondary schools and Highlands College;
(vii) Full-time places available on appropriate specialist courses (access and life skills) for 16-19 year olds with learning/social communication difficulties.

Strategic Plan Commitments: *2.7.9, 2.8.3, 3.2.9, 5.1.4, 5.1.5, 5.1.6*

Objective 7: To manage staff and resources so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profiles consistent with forecast;
(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions;
(iii) Management costs minimised to ensure maximum resources are directed to front line services;
(iv) Explicit link between budget prioritisation process and Strategic Plan objectives demonstrated;
(v) Staff developed to help them achieve their full potential.
(vi) Financial transparency and cross section prioritisation ensure that funds are used as effectively as possible to achieve Departmental objectives and meet financial challenges;
(vii) Review of internal control systems ensure adherence to financial directions;
(viii) Effective financial planning, monitoring and reporting evident across all service areas.

Strategic Plan Commitment(s): *2.6.3, 2.7.4, 2.7.6, 2.9.1, 2.9.2, 3.2.9, 4.5, 6.1, 6.21*

HEALTH AND SOCIAL SERVICES

AIM

The aim of the Health and Social Services department is to:

> **improve the health and social well being of the population of Jersey through the provision of high quality services.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: A redesigned health and social care system to deliver improved health and social well being for the Island community.

Success criteria:

(i) 'New Directions' agreed by the States by March 2009 and implementation commenced;

(ii) The Primary Care Law adopted by the States by end of 2009;

(iii) In conjunction with the relevant departments, the continued implementation of the Social Policy framework:
- Advancement of the Population Data Base;

(iv) Improved Occupational Health Service:
- An established action plan in place which will enable those with chronic ill- health or disability to return to work;

(v) Secondary health care provided by HSS to HMP La Moye.

Strategic Plan Commitment(s): *2.1, 2.2 and 2.3*

Objective 2: Improved health and social care outcomes by reducing the incidence of mortality, disease and injury in the population.

Success criteria:

(i) Increased life expectancy at birth in Jersey for men from 77.6 to 78.6 years and maintain that for women at above 82.8 years (2010 targets 78.6 for males and 82.5 for females);

(ii) Reduced mortality rates:
- Maintain rates from heart disease, stroke and related diseases for people under 75 to below 85 per 100,000 (2010 target);
- From cancer in people under 75 to below 113 per 100,000 (2010 target);
- From suicide and undetermined injury to below 9.8 per 100,000 (2010 target);

(iii) Further reduced adult and child smoking rates (currently recorded as 20% for adults and 21% for 14- 15 year olds) to 14 % for both adults and 14-15 year olds (2017 target);

(iv) Controlled overweight and obesity rates for adults and children:
- Reduced overweight and obesity rates for 5 year olds from 30% to below 10% (2017 target);
- Halt the rise of overweight and obese adults (currently 43% of men and 26% of women);

(v) Reduced alcohol consumption:
- Per capita from 15.4 litres (2005) to 9.1litres (2017 target);
- Continued reduction in numbers of young people (14-15 years) who drink heavily (10% in 2006);
- Access to detoxification services on an assessed clinical need promoted. 75% of clients to be seen within 2 weeks of making contact;

(vi) Improvement in Vaccination Uptake Rates for:
- Diptheria from 92% to 95%;
- MMR from 86% above 90%;

(HiB and Meningitis C vaccination uptake exceeded the 90% target for each, in 2007);

(vii) Human Papilloma Virus (HPV) vaccine for girls of 13 years of age introduced;

(viii) New performance criteria for Ambulance Services, based on the clinical outcomes of category A calls, agreed and piloted.

Strategic Plan Commitment(s): *2.1, 2.2, 2.3, 2.2.2, 2.2.4, 3.2.4 and 6.2*

Objective 3: Improved consumer experience of Health and Social Services.

Success criteria:

(i) Improved consumer experience of health and social services as measured by independently validated surveys; outcomes to match or exceed comparable UK data;

(ii) Minimised elective inpatient and outpatient waiting time to a maximum of 3 months.

Strategic Plan Commitment(s): *2.3 and 2.3.2*

Objective 4: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with UK and other jurisdictions where appropriate;

(iii) Management costs minimised to ensure maximum resources are directed to health and social care services by maintaining the proportion of staff in management roles at below 3%;

(iv) Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;

(v) Staff developed to help them achieve their full potential:

- Numbers of staff recorded as having received a formal annual appraisal to rise from 41% to 80%;

(vi) Implementation of the Integrated Care Record Strategy:

- Replacement of current legacy systems which will become defunct by mid 2009.

Strategic Plan Commitment(s): *6.1 and 6.2*

Objective 5: The independence of adults needing health and social care thus enabling them to live a safe, full and as normal a life as possible, in their own home wherever feasible.

Success criteria:

(i) Increased percentage of adult social work service users receiving a statement of their needs; from 89% to 94%;

(ii) Increased Adult Social Work service users receiving a formal review as a percentage of those receiving a service; from 67% to 70%;

(iii) Reduced number of patients aged 65 or over whose transfer from the hospital back to their home or community setting is delayed for non medical reasons. Current rate is 35 per 100,000 and target is 30 per 100, 000.

Strategic Plan Commitment(s): *2.1, 2.1.6 and 3.7*

Objective 6: The social development of children within the most appropriate environment to meet their needs.

Success criteria:

(i) Stability of placements for children under the care of the department;

(ii) Increased proportion of children in care in family placements; target for 2009 is 74%;

(iii) Minimised number of children registered during the year on the Child Protection Register who had been previously registered;

(iv) Minimised number of children de-registered who had been on the Register for longer than two years due to changed risk profile.

(These objectives possibly subject to independent recommendation by the Andrew Williamson enquiry)

Strategic Plan Commitment(s): *3.7*

HOME AFFAIRS

AIM

The aim of the Home Affairs Department is to:

work towards a safe, just and equitable society.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Public confidence in the services provided for their safety, protection and security.

Success criteria:

(i) High levels of public confidence in the services provided by the Home Affairs departments maintained;

(ii) High levels of satisfaction with the quality of service provided to victims of crime maintained;

(iii) Safer St Helier project delivered in partnership with the community, voluntary organisations and the private sector;

Strategic Plan Commitment(s): *3.2*

Objective 2: Effective policing of offences that pose the greatest threat to community safety.

Success criteria:

(i) Low levels of crime maintained in Jersey relative to comparable locations;

(ii) High level of detection rates and the proportion resulting in offenders being presented to the criminal justice system maintained and further improved;

(iii) Significant disruption to the supply of illegal drugs in the Island maintained;

(iv) High levels of safety and public perception of safety in their neighbourhoods maintained;

(v) Public safety and perception of safety in St Helier at night improved;

(vi) An increase in the percentage of people who say that Police do a good job in the areas of drugs, violent crime and burglary;

(vii) Low levels of road traffic crashes resulting in serious or fatal injury maintained or further reduced.

Strategic Plan Commitment(s): *3.2 and 3.3*

Objective 3: The public protected by providing interventions and services that reduce reoffending.

Success criteria:

(i) Custodial facilities for prisoners improved;

(ii) A high success rate in the rehabilitation of offenders achieved through Sentence Planning, Prison education and other programmes;

(iii) In conjunction with the Probation Service, a co-ordinated approach to dealing with offenders.

Strategic Plan Commitment(s): *3.3*

Objective 4: Life, property and the environment protected from risks from fire and other emergencies.

Success criteria:

(i) Deaths, injuries and economic losses due to fires and other emergency incidents reduced;

(ii) An appropriate range of services to provide a resilient and effective response to major incidents.

Strategic Plan Commitment(s): *3.5*

Objective 5: Strong frontier protection against threats to the security, social and economic integrity and environment of the Island that balances the need to maintain Jersey as a competitive location in which to do business.

Success criteria:

(i) Effective immigration controls maintained to nationally recognised standards;

(ii) Security services at Jersey ports maintained to nationally recognised standards;

(iii) Effective enforcement to intercept and deter the illegal importation of prohibited or restricted goods maintained;

Strategic Plan Commitment(s): *1.8 and 3.4*

Objective 6: A financial crime investigation service that is recognised for its effective cooperation with law enforcement agencies in the United Kingdom and elsewhere in combating serious and organised crime, money laundering and terrorism.

Success criteria:

(i) A continued reputation for high quality financial crime/fraud investigation that achieves compliance with the international financial integrity standards to which the government of Jersey has subscribed;

Strategic Plan Commitment(s): *1.8 and 3.4*

Objective 7: Jersey's defence contribution to the UK maintained.

Success criteria:

(i) A Royal Engineer Squadron prepared to deliver individual reinforcements or a formed group to support UK Operations.

Strategic Plan Commitment(s): *5.2*

Objective 8: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions where appropriate;

(iii) Management costs minimised to ensure maximum resources are directed to front line services;

(iv) Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;

(v) Staff developed to help them achieve their full potential.

Strategic Plan Commitment(s): *6.1 and 6.2*

HOUSING

AIM:

The aim of the Housing Department is to:

> **ensure that long-term, sustainable and affordable housing is provided to meet the needs of all residents**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Management of the Department's 'Social Housing Property Plan 2007 – 2016'

Success Criteria:

(i) Plans on track for all States owned social rented properties to meet the UK Government's Decent Homes Standard by 2016;

(ii) The Department is able to retain sufficient amounts of its income to ensure that it is self sufficient and able to maintain, and refurbish the States owned social rented stock;

(iii) The housing portfolio (property types and numbers) realigned to meet the changing needs of the community, particularly in relation to life-long homes;

(iv) The remaining non-core prime location properties outlined in the Property Plan are sold;

(v) States Tenants encouraged to become home owners with the assistance of the approved deferred payment scheme;

Strategic Plan Commitment(s): *3.8.1, 3.8.3, 3.8.8*

Objective 2: Supply and demand for property assessed so that there is an adequate supply of homes

Success criteria:

(i) The supply and demand for social rented homes monitored and reported regularly to the Planning and Environment Minister;

(ii) Contribution to an increase in the level of home ownership;

(iii) The Jersey Homebuy Gateway and qualifying parameters established to ensure that need is met;

(iv) In conjunction with the relevant Departments, the continued implementation of the Social Policy framework.

Strategic Plan Commitment(s): *3.8.1, 3.8.2, 3.8.5, 3.8.8*

Objective 3: A Fundamental Review of Social Housing

Success criteria:

(i) Recommendations brought forward for debate in relation to changes to rent levels and structures, including a mechanism for regular rent reviews;

(ii) Recommendations brought forward for debate in relation to changes to the management and operation of the States owned social rental stock;

(iii) Recommendations brought forward for debate in relation to changes to facilitate the Implementation of a regulatory framework.

Strategic Plan Commitment(s): *3.8.1, 3.8.2, 3.8.4, 3.8.5 and 3.8.8*

Objective 4: Excellent Relationship between the Department and its Tenants

Success criteria:

(i) Initiatives introduced to improve and develop communication with tenants so that tenants are increasingly involved with, and consulted about decisions which affect them, in particular the outcome of the Review of Social Housing;

(ii) The Tenants Forum further developed to ensure an increasing role in the development of Social Housing Policy;

(iii) The percentage of rent arrears reduced in collaboration with the Tenants Forum;

(iv) The maintenance and further enhancement of service levels through the development of links with external partners.

Strategic Plan Commitment(s): 3.7, 3.8.4, 3.8.5

Objective 5: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions where appropriate;

(iii) Drive efficiency through the setting of individual and team performance targets which will be reviewed regularly by the continuation of robust performance management processes for all;

(iv) Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;

(v) Audit existing processes to ensure that they are efficient, display value for money and deliver tangible benefit;

(vi) The full potential of Individuals and Teams achieved through continuous development in line with organisational objectives

Strategic Plan Commitment(s): 3.6.2

PLANNING AND ENVIRONMENT DEPARTMENT

AIM

The aim of the Planning and Environment Department is to;

> **keep Jersey special by protecting the environment whilst supporting a thriving community and sustainable economy.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Maintain and enhance a strong, successful and environmentally sustainable economy

Success criteria:

(i) Use ECO-ACTIVE BUSINESS scheme to minimise environmental impact of local businesses;

(ii) Promote a sustainable Island economy through:

- *a.* identification and provision of appropriate land
- *b.* supporting diverse, modern and adaptable farming, fishing and fish-farming industries

Strategic Plan Commitment(s): *1.1.1 and 1.5.6*

(iii) Use Environmental taxes to fund improvements and influence consumers behaviour;

(iv) Annual State of the Environment report to promote a green reputation of which Islanders are proud.

Strategic Plan Commitment(s): *1.1.3*

Objective 2: Create the environment in which everyone in Jersey has the opportunity to enjoy a good quality of life

Success criteria:

(i) Develop policy, guidance and legal provisions that:

- a. Encourage and require efficient use of resources (land, marine and energy)
- b. Deliver affordable and environmentally sustainable homes that meet needs and aspirations of Islanders;

(ii) Environmental Taxes scheme to fund:

- a. Sustainable travel and transport facilities
- b. Energy efficiency measures
- c. Improved recycling
- d. Awareness and education.

Strategic Plan Commitment(s): *1.1.1 and 2.10.2*

Objective 3: Promote a safe, just and equitable society

Success criteria:

(i) Use planning policy and planning gain to secure improvements in the public realm;

(ii) Ensure building standards secure contribute to the health and safety of building users, including disabled people.

Strategic Plan Commitment(s): *3.8.6 and 3.8.7*

(iii) Ensure high standards of animal health and welfare and protect society from the impact of animal and fish diseases;

(iv) Work to identify and provide appropriate land for homes.

Strategic Plan Commitment(s): *3.8.2*

Objective 4: Protect, maintain and enhance the natural and built environment

Success criteria:

(i) Develop and maintain a policy framework, including the Island Plan 2010 and the new Planning and Building Law, that protects the Island's environment (marine, countryside, coastline and heritage) whilst meeting social need and supporting a thriving economy;

Strategic Plan Commitment(s): *4.1.2, 4.7.1. 4.5.2, 4.7.4 and 4.7.6*

(ii) Implement St Helier Development and Regeneration Strategy and support delivery of a high quality, viable and vibrant urban environment;

Strategic Plan Commitment(s): *4.2.1 and 4.2.2*

(iii) Deliver an exemplary Waterfront that supports regeneration of St Helier ;

Strategic Plan Commitment(s): *4.2.3, 4.2.5 and 4.2.6*

(iv) Review framework for protecting the Island's historic built environment;

Strategic Plan Commitment(s): *4.5.2, 4.5.5 and 4.7.6*

(v) Energy Policy to deliver secure, affordable and sustainable energy;

Strategic Plan Commitment(s): 1.1.1, 4.3.1 and 4.3.2

(vi) Seek to reduce unsustainable use of resources following introduction of Environmental taxes;

Strategic Plan Commitment(s): 1.1.1, 4.4.3 and 4.6.3

(vii) Deliver a vibrant, working countryside through implementation of the Rural Economy Strategy;

Strategic Plan Commitment(s): *4.1.1 and 4.5.1*

(viii) Coastal Zone Management Strategy implemented to ensure sustainable approach to management of marine and coastal environment;

Strategic Plan Commitment(s): *4.7.5*

(ix) Bring forward a Climate Change Adaptation and Mitigation Strategy;

(x) Implement Waste Management Law and ensure Jersey complies with wider environmental obligations;

Strategic Plan Commitment(s): 4.4.1

(xi) Implement Water Resources Law to better protect and manage this vital resource.

Strategic Plan Commitment(s): 1.1.1 and 4.4.2

Objective 5: Create a strong, recognised identity for Jersey and promote a real sense of belonging

Success criteria:

(i) Maintain and enhance Jersey's unique character through protection of natural and built environment including:
   a. protection of Jersey's cultural assets
   b. encouragement of the delivery of public art
   c. promotion of the highest architectural standards of architecture;

(ii) Ensuring compliance under existing International Agreements by 2010

(iii) Use ECO-ACTIVE as a mechanism for Islanders to become custodians of the environment and create a sense of citizenship

Strategic Plan Commitment(s): 5.1, 5.2

Objective 6: Manage staff and resources efficiently to ensure the delivery of improved performance and provide value for money.

Success criteria:

(i) Implement business improvement plan to improve planning application process;

(ii) Improve accuracy of geo-spatial information through better interface of IT and Jersey Digital Map and support introduction of web-enabled planning service by end 2011;

(iii) Provide accurate, timely, reliable and, where appropriate, specialised weather services to meet the needs of the Channel Islands communities;

(iv) Financial balance achieved and total budget and spend profile consistent with forecast;

(v) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions where appropriate;

(vi) Management costs minimised to ensure maximum resources are directed to front line services;

(vii) Explicit link between budget prioritisation process and Strategic Plan objectives demonstrated;

(viii) Staff developed to help them achieve their full potential;

(ix) Drive up improved environmental performance of States Departments through development of Environment Policy.

Strategic Plan Commitment(s): *6.1 and 6.2*

SOCIAL SECURITY

AIM

The aim of the Social Security Department is to;

> **help people to achieve and maintain financial independence and provide social benefits to protect those unable to support themselves**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Support people to achieve and maintain an acceptable standard of living.

Success criteria:

(i) Maintain and administer the Income Support scheme;

(ii) Fully implement the residential care elements of Income Support;

(iii) Monitor the implementation of Income Support with a view to undertaking a full review in 2010;

(iv) Maintain and administer existing contributory benefits;

(v) Undertake consultation and subsequently develop proposals for possible changes to the Social Insurance Scheme, for example:
  a. pension and other retirement income provision;
  b. a long-term care scheme;
  c. the system of funding for social insurance;

(vi) Contribute to the implementation of the Health & Social Services Healthcare Strategy including an affordable and sustainable approach to primary healthcare;

(vii) Implement approved actions designed to constrain the cost of supplementation;

(viii) Implement actions arising from the review of Incapacity Benefits.

Strategic Plan Commitment(s): *2.1.2, 2.2.1, 2.2.3, 2.2.5, 3.6.1, 3.6.2, 3.6.3*

Objective 2: Provide opportunities for higher skills and better employment.

Success criteria:

(i) Ensure that the Skills Executive provides specialist support to help adults and young people with special employment needs that might have difficulty entering the workplace;

(ii) Ensure that the Skills Executive provides facilities and careers advice for adults and young people wishing to improve their job skills and employment opportunities;

(iii) Maintain and strengthen systems of support, to facilitate individuals in returning to, or remaining in, work as a major component of the incapacity benefit and income support policies.

Strategic Plan Commitment(s): *1.4, 3.6.3*

Objective 3: Help employers and employees to work well together for their mutual benefit and the economy of the island

Success criteria:

(i) Promote good employment practice and relations;

(ii) Continue with the introduction of Phase 2 of Employment Reform, including redundancy rights and the protection of employees involved in business mergers and acquisitions (TUPE);

(iii) Prepare legislation for the First Stage of maternity and parental leave, flexible working and family friendly legislation;

(iv) Gain approval for and implement the proposals for the replacement of Health & Safety legislation affecting the construction industry.

Strategic Plan Commitment(s): *1.4, 3.1.1, 3.1.3*

Objective 4: Deliver benefits and high quality services, now and in the future.

Success criteria:

(i) Take active steps to co-ordinate efforts to deter and detect fraud and abuse within the benefits system;

(ii) Maintain an efficient and cost effective benefit administration;

(iii) Further develop a customer based focus within the organisation;

(iv) Manage the Social Security Fund and the Health Insurance Fund to a high standard.

Strategic Plan Commitment(s): *5.1*

Objective 5: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions where appropriate;

(iii) Management costs minimised to ensure maximum resources are directed to front line services;

(iv) Explicit link between budget prioritisation process and Strategic Plan objectives demonstrated;

(v) Staff developed to help them achieve their full potential.

Strategic Plan Commitment(s): *6.1 and 6.2*

TRANSPORT AND TECHNICAL SERVICES

AIM

The aim of the Transport and Technical Services Department is to;

- **ensure minimum impact of waste on the environment**
- **develop on-Island Travel Networks which meet the needs of the community**
- **provide attractive and well maintained public amenities and infrastructure**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Solid waste minimised through progressive recycling

Success criteria:

(i) Improved recycling system to increase recycling and composting to at least 32% by the end of 2009;

(ii) New In-Vessel Composting facility planning process completed by Q2, 2009;

(iii) The most harmful elements of the waste stream segregated for treatment;

(iv) Construction of new Energy from Waste plant maintained according to programme, subject to the approval of the project by the States;

(v) Long term sustainable funding route for solid waste identified.

Strategic Plan Commitment(s): *4.6, 4.6.1 and 4.8.4*

Objective 2: Liquid waste treated and disposed of in a manner that minimises the impact on the environment

Success criteria:

(i) Approval of Liquid Waste Strategy gained and the implementation plan prepared

(ii) Identify long term sustainable funding route for liquid waste to ensure proper support for the provision of the service;

(iii) Plan for the implementation of Phase 2 of Odour Control;

(iv) Reduce the amount of waste treatment required by undertaking as many surface water separation projects as budgets will allow;

(v) Effluent quality maintained;

(vi) Energy Audit undertaken for Liquid Waste system to optimise energy usage.

States Strategic Commitment (s): *4.4, 4.6.2, 4.8, 4.8.1 and 4.8.4*

Objective 3: The highway network maintained to maximise the lifespan of highways and associated infrastructure

Success criteria:

(i) Long term sustainable funding route identified in order to maintain minimum standards;

(ii) Best use is made of the funds available through the allocation of budget prioritised against condition assessment;

(iii) Disruption to the travelling public affected by road works minimised through liaison with utility companies and careful management of traffic arrangements.

States Strategic Commitment (s): *2.10, 2.10.3, 4, 4.8, 4.8.2 and 4.8.4.*

Objective 4: An integrated travel and transport system

Success criteria:

(i) Future redevelopment of multi-storey car parks commenced;

(ii) Pilot scheme of new charging mechanism undertaken;

(iii) Implementation of ITTP Phase 1 subject to funding;

(iv) Provision of traffic advice for future strategic developments.

States Strategic Commitment (s): *2.10, 2.10.1, 2.10.4, 4.2.3 and 4.9.2*

Objective 5: The integrity of the Island's sea defences is maintained

Success criteria:

(i) Sea defences not breached;

(ii) Scheduled implementation of the Sea Defence Strategy.

States Strategic Commitment (s): *4.8 and 4.8.3*

Objective 6: **Well maintained public places and amenities**

Success criteria:

(i) Positive public feedback on cleanliness of municipal areas;

(ii) Customer satisfaction with facilities.

States Strategic Commitment (s): *4.2, 4.5.5, 4.9 and 4.9.1*

Objective 7: Road users are safe and comply with legislation

Success criteria:

(i) Numbers of vehicles in road checks being issued with defect notices;

(ii) Number of road traffic collisions involving defective vehicles.

States Strategic Commitment (s): *2.10*

Objective 8: The States and industry supported through the provision of specialist services for the benefit of the Island

Success criteria:

(i) Animal carcass incinerator that meets regulatory standards;

(ii) Abattoir that meets regulatory standards.

States Strategic Commitment (s): *1.5, 6.2*

Objective 9: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions where appropriate;

(iii) Management costs minimised to ensure maximum resources are directed to front line services;

(iv) Explicit link between budget prioritisation process and Strategic Plan objectives demonstrated;

(v) Staff developed to help them achieve their full potential.

Strategic Plan Commitment(s): *6.1 and 6.2*

TREASURY AND RESOURCES

AIM:

The aim of the Treasury and Resources Department is to:
Support the delivery of the States strategic objectives by maintaining sound and sustainable public finances and effectively managing the financial and property assets of the States.

SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

Objective 1: **Implementation of the agreed Fiscal Strategy which meets the challenges to States revenues in the run up to the move to a 0/10% corporate tax structure.**

Success criteria:

(i) Balanced budgets over the planning cycle;

(ii) Plans on track to develop and implement the programme for the introduction of the 0/10% corporate tax regime and all related provisions by 2009;

(iii) Operate GST and undertake post implementation review;

(iv) The impact of the Fiscal Strategy and other States strategies on inflation monitored and the anti-inflation strategy reviewed as appropriate;

(v) Proposals brought forward for environmental taxes;

(vi) Ensure compliance with Jersey's existing and new international tax agreements through the delivery of specific exchange of information and retention tax with individual OECD member states and EU countries;

(vii) Assess and Collect £510 million of income tax and goods and services tax in 2009;

Strategic plan commitment(s): *1.3, 1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.7.5, 6.1, 6.1.1 and 6.1.4*

Objective 2: Manage and co-ordinate the States' finances.

Success criteria:

(i) Clear financial targets developed by which performance can be monitored and developed;

(ii) Improved financial reporting systems and performance measures;

(iii) Promote the development of risk management strategies across the States;

(iv) Continue to develop the financial control and assurance framework across the States;

(v) Revenue consequences of all capital projects and the legislation programme fully quantified prior to approval by the States;

(vi) Establish a framework for the assessment of funding of new projects;

(vii) Funding of agreed policies developed with the relevant departments;

(viii) Maximised return on investments within agreed investment strategies;

Strategic plan commitment(s): *6.1.5, 6.1.8, and 6.1.9.*

Objective 3: A transformed States finance function and professional support.

Success criteria:

(i) JD Edwards financial information system developed further to facilitate the streamlining of financial processing;

(ii) In conjunction with the Chief Minister's Department, continue to identify and implement all possibilities to deliver planned efficiency savings from across the public sector by the end of 2009;

(iii) Promote the professional development of all finance staff;

(iv) Provide a range of processing and back-office support services in an efficient and cost effective manner;

Strategic plan commitment(s): *6.2, 6.1.9, 6.2.2 and 6.2.3.*

Objective 4: High quality, timely and robust professional advice and direction provided by the Treasury and Resources Department to individual Ministers and the Council of Ministers which identifies the financial implications for major strategic proposals.

Success criteria:

(i) Processes for achieving spending targets developed and agreed;

(ii) An action plan implemented to ensure that the States accounts are GAAP (Generally Accepted Accounting Principles) compliant;

(iii) In conjunction with the relevant departments, the continued implementation of the social policy framework;

Strategic plan commitment(s): *1.2, 6.1 and 6.2.6.*

Objective 5: A single corporate procurement function across the States.

Success criteria:

(i) A procurement Strategy to deliver £1.9million in savings across the States by the end of 2009;

(ii) Educate to improve procurement skills at departmental and operational level;

(iii) Support the implementation of e sourcing system and supplier portal across all departments;

(iv) Implement effective strategies and polices to support a corporate approach to the procurement of goods, services and works;

(v) Implement planning and performance management criteria in respect of the States' procurement activities;

(vi) Promulgate best practice with regard to supplier management and development of local suppliers.

Strategic plan commitment(s): *6.2.9.*

The range of activities within the Treasury and Resources Department's role of 'financial advisor' will vary over the life of this strategy but there are a number of ongoing and long-running issues in which the Treasury and Resources Department will have a key role.

Jersey Property Holdings.

AIM:

The aim of Jersey Property Holdings is to:
Provide well maintained, safe, legislatively compliant and financially sustainable property to meet all States Departments' administrative and operational accommodation requirements in order to support the continued delivery of high standards of service to the public.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: A disposal programme which reduces the States' Property Portfolio to a size which is affordable and efficient, and releases capital proceeds for investment in addition to sites suitable for Housing development.

Success criteria:

(i) Improved asset utilization and reduced property operating costs;

(ii) The concentration of States' administration into fewer geographic locations and the development of new working environments which support more collaborative and efficient ways of working;

(iii) The release of surplus or high alternative use value properties to provide funds to support capital investment, with a strong focus on progressing sites which may be developed for social rented or private sector housing;

Objective 2: Addressing under funding of maintenance and capital works

Success criteria:

(i) A significant reduction in “backlog” maintenance which has resulted from structural under-funding of property maintenance over a number of years, through the introduction of remedial works in a phased and prioritised programme plan;

(ii) The instigation of a series of capital projects to replace assets which have deteriorated beyond reasonable repair, funded from proceeds generated by the disposal of property over and above that required to meet agreed capital proceeds targets;

(iii) Capital projects commenced and completed on time and within budget;

Objective 3: Development and maintenance of a five year rolling Portfolio Plan

Success criteria:

(i) The consolidation of all property survey information, asset valuations and legal commitments in a single database;

(ii) The identification of all future investment activity in a single comprehensive Integrated Property System;

Objective 4: Continued development of the Jersey Property Holdings organisation

Success criteria:

(i) The establishment of Jersey Property Holdings as a States’ Trading Operation;

(ii) The introduction of a “charging mechanism” to recover the full cost of property from occupying Departments, including a notional rent for freehold and all leasehold premises;

(iii) The installation of a single comprehensive Integrated Property System to replace the existing three separate systems;

(iv) The introduction of new financial directions, policies and procedures to clarify all internal and external operating procedures for property transactions and utilisation;

(v) The completion of Health and Safety and supplier management training for all appropriate personnel;

(vi) The development of service level agreements for all property users in conjunction with lease agreements, including customer satisfaction indices.

Strategic plan commitment(s): *6.2, 4.2.4 and 6.2.5.*

JERSEY AIRPORT

AIM:

The aim of Jersey Airport is to;

provide an Airport that strives to meet

- **the economic and social needs of the Island;**
- **the expectations of passengers by providing facilities that are equal to, or better than those found in comparable UK and European regional airports;**
- **the expectations of airlines in handling their aircraft and passengers in a safe and secure environment.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Grow passenger numbers by increasing the network of destinations between Jersey, the UK and Europe while sustaining existing air services.

Success criteria:

(i) Sustain existing services and destinations;

(ii) Achieve minimum passenger growth of 1 percent per annum;

(iii) Grow number of destinations by at least one new destination per year;

(iv) Three new European destinations by end 2011.

Strategic Plan Commitments: *1.2.1, 1.5.3, 1.6.2 and 6.5*

Objective 2: Reduce the reliance on aeronautical revenue by increasing yield from non-aeronautical sources and increasing commercial development activity.

Success criteria:

(i) Increase percentage of Airport revenue contributions from non-aeronautical sources by 30 percent by end 2011

Strategic Plan Commitments: *1.5.3, 1.6.3 and 6.5*

Objective 3: In partnership with France and the United Kingdom, continue to provide air traffic services within the Channel islands Control Zone (CICZ) on a commercially sustainable basis.

Success criteria:

(i) Achieve Single European Sky (SES) certification;

(ii) Successfully negotiate financial protocol 2009-2011;

(iii) Achieve efficiency savings by May 2010;

(iv) Deliver new air traffic centre by June 2010;

(v) Successfully negotiate, before end of 2011, new MoU between France and UK to enable continuation of CICZ operations.

Strategic Plan Commitments: *1.6.3, 6.2 and 6.5*

Objective 4: Improve operational and commercial efficiency through restructuring the organisation with no detrimental impacts on staff terms and conditions, and no compulsory redundancies.

Success criteria:

(i) Achieve efficiency improvements (Phase 2) by June 2010

Strategic Plan Commitments: *1.6.3, 6.2, 6.5*

Objective 5: Invest in the personal and professional development of staff.

Success criteria:

(i) Implement PRA system across organisation (to the extent possible);

(ii) Departmental training programs implemented.

Strategic Plan Commitments:-

Objective 6: Ensure Jersey Airport is prominent in states of Jersey strategies and that the airport remains a strategic asset to the island.

Success criteria:

(i) Jersey Airport featured in EDD and broader States strategies;

(ii) Demonstrated joined-up responses to airline market development opportunities (in line with Strategy 1 above);

(iii) Two briefings conducted annually for selected States members and relevant chief officers.

Strategic Plan Commitments: *1.5.3, 1.6.3, 6.2 and 6.5*

Objective 7: Implement best practice policies that meet safety, security, environment and corporate governance requirements.

Success criteria:

(i) All relevant departments compliant with safety and security measures of the day;

(ii) No critical anomalies reported as a result of independent audits;

(iii) Compliance with States corporate governance and accounting standards including Risk Management;

(iv) Safety Management Systems (SMS) and Quality Management Systems (QMS) policies and procedures implemented and proven.

Strategic Plan Commitments: *3.4, 3.5, 4.4 and 4.8*

JERSEY HARBOURS

AIM

The aim of Jersey Harbours is to;

provide a modern port and coastguard services with guaranteed long term viability

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: To keep the port open and safe

Success criteria:

(i) Compliance with the Port Marine Safety Code, and security and other maritime legislation;

(ii) Reviewed organisational risk register that also demonstrates effective contingency and crisis management;

(iii) To maintain, so far as is viable, an open port, berths and associated facilities;

(iv) Quality operational management that secures the asset base to ensure long term viability, and an open and safe port;

(v) Repositioning and public awareness of the role of the Coastguard.

Strategic Plan Commitments: *1.6; 6.5*

Objective 2: To provide competitive commercial and community services which best respond to the different needs of all customers

Success criteria:

(i) To increase the number of boats, berths and associated ancillary businesses in support of the marine leisure industry;

(ii) Customer user groups and relationship management for each business segment to ensure good customer engagement, adding value to all services;

(iii) Reviewed tariff structure in line with the commercial objectives and economic criteria, with appropriate and balanced tariffs;

(iv) Alignment with the UK Coastguard through audits and benchmarking;

(v) Develop and train staff skills to UK Coastguard and VTS standards.

Strategic Plan Commitments: *1.6; 6.5*

Objective 3: To maintain robust financial management to achieve self sufficiency, and positively contributing to Jersey's economic development

Success criteria:

(i) Development and optimisation of existing and new business streams, encouraging new enterprise with innovation and entrepreneurship;

(ii) Clear financial management plans indicating long term view on sustainability and funding;

(iii) Funding review of Coastguard and other community functions with agreed Policies;

(iv) Established effective governance, leadership structure and accountability with EDD and Treasury ensuring commercial separation, economic partnership and operating effectiveness.

Strategic Plan Commitments: *1.6; 6.5*

STATES ASSEMBLY AND ITS SERVICES

AIM

The States Assembly budget is held under the responsibility of the Privileges and Procedures Committee and its aim is to enable the States Assembly to operate effectively as Jersey's legislature, to facilitate the work of all panels and committees of the Assembly and to fund members' remuneration, interparliamentary exchanges and the support services provided by the States Greffe.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA (for information only)

Objective 1: States Assembly able to operate effectively

Success criteria:

(i) Assembly able to meet on a regular basis according to agreed schedule of States meetings;

(ii) All official publications published and provided to members in accordance with statutory timescales;

(iii) States Chamber and other facilities for States members provided and maintained to agreed standards;

(iv) States members' remuneration paid in accordance with the recommendations of the States Members Remuneration Review Body;

(v) Active and effective participation by States members in inter-parliamentary bodies (CPA, APF, B-IIPB, Commission Amicale)

Objective 2: Effective and efficient scrutiny function

Success criteria:

(i) Scrutiny panels and the PAC undertake reviews that hold the Executive to account and that influence policy in a positive way;

(ii) Chairmen's Committee provides appropriate co-ordination of the scrutiny function;

(iii) Public engagement with the scrutiny function is enhanced and public understanding of the work of the panels is increased;

(iv) Effective support service provided to panels by the Scrutiny Office.

Objective 3: Government and electoral reform progressed

Success criteria:

(i) States of Jersey Law 2005 and Standing Orders of the States of Jersey kept under review and appropriate amendments brought forward if necessary;

(ii) Outstanding recommendations of the Machinery of Government review brought forward for approval as appropriate and operation of ministerial/scrutiny system kept under review;

(iii) Public Elections (Jersey) Law 2002 kept under review and amendments brought forward if necessary;

Objective 4: Public kept well-informed about the work of the Assembly

Success criteria:

(i) Public information services provided by the States Greffe enhanced;

(ii) Active co-operation with the citizenship programme being brought forward by the Education, Sport and Culture Department;

(iii) States Assembly website upgraded.

Objective 5: Effective and efficient administrative support provided to the Assembly, its members, its committees and panels and a number of other bodies by the States Greffe

Success criteria:

(i) Timely and accurate advice provided to all members as required;

(ii) Official Report ('Hansard') available according to agreed timescales;

(iii) Efficient service provided to Council of Ministers and other bodies served by Clerks Secretariat;

(iv) All official records maintained in an accurate and secure manner;

(v) Complaints submitted to States of Jersey Complaints Panel processed according to statutory requirements;

PART TWO

FINANCE AND RESOURCES

2. FINANCIAL FORECAST 2008 - 2013

2.1 Overview

The financial forecast at Table 2.1 has been prepared from the latest estimates of States revenues and the proposed levels of States expenditure. States expenditure reflects the proposals from the Council of Ministers as a result of the recent business planning process and is in line with the proposals agreed by the States in September 2007. The forecasts of States revenues reflect the fiscal measures that have been approved in principle and that will be implemented in 2008.

Table 2.1 Revised Financial Forecast (July 2008)

Probable 2008 £m		2009 £m	2010 £m	2011 £m	2012 £m	2013 £m
		<------ Forecasts				------>
	States Income					
460	Income Tax	475	490	510	530	550
-	0/10% Corporate Tax Structure	(9)	(77)	(82)	(87)	(96)
30	Goods and Services Tax	45	46	47	48	50
50	Impôts Duty	50	49	49	49	49
30	Stamp Duty	31	32	33	34	34
-	Tax/Stamp Duty on Share Transfer	1	1	1	1	1
44	Other Income	33	27	25	24	23
10	Island Rate	10	11	11	11	12
624	**States Income**	636	579	594	610	623
	States Expenditure					
524	Net Revenue Expenditure	531	549	567	584	602
143	Net Capital Expenditure Allocation	38	40	37	35	16
667	**Total States Net Expenditure**	569	589	604	619	618
(43)	**Forecast Surplus/(Deficit) for the year**	**67**	**(10)**	**(10)**	**(9)**	**5**
-	Transfer to Strategic Reserve	-	-	-	-	-
(38)	Transfer to Stabilisation Fund	-	-	-	-	-
13	**Estimated Consolidated Fund balance**	**80**	**70**	**60**	**51**	**56**

Notes:

There are a number of assumptions behind the Financial Forecast in Table 2.1. These are:

<u>Income Tax</u>

- *Income tax forecasts are unchanged since those produced in March from the 2007 outturn and the next update will be produced for the 2009 Budget in October.*
- *2008 tax revenues are based on specific assumptions for the increase in taxable profits, earned and unearned income. These reflect the increases seen in the 2007 revenues. For the forecast years a cautious approach has been taken until specific figures relating to the impact of the 'credit crunch' are available.*
- *Proposals for new Company Fees as part of the 0/10% proposals will be brought forward to replace*

Exempt Company fees. The base forecasts have not been amended at this stage but some account of a reduction in revenue is included in the 0/10% deficit calculation, until the new proposals are confirmed.

- *The impact of the change to a 0/10% corporate structure has been reassessed in light of the increased tax revenues within the range £89 million to £104 million between 2008 and 2013, and the mid-point of this range at £96 million is included in the forecast for 2013.*

GST

- *A broad based 3% Goods and Services Tax has been introduced from May 2008 and the original estimate of £45 million net revenue in a full year is included at this stage.*

Impôts Duties

- *The forecasts reflect the predicted trends in consumption, which include a drop off for some goods, but also include an assumption that there would be annual increases in duty at a level broadly equivalent to the Island RPI(x), reflecting the currently agreed Alcohol and Tobacco Strategies. The current assumptions for duty increases for 2008 are between 3% and 4%.*
- *The forecasts have been reduced by £4 million to reflect the States decision to abolish VRD from May 2008 when GST began.*

Stamp Duty

- *The forecasts assume that house prices in particular will continue to increase at least in line with RPI and that house sales will remain broadly at current volumes.*
- *The introduction of a tax or duty on share transfer property transactions was proposed in principle in the 2008 Budget and after the Scrutiny review has now been approved. However, as this will need to go through Privy Council, it is unlikely to yield any revenue in 2008. The best estimate is that it will raise up to £1 million in a full year.*

Other Income

- *Other income includes the European Union Savings Directive Retention Tax of over £8 million in 2008. However, this income is expected to reduce over time as the provisions of the tax change and the forecast reflects a reducing profile.*
- *With the approval of the funding from the Consolidated Fund of £100 million for the Energy from Waste (EfW) Plant in 2008 there will be a reduction in investment income from cash balances in future years.*
- *There are a large number of other components that have the potential to increase and decrease so a cautious appraisal has been made.*

Island Rate

- *The Island Rate will increase annually according to the Island RPI as prescribed in the Rates Law.*

Revenue Expenditure

- *The increases provided within the revenue expenditure forecasts are as a result of the Council of Minister's proposals. These are described in detail in Section 3 of this report, and are net of the repayment of capital debt.*
- *The final year of the programme of £20 million efficiency savings is included within the revenue and capital expenditure allocations as well as new targets for savings in future years from the CAG spending review proposals*
- *The 2008 expenditure has been revised from the 2008 Business Plan to reflect the agreed carry forwards and the additional expenditure proposed by the Council and approved by the States for Historic Child Abuse Enquiry (HCAE) and Pandemic Flu.*

Net Capital Expenditure Allocation

- *The forecasts are in line with the programme described in detail in Section 5, after allowing for the "capital receipts (efficiency savings)" to be achieved by Property Holdings and in accordance with the funding of the Housing Social Works Programme (P6/2007). The profile of capital expenditure for 2010-2013 is only indicative of the total £128 million programme at this stage ahead of the proposed move to Resource Budgeting for 2010.*

Forecast Surplus/(Deficit)

- *The forecasts show no significant change from that produced for the 2008 Budget last October, with the exception of the funding of the EfW Plant and its effect on the 2008 financial position. As with previous forecasts they rely on a number of significant assumptions described above as well as the States adhering to the expenditure targets and implementing the remaining fiscal strategy measures on timescale.*

Strategic Reserve/Stabilisation Fund

- *No further transfers are included in the forecast but the Council will be informed by the first report of the Fiscal Policy Panel later this year and proposals will be reviewed in preparation for the 2009 Budget.*

The forecasts do not at this stage include any proposals for Health and Social Services New Directions Strategy or new environmental taxes and expenditure initiatives as these have yet to be set before the States.

2.2 Revised Forecasts for Annual Business Plan.

The forecasts reflect the latest expenditure proposals of the Council of Ministers, which are described in detail in this report, but the most significant change is in respect of the agreed proposals for the funding of the new EfW Plant. The effect of the agreed funding proposals is to fund £100 million of capital expenditure approvals in 2008 and remove the future funding stream from the capital programme in future years. This causes a funding deficit in 2008, but this is affordable within the balance on the Consolidated Fund.

The latest forecasts of States revenues are predominantly based on the 2007 actuals and the trends of revenues in the early part of 2008. The 2007 actuals confirm the improvements in States revenues which were forecast in the 2008 Budget in October.

The increases over the last year have occurred in most sources of States revenues and analysis has been carried out, and then checked with early tends in 2008, to assess whether the improvements in revenues are likely to recur. The analysis showed that in most cases the revenues in 2007 should provide a robust base for future forecasts and confirm the trends identified in the 2008 Budget report which are discussed further below.

The income tax forecasts include a small reduction in the forecasts for companies but this is partly offset by an improvement in tax revenues from earnings, which exceeded the forecasts for 2007. Overall the income tax forecasts are slightly below the most recent figures from the 2008 Budget. There is no further information at this stage to reassess the 0/10% deficit which remains in the range of £89 million to £104 million.

The improvement in impôt duties in 2007 was largely in respect of Vehicle Registration Duty (VRD). However, with the States decision to abolish VRD in May 2008 following the introduction of GST then future impôt duty forecasts are now reduced by £4 million.

The housing market and, as a result, stamp duty income remain fairly buoyant and the trends in the first part of 2008 suggest that the levels of revenues should at least be maintained and these forecasts will be reviewed again in October when the current year trends will be clearer. The buoyancy in the housing market should not be relied on to continue, and forecasts beyond 2008 reflect some caution with an assumption that these will only increase in line with predicted house price inflation. The latest forecasts, reflecting the 2007 increase, show an improvement on previous figures.

The main increases in 2007 within other income were in respect of EUSD retention tax and the return on increased cash balances. The rate of this EU tax increases over the next five years and it is likely that some taxpayers will choose not to pay the tax and move their funds outside the island and the forward profile has been adjusted accordingly. However, latest figures for 2008 suggest a further increase at least in the short term. As a result the forward forecasts have been increased marginally from previous figures. The latest proposals to finance the EFW Plant from the Consolidated Fund will have a significant impact on cash balances and as such the forward forecasts have been reduced accordingly. The other items have the potential to fluctuate, so a cautious appraisal of other income has been made.

There is no significant change in the overall States revenue forecasts since the 2008 Budget despite a number of changes and variations within the individual components. The current trends will continue to be monitored and updated in advance of the next forecast for the 2009 Budget in October.

2.3 Fiscal Strategy Update

The main provisions of the Fiscal Strategy are now in place following the successful implementation of a Goods and Services Tax from 6 May 2008. The new income tax provisions for ITIS and 20% means 20% have been introduced in previous budgets and are already delivering additional revenues.

The 2009 Budget will refine some of the existing provisions and confirm other minor arrangements which are to be put in place. In respect of environmental taxes and associated spending initiatives, these remain under consideration but at this stage firm proposals have not been agreed in a form to bring back to the States. It should be noted that even if funded from new taxes the environmental spending initiatives would still increase States spending limits.

2.4 Balanced Budgets and the Financial Framework

The Council of Ministers has conducted a thorough business plan review and has confirmed its vision as one of sustainable investment in its priority services for the future of the Island. The financial framework for the next five years therefore remains based on ensuring that forecast budgets are balanced and sustainable over the five year planning cycle.

The latest financial forecast continues to show a very positive position, including the forecast surplus of £67 million for 2009. There is only one significant change from the forecasts produced in October for the 2008 Budget which is the decision to fund the new Energy from Waste Plant from the Consolidated Fund in 2008. This has the effect of introducing a deficit of £43 million in 2008, but then reduces the requirement for this significant capital provision in future years. Notwithstanding this adjustment the financial position and the amount on the Consolidated Fund remain balanced and sustainable, in accordance with the principles of the financial framework, over the five year period of the plan and beyond. The financial forecast shows a positive contribution of over £40 million for the five years to 2013.

The business planning process provides for three-year rolling financial allocations to departments. These must identify the financial implications of all current and forthcoming initiatives, as there is no General Reserve under the new Finance Law. The annual business plan review achieves that by bringing together all the major resource programmes in one integrated process. The capital, ICT, property and legislation programmes have all been reviewed with the necessary ongoing implications included by departments in their expenditure submissions. This is intended to improve financial discipline, and where departments fail to identify these consequences they must expect to meet the requirement from existing allocations. Submissions to the resource programmes are only accepted where they can be linked to strategic objectives, to ensure that any investment is in accordance with the States Strategic Plan.

The annual business plan review is also informed by the quarterly financial monitoring process which has been in place since the introduction of the new Finance Law and this process and the information within it have been the focus for further improvement. The Council receives reports and forecasts each quarter and, as well as informing forward planning, enables the early re-allocation of existing resources to address emerging pressures. Out of this process the early costs of the HCAE and Pandemic Flu have already been identified for 2008 and as these are exceptional, the Council has asked that the Minister for Treasury and Resources take a request to the States for additional expenditure.

Looking further ahead, and acknowledging that the forecasts beyond 2009 can only be indicative due to the significant structural changes within the 0/10% corporate tax strategy, there could still be deficits in the longer term and these must be kept under review and serve as a check against any complacency in the short term.

The best estimate of the ultimate loss of tax from the move to 0/10% is £89 million to £104 million per annum. The actual figure will not be known until 2011 and therefore until then it is not known what action, if any is required.

In the 2008 Budget speech the Minister for Treasury and Resources made a commitment that providing the States maintained the current spending limits and implemented the measures within the Fiscal strategy then the very low rate of GST should be sustainable until at least 2015. What the Fiscal Strategy has done is provide time to make the next set of decisions and time to review the impact of the current tax changes. Remedial measures, if required, could be phased in to achieve balanced budgets. Interest on the Strategic Reserve could be used, if necessary, to make up any funding shortfall in the interim, acknowledging, however, that this cannot be a long term solution.

2.5 Summary

One of the key objectives within the States Strategic Plan is to maintain sustainable public finances and the financial framework defines the measure as a balanced and sustainable financial position over the five-year planning cycle. The current forecast illustrates that for the five-year period 2009-2013 the financial position of the States will be balanced with a net contribution to the Consolidated Fund.

The Council of Ministers, as requested by the States, is proposing a Business Plan for 2009 within previously agreed limits. However, the Council has identified at Section 3.4 a number of fairly significant spending pressures for which funding has not been able to be identified within the proposals, but will require a level of funding in the near future. These pressures have been identified separately in the Business Plan so that States Members can take a view on whether they merit additional funding.

The Fiscal Policy Panel, the States independent economic advisors, will produce its first report in the Autumn and this will inform the proposals for the 2009 Budget and also looking ahead the development of the financial framework for the new Strategic Plan in 2009.

3. REVENUE EXPENDITURE ALLOCATIONS 2009

The Council of Ministers is proposing revenue expenditure allocations within the spending limits approved in principle in the Annual Business Plan 2008 which incorporates the outcomes from the business planning process conducted during January to May of this year.

3.1 Annual Business Plan 2008

As part of the 2008 Business Plan debate the States agreed an amendment to the proposition to request that the Chief Minister should present future Business Plans within the spending limits agreed for 2009 to 2012. These spending limits represent increases over that period of between 3% and 4% and the Council has agreed that it's objective is to propose cash limits within these levels.

The Council's deliberations have also been informed by a revised financial forecast, reflecting the provisional 2007 Outturn, which indicates that the forecasts have not changed significantly from those presented in the 2008 Budget.

Despite this fairly healthy financial position the Council was reminded by the Economic Advisor that increasing States spending at a time when the economy was growing, and at full capacity, would be likely to result in an inflationary spiral. This would be driven by the demand, in particular for labour, exceeding supply and resulting in pay and price inflation.

It is against this background that the Council has conducted the business planning process for 2009-2013.

Table 3.1 – Net revenue expenditure movements from 2008 to 2009

Department	2008 Cash Limit Approved	2009 Variation to Cash Limits						2009 Cash Limit Proposed	% Change
		Pay Provision	Non Staff Provision	All Benefit Provision	Service Changes	Service Transfers	Efficiency Savings		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Chief Minister	14,757.2	409.1	41.4	-	0.0	(132.3)	(1.7)	15,073.7	2.1%
Economic Development	16,056.7	89.9	306.5		0.0	(17.7)	(12.8)	16,422.6	2.3%
Education, Sport and Culture	95,984.1	1,938.7	330.2		(274.0)	53.6	(72.0)	97,960.6	2.1%
Health and Social Services	147,901.5	2,848.9	676.2		2,057.5	229.9	(114.1)	153,599.9	3.9%
Home Affairs	42,901.1	861.1	187.0		1,250.0	168.1	(30.6)	45,336.7	5.7%
Housing	(22,014.6)	64.6	(624.2)		0.0	220.9	(8.9)	(22,362.2)	1.6%
Planning and Environment	6,015.6	154.2	(13.7)		0.0	(8.2)	(6.8)	6,141.1	2.1%
Social Security	146,596.1	47.3	73.4	5,612.8	(2,080.0)	(530.4)	(2.1)	149,717.1	2.1%
Transport and Technical Services	21,877.0	458.6	60.5		400.0	(64.2)	(27.0)	22,704.9	3.8%
Treasury and Resources	16,875.1	290.0	105.5		0.0	90.9	(8.0)	17,353.5	2.8%
Non Ministerial States Funded Bodies									
- Bailiff's Chambers	1,225.2	19.4	9.9	-	0.0	(0.6)	(1.0)	1,252.9	2.3%
- Law Officers' Department	5,272.1	58.7	68.6	-	0.0	(3.7)	(3.9)	5,391.8	2.3%
- Judicial Greffe	3,880.1	53.7	39.9	-	0.0	(2.6)	(3.3)	3,967.8	2.3%
- Viscount's Department	1,393.4	25.5	7.6	-	0.0	(0.5)	(1.3)	1,424.8	2.2%
- Official Analyst	585.9	9.7	4.3	-	0.0	(0.3)	(0.5)	599.1	2.3%
- Office of the Lieutenant Governor	726.6	14.1	3.1	-	0.0	(0.2)	(0.6)	743.0	2.3%
- Office of the Dean of Jersey	21.6	-	0.5	-	0.0	(0.0)	0.0	22.2	2.4%
- Data Protection Commission	219.6	5.0	0.1	-	0.0	0.0	(0.2)	224.5	2.2%
- Probation Department	1,509.6	30.9	4.8	-	0.0	(0.4)	(1.0)	1,544.0	2.3%
- Comptroller and Auditor General	712.4	2.1	15.5	-	0.0	(0.9)	(0.5)	728.6	2.3%
States Assembly and its Services	5,084.1	36.4	88.3			(1.6)	(3.7)	5,203.5	2.3%
Grant to the Overseas Aid Commission	7,363.0				368.2			7,731.2	5.0%
Total States Net Revenue Expenditure	514,943.5	7,417.8	1,385.5	5,612.8	1,721.7	(0.0)	(300.0)	530,781.3	3.1%
Interest and Repayment of Debt	44,711.0		(991.0)					43,720.0	
Total States Net Expenditure	559,654.5	7,417.8	394.5	5,612.8	1,721.7	(0.0)	(300.0)	574,501.3	

Notes to Table 3.1:

1. *The Overseas Aid Commission budget is based on an annual increase of 5% and this has been used as a planning assumption until such time as any specific proposition is brought to introduce a new allocation. The budget currently appears as a grant from the Chief Minister's department, solely for the purpose of the expenditure allocations, as it has not yet been established as a States funded body under the Finance Law.*

2. *For the purpose of the total expenditure allocations the repayment of internal capital debt will be approved as part of the allocation to the Treasury and Resources department to enable the*

repayment back to the Consolidated Fund. This is neutral in overall terms and excluded from the financial forecasts.

3. *The provision for annual pay awards is based on the latest inflation assumptions with a provision of 3.2% for the June 2008 award and 2% for June 2009, being the assumption for March 2009 RPI less the estimated effect of GST.*

4. *The provision for uprating of income support, other benefits and supplementation is shown separately from non-staff inflation as it is based on a different set of assumptions (see section 3.5)*

5. *The service changes reflect previous resource allocation decisions in respect of growth in Health and Social Services and Overseas Aid as well as additional funding and savings identified as a result of this year's business plan review (see section 3.3).*

6 *There have been a number of minor service transfers including further transfers to consolidate the property holdings function in the Treasury and Resources department.*

7. *The allocation of efficiency savings of £300,000 represents the final year of the £20 million change programme.*

8. *Further details of the changes in Departments' expenditure allocations between 2008 and 2009 are provided in the supporting Annex to the draft Annual Business Plan 2009.*

3.2 Business Plan Review 2009 to 2011

Background to process

The business planning process for 2009 began in December last year when departments were asked to summarise the service pressures, initiatives or opportunities for savings that were apparent since the 2008 Business Plan. It was also agreed with the Scrutiny Chairmen's Committee that the individual scrutiny panels would be briefed at each stage of the process and that the same information would be cascaded to all other States members.

The departments' initial submissions were summarised and presented to the Council of Ministers in January. The Council were also advised of the latest pay and inflation assumptions the provisional 2007 outturn and the current economic background. The Council considered its overarching policies and financial framework and concluded that taking all these factors into account it must propose cash limits for 2009 to 2013 within the approved spending levels from the Annual Business Plan 2008. The Council requested that departments submit their proposals for 2009 taking into account the service pressures, initiatives and opportunities for savings that had been identified.

Initial outcomes

At this early stage the Council recognised that three spending pressures were of a high priority and essentially already committed, those being additional funding for the Prison, the Aquasplash contract and the additional allowances for GST.

The Council also at this stage accepted the opportunities for savings identified by the Education, Sport and Culture department from demography and higher education. The background and the Council's initial outcomes were presented to all States members in early February.

Later in February, the Council received presentations from each Minister summarising the financial position of their department, the base pressures, changes in priorities and whether or not the spending pressures which had been identified should be delivered and if so how they could be accommodated within the provisional cash limits. The Council considered the presentations by Ministers and generally accepted the priorities that were proposed and the reallocations between services that were outlined.

The outcome of the discussions was that only the previously agreed spending pressures could be funded within the spending limits unless the Council was prepared to propose tighter pay and benefit uprating in particular, not providing for the one-off effect of GST on the RPI. The Council would be provided with revised pay and inflation assumptions after the March RPI in late April and was also expecting the outcomes of the spending review by the Comptroller and Auditor General (CAG), potentially identifying opportunities for further savings in services. This information together with the feedback from the period of Scrutiny review in April would inform the Council's final proposals in May.

Scrutiny Review

The Council agreed the provisional proposals to present for the period of Scrutiny Review. At that stage the proposals represented cash limits for departments broadly within the overall spending limits but with no change to the pay and inflation provision, pending the March RPI. The Council also identified the additional spending pressures and initiatives that it was likely to prioritise as part of its final proposals in May and requested the individual scrutiny panels' comments on the relative priorities of these pressures. The Council also requested that scrutiny comment on whether the extent and priorities of the service pressures identified would justify an increase in overall States spending limits.

The individual scrutiny panels conducted their review during April, generally working closely with the relevant departments, officers and Ministers. The majority of panels then submitted reports to the Council for consideration. There was then an opportunity for the views of the individual scrutiny panels to be presented by their chairmen at a meeting in May with the Council of Ministers. This also provided the Council with an opportunity to clarify comments in the individual scrutiny reports.

The Scrutiny review provided a positive contribution to the process and the Council was influenced by the views of Scrutiny particularly, in relation to maintaining the overall spending limits, not supporting the principle of a contingency provision and in terms of some of the relative priorities of the service pressures identified. The Council accepted comments that the period for the scrutiny review was limited, but this was necessitated by the timetable for the current annual process.

Final proposals

In May, having received the views of scrutiny, the Council were also advised of the revised pay and inflation assumptions following the March RPI. The Council considered these assumptions in respect of the proposals and policies for pay and benefit uprating and concluded that as a principle, the provisions should in most cases exclude the one-off effect of GST on the RPI.

The Council also received the first report of the CAG on states spending which identified opportunities for a number of savings and efficiencies over the next five years.

The Council then reviewed the service pressures and initiatives that had been identified in February and March alongside the potential savings that could be derived from the revised pay and inflation assumptions and also the opportunities for savings identified by the CAG.

The Council concluded that:

- the proposals for the 2009 Business Plan must be within the approved spending levels
- the previous resource allocation decisions should be maintained, which provided;
    - 2% growth for Health and Social Services
    - 5% annual increase in the contribution to Overseas Aid
    - protection against the rising trend in cost of welfare and residential care
- the spending commitments identified at an early stage of the process be included
- the savings identified by Education, Sport and Culture be taken;
- the provisions for pay and benefit uprating should be based on the latest assumptions and generally exclude the one-off effect of GST on the RPI
- a target from the savings opportunities identified by the CAG's spending review be included from 2010 to 2011, with the detail to be identified in future business plans
- the additional spending pressures be prioritised and those which are affordable within the approved spending limits be included in 2009
- for 2010 and 2011 with any available balance a provision be set aside for further service pressures and initiatives to be prioritised as part of future business plans or the new Strategic Plan

The outcomes of the final proposals for department's cash limits for 2009 are summarised in Table 3.1 and detailed in the following parts of this section of the report.

3.3 Service Pressures and Savings

Departments identified service pressures and initiatives which could not be accommodated within their existing cash limits and which after a thorough business plan review of priorities would not displace the existing services carried out by the department in pursuit of its strategic objectives.

The Council was then faced with prioritising these pressures and initiatives, informed by the information from departments and the views of the individual scrutiny panels, from the available funding within the overall spending limits.

<u>Savings included in proposed cash limit</u>
As part of the business plan process departments were asked to identify opportunities for significant savings alongside the various service pressures. The following savings were proposed by the Education, Sport and Culture department:

- Higher education demographic savings – amounting to £325,000 from 2009
- Predicted underspend on Student Grants – amounting to £689,000 from 2009

The Council was informed that the savings are based on a number of assumptions including demographic projections, the impact of the Skills Executive and the number and mix of university places. The Council recognised these assumptions when agreeing to include the savings as part of the overall spending proposals.

<u>Service pressures included in proposed cash limits</u>
Within the approved spending limits the Council has been able to include provision for the initial spending commitments agreed in February relating to:

- the Prison Improvement Plan;
- funding of the additional GST allowances for those on low incomes but falling between the income support and income tax systems; and
- the funding required to maintain the Aquasplash pool contract with Serco.

As a result of the Council's decisions in relation to pay and price provisions and the future targets being set for savings from the opportunities identified by the CAG's spending review the Council was able to prioritise the service pressures and initiatives shown in Table 3.2 for inclusion within the approved spending limits.

Table 3.2 – Additional funding for service pressures and initiatives included in cash limits

	Dept	2009 £'000	2010 £'000	2011 £'000
Initial spending commitments				
Prison Improvements	HA	1,000	-	-
Allowances for GST	SS	400	-	-
Funding for Aquasplash contract	ESC	370	-	-
Other service pressures/initiatives				
Social Inclusion - Mont a l'Abbe School	ESC	370	-	-
Recycling initiatives funded from Tipping Fees	TTS	400	-	-
Probation Family Welfare Court Resources	Non Min	-	60	-
Customs and Immigration - base pressures	HA	250	-	-
Jersey Employment Trust (JET) - base pressures	SS	120	10	-
Increased funding for Law Officers	Non Min	-	230	-
Provision for future service pressures	T&R	-	1,000	-
Town Park - lost parking revenues	T&R	-	-	341
Town Park - running costs	TTS	-	-	341
		2,910	**1,300**	**682**

In respect of the service pressures for Law Officers the Council is proposing recurring funding from 2010 and has agreed interim funding upto this level from the Criminal Offences Confiscation Fund (COCF) for 2009. Similarly funding for Probation Family Welfare is proposed for 2010 but the Council has agreed that this can begin in 2009 from a transfer of part of the underspend in the Magistrates Courts capital vote.

The Council also recognised that by funding the Criminal Injuries Compensation Scheme (CICS) payments from the COCF this would provide sufficient funding within the Home Affairs department cash limit to progress both Sex Offenders Monitoring and Legislation and the setting up of a Vetting and Barring Panel.

The Council also agreed that the Social Security Minister be charged with bringing forward proposals for change to the Supplementation scheme which, if approved by the States, will enable the costs of the scheme to be contained within existing cash limits.

The Planning and Environment department have brought forward proposals to improve the performance of the department by funding more staff and resources from an increase in fees for certain planning applications. These proposals have been agreed by the Council and are included in the business plan as an increase to the spending of the Planning and Environment department but this is offset by an equivalent increase in fees – thus no increase to the Planning and Environment department's cash limits.

3.4 Service Pressures and initiatives not included in cash limits

In addition to the service pressures included in the proposed cash limits the Council is also acutely aware of a number of other initiatives which have been identified during the course of the business planning process. The Council highlighted a number of these unfunded pressures in its provisional proposals document for the Scrutiny Review at the end of March.

Since that time further work has been done particularly in reviewing the pressures on property and infrastructure maintenance alongside a comprehensive asset evaluation exercise and property condition survey which will inform the GAAP/Resource Accounting and Budgeting proposals for 2010.

The Council believes it is important for the States to recognise that by maintaining the previously agreed spending limits that there are a number of service pressures and initiatives, which will remain unfunded, and will still need to be addressed in due course.

The Council has not been able to accommodate these pressures, the extent of which is shown in Table 3.3, within the approved spending limits for 2009. The Council has been guided by the decision of the States in last year's business plan debate and more recently informed by the Scrutiny Review that the approved spending limits should be adhered to, and so has presented its draft Annual Business Plan on that basis.

However, the Council acknowledges the desirability of these items and will be giving further consideration as to how these pressures can be addressed and, will also ensure that the relative priorities are reviewed as part of the new Strategic Plan and future business plans.

Table 3.3 – Service pressures and initiatives not included in cash limits

Other service pressures/initiatives	Dept	2009	2010	2011	Total
		Additional recurring funding			
		£'000	£'000	£'000	£'000
Increased Early Years provision	ESC	600	900		1,500
Introduce inclusive vocational day services and employment for people with special needs	SS	600	200	-	800
Increased costs of Residential Care placements	SS	550	-	-	550
Provision for strategic fiscal advice	Corporate	200	-	-	200
Chief Minister's department	CMD	650	-	-	650
Law Officers (additional resources)	Non Min	650	-	-	650
Customs and Immigration (increased activity)	HA	400	-	-	400
Discrimination Legislation	HA	500	-	-	500
Environment - Energy/efficiency initiatives	P&E	1,000	1,000	500	2,500
Environment - Recycling	TTS	500	250	750	1,500
Environment - Sustainable transport Initiatives	TTS	500	500		1,000
Infrastructure Maintenance underfunding	TTS	3,300	500	-	3,800
Property Maintenance underfunding	T&R(PH)	12,500	500	-	13,000
Paying rates on States Properties	T&R(PH)	-	1,600	-	1,600
ICT Strategy	ESC	-	-	600	600
		21,950	**5,450**	**1,850**	**29,250**

In most instances the submissions provided by departments have been available for review during the business planning process. Further information is provided in respect of:

- Chief Minister's department – experience in recent years has shown the department is not properly resourced to meet the full range of emerging pressures and represent Jersey's interests as the centre of it's Government. The additional resources would allow:
    - creation of a core international relations unit, to provide sufficient expertise to promote Jersey's developing International Identity including increased representation in Brussels and London;
    - a good standard of office support to the Chief Minister as recommended by the Privileges and Procedures Committee;
    - a dedicated resource to implement the Social Policy Framework and;
    - corporate resources support to improve performance across States departments.
- Law officers additional resources – these pressures are in addition to the £230,000 proposed within cash limits and relate to:
    - further base pressures and staff retention issues;
    - addressing increased workloads;
    - additional resources contingent on the approval and implementation of the Freedom of Information Law;

  - proposals from the Constitution Review Group for the secondment of an assistant legal advisor to Brussels; and
  - resources required to comply with the Public Records Law.
- Environment (Energy/efficiency) – arising out of consultation on the Energy Green Paper proposals funding to establish:
  - an energy task force and advisory body;
  - early initiatives of weatherisation for low income homes;
  - a “Green schools” educational programme; and
  - an energy advice service.
- Environment (recycling) – the Solid Waste Strategy is reliant upon increasing recycling and initiatives. In the short term by extending the island wide bring bank system but progressing to supplement the Island wide kerb side collection system
- Environment (Sustainable transport) – following consultation on the Integrated Travel and Transport Plan the objectives are to reduce congestion, pollution and road injuries by initiatives involving improving bus services, road safety initiatives, cycle routes, footpaths and public awareness campaigns
- Infrastructure maintenance underfunding – this pressure was identified during the business planning process, primarily for highway infrastructure, but now also includes a forecast of the shortfall in sea defence and sewers infrastructure
- Property maintenance underfunding – this pressure was identified during the business planning process but could not be quantified, further work has now been completed to allow a forecast of the additional funding required. The funding relates to:
  - a forecast profile of the high priority backlog maintenance of States properties
  - the annual underfunding of the basic annual maintenance programme
  - compliance and monitoring regime
- Paying rates on States properties – this pressure highlights the potential cost to the States of paying rates on its properties if this is not offset in some way, perhaps from the Island-wide rate.

These pressures have been identified separately within the report so that States Members can take a view on whether they merit additional funding.

In addition the Health and Social Services department is developing a New Directions policy to address the rising cost of health care and consequences of an ageing population. The costs will be significant but the policy is not sufficiently developed to include in this Business Plan. This will be progressed and considered as part of the new Strategic Plan and future business plans.

3.5 Revised Inflation Assumptions

The Business Plan 2008 included assumptions for inflation, which at that time were based around the March 2007 RPI and forecasts of future interest rate changes.

In this year’s business plan the pay and inflation provisions are similarly based on the latest March 2008 RPI and forecast assumptions from the States Economic Advisor in April taking account of predicted changes to interest rates and other factors.

In 2008 and 2009 there is the further complication of the one-off effect of the introduction of the Goods and Services Tax (GST) in May 2008 on the RPI. This is estimated to increase the RPI by as much as 2% for the 12 months beginning with the June 2008 RPI (assuming that all retailers pass GST on to the consumer).

GST is an integral part of the States Fiscal Strategy which secures the future of the finance industry in the Island and allows Islanders to continue to enjoy their high quality of life with a high standard of public services and low personal/corporate taxation. The Fiscal Strategy recognises that Islanders have to pay slightly more tax now to prevent a much larger increase in tax in the future. GST is the means by which this will be achieved.

The States can not afford to fund the costs of GST in pay awards to its employees otherwise it will not recoup the net £45 million revenue. It will also mean that GST will not meet its objectives as public sector employees will not in fact pay more in tax because they will initially be compensated for GST through higher wages. Furthermore, such an approach could influence decisions in the private sector.

If the outcome is that wages across the economy rise by the amount of GST and without additional productivity improvements then the outcome will be inflationary. Higher inflation is bad for all Islanders and Island businesses and will undermine the Fiscal Strategy because it will reduce the scope for economic growth and tax revenues. The purpose of GST is to take money out of the economy, and therefore from individual's pockets. Only in this way will it have a downward effect on inflation.

The States has however, already agreed to protect those people on low incomes from the effect of GST by:

- providing £1.75 million in additional funding for Income Support;
- increasing tax exemption thresholds by 6% in the 2008 Budget to assist those on lower incomes, and
- setting aside £400,000 for additional allowances to protect those low income earners who fall between the Income Support and Income Tax systems.

The Council has carefully considered the pay and inflation provisions based on the advice of the States Economic Advisor and against the background of provisions already made for those on lower incomes.

Provision for Annual Pay Awards

The Council has maintained its policy of making provision for pay awards at the level of the March RPI, allowing negotiations with employee groups up to that level. In the case of civil servants, police and prison officers these groups have already accepted the level of March 2008 RPI at 3.2% being the final year of a three-year agreement at RPI.

Other employee groups, notably Manual Workers, have expressed their intention to pursue negotiations for a much higher increase. This is not affordable within approved States spending limits and consequently the Council is proposing that the States confirm the pay award assumptions as part of the revenue expenditure proposition for 2009.

For future years the Council is proposing a provision at the forecast of RPI, and for June 2009 less the one-off effect GST estimated at 2%. Based on current assumptions March 2009 RPI would be 4%, less the 2% estimated one-off effect of GST, leaving a 2% provision.

Uprating of Income Support and Benefits

The uprating of Income Support benefits is currently required to be proposed to the States by the Minister for Social Security. The Council is proposing that the average of the new Retail Price Index for Low Incomes (RPI Low Incomes) and Average earnings, excluding the effect of GST, is provided for. The Council's proposal takes account of the latest inflation assumptions and allowances already agreed to protect those on lower incomes.

Uprating of Supplementation

The uprating of supplementation is currently set at the annual increase in average earnings and is applied in January each year. Provision has therefore been made for the latest earnings assumptions.

Non staff inflation
The provision for non-staff costs is set at the States inflation target for RPI(x) of 2.5% per annum and departments are required to work within this provision and prioritise the allocation as appropriate

3.6 Service Transfers

There have been a number of minor functional changes between the services carried out by individual departments since the last business plan. These are summarised in Table 3.1.

The transfers include some of the remaining transfers to consolidate the many property holding functions within the Treasury and Resources department. Transfers have been made to the central procurement office in the Treasury from all departments to establish a permanent procurement expertise to deliver further savings in the future. These additional efficiency savings are required to gradually replace the savings from the change programme currently being delivered by capital receipts from asset disposals.

3.7 Efficiency Savings

2009 is the last year of the five-year Change Programme which began in 2005 and by the end of 2009 the States will have reduced cash limits by the target of £20 million per annum efficiency savings. Initial allocations were made to the programme areas identified to drive through the efficiency savings, and the current profile is shown in Table 3.4.

The Change Programme includes a programme for the property savings which for a period of years shows that £4 million would need to be found from property capital receipts. This income flow can not be maintained indefinitely and needs to be replaced by recurring savings and these are being identified through an expansion of the procurement efficiency programme and further efficiencies within property revenue expenditure in the longer term. Progress continues to be made in consolidating the property management function with further transfers of relevant budgets to the Property Holdings section identified and agreed for 2008 and 2009. This will assist the attribution of savings in the longer term. The Comptroller and Auditor General (CAG) recognised the significant reductions in departments' cash limits over the last five years as part of his recent spending review.

Table 3.4 – Current profile of efficiency savings targets

Projected Profile of Corporate and Departmental Efficiency Savings	2005 £' 000	2006 £' 000	2007 £' 000	2008 £' 000	2009 £' 000	Total £' 000
Corporate Efficiencies						
HR	300	400				**700**
IT	500	440				**940**
Finance	206	494	427			**1,127**
Procurement	150	300	750	700		**1,900**
Total Support Services	1,156	1,634	1,177	700	0	**4,667**
Cross Departmental	120	120	450	450	0	**1,140**
Property						
- Revenue		400	500	600		**1,500**
- Capital			700	1,600	1,700	**4,000**
Total Corporate Efficiencies	**1,276**	**2,154**	**2,827**	**3,350**	**1,700**	**11,307**
Departmental Efficiencies	**4,724**	**1,846**	**1,173**	**650**	**300**	**8,693**
Target	**6,000**	**4,000**	**4,000**	**4,000**	**2,000**	**20,000**
Revenue Targets	*6,000*	*4,000*	*3,300*	*2,400*	*300*	*16,000*
Capital Targets	*0*	*0*	*700*	*1,600*	*1,700*	*4,000*

The individual programme area savings are then attributed specifically to the departments in which those savings are intended to accrue in the budgets through to 2009.

The delivery of the expanded procurement programme of further recurring savings, led by the Director of Strategic Procurement, will be helped significantly by the establishment of a fully staffed central procurement team in the Treasury and Resources department. The funding of the central team has been supplemented by funding transfers from all departments.

The Council remains committed to driving out waste and will continue to improve efficiency, enhance services and demonstrate the delivery of value for money. But when judged against other similar governments our performance shows that, on this basis, there may be limited scope for delivering further major efficiency savings over and above the £20 million we have committed to. Indeed the recent spending review by the CAG has not identified further significant levels of saving and actually recognises that in some areas there may indeed be a lack of resources.

The Council will work with the CAG to review the opportunities for efficiencies and savings that have been identified. The CAG's review has delivered a significant number of the efficiency reviews which were planned for departments over a longer period. This work will now support and inform the background and preparation for the new States Strategic Plan in 2009.

3.8 CAG Spending Review proposals

The Public Accounts Committee (PAC) lodged an amendment to the 2008 Business Plan proposing that significant sums be removed from future cash limits representing savings and efficiencies which were believed to be present in States cash limits. The Chief Minister proposed that instead of the States agreeing to ad hoc amounts for savings targets over the next few years, the Council of Ministers would contribute to the funding of a States spending review to be led by the Comptroller and Auditor General (CAG). The PAC agreed with this proposal and withdrew its amendment and immediately tasked the CAG to produce appropriate terms of reference.

The CAG has been working closely with departments to review States spending and identify potential savings and efficiencies. The first report identifies the opportunity for a number of savings and efficiencies across various States departments over the next few years. The report on the States Assembly website www.gov.je but is not reproduced within the business plan.

The Council has only had a short period to consider the proposals and consequently is not proposing that savings targets are introduced for 2009. However, the Council has agreed to incorporate savings targets of £1.6 million for 2010 and a further £1.5 million for 2011 within the overall spending limits. The targets focus on those short and medium term savings opportunities that the CAG has identified. The Council has now begun a piece of work in advance of the new Strategic Plan during which requires each department to review the areas identified by the CAG and report back to the Council on the opportunities for savings.

To achieve "in principle" allocations to departments for 2010 and 2011 as required in the Business Plan has not been possible in the time available. The Council is proposing a single allocation of the savings targets where these savings opportunities can be worked through over the next 6 months and with appropriate allocations then agreed to departments. These allocations can then be included in the new Strategic Plan and Business Plan for 2010 once the detail has been researched and agreed.

In respect of one aspect of the short-term savings the States Assembly have, at this stage, declined to accept the £100,000 saving proposed by the CAG in respect of Scrutiny.

3.9 Allocations for Non Ministerial States Funded Bodies

In accordance with Article 8 of the Public Finances (Jersey) Law 2005 the Council of Ministers has proposed 2009 expenditure allocations to each of the Non Ministerial States funded bodies. The proposed allocations are identical to the principles by which the Ministerial department allocations were calculated.

The Council of Ministers proposed allocations are included in Table 3.1 and in the Summary Table A in Part Three of the report on page 94. Under the finance law the Council of Ministers is required to inform the States that all Non Ministerial States Funded Bodies have accepted the proposed allocations.

3.10 Allocations for the States Assembly and its services

In accordance with Article 10 of the Public Finances (Jersey) Law 2005 the Council of Ministers has proposed a 2009 expenditure allocation for the States Assembly and its services to the Privileges and Procedures Committee. The proposed allocation was in line with the financial framework in the States Strategic Plan and included the proposed £100,000 savings in respect of opportunities for savings identified by the CAG's spending review in respect of Scrutiny.

The Council of Ministers is required to propose to the States the expenditure allocation requested by the Privileges and Procedures Committee and can inform the States that this proposed allocation excludes the £100,000 opportunities for savings identified by the CAG's spending review in respect of Scrutiny.

3.11 States Trading Operations

The Public Finances (Jersey) Law 2005, Part 4, makes provision for the States to run trading operations.

The Economic Development department includes two trading operations:
- Jersey Airport and
- Jersey Harbours.

The Transport and Technical Services department includes two trading operations:
- Jersey Car Parking and
- Jersey Fleet Management.

The Finance Law requires that the income and expenditure accounts of these trading operations are laid before the States for approval within the draft Annual Business Plan together with any financial return required by the States.

The finances of these trading operations are included in Part Three of the report in Summary Table B page 95 and the details of their activities are included in the Annex to the draft Annual Business Plan.

For each trading operation the Treasurer, on behalf of the Minister for Treasury and Resources, has negotiated the financial return or other arrangements between the Consolidated Fund and the respective Trading Fund.

There are also proposals within the Property Plan, Section 6, for Property Holdings to form a States trading operation during 2009.

3.12 Manpower

The States continues to monitor and report manpower numbers twice yearly. The focus of manpower control is appropriately on actual manpower numbers and is consistent with the controls and reporting in the private sector.

The States has recently implemented a new HR information system (HRIS). The system produces manpower data that is now more accurate - individuals who work in two or more posts in the same department or different departments are now only counted once in the figures and not for each job. This resulted in the December 2007 published figures excluding 171 such multiple appointments. Generally there has been significant growth in staff numbers within Health and Social Services whilst other departments have remained reasonably static. This trend is expected to continue. Any additional posts requested outside of the Annual Business Plan process must be approved by the Minister for Treasury and Resources or Treasurer of the States.

Alongside the actual figures, departments identify the budgeted manpower levels as part of the draft Annual Business Plan. These figures are indicative and are based on assumptions of the required manpower levels based on the proposed funding allocations. The supporting Annex to the draft Annual Business Plan provides analysis of the funding and manpower allocated across services and the departments key objectives. The budgeted manpower levels must also provide for the implications of any projects within the capital and legislation programmes.

3.13 Summary

The Council of Ministers is proposing cash limits for 2009 to 2011 within the spending levels approved in principle in the 2008 Business Plan. The increase in respect of 2009 is 3.1% and increases of 3.5% and 3.3% are proposed for 2010 and 2011 respectively.

The Council has identified at Section 3.4 a number of fairly significant spending pressures for which funding has not been able to be identified within the proposals, but will require a fairly significant level of funding in the near future.

Three-year allocations are being proposed for revenue expenditure and departments will be expected to work within these levels to deliver their agreed objectives. There will be the need for flexibility and a corporate approach, informed by the quarterly reporting process, to address any emerging or unforeseen pressures through the carry forward and annual business planning process.

The allocations to departments for revenue expenditure for 2009 to 2011 must also provide for the financial implications associated with the capital and legislation programmes which are also proposed in this business plan.

4. REVENUE EXPENDITURE TARGETS 2010 to 2013

This section covers the revenue expenditure proposals for the four years 2010 to 2013. The Council of Ministers is proposing detailed allocations to all States funded bodies for the three years from 2009 to 2011 and then overall revenue expenditure targets for the years 2012 and 2013.

4.1 Three year revenue expenditure allocations for 2009 to 2011

The Public Finances (Jersey) Law 2005 only requires one year of revenue and capital expenditure to be approved in the draft Annual Business Plan but the States Strategic Plan is based on a financial framework for five years.

The proposals from the Council of Ministers therefore include detailed allocations to departments for the next three years and higher level figures for years four and five. These are based on the allocations agreed in principle in the Business Plan 2008, which included the outcomes from the review of the Strategic Plan, and also now include the outcomes of the business plan review by the Council for 2009 to 2011.

Table 4.1 Build up of the revenue expenditure allocations through to 2013

	2009 £m	2010 £m	2011 £m	2012 £m	2013 £m
Business Plan 2008	**514.9**	**530.8**	**549.3**	**567.3**	**584.0**
Provision for pay and prices					
Pay awards	7.4	7.4	8.4		
Uprating of income support & benefits	3.0	3.2	3.3		
Uprating of supplementation	2.6	3.7	2.3		
Non staff inflation	1.4	1.4	1.5		
	14.4	15.7	15.5		
Service changes					
Health/Overseas Aid growth	2.5	3.5	3.6		
Protection of benefits	1.5	1.5	1.5		
Service pressures/initiatives	2.9	1.5	0.8		
Phasing out Transitional Relief	(4.1)	(1.9)	(1.5)		
Savings across depts	(1.3)	(1.8)	(1.9)		
	1.5	2.8	2.5		
Net Revenue Expenditure	**530.8**	**549.3**	**567.3**	**584.0**	**602.1**
Repayment of Debt	43.7	43.7	43.7	43.7	43.7
Total Net Revenue Expenditure	**574.5**	**593.0**	**611.0**	**627.7**	**645.8**

The business plan review confirmed the proposals from last year's business plan and considered in detail the services pressures, savings and initiatives raised by departments in the current process. The Council sought to balance the overall spending constraints within the financial framework with the spending and service pressures from departments. The outcomes for 2010 to 2011 are outlined at Section 4.3. The level of service growth has been constrained to less than 1% in future years, as shown in Table 4.2, and this growth is prioritised mainly to Health and Social Services and Overseas Aid.

Table 4.2 Increase in Net Revenue Expenditure 2009 to 2013

	2009	2010	2011	2012	2013
Provision for pay and prices	2.8%	3.0%	2.8%		
Service changes	0.3%	0.5%	0.5%		
Total increase in expenditure	3.1%	3.5%	3.3%	2.9%	3.1%

4.2 Revised inflation assumptions

The inflation assumptions from the Annual Business Plan 2008 have been revised in the light of latest information in respect of the Island RPI, UK interest rates and average earnings.

The proposals from the Annual Business Plan 2008, prepared in June 2007, used the following assumptions in the forecasting model, namely:
- A provision for pay awards of 3.5% for June 2008 and thereafter an annual increase in the wage bill of no more than 2.5%;
- an annual provision for non-staff inflation of 2.5%;
- a provision for the annual up-rating of benefits (based on an average of forecast increases in inflation and average earnings); and
- the delivery of a programme of efficiency savings from revenue and capital, amounting to on average £4 million per annum.

The latest inflation assumptions have informed the pay and benefit provisions which are as follows:
- an increase in the wage bill in line with assumptions about the Island RPI and, from May 2008, excluding the effect of GST;
- a provision for the annual uprating of supplementation in line with assumptions about the increase in average earnings;
- a provision for the annual uprating of the new income support scheme and other social benefits (broadly based on an average of forecast increases in the new RPI(Low Incomes) and average earnings); and
- maintaining an annual provision for non-staff inflation of 2.5%, in line with the States target for RPI(x);

4.3 Outcomes for 2010 and 2011

The make up of the 2009 revenue expenditure is explained in detail in the previous section. The Council also considered the revenue expenditure allocations for 2010 and 2011, although accepting that the new Council in 2009 will be preparing a new Strategic Plan and Financial Framework.

For 2010 and 2011 the proposed changes other than for pay and prices are summarised in table 3.2 but include:
- additional growth for Health and Social Services at broadly 2% in real terms and recognising the anticipated costs of an ageing population;
- an increase of 5% per annum for Overseas Aid, as a planning assumption, in the absence of any specific proposals to change the funding of Overseas Aid being brought to the States. This increase being funded from 2010 by reductions in other services;
- providing protection for the income support scheme from:
  - variations to the transitional relief for Income Support;
  - further increases in funding in line with the rising trend in cost and demand of Parish Welfare;
  - service efficiencies and price changes.
- providing for the cost of the 10 year Census in 2010 and 2011 at a total of £500,000,
- funding base pressures in the Law Officer's department and Family Welfare division of Probation service;
- the revenue implications of the Town Park project in terms of running costs and lost parking income, and
- making a provision for further service pressures and initiatives to be identified through the strategic plan and future business planning processes.

If the currently agreed spending limits are maintained then the effect in ongoing expenditure is that future increases will predominantly comprise only the forecast provisions for pay and prices and the real terms increase in Health and Overseas Aid funding.

However, the service pressures identified in Section 3.4 of the report highlight a number of additional pressures and initiatives on which States Members can take a view as to whether they merit additional funding.

Proposals for the longer–term funding of healthcare will be a part of the proposals to be considered in more depth once the detail of the Health "New Directions" strategy is issued for consultation.

4.4 Revenue Expenditure Targets for 2012 and 2013

The figures for 2012 and 2013 are prepared from an extension of the principles and assumptions for 2009 to 2011 but will be refreshed through the work with the new Council in 2009 on the new Strategic Plan and Business Plan for 2010 to 2014.

4.5 Annual Business Planning and Resource Budgeting

The business planning process provides for an annual review, except in those years where a review of the Strategic Plan is required, which considers detailed expenditure as part of a three-year rolling expenditure programme. The annual review in 2009 has identified service pressures, savings and initiatives as well as changes in department's priorities. The review has been informed by the production of departments' own annual business plans, the quarterly reporting process to the Council of Ministers, and the annual financial accounts and annual performance report.

It is also important that, as part of the annual review, departments take account of the financial implications of bids to the capital and legislative programmes. These bids including any manpower implications should be able to be linked to objectives within the current Strategic Plan. Any new financial implications are assumed to be included in the latest expenditure allocation now being proposed to the States.

With this integrated approach the full cost of existing service programmes and those costs associated with programmes to deliver other objectives within the Strategic Plan can be forecast, prioritised and provided for.

To further the identification of the full cost of services and bring the States budgeting in line with generally accepted accounting principles (GAAP) a project plan is in place for the States budgeting processes to graduate towards resource accounting and budgeting for 2010. In preparation for these changes the intention is to produce a shadow business plan later this year, based around the current proposals, which will inform the planning for next year's business plan and the financial framework for the new Strategic Plan.

5. CAPITAL PROGRAMME 2009 to 2013

5.1 Overall Allocation

The States, in September 2007, approved a capital programme for the period 2008 - 2012 and noted an indicative programme for 2013. As departments have already identified capital funding requirements to 2013, unlike previous years, no new bids were sought for the fifth year of the programme. However, departments were invited to review the indicative five year programme to advise on progress of the schemes and whether the assumed timetable and budget is still appropriate

A number of capital funding pressures, most of which were reported to the Council of Ministers at its meeting of 21 January 2008, have been incorporated into the revised programme.

The Council of Ministers, in considering overall resource requirements, considered that the total funding allocation to capital works and associated expenditure should remain broadly as approved in last year's States Annual Business Plan, consistent with the principle of adhering to approved spending levels. However, following the approval of P73/2008, the replacement Energy from Waste (EfW) plant is now to be funded from balances within the Consolidated Fund in 2008. Consequently, the previous allocations to provide for borrowing in respect of this project have been deleted from the proposed funding allocation.

The proposed capital expenditure allocations for 2009 and beyond have now been increased to include the elements of the Housing Social Works programme intended to be funded from housing capital receipts. Previously the proposals in the business plan have been limited to the elements to be funded from the housing rolling vote allocation. These additional allocations add £12.8 million to the 2009 programme and a further £66 million over the four years forecast years 2010 to 2013. The Housing Social Works programme is explained in more detail at section 5.6

The Council of Ministers is proposing an allocation for capital works of £54.9 million for 2009 and a further £211.4 million, in principle, for the four years 2010-2013. The programme has not been aligned to a regular annual sum for the period 2010-2013 as the introduction of a resource accounting and budgeting framework will restructure the funding allocation from the current 'fully funded' up-front position to an annual allocation in line with expected expenditure.

The overall allocation incorporates an annual contribution of £4 million (£20 million in total) from the disposal of surplus property assets and £12.8 million in 2009 (£79 million in total) from housing disposals to support capital reinvestment.

To comply with the Public Finances (Jersey) Law 2005, the States is asked to approve the 2009 programme and approve in principle the proposed funding allocations for the period 2010 - 2013, noting the intended year of commencement.

Table 5.1 shows the proposed drawdown of funds

Table 5.1 - Capital Expenditure Allocation Summary 2009 - 2013

Proposed Allocation	2009 £m	2010 – 2013 £m	Total £m
Capital Budget	**54.9**	**211.4**	**266.3**
Expenditure			
Total Earmarked Funds and Rolling Allocations	**45.6**	**156.5**	**202.1**
Total Schemes	**9.3**	**54.9**	**64.2**
Total Proposed Expenditure	**54.9**	**211.4**	**266.3**
Less:			
Property Capital Receipts	(4.0)	(16.0)	(20.0)
Housing Capital Receipts	(12.8)	(66.7)	(79.5)
Net Capital Expenditure (Financial Forecast)	38.1	128.7	166.8

For simplicity of presentation, the financial forecasts only include the required capital expenditure net of the property and housing capital receipts being £38.1 million in 2009 and £128.7 million for 2010-13. These sums represent the net amount to be withdrawn from the Consolidated Fund in those years.

5.2 Changes from 2009 - 2013 Previously Advised Programme

The capital programme has been reprioritised to accommodate revised spending pressures and high priority issues. The key changes between the proposed programme for 2009 - 2013 and that included in last year's Annual Business Plan are:

- A consequence of funding the proposed replacement EfW Plant from the Consolidated Fund in 2008 is to remove the requirement to provide future allocations, previously set at £7 million per annum, to finance external borrowing. The allocations of £7 million approved in principle for 2010 - 2013 have been deleted from the revised Capital Programme allocation, having the effect of reducing the call from the Consolidated Fund in these, and subsequent, years:
- The £2 million allocation for the Town Park development has been moved from 2009 to the 2010-2013 period, and a further tranche of funding of £5 million has been included, to align with the current project plan.
- The proposed first tranche of £20 million for a replacement inert waste disposal site has been deferred beyond 2013.
- An increase in the allocation to the Airport for its 'below ground' works is proposed. This will take the total for the five year period from £11.4 million to £20 million.
- A sum of £6 million has been included over the five year period to provide for the upgrade and replacement of the States' JD Edwards Enterprise system.
- Since August 2006 a total of £3.3 million has been transferred from the Capital Reserve Risk Budget to fund the expenditure risks that have materialised, including:
  - £518,000 for St Catherine's Breakwater;
  - £1.5 million in respect of the 2007 pay award; and
  - £1.3 million for emergency works to the existing Bellozanne Incinerator.

  As a result of these items, the risk reserve has reduced to an unsustainable level. The proposed allocation of £7 million will restore the budget to a level commensurate with the value of the States' ongoing and proposed capital projects.

- Funding for phase 4 of the Grainville School project has been reduced by some £4.3 million, reflecting a prioritisation of the outstanding works.
- The relocation and refurbishment of the Oncology department of the General Hospital was included as a new scheme in last year's plan. A more detailed assessment of the project identified a funding shortfall of almost £1 million, which has been included in the 2010-2013 period.
- Relocation of the Animal Carcass Incinerator is required to comply with the terms of the proposed covenant variation at Howard Davis Farm and a sum of £970,000 is included in the programme to re-site the equipment at La Collette.
- The Social Housing Works programme is jointly funded by the rolling vote from the capital programme and earmarked capital receipts from housing property sales. The element of the programme estimated to be funded from these receipts of £12.8 million in 2009 and £66.7 million from 2010 to 2013 is included for approval in the total States programme for the first time in 2009.

A reconciliation of the movements from the previous 2009 - 2013 programme is shown in Table 5.2.

Table 5.2 Reconciliation of movements from previous capital programme 2009 – 2013

Capital Project	Previous Programme 2009 - 2013 £000s	Current Programme 2009 - 2013 £000s	Increase/ (Decrease) £000s
Transport & Technical Services			
Infrastructure Works Rolling Allocation 2009 - 2013	23,750	23,750	0
Minor Capital 2009 - 2013	1,750	1,750	0
Sludge Treatment/STW Tanks	1,000	1,000	0
Re-Use/Recycle Centre	1,452	1,452	0
Inert Waste Disposal Planning	20,750	750	(20,000)
EfW Plant and Ancillary Works	35,000	678	(34,322)
Clinical Waste Incinerator Refurbishment (Phase 1)	1,000	1,000	0
STW Major Upgrade	14,079	14,079	0
Town Park (Additional Funding)	2,500	7,500	5,000
Relocation of Animal Carcass Incinerator	0	970	970
Education, Sport & Culture			
Minor Capital 2009 - 2013	500	500	0
Planning & Environment			
Minor Capital 2009 - 2013	500	500	0
Urban Renewal Fund	400	400	0
Weather Radar Station Replacement	150	150	0
Fisheries Vessel Refit	0	334	334
Health & Social Services			
Minor Capital 2009 - 2013	9,000	9,000	0
Replacement Health IT System	5,000	5,000	0
Replacement CT Scanner	1,260	1,260	0
Home Affairs			
Minor Capital 2009 - 2013	1,000	1,000	0
Tetra Radio System	4,450	4,450	0
Housing			
Social Housing Programme - Rolling Allocation	17,750	17,750	0
Economic Development			
Airport 'Below Ground' Works	14,205	25,000	10,795
Treasury & Resources (Property Holdings)			
Prison Improvement Works	2,814	2,814	0
Police Relocation - Sinking Fund	6,254	6,254	0
Mont A L'Abbe (Phase 2)	3,928	4,212	284
St Martin's School	2,157	2,239	82
Grainville (Phase 4)	8,808	4,478	(4,330)
Oncology	1,781	2,765	984
Les Quennevais School Refurbishment	7,657	7,282	(375)
FB Fields Running Track	510	510	0
Treasury & Resources			
Risk Reserve Allocation	0	7,000	7,000
JD Edwards	0	6,000	6,000
Chief Minister's Department			
Corporate IT	25,000	25,000	0
Total	**214,405**	**186,827**	**(27,578)**
Social Housing Programme - Funded from disposals	0	79,419	79,419
Total (including Social Housing Programme increase)	214,405	266,246	51,841

5.3 Prioritisation Process

The proposed revised capital programme supports the initiatives and priorities included in the States Strategic Plan.

Following discussions with individual departments, a provisional capital programme was considered by the Corporate Management Board on 12 March 2008.

The Corporate Management Board proposals were then discussed and agreed by the Council of Ministers, at its meeting of 20 March 2008.

Details of the procedure and accompanying reports have been passed to the Corporate Services Scrutiny Panel for its ongoing review of the Business Planning process.

5.4 Capital Programme 2009

In accordance with the Public Finances (Jersey) Law 2005, the States is asked to approve each of the capital projects in the recommended programme for each States funded body for 2009.

A summary of the proposed funding allocations for 2009 is shown at Summary Table D in Part Three of the report on page 97, with details of the individual schemes and rolling allocations provided in the detailed capital section of the supporting Annex starting on page 114.

5.5 Capital Programme for States Trading Operations 2009

Article 22 (1) (a) of the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations requires capital expenditure proposals of designated States Trading Operations to be approved by the States as part of an annual business plan.

For 2009 States Trading Operations comprise Jersey Harbours and Jersey Airport as part of the Economic Development department and Jersey Car Parking and Jersey Fleet Management in the Transport and Technical Services department.

A summary of the proposed capital allocations for the States Trading Operations for 2009 is shown in Summary Table E in Part Three of the report on page 98.

5.6 Capital Programme 2010-2013

In addition to the requirement to approve a definitive capital programme for 2009, the States is asked to approve, in principle, the proposed programme of capital projects for the States funded bodies for the period 2010 to 2013 as set out in Summary Table F, on page 99, with details of the individual schemes and rolling allocations provided in the capital section in the accompanying Annex starting at page 114.

As discussed above, under the proposed resource accounting regime, the budget allocation for the proposed programme will be aligned to the year in which funds are spent rather than in total in the year the project commences, as is currently required. For this reason, Table F includes assumed years of commencement only rather than a detailed profile of annual allocations at this stage. It is likely that the assessment and revaluation of assets as part of the resource accounting regime will confirm the view that the maintenance of States property and infrastructure assets are significantly underfunded. In table 3.3 on page 52 an initial indication of the potential level of this underfunding is recorded.

For the purpose of forecasting and in principle approvals the indicative profiled allocations are included in Table C and the net effect, less assumed capital receipts, are shown in the financial forecast Table 2.1.

5.7 Housing Social Works Programme 2009-2013

The Housing Department's property plan (P6/2007), which was approved in 2007, proposed the use of proceeds from the sale of a number of States rental homes, in addition to funding from the capital programme, to fund a ten year refurbishment plan and the acquisition of around 400 life-long homes to meet the needs of the ageing population. The table below provides a forecast of the various expenditure and funding flows over the next five years.

The proposed capital allocation provides the balance of funding, a further £18 million, in the period 2009 to 2013.

Table 5.3 Housing Social Works Programme 2009-2013

	Estimated Start Date	to 31/12/2008 £	2009 £	2010-2013 £
Balance of Funding b/fwd			**9,297,000**	**11,555,000**
Schemes				
The Cedars	2008	3,500,000	3,000,000	0
Clos du Fort	2007	1,100,000	0	0
Clos St Andre	2008	5,000	120,000	0
Clos de Roncier	2007	2,200,000	0	0
Hampshire Gardens	2008	3,000	650,000	350,000
La Carriere	2008	300,000	400,000	0
Clos des Quennevais	2008	300,000	400,000	0
Le Squez 2	2008	2,000,000	7,000,000	3,000,000
Le Squez 3	2010	0	0	12,000,000
Le Marais Low Rise 2	2007	6,300,000	0	0
Le Geyt 1 - 21	2008	400,000	800,000	0
Journeaux Court Phase 3	2013	400,000	200,000	1,300,000
Salisbury Crescent	2009	0	3,000,000	4,500,000
Clos Gosset	2009	0	1,000,000	4,000,000
La Collette Flats	2010	0	0	8,000,000
Convent Court	2013	0	0	8,000,000
Caeserea Court	2014	0	0	0
Catchup Heating Mains Programme	2008	100,000	100,000	400,000
Catchup Heating Installation Programme	2009	0	400,000	1,400,000
Catchup Roofing Programme	2009	0	200,000	800,000
Catchup Window Replacement Programme	2009	0	400,000	1,100,000
Other Miscellaneous Capital	2008	100,000	100,000	400,000
		16,708,000	17,770,000	45,250,000
Acquisitions of Life-long homes				34,149,000
Funding Streams:				
Capital Programme Rolling vote		10,977,000	5,000,000	12,750,000
Proceeds from Property Sales applied		5,731,000	12,770,000	66,649,000
Proceeds from Property Sales unapplied c/fwd		9,297,000	11,555,000	5,018,000

The full extent of the Housing Social Works programme is dependant upon the achievement of the required level of capital receipts. Further details of the individual housing schemes are provided in the Annex to the draft Annual Business Plan 2009 within the Capital Programme section.

5.8 IS Programme and Strategy 2009 – 2013

Introduction

In many organisations today, the information services (IS) function has become an important enabler of the activities of that organisation. Worldwide there has been a major shift in the use and dependency made of IS over the last 15-20 years. Even in the last 10 years, with the advent of the internet in common use and the deployment of mobile/remote computing, we have seen a profound change in both work and personal use of IS. The expectations of the citizen about the way the public sector will make use of these services and support the citizen have grown in proportion to the IS experience they have in their personal lives.

In Jersey three quarters of all households have access to the internet (an increase from 58% in 2005). Just over half of the people in Jersey use the internet every day, and another third use it several times a week. There will be a clear customer expectation that they can interact with the States through this medium, and that this will be as efficient and as professional as when they use the internet, e.g. to order goods or to book travel, in their personal lives.

Information services as a discipline has changed profoundly over the last few years. It is no longer about technical skills but about the ability to understand business needs and new business models, to facilitate refinement and implementation of new business processes to bring together information from various sources for the benefit of executive decision making, and to manage the supply chain of vendors effectively and productively.

Benefits of modern Information Services

Nowadays the delivery of customer focused and cost effective services can only be achieved through the use of IT. There are benefits to the customer in terms of reduced cost of service when delivery is automated and streamlined online, and greater freedom in choosing when to interact. This is no longer an aspiration, but a clear customer expectation, particularly for those customers from overseas who want to do business with the Island, who are well practised in interacting this way.

Information services is therefore integral to good business performance as the exploitation of the technology becomes the engine for customer self-service, business process transformation, and organisational agility.

As with any profound change, the opportunities and benefits enabled by IS can outstrip an organisation's ability to fund fully, and to manage, all the potential initiatives that can arise. It is recognised in today's world that expenditure on IS is usually an investment that will save costs (economy), deliver improved performance (efficiency) and better meet the customer needs (effectiveness). As a consequence many bodies, public and private, seek to use IS by investing more in the expectation of reducing costs elsewhere. The model where IS costs are reduced in line with broad cost cutting targets across the organisation will typically stifle the creativity necessary to enable an organisation to evolve, thrive, and meet new challenges.

Jersey Supplier chain

In Jersey the States has significant opportunity, and significant ground to make up, in leveraging the skills and resources of Jersey IS suppliers. Uncertainties around funding and the longer term strategy for using IS not only jeopardises the ability to drive business change, but also prevents the necessary growth of the on-island IS economy.

Corporate Spend

In broad terms the States of Jersey spends £20m a year on IT. Running costs, i.e. to maintain systems and applications already in existence, are approximately £15m.

<u>UK spend comparison</u>

The States' 2007 IT spend was recently benchmarked by the National Computer Centre against nine UK public sector bodies. The results indicate that local spend is below the average of these UK authorities. In terms of total spend as a percentage of turnover the States of Jersey spent 3.84% when the overall average was 4.16%. In respect of the total spend per end user the States of Jersey spent £4.05k, when the average of UK authorities spent £4.79k.

This level of spend can be deemed to be even lower relatively in that the States of Jersey pay rates are acknowledged to be above the UK average. The adjustment for this would reduce the States of Jersey figures. It is also the case that the States of Jersey government is a broader, more diverse organisation than any UK public sector body. Its size belies its complexity as it encompasses all the different UK government tiers from national down to local, with several domains, from revenue to social care, from public safety to justice and from transportation to environment.

On the basis of the above, current investment levels in IS, given the fundamental position that information technology plays in the organisation, can be described as being on the low side compared to other public sector bodies.

Spending profile

The IS team in the Chief Minister's Department accounts for approximately 50% of the total States' spend on IS, with the remaining 50% spread across the other Departments.

To enable "best value" decisions to be taken from the point of view of the States' wider priorities, rather than on a Departmental by Departmental basis, the Director of IS must have oversight of the total IS functional spend across the States. The overall spend profile will also be used to benchmark the States corporately against UK government comparators. This does not necessarily mean consolidating the overall IS function expenditure further. A profile of the total States' IT spend for the next 5 years in detailed below:

Table 5.4 - Total States' IT Spend 2009 to 2013

Year	2008	2009	2010	2011	2012	2013	Average
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Departmental Running Costs	12,462	12,462	12,462	12,462	12,462	12,462	
Infrastructure Maintenance Costs	2,096	3,534	1,834	1,534	1,104	4,104	
Total Baseline Running Costs	**14,558**	**15,996**	**14,296**	**13,996**	**13,566**	**16,566**	**14,830**
Development Projects	4,661	5,561	4,411	2,161	2,161	2,161	3,519
Total States IS Spend	**19,219**	**21,557**	**18,707**	**16,157**	**15,727**	**18,727**	**18,349**
Future Projects (to be prioritised)							
Desktop Upgrade (to lastest Microsoft)				1,900			
Document Management						1,000	
Records Management						475	

The principal change in cost profile for the IS function across the years arises from new projects. New projects will be controlled by use of Financial Directions, States Business Planning, and the business case approval process to ensure that all projects are fully funded. To achieve this, sponsoring departments will have to build in the cost of running, as well as building, new systems or services. Business cases will be subject to validation through the States' Programme Board process. New projects will therefore have to fully fund the impact of infrastructure additions, and increases in support and maintenance, which may necessitate transfer of budget from a Department to the central IS budget.

Regardless of where the funding is available to undertake IS enabled project work or initiatives, each project will still need to be prioritised against States-wide objectives and needs, and take account of the limiting factor of skilled resource within the States itself.

The nature of IS projects is often such that costs and benefits will fall within a range, with costs often at the higher end and benefits at the lower. Benefit cases will therefore need to be compelling, with a significant net benefit accruing to ensure that there is sufficient contingency to account for variances in ambitious benefit projections. Where projects are deemed of highest priority, they may need to include a cost premium in order to take the first call on specialised resources. By doing so, this would enable specialised resources to be bought in if necessary.

Capital Programme

In recognition of the need for investment in the States' IS capital programme detailed below the rolling capital allocation is sufficient to fully fund the programme. However, prioritisation will be needed to enable future projects, such as the upgrade to the latest Microsoft product and development of States document management systems, to be undertaken.

Table 5.5 - ICT Capital Funding Allocation 2009 to 2013

Year	2009	2010	2011	2012	2013
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance held from Previous Capital Votes	(3,036)				
Capital Funding (ISD)	(5,000)	(5,000)	(6,000)	(4,500)	(4,500)
Capital Funding (Health)	(3,000)	(2,000)			
Total Funding	**(11,036)**	**(7,000)**	**(6,000)**	**(4,500)**	**(4,500)**
Capital Running Costs	3,600	3,600	3,600	3,600	3,600
Infrastructure Maintenance Projects					
Network Hardware Replacement	250	150	150	150	150
Network & Communications Refresh		500	500		
Server & Desktop Hardware Replacement	390	400	350	420	420
Finance System Hardware	34	34	34	34	34
Office 2007 training	210				
Building of Data Centres	900				
Purchase of Servers for San Server	1,000				
Committed Development Projects					
Health Intergrated Care Records	3,000	2,000			
Migration Control	50				
New Projects					
Web Strategy	750	750	500	500	500
Total Spend	**10,184**	**7,434**	**5,134**	**4,704**	**4,704**
Cash Position	**852**	**418**	**1,284**	**1,080**	**876**
Future Projects (to be prioritised)					
Desktop Upgrade (to lastest Microsoft)			1,900		
Document Management					1,000
Records Management					475

A description for ongoing and future IT projects is contained in the Capital Programme section of the supporting Annex.

6. PROPERTY PLAN 2009

A Executive Summary

6.1 Introduction

The fourth year of the 2006 -2011 Strategic Plan will be one of significant challenge for Jersey Property Holdings (JPH) as it strives to implement change plans developed in 2008; initiatives which are designed to deliver a well maintained, safe, legislatively compliant and, above all, financially sustainable property portfolio; an estate which provides efficient administrative and operational accommodation for all States Departments, whilst supporting the continued delivery of high standards of service to the public.

The formation of a single corporate property function, which commenced in 2006, has provided the vehicle to drive a comprehensive review and analysis of all States' property assets[1]. The conclusions drawn from this work, combined with the need to address emerging social and political pressures in Jersey, have resulted in the development of a strategy which positions property as an enabler of both financial and cultural change.

This Property Plan is the business plan for JPH, which sets out key initiatives and activities to be undertaken in 2009 and beyond. Later in 2008, JPH will produce a strategic property plan, incorporating a portfolio plan, which will recommend policy and strategic direction for the future of States' owned property assets.

6.2 Key initiatives

There is a clear and compelling need to reduce the total amount of the property occupied by States' Departments. The primary focus of attention for JPH in 2009 will be to begin to cut the size of the States' property portfolio, not simply to raise funds but, more importantly, to reduce it to a size that is both financially sustainable and efficient.

6.2.1 A disposal programme which reduces the States' Property Portfolio to a size which is affordable and efficient, and releases capital proceeds for investment in addition to sites suitable for Housing development.

- Consolidation of the property estate to improve asset utilization and reduce property operating costs.
- Concentration of States' administration into fewer geographic locations and the development of new working environments which support more collaborative and efficient ways of working.
- The release of surplus or high alternative use value properties to provide funds to support capital investment, with a strong focus on progressing sites which may be developed for social rented or private sector housing.

6.2.2 Addressing under funding of maintenance and capital works

- The reduction of significant "backlog" maintenance which has resulted from structural under-funding of property maintenance, through the introduction of remedial works in a phased and prioritised programme plan.
- The instigation of a series of capital projects to replace assets which have deteriorated beyond reasonable repair, to be funded from proceeds generated by the disposal of property over and above that required to meet the agreed capital proceeds targets.

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[1] The States agreed to the transfer of administration of all States property assets, with the exception of those assets under the administration of Trading Committees and Social Housing currently administered by the Housing Committee, to States of Jersey Property Holdings (P93/2005)

6.2.3 Development and maintenance of a five year rolling Portfolio Plan

- The consolidation of all property survey information, asset valuations and legal commitments in a single database.
- The identification of all future investment activity in a single comprehensive Integrated Property System.

6.2.4 Continued development of the Jersey Property Holdings organisation

- The establishment of JPH as a States' Trading Operation.
- Implementing a "charging mechanism" to recover the full cost of property from occupying Departments, including a notional rent for freehold and all leasehold premises.
- Installing a single comprehensive Integrated Property System to replace the existing three systems.
- Introducing new financial directions, policies and procedures to clarify all internal and external operating procedures relating to property transactions and the utilisation of property.
- The completion of Health and Safety and supplier management training for all appropriate personnel.
- The development of service level agreements for all property users in conjunction with lease agreements, including customer satisfaction indices.

These initiatives are mutually supportive, as rationalisation of the estate will result in the release of disposal proceeds, potential housing development opportunities and, by reducing the size of the gross area maintained, also reduce property operating costs.

These initiatives will be progressed against a backdrop of continuing to deliver a safe and legally compliant property estate; maintaining overall costs within established efficiency saving targets, and the continued refinement of systems, procedures and skills training to develop the appropriate resources required to deliver the planned operational benefits.

6.3 Financial targets

6.3.1 Income

JPH has three major income streams: rents, facilities management recharges and professional fee income, which support management and maintenance of its properties. JPH will endeavour to maintain or improve its revenue base as reduction in income would require JPH to make a commensurate savings in its cost base.

6.3.2 Revenue Expenditure

JPH revenue expenditure is predominantly salary and associated costs, maintenance and facilities management and utility costs. Of these, the only area of 'discretionary' spend is maintenance, however, JPH must allocate sufficient resources to, at least, meet its statutory responsibilities to provide a compliant estate.

6.3.3 Capital Investment

JPH relies on the capital programme to provide funds to reinvest in its property portfolio. Over the last ten years, the proportion of capital funding allocated to building works has diminished both in real terms and as a proportion of the capital programme.

Disposal Targets

A target for receipts from disposals of surplus property, for reinvestment in the general capital programme, was set at £0.7 million for 2007, £2.3 million for 2008 and £4 million per annum for the period 2009 - 2013.

6.4 Success criteria

The 2009 Property Plan continues to support Strategic Plan Commitments 1.2, 6.1, and 6.26 as measured by the following performance/ success criteria:

- *(i) A restructured States' estates management function to a single corporate Property Holdings division.*
- *(ii) A good, consistent standard of building maintenance.*
- *(iii) Strategic survey information provided on the States' property portfolio.*
- *(iv) Financial savings targets for property achieved.*
- *(v) A corporate management function provided for States' capital projects.*
- *(vi) Capital Projects commenced and completed on time and within budget.*
- *(vii) More effective use of office space.*

This plan seeks to address these adopted key success criteria and respond to developing additional criteria such as the need for the release of sites for housing demand and the requirement to reinvest in our office portfolio.

6.5 Context

The plan for 2009 is founded on activities commenced in 2007 which will for the remainder of 2008 continue to be that of consolidation, data assembly and analysis, together with resource development, in order to establish a sound basis for the formulation of a comprehensive property portfolio plan. This forms the platform for implementation of major property initiatives across the States in 2009.

The key work streams of valuing property assets, surveying the condition of buildings, procuring an Integrated Property System, developing an office strategy and charging mechanism, which have been completed or are being progressed to date, are detailed in sections B and C of the plan.

B The 2009 Plan in Detail

6.6 Re-engineering the Property Portfolio

There is a clear and compelling need to reduce the total amount of the property occupied by States' Departments. The cost of maintaining this estate to a sustainable level is significantly greater than the current budget allocation for this work.

Currently, accommodation is, in effect, a "free good" [2] to most Departments. As resource accounting is introduced in conjunction with the process of achieving GAAP compliance, all Departments will be required to account for the true cost of property occupancy. The proposed "charging mechanism" to be introduced by JPH in 2009 will discourage future expansion and encourage the release of current properties.

A major benefit of "downsizing" the estate will be the release of "brown field" sites with the potential to be redeveloped for social or private sector housing. This is dealt with in more detail elsewhere in the plan.

6.6.1 Rationalisation of the office estate

The States of Jersey office estate is currently located on 76 sites occupying a total usable area of approximately 55,000 sq m (590,000 sq ft). Excluding States' Trading Operations, this represents approximately 14% of the total estate.

Some of this office space relates directly to operational facilities, such as schools and hospitals, but analysis indicates that there are 35 sites, totalling in excess of 29,000 sq m (310,000 sq ft) which are effectively "stand alone." These buildings have an annual rental value of £5.6m at an assumed rent of £18 per sq ft per annum, which represents an opportunity cost to the States.

This accommodation has the potential to be consolidated into significantly fewer locations with facilities which can be designed to support more efficient ways of working, thereby reducing long term property operating costs, "churn" costs (the costs of moving staff from one location to another) and the costs of moving between locations for meetings. It also offers the opportunity to centralise and consolidate administrative functions, thereby reducing non property operating costs. Properly designed office accommodation will provide the occasion to use space more flexibly, promoting greater team working (break-out areas, quiet space areas, hot desks etc.)

- A review of a sample of the larger buildings demonstrates the average space per person to be about 20 sq m (215 sq ft) compared with the target of 13 sq m (140 sq ft)[3] set out in the 2006 report on UK public sector office accommodation published by the NAO[4].
- Desks in States buildings are largely allocated on the basis of one for each employee, whereas many organisations in both the public and private sectors have introduced desk sharing, thereby, significantly increasing average occupancy levels.
- In addition a number of organisations have introduced facilities to enable staff to work more independently, reducing the demand for desks at the main place of work.

The opportunity to rationalise the primary office estate is significant, and the case for doing so compelling, not simply for financial benefits, but for the potential to provide additional space for housing developments.

[2] Properties such as Morier House and those rented from the private sector are exceptions where Departments meet the full rental costs
[3] Many companies in the UK are already achieving space per desk levels of below 9 sq m (100 sq ft).
[4] National Audit Office

Further analysis will be undertaken to determine the scope for driving similar efficiencies in the remaining 41 office locations including moving functions to the primary office estate.

Consolidation of the office estate has the potential to:

(i) *Reduce overall property maintenance, facilities management and utilitie' costs.*
(ii) *By co-location of currently disparate departments, encourage greater collaborative working and the elimination of duplicate administrative resources.*
(iii) *Release assets for disposal and thereby generate capital receipts for reinvestment and/or provide "brown field" sites for housing development.*

Work has commenced on this project and will be completed in the second half of 2008 with the development of an office strategy to enable the office element of the first 5 year Portfolio Plan to be produced. This includes an initial segmentation of the office estate into:

- Core - office buildings that should be retained,
- Flexible - those that could be retained or sold, and
- Surplus - those that are unviable from an operational or financial perspective and should be sold.

This segmentation leads to the establishment of four generic options to rationalise the estate, which are to:

(i) Develop one central campus for all States' administrative functions
(ii) Establish a main campus whilst retaining a small core of ancillary buildings
(iii) Intensify the use of the existing portfolio with minimum capital expenditure, leading to relatively marginal change through disposals and acquisitions
(iv) Modernise and intensify the use of existing properties, leading to more significant disposals of surplus assets.

JPH will assess each option and agree a preferred strategy during the course of 2008 for implementation in 2009.

The office strategy will include a final version of the segmentation to enable a start to be made during 2008 on the disposal process for surplus properties and the carrying out of developments and refurbishments of the properties to be retained.

In order for the office strategy to be successfully delivered with meaningful results, it will be necessary for JPH to work closely with all Departments throughout the remainder of 2008 and beyond to produce (and update at regular intervals) Departmental office plans, in addition to plans for the Operational Estate.

As considerable input will be required from Departments in both the planning of the offices and in promoting the changes to working practices required to make implementation work, JPH will agree with Departments a methodology for working together. Departments will be required to appoint a senior level individual (sometimes referred to as a "Change Champion") to work with JPH. A communications strategy will be developed and implemented at an appropriate time for staff to be informed about the rationalisation and new ways of working proposals at regular intervals.

Office plans will be produced in the context of agreed targets for both the amount of office space and the manner of its use.

As part of this year's plan, the high level targets to be used by both Departments and JPH to calculate the amount of office space should be:

- Overall space standards. These will be in the range 9 sq m (97 sq ft) to 13 sq m (140 sq ft) per workstation with an average of 10 sq m (110 sq ft) including allowances for ancillary space such as meeting rooms, quiet space, touch-down areas and informal meeting space.
- Desk allocation rates. These will vary depending on the nature of the work being undertaken but the overall target will be 1:1.2, i.e. 1 desk for every 1.2 members of staff.
- Personal filing space. There is currently little control of personal filing and it will be necessary to limit personal filing to enable desk sharing to take place (see below). The rate for personal filing should be expressed in terms of linear metres and lie in the range 3m to 4m (10 ft to 13 ft).

In addition to the space targets set out above, the targets for Departments and JPH to use in agreeing the manner of space utilisation will be:

- Maximisation of open plan space. The number of staff (including those at senior levels) working in open plan space should be optimised. This will be the default position unless a business case can be made for providing cellular accommodation, taking into account the availability of meeting room space (both formal and informal).
- The introduction of flexible working or desk sharing. Staff will not be allocated permanent desks unless a business case can be made to do so. The method staff use to select desks must be decided, the main options being a booking system or "hot desking", where staff select a desk on arrival.
- The introduction of independent working. The assumption should be that staff will be able to work more independently in future and will have greater opportunities to work from home and elsewhere for at least part of the working week. This normally not only increases morale but also reduces the demand for desks at the main place of work
- Introducing a clear desk policy. To enable desk sharing to work, there must be a clear desk policy otherwise desks are effectively blocked out by staff making it impossible for others to use.

JPH will also need to work with support Departments, such as Information Technology and Human Resources, to put in place the necessary technology and procedures to enable the targets set out above to be met. The main requirements will be:

- The provision of portable telephone numbers and laptops so that staff can log in at any location.
- The preparation of revised working procedures to enable flexible working to take place.
- The preparation of a communications plan to inform staff at regular intervals of the preparations for and progress in implementing office changes.

In addition to the objectives set out above, target dates must be set to monitor and maintain progress in both developing and implementing the office strategy as follows:

- Agreement on the office strategy during the last quarter of 2008.
- Commencement of the process to develop and agree the space standards and the way space is used following the approval of this business plan with completion in the first quarter of 2009.
- Commencement of the process to develop the IT and HR policies and the communications plan, with Initial outputs available in the first quarter of 2009 and updated as the project proceeds.

6.6.2 Planning the Operational Estate

JPH will continue with initiatives commenced in 2008, working closely with all Departments to understand their medium and long term operational property requirements.

This work will enable an initial segmentation of the operational estate to be produced along the same lines as the office estate (core, flexible and surplus). A draft five year rolling Portfolio Plan will be generated for each Department, setting out the investment requirements for the core estate (either for new accommodation or for refurbishment of existing accommodation), the properties that need to be kept under review (the flexible estate) and those for which disposal is appropriate (the surplus estate).

Assuming agreement can be reached in 2008, JPH will begin implementation of the first phase of the Portfolio Plan during 2009.

6.6.3 Housing Development Sites

The Housing Needs Survey 2007 identified *"notable potential shortfalls... in 2-, 3- and 4-bedroom owner-occupier properties"* in the next five years. This analysis was reinforced by the average price increases reported in the March 2008 House Price Index. To assist in providing targeted supply for the residential market, JPH will pursue actively those sites identified as surplus to operational requirement which are considered suitable for development as Housing.

In previous Property Plans, the States have agreed to the disposal of the following sites that are likely to yield additional residential units:

Table 6.1 Anticipated Release of Residential Units from Previously Approved Disposals

Site	Property Plan Year	Anticipated Residential Units Created
Mascot Motors	2006	10
Mont Mado shed site	2006	4
Mont Mado quarry	2006	3
Hue St/Dumaresque Street (Car Parks)	2007	14
Development Site, Belle Vue	2007	70-120

JPH is seeking approval for further disposals in 2009 (see Part C below), which are expected to deliver further residential units. In addition, as detailed proposals are developed to rationalise the office estate, JPH will consider any further opportunities to release sites for residential development, subject to the necessary approvals.

6.7 Property Maintenance Planning

6.7.1 Condition Survey - 5 year plan

JPH will use the results of the Condition Survey together with benchmark data from other organisations as the basis for a comprehensive 5 year rolling maintenance plan which will:

- identify the value of works required to restore the existing estate to an acceptable standard.
- target all works related to statutory requirements, health and safety issues, asset preservation and schedule early implementation of high priority remedial works.
- include a rolling 'catch up' programme, integrated into the ongoing planned maintenance programme, to smooth the workflow over a number of years, which will address the arrears of maintenance referred to in Part C.

The plan will be embedded in the Integrated Property System and will:

(i) provide a sophisticated tool that enables the impact of resource allocation decisions to be modelled to aid decision making.

(ii) enable non-maintenance data (such as energy consumption information) to be included and compared to produce environmental performance indicators to assess property efficiency.

(iii) *provide sound data to help identify properties to be put forward for disposal.*

To be of continued value, the survey data must be updated on a regular basis to ensure ongoing expenditure on properties is aligned to the future planned maintenance programme within the Portfolio Plan.

6.7.2 Structural Under-funding

The capital and revenue allocations included in the strategic plan for investment in JPH portfolio are significantly less than that required to maintain the condition of buildings fabric, plant and equipment at an acceptable (median) level.

- The total capital investment in operational property over the course of the plan averages £6.1 million per annum. This is significantly less than the value of buildings' depreciation - *the value of States' buildings is being eroded*
- Based on industry benchmark standards[5], the current annual maintenance allocation is in the order of £6m less than that required to keep the properties in good order.[6]
- Properties transferred to JPH over the last two years have a high level of backlog maintenance, which will result in further rectification[7] costs over and above those for routine and normal planned maintenance.
- In the Strategic Plan, JPH was tasked with reducing the base cost of property by £1.5m by 2008. In order to meet this target, JPH has been obliged to defer all non-essential maintenance to future years.
- It was originally intended that property savings would be achieved primarily from reducing space occupancy. However, delays in the transfer of properties, resources and budgets have placed the burden of cuts almost exclusively on maintenance expenditure.

This has reached a critical point whereby the ability to ensure the estate is safe and compliant with statutory obligations is now under threat.

Reducing the size of the estate will help to alleviate this problem, but a high-level analysis shows that the entire shortfall cannot be met without closing operational buildings and thereby significantly reducing public services. In addition, the lead-time required to vacate and dispose of properties is out of phase with the immediate need to reduce property operating costs.

To address this issue JPH will:

- request that the Minister for Treasury and Resources brings to the States detailed proposals to agree an investment programme to be funded from proceeds generated by the disposal of property over and above that required to meet the agreed capital proceeds targets.
- instigate a series of capital projects to replace assets which have deteriorated beyond reasonable repair.
- introduce a "charging mechanism" in 2009 to include a service charge to Departments to cover the true cost of maintaining the properties they occupy to an adequate level, thereby placing the onus on those that can directly influence the quantum of property occupied.

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[5] Royal Institution of Chartered Surveyors (RICS), Building Cost Information Service (BCIS) adjusted for Jersey costs

[6] Benchmark data for property maintenance (to a median level) indicates the need for annual revenue expenditure of £14m. The total maintenance revenue allocation for 2008 is £8m.

[7] This conclusion is supported by the shortfall in capital and revenue investment in States property versus the depreciation of buildings

6.8 Organisational Infrastructure Development

6.8.1 Charging Mechanism

The 2008 Property Plan described the "fundamental weakness" of arrangements for the accounting for the use of property assets and how the costs of maintaining those assets are charged.

With a small number of exceptions limited to situations when the real cost of renting property from the private sector is passed on to a Department as a charge, virtually all property is a "free good" or in accounting terms an imputed subsidy. This has led to a situation whereby:

- there is virtually no incentive for Departments to use property efficiently.
- profligate use of property has resulted in space utilisation which is significantly worse than industry standards in many areas.
- the estate has grown without recognition of the whole life cost of property ownership.
- the hidden subsidy of "free property" distorts cost comparison benchmarking of services with other providers (public and private sector) and historical data is skewed.
- the lack of a rental stream that reflects the value of the properties occupied, results in an insufficient budget provision to adequately maintain those properties and no provision to meet the future replacement cost of the asset.

JPH intends, in 2009, to introduce a charge, in the form of an 'asset rental', which reflects either the market value of the asset, or the cost of its replacement amortised over its useful life, together with a service charge representing the cost of maintaining that property to an adequate level.

This proposal is entirely consistent with the move to the resource accounting and budgeting principles that underpin GAAP.

The introduction of charging for property occupancy is an essential mechanism to encourage reducing the estate to a sustainable size. Currently the choice of property occupancy lies with the Departments and, as property is effectively "free", they choose to continue occupying space inefficiently.

The introduction of the "charging mechanism" will be designed such that it may be effected at any time in the budget cycle. This will be achieved by ensuring the first year effect is "budget neutral".

- Departments will be given an increased budget revenue allocation to cover first year property rent and service charge costs with a corresponding adjustment to JPH's revenue budget allocation.
- In year two of property charging, each Department will be given a savings target to achieve by reducing its property occupancy.
- Property may be "handed back" to JPH with minimal notice period and no penalty, provided that whole rental units are returned.
- JPH will take responsibility for managing "stranded costs"[8] by sub-letting space to third parties, disposal, or development for alternative use.
- The capital value of all new buildings, extensions etc. will be rentalised and charged to the occupying department.

6.8.2 Trading Status

The fundamental change in approach to charging for property occupancy will provide a direct relationship between rental payments and service charges and JPH 'landlord' obligations. This relationship best lends itself to JPH operating as a States Trading Operation, with the ability to

[8] Loss of rental income and costs of holding vacant property

use its Trading Fund for investment in States property assets, supported by a relevant business case, which will provide a return in a period beyond the current financial year.

The Minister for Treasury and Resources will bring forward, in 2008, detailed proposals for both the creation of an asset rental structure and the formation of JPH as a States' Trading Operation from 2009.

6.8.3 Integrated Property System

By the autumn of 2008, JPH will have selected and commenced the installation a new Integrated Property System, with data transfer from the existing three systems completed by the end of 2008.

During the first quarter of 2009, testing of the system and ensuring compliance with Information Systems Department security policies will take place. The Integrated Property System will go live in the second quarter of 2009.

This will enable JPH to build on the improved functionality of a replacement system, for example, to provide better reporting and analysis, improved workload planning and better management of planned maintenance expenditure.

6.8.4 Policies, Standards and Procedures

JPH will recommend financial directions to the Minister for Treasury and Resources and continue to refine its policies, standards and procedures to ensure a common understanding and approach in identifying and satisfying the demand for property, its use and management.

These will cover not only compliance with legal obligations, such as Health and Safety, but also ways to improve how property is managed and used.

These include:

- the target balance between different types of tenure (mainly freehold or leasehold).
- the criteria to be used in assessing optimal tenure and length of leases in new property requirements.
- the introduction of office space and design standards and car use policy.
- the introduction of new ways of working in office space, such as desk sharing or flexible working.
- refining the currently agreed Service Level Agreements to reflect the expenditure and efficiency targets of the States.
- the introduction of customer satisfaction measures for maintenance and project services.
- the establishment of agreed standards for facilities management to ensure the budget available is spent optimally.

6.8.5 Team and Organisational Development

Individual skills training and team development in 2009 will build upon the work commenced in 2008 including:

- Supplier management training.
- Health and Safety for managers.
- Embedding revised organisational structure.
- Personal and professional development.

In addition plans will be put in place to respond to the results of the 2008 “Have our say” survey.

6.9 Financial targets

6.9.1 Income

JPH relies on its three major income streams of rents, facilities management recharges and professional fee income to support management and maintenance expenditure.

Rental income is derived from a mix of internal charges to occupying Departments and leases of premises to third parties. The latter source is artificially suppressed as a result of historic agreement with mainly charitable bodies who occupy property at a below market or peppercorn rent. The appropriate Department will need to justify the ‘social’ value provided by any organisation that occupies a publicly owned property at less than the prevailing equivalent market rent.

JPH is also susceptible to loss of income resulting from States policy decisions. For example, the current commercial parking on the Talman (Gas Place) site yields in the region of £350,000 annually. Without a commensurate budget adjustment, when the site is utilised for the proposed Town Park, JPH will be required to cut its maintenance budget as this is the only item of revenue expenditure which can be materially reduced.

A further risk area for JPH is the need to recover fees for professional services. The majority of such fees relate to major capital works. However, as the future capital programme is orientated to physical and IS/IT infrastructure, there are limited opportunities to recover these unbudgeted costs.

6.9.2 Revenue Expenditure

JPH revenue expenditure is predominantly salary and associated costs, maintenance and facilities management/utility costs. As salary costs are relatively fixed and facilities management costs driven by external providers, such as utility costs, which are recovered from the occupier, the only area of ‘discretionary’ spend is maintenance.

The budget sum available to maintain the property portfolio is insufficient when compared with benchmarked standards. This lack of funding has forced JPH to prioritise its maintenance budget to ensure health and safety and other statutory activities are addressed, leaving an inadequate sum for asset preservation and reactive maintenance. This situation is not sustainable and will result in a shortened life cycle of the asset and a diminished value.

6.9.3 Capital Investment

JPH relies on the capital programme to provide funds to reinvest in its property portfolio. Over the last ten years, the proportion of capital funding allocated to building works has diminished both in real terms and as a proportion of the capital programme.

The programme proposed in Section 5 for 2009 - 2013 provides an average of £6.1million per annum for property investment. This sum is in the order of 10% of the replacement value of the property portfolio managed by property holdings, which is not sufficient to arrest the impact of depreciation.

6.9.4 Disposal Targets

A target for receipts from disposals of surplus property, for reinvestment in the general capital programme, was set at £0.7 million for 2007, £2.3 million for 2008 and £4 million per annum for the period 2009 - 2013. JPH believes that these are achievable, but increasingly challenging, targets. To develop a modern and efficient office estate, funds from the disposal of current office accommodation will need to be ‘ring fenced’ for reinvestment. The balance of the disposal receipts will, therefore, need to be generated from underperforming operational or non-core assets. Some of those properties proposed for disposal in the coming years will, inevitably, be seen as contentious.

6.10 Property Disposals

JPH is endeavouring to ensure that all States property assets are gainfully employed in providing efficient accommodation for the management or delivery of public services, or a financial return from lettings to third party tenants.

JPH does not follow a policy of "land banking". Where properties are surplus to current requirements and have no perceived strategic value they will be brought forward for disposal in order to utilise capital proceeds more productively.

The following properties have been identified as having the potential for disposal in the period of the 2009 Business Plan. Consideration as to the timing and value of each disposal will be assessed on an individual basis, taking into account any compelling reasons for disposal at less than market value, although this will be strictly by exception. The Minister for Treasury and Resources will report all disposals to the States in accordance with Standing Order 168.

Table 6.2 - Proposed Disposals for 2009 and beyond

Property Type	Description
Agricultural Land	Field 87, Route des Quennevais
	Fields 330/331, Crabbé, St Mary
	Field 1001, St Mary
	Field 1489, Bellozanne Valley
	Fields 79/80, Rozel St Martin
	Land at Vue du Soleil, Pont du Val, St Brelade
Residential Units	Site of former Highbury House and Stranton, Five Oaks, St Saviour
Office and Miscellaneous	Piquet House, Royal Square, St Helier
	Les Maltieres Cotils, Grouville

A description of each site, its locations, the reason for recommending disposal and redevelopment potential (if any) is included in Summary Table G,(page 100) with further details, including a site plan, contained in the accompanying annex.

In addition, JPH will be pursuing actively the disposal or development of a number of States properties which, for reasons of commercial sensitivity, are not included in this Plan. However, all States Departments that have, or may wish to have, an interest in such sites will be fully consulted before these are brought to the States' Assembly by the Minister for Treasury and Resources for approval on an individual basis in accordance with SO 168.

Where the States are landlord to a commercial interest, JPH will examine the benefits of continuing that relationship and, in consultation with the tenant, will consider the disposal of the relevant freehold interest where appropriate.

6.11 Capital Projects

The following property projects are recommended for funding in the period 2009 - 2013. They are described in more detail in Section 5 and the accompanying annex:

Table 6.3 Capital Projects Proposed for 2009 - 2013

Scheme	Assumed Year of Commencement	Value £000's
Prison Improvement Works	2010/2011	2,814
Police Relocation – Sinking Fund	2009	6,254
Mont A L'Abbe Ph2	2009	4,212
St Martin's School	2011	2,239
Grainville Ph4(a)	2010	4,478
Oncology	2011	2,765
Les Quennevais Refurbishment	2012	7,282
FB Fields Running Track	2012	510
	Total Value	**30,554**

6.12 Maintaining business as usual

The plan, by its nature, is a strategic document that primarily describes current and proposed business initiatives and how they will be achieved. JPH is, however, acutely aware that one of its prime functions is the provision of a professional property service to the occupiers of its properties. These services include design, maintenance, project management and estates management, together with the management of services provided by third parties, such as valuations.

The property 'business as usual' activities must be performed in a timely and accurate manner to assist in the smooth running of States operational activities and the reorganisation of JPH has been designed to support this objective. 2009 will see better embedding of the new organisational structure, building on the improved functionality of the new Integrated Property System and better workload planning and monitoring.

JPH is responsible for the management of around 600 properties with approximately 230 non-departmental occupiers. There are, on average, 220 rent reviews annually and JPH deals with an average of 50 lease or licence expiries each year.

In the first five months of 2008, JPH submitted 28 cases for Ministerial decision and itself decided 34 cases under delegated authority.

The Design Section of JPH provides an efficient and cost effective professional service in the architectural, building services (mechanical and electrical) and construction inspection fields in relationship to new Capital Projects, Major Refurbishments and Major Repair Works.

Key Issues for 2009 are:

- Maintaining sufficient fee income to cover direct costs, as the construction element of the Capital Programme reduces.
- Seeking additional fee recovery from outside the capital programme, such as the current involvement in major works at the Airport and feasibility studies in support of the Property Plan and disposals.
- Assessing opportunities to align the workforce to future workload, through natural wastage and secondment opportunities.

C Update on progress against the previous plan commitments

6.13 Building a single corporate property function

Whilst the Strategic Plan calls for *"A single corporate property function across the States' property portfolio,"* certain States' operations - Harbours, Airport, Housing and parts of Transport and Technical Services - were specifically excluded from JPH remit. Nevertheless, ownership of property in the States Trading Operations by the Public is still controlled by the Minister for Treasury and Resources advised by JPH under Standing Order 168, with JPH acting as the "superior landlord."

However, JPH has now agreed to provide a full range of property services to Harbours including acquisitions and disposals, capital project management and maintenance. Harbours will continue to hold the budget for these activities which will be effectively outsourced to JPH.

JPH continues to provide professional advice and property services to other States' Trading Operations on an individually agreed basis.

6.13.1 Transfer of property and resources

The transfer of property assets, budgets and management resources from all Departments has taken significantly longer than envisaged in previous plans.

This was largely due to a number of complexities associated with isolating the costs and resources relating specifically to property management, as opposed to medical equipment, in Health and Social Services estate, which will represent 26% of the JPH estate. This has now been completed and the remaining transfers from Home Affairs, Planning and Environment, and Economic Development will all be finalised in 2008.

6.13.2 Developing the management team

A skills and competence audit has been completed and this assists in informing decisions regarding the transfer of staff into JPH in a cohesive manner. Both team and individual skills development have been identified and a programme of training commenced.

The core competences identified for an effective property function are seen to be:

(i) *Understanding of the individual specialist needs of "customer" Departments.*
(ii) *In depth technical knowledge of the property and construction market.*
(iii) *The ability to construct and implement compelling cases for property change initiatives which join customer needs with proactive property solutions.*
(iv) *Effective supplier management skills to deliver best value from the procurement of all property goods and services.*
(v) *The ability to manage and use data to generate tangible benefits.*

JPH has been restructured to move management focus from the previous functional oriented silos to multi-functional teams managing four primary aspects of an integrated "cradle to grave" property management process.

- Strategic Portfolio Planning – identifying future estate change initiatives
- Change Programmes – delivering agreed project programmes
- Business as Usual – managing the day to day needs of the property estate
- Finance / Data – Financial planning, project appraisal and data support.

The structure has been effectively flattened, with seven direct reports to the Director JPH including a business administration manager responsible for developing and managing all aspects of the JPH resource and systems infrastructure.

6.13.3 Establishing a clear high level direction and common purpose

JPH has determined its prime purpose to be:

> ***"to apply professional property management expertise to support all States Departments in the delivery of improved public services whilst reducing operating costs."***

It seeks to achieve this by engaging in the following activities:

(i) *Delivering cost efficient premises which improve the functionality of the operations they accommodate, with environments which enhance the customer and employee experience.*
(ii) *Providing property and facilities services which maintain high standards of safety and operational continuity, and preserve asset values.*
(iii) *Producing the means to finance future States' investment through the realisation of asset value from consolidation and disposal.*

6.13.4 Developing Policies, Standards and Procedures

The consolidation and refinement of policies to govern internal and external processes and procedures for the management and delivery of all property related services. Work has been carried out to identify all current policies, standards and procedures relating to the acquisition, disposal, use and management of property. The extent to which these are consistently being followed has also been assessed. In some instances, workflow diagrams have also been produced.

This analysis has been a useful input to ensuring the Integrated Property System will be capable of storing and providing any necessary information and, more importantly, will enable any gaps to be identified. This work will continue during the remainder of 2008, with full implementation during 2009.

<u>Health and Safety</u>
All Health and Safety Policies were written by the end of May 2008 and submitted to the Senior Management Team for verification during June 2008. Once verified all policies will be submitted for Ministerial approval in July 2008. Discussions with Departments to ensure a thorough understanding of the division of responsibilities for the various policies will take place during the third quarter of 2008.

<u>Performance Management</u>
Key Performance Indicators (KPIs) have been identified, enabling a balanced scorecard to be written to ensure that appropriate targets are set and performance measured on a regular basis. JPH has worked with the Chief Internal Auditor to produce a comprehensive risk management plan.

<u>Internal Occupation Agreements and Service Level Agreements</u>
JPH is undertaking an assessment of the current agreements with its internal and external "tenants", who do not have formal lease or licence agreements. The work will review:

- the extent to which agreements are in place.
- how the agreements are being observed, both by JPH and the occupying body.
- the appropriateness of the agreement terms in respect of responsibility for premises maintenance.
- arrangements for rent reviews.

<u>Integrated Property System</u>
The business case for the Integrated Property System was agreed by the Treasurer in late 2007 and all tender documents were prepared by January 2008. The system went out to tender in May 2008 and a preferred supplier will be chosen in July. By the fourth quarter of 2008 all data

transfer from the legacy systems, condition survey and valuation survey will be input into the new system.

6.14. Evaluating the Property Portfolio

6.14.1 Valuation of States Property Portfolio

In order to comply with current accounting practices for inclusion within the States' Financial Statements, an independent valuation of all property under the administration of JPH has been carried out by external professional valuation surveyors working in conjunction with JPH management. All land and buildings were valued as at 31 March 2007.

Valuations were prepared in accordance with the United Kingdom Generally Accepted Accounting Principles (UK GAAP). They were also in compliance with the relevant Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Public Finance and Accountancy (CIPFA).

The basis of valuation particular to each asset is specified in the Appraisal and Valuation Standards of the RICS including:

- Existing Use Value for operational and non-specialised assets.
- Market Value for properties that are non-operational and either surplus to requirements or held as investments or development sites.
- Depreciated Replacement Cost for specialised properties.

Future valuations will need to be carried out on a rolling basis. The frequency and method of these will be determined in line with GAAP. It is anticipated that much of this work can be carried out by qualified in-house valuation surveyors.

A rolling revaluation programme is not only a requirement to meet GAAP compliant accounting, but is necessary to ensure that appropriate information is available to produce robust business cases to support major property decisions.

Condition Survey

Property condition data held by Departments prior to transferring assets to JPH was of mixed quality and generally incomplete. This led to the need for a comprehensive condition survey of all States properties to be conducted.

Following an open invitation to tender and a review and assessment of submissions, a specialist consultant building surveying practice was appointed at the end of 2007 and the survey of 460 buildings commenced early in 2008. A report and recommendations will be submitted in the second half of 2008.

Initial findings indicate a substantial level of “backlog” maintenance in the order of £70 million exists, resulting from inadequate investment over a number of years. In his States’ Spending review the Comptroller and Auditor General refers to this “backlog” as having:

> *“ ...developed as a result of Departments deferring maintenance expenditure as a way of meeting expenditure pressures”*

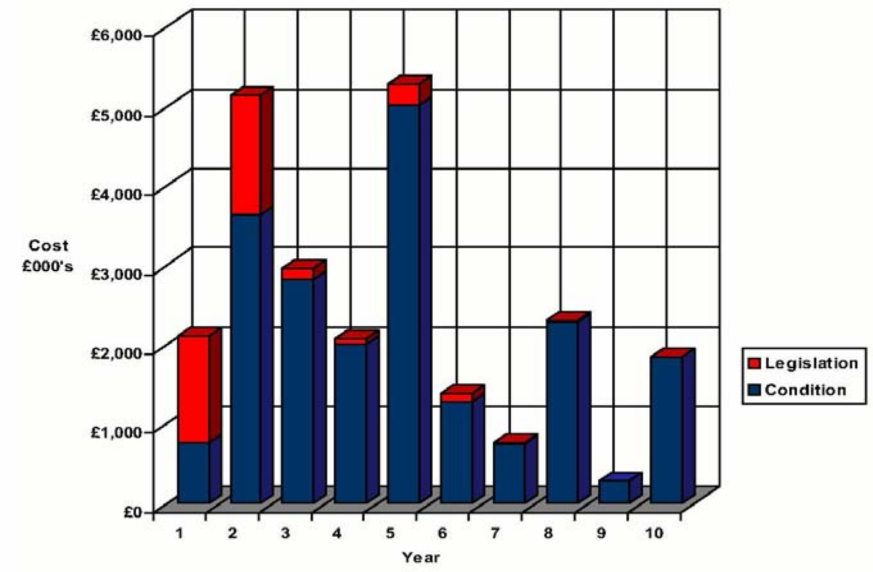
Key findings from analysis to date are as follows

- The cost of addressing backlog maintenance for one third of the estate by floor area has been assessed to be £24.2 million.
- This represents a cost of £165 per sq metre. Whilst this is high, other organisations in the UK have been found to have backlog maintenance costs in excess of £220 per sq metre.

- Remedial works for the first section to be analysed have been classified in terms of risk as follows

Risk Ranking	Cost
High	£46,550
Significant	£6,384982
Moderate	£6,708,749
Low	£11,028,523
Total	**£24,168,804**

- This work phased over ten years would require the following investment programme:



- Lighter shading show the cost of remedial works required to meet legislative requirements and the darker shading is building condition works.

Clearly this is a situation JPH must seek to address to avoid serious breaches of Health and Safety and continuing deterioration of States property assets.

6.14.2 Survey of Space Utilisation

A survey of both existing and future States' accommodation requirements and current space utilisation versus benchmark standards has commenced. Some initial findings are already available and are referred to elsewhere in the Property Plan. This has focused initially on the non-operational related office sector and will be extended to all operational areas in 2009. These surveys will be key inputs to the Portfolio Plans in determining the future shape of the estate.

6.15 Revenue Expenditure

The JPH 2008 revenue budget incorporated a reduction of £1.5 million on the identified 2005 property funding base. When this savings target was applied, there was insufficient knowledge of the condition of the States' property stock and its maintenance and investment requirements to determine the impact of such a reduction.

The results of the ongoing condition survey will better inform the resource requirements necessary to address priority property issues. The move to a Resource Accounting and Budgeting framework will clearly establish any disparity between the annual depreciation charge and the amount invested in maintaining and improving stock.

6.16 Capital Disposals

JPH is also targeted with providing an income stream from the disposal of surplus assets, to support the capital programme. The requirement is to generate £20 million of net capital receipts over the period 2009 – 2013 at a nominal rate of £4 million per annum. In practice receipts will be achieved irregularly, but JPH forecast that, subject to approval, the target receipts are achievable over the five year period.

This flow of capital receipts cannot be maintained indefinitely and will need to be replaced by recurring savings or a reduction in the capital programme. The following table details progress on the delivery of Capital receipts from disposals:

Table 6.4 Update on Disposals approved in previous Property Plans

Site	Property Plan Year	Status
Mascot Motors	2006	Out for tender
Former JCG Site	2006	In abeyance
Quarry and Anchorage/Old Sail Loft	2006	Planning issues to be resolved
Mont Mado shed	2006	Boundary issue to be resolved
Mont Mado quarry	2006	Sold
Chateau du Port	2006	Sold
7 Devonshire Place	2006	Sold
Rozel Mill	2006	Negotiated sale progressing
Fields 34 and 37 Queens Valley	2006	Covenant issues affecting these fields
Hue St/Dumaresq Street (Car Parks)	2007	Planning requirement for archaeological dig
2/4 Dumaresq St & 19/20 Charing Cross	2007	Planning issues to be resolved
Seaton Youth Centre	2007	Sold
11 & 12 Les Cloches	2007	Sold
Headingley, La Route du Fort	2007	Withdrawn from sale – Health Department in occupation
74 & 76 La Colomberie	2007	Sale deferred until leases expire in 2012.
Drury Lane Workshop	2007	Awaiting planning decision
<u>Le Rondin Farm Fields</u>		
(a) Field 823	2007	Sold
(b) Fields 853,864 & 865	2007	Sold
(c) Fields 849 & 851	2007	Sale agreed, but delayed by agreement with purchaser.
Field 373, St Brelade	2007	Sold
Acorn Lodge	2007	Sold
Development site, Belle Vue	2007	Residential scheme being developed
1 Oxford Road, St Helier	2007	Scheme for restaurant being considered
1 & 2 la Mabonnerie/12 Clos de la Ville	2007	Sale agreed - awaiting finalisation
Hibernia Lodge, former JCG	2008	Pending future use of former JCG
Hibernia Bungalow, former JCG	2008	Pending future use of former JCG
Blocks A-H, Quennevais Park	2008	Determining process to effect sales to existing leaseholders
171-210 Clos des Sables	2008	Determining process to effect sales to existing leaseholders
Maison d'Azette	2008	Determining process to effect sales to existing leaseholders
35 Clearview St	2008	Determining process to effect sales to existing leaseholders

6.17 Capital Projects

The following are 'live' capital works projects for which JPH is the budget holder:

Table 6.5 Current Live Capital Projects

Project	Budget £000's	Status
Highlands (A Block)	688	Preliminary works underway - main works out to tender
Mont-à-l'Abbé Ph II	325	Preliminary works underway - main works in 2009
St Peters School	4,393	On site and on schedule
Relocation Sea Cadets	600	In abeyance pending Fort Regent future use proposals
Markets Maintenance	2,192	Scheme being developed to meet historic building requirements
Prison Cell Block Reconstruction Ph 3	11,344	On site and on schedule
JCG Drama Extension	375	Works to commence on site in August
Victoria College Extensions	428	Preliminary survey works underway
A&E/Radiology Extension	2,021	Preliminary works underway - main works out to tender

In addition to the above projects, JPH provides professional Design and Project Management input into building works projects undertaken by other Departments that are currently outside JPH remit.

6.18 Organisational development

6.18.1 Property Charging Mechanism

Progress has been made in defining the proposed structure for a charging mechanism for occupancy of States' property assets by all States' Departments. This will ensure that asset rich departments will have a clear incentive to use property more efficiently, as the charge will form a significant proportion of their controllable base budgets. It will promote the review of the use of assets as departments attempt to reduce costs to meet efficiency savings targets or employ financial resources to higher priorities.

6.18.2 Trading Status

It is proposed that the establishment of JPH as a States Trading Operation will be aligned to the introduction of resource accounting and the charging for property described above.

Work is being carried out in 2008 in preparation for this change, including the introduction of an Integrated Property System which is essential to the effective management of a Trading Account.

6.18.3 Risk Management

JPH has run a series of risk management workshops to identify the main property related risks, including building risks, health and safety risks, financial risks and risks relating to the organisational structure. Actions JPH needs to take to mitigate risks were also identified. The outputs of the workshops have been summarised into risk registers, together with the mitigating actions, to enable effective risk monitoring to take place.

6.19 2008 Business as Usual

JPH continue to provide the professional property services described under the 2009 'business as usual' section above. In particular, during 2008, additional initiatives associated with the implementation of GAAP accounting and the integration of other department's property functions into JPH, have placed pressure on the limited resources available.

JPH has concentrated on the prioritisation of service delivery to meet the most pressing property needs, which has necessitated providing essential statutory and asset preservation works ahead of desirable enhancements.

6.20 Conclusion

2009 will be a year of change both for JPH as an organisation and its relationship with its customers and stakeholders. The theme running through the 2009 Property Plan is the delivery of change through analysis and implementation of policies and strategies that are in the course of development in 2008. Success in achieving the plan's objectives see the States' property portfolio better placed to deliver effective and efficient public services.

7. LEGISLATION PROGRAMME 2009

Purpose of programme

A planned legislation programme ensures that law drafting resources are properly allocated. It also assists in the wider management of resources in general, by identifying legislation that will, in its year of implementation, require financial and manpower resources.

The process for preparing the proposed prioritisation of the programme

Bids for drafting time in 2009 were invited early this year. Bidders were asked to explain the benefits of the proposed legislation for Jersey, indicate how it links to the objectives in the States Strategic Plan, provide an assessment of its financial and manpower implications for the States and of its costs to the public. Each bidder ranked his or her own bids in order of priority and rated them as being 'essential', 'highly desirable' or 'desirable'. 'Essential' legislation is something that has to be done, and cannot be deferred until the following year.

As ever, the number of drafting days bid for exceeded the number of drafting days available in 2009, making it necessary to select items for inclusion in the programme.

The bids were initially reviewed by the Law Draftsman, as to the number of days required to complete the work proposed, by Treasury and Resources, as to the financial implications of the work for the States, and by the Law Officers, as to any potential legal difficulties arising from the work. The Corporate Management Board then conducted a first assessment to produce the proposed programme. As part of that process, departments co-operated in agreeing to the removal of dormant matters from either 'work in progress' or from the legislation programmes for earlier years. This made it possible to develop a proposed programme incorporating all of the items ranked by bidders as 'essential', except for 2 bids which were identified as needing further policy development

The proposed programme was then reviewed and agreed by the Council of Ministers.

A brief description of the proposed programme for 2009 is included as Summary Table H in Part Three of the report at page 102. A detailed description of the proposed programme, including the financial and manpower assessments and links to the States Strategic Plan is provided in the supporting Annex to the draft Annual Business Plan, at page 149. The bids do not appear in an overall order of priority, although each Minister's successful bids appear in his or her order of priority.

As part of the process, it has been agreed that, in addition to the 50 days set aside each year for the drafting of urgent and unforeseen matters, the Minister for Economic Development is allocated 30 days for the drafting of urgent and unforeseen matters or, if the policy is sufficiently developed to proceed, for the drafting of legislation to develop the international pensions market (one of the 2 'essential' bids excluded from the proposed programme).

Last year, the Council of Ministers indicated its intention to keep the legislation programme under rolling review, with the object of removing from, or adding items to, the programme during the year, in response to changes in priorities. This year, the Council has agreed that legislation to introduce civil partnerships should be brought forward as soon as possible. This is not included in the proposed programme, as the policy is still under development. However, when the policy is settled and the drafting instructions ready, the programme will be adjusted to accommodate the work.

Work completed June 2007 to May 2008

Much of the Law Draftsman's time in this period has been taken up with legislation that needed to be in force before the International Monetary Fund's visit later this year. The first wave of that legislation was completed in 2007. It is expected that the smaller, second wave will have been completed before the end of the First Session of the States. Work also continued on legislation to implement income support and GST.

Supplementary papers

Additional information is also provided in the supporting Annex to the draft Annual Business Plan which includes -

(a) a list of work completed in the last 12 months

(b) a summary of legislation programme work in progress (adjusted as described above)

(c) a list of items in the 2006-2008 legislation programmes for which instructions have not yet been delivered (adjusted as described above)

(d) a detailed version of the proposed programme for 2009.

PART THREE

SUMMARY TABLES

SUMMARY TABLE A – Revenue Expenditure Allocations 2009

Approval of Revenue Heads of Expenditure

States Funded Bodies	Gross Revenue Expenditure **£**	Income **£**	Net Revenue Expenditure **£**
Ministerial Departments			
Chief Minister	16,331,800	1,258,100	15,073,700
- Grant to the Overseas Aid Commission	7,731,200	-	7,731,200
Economic Development	17,718,000	1,295,400	16,422,600
Education, Sport and Culture	111,613,600	13,653,000	97,960,600
Health and Social Services	170,785,900	17,186,000	153,599,900
Home Affairs	46,899,500	1,562,800	45,336,700
Housing	13,553,300	35,915,500	(22,362,200)
Planning and Environment	9,949,100	3,808,000	6,141,100
Social Security	149,727,100	10,000	149,717,100
Transport and Technical Services	38,754,100	16,049,200	22,704,900
Treasury and Resources	67,093,400	6,019,900	61,073,500
Non Ministerial States Funded Bodies			
- Bailiff's Chambers	1,319,100	66,200	1,252,900
- Law Officers' Department	5,556,800	165,000	5,391,800
- Judicial Greffe	4,577,800	610,000	3,967,800
- Viscount's Department	1,883,300	458,500	1,424,800
- Official Analyst	654,100	55,000	599,100
- Office of the Lieutenant Governor	783,000	40,000	743,000
- Office of the Dean of Jersey	22,200	-	22,200
- Data Protection Commission	309,700	85,200	224,500
- Probation Department	1,544,000	-	1,544,000
- Comptroller and Auditor General	728,600	-	728,600
States Assembly and its services	5,223,500	20,000	5,203,500
Proposed Revenue Expenditure 2009	**£ 672,759,100**	**£ 98,257,800**	**£ 574,501,300**

Adjustments to reconcile to Financial Forecast:			
Treasury and Resources			
Interest and Repayments on Capital Debt	*(43,925,000)*	*(205,000)*	*(43,720,000)*
Revenue Expenditure for Financial Forecast	*£ 628,834,100*	*£ 98,052,800*	*£ 530,781,300*

Note:

The Overseas Aid Commission expenditure allocation appears as a grant from the Chief Minister's department, solely for the purpose of the expenditure allocations, as it has not yet been established as a States funded body under the Finance Law.

SUMMARY TABLE B - Summary of States Trading Operations for 2009

Operating Accounts of the States Trading Operations 2009

	Operating Income	Authorised Operating Expenditure	Gross Operating Surplus	Repayment of Capital Debt	Financial Return	Transfer of Operating Surplus
	£	**£**	**£**	**£**	**£**	**£**
Economic Development						
Jersey Airport	23,404,000	18,203,000	5,201,000	2,666,000	-	2,535,000
Jersey Harbours	13,643,000	10,483,500	3,159,500	1,427,425	232,440	1,499,635
Transport and Technical Services						
Jersey Car Parking	5,894,500	4,519,600	1,374,900	-	-	1,374,900
Jersey Fleet Management	3,170,936	3,022,126	148,810	-	-	148,810
Total All Trading Operations	**£ 46,112,436**	**£ 36,228,226**	**£ 9,884,210**	**£ 4,093,425**	**£ 232,440**	**£ 5,558,345**

Trading Funds of the States Trading Operations 2009

	Opening Balance 1.1.2009	Plus: Additions 2009	Less: Expenditure 2009	Balance C/forward 31.12.2009
	£	**£**	**£**	**£**
Economic Development				
Jersey Airport	13,597,495	2,535,000	20,627,700	(4,495,205)
Jersey Harbours	6,792,386	1,699,635	3,738,000	4,754,021
Transport and Technical Services				
Jersey Car Parking	9,885,603	1,374,900	9,000,000	2,260,503
Jersey Fleet Management	991,588	148,810	150,000	990,398
Total All Trading Operations	**£ 31,267,072**	**£ 5,758,345**	**£ 33,515,700**	**£ 3,509,717**

SUMMARY TABLE C - Total States Net Expenditure Allocation for approval 2009 to 2013

States Funded Bodies	2009 Expenditure Allocation	2010 Expenditure Allocation	2011 Expenditure Allocation	2012 Expenditure Allocation	2013 Expenditure Allocation
	£'000	£'000	£'000	£'000	£'000
Ministerial Departments					
Chief Minister	15,074	15,643	16,143		
- Grant to the Overseas Aid Commission	7,731	8,118	8,524		
Economic Development	16,422	16,814	17,209		
Education, Sport and Culture	97,961	100,167	102,518		
Health and Social Services	153,600	160,276	167,507		
Home Affairs	45,337	46,362	47,457		
Housing	(22,362)	(22,947)	(23,559)		
Planning and Environment	6,141	6,277	6,424		
Social Security	149,717	156,349	162,089		
Transport and Technical Services	22,705	23,217	24,106		
Treasury and Resources	61,073	62,455	63,264		
Non Ministerial States funded bodies					
- Baliff's Chambers	1,253	1,282	1,312		
- Law Officers' Department	5,392	5,753	5,888		
- Judicial Greffe	3,968	4,059	4,155		
- Viscount's Department	1,425	1,457	1,492		
- Official Analyst	599	613	627		
- Office of the Lieutenant Governor	743	760	778		
- Office of the Dean of Jersey	22	23	23		
- Data Protection Commission	224	229	235		
- Probation Department	1,544	1,640	1,679		
- Comptroller and Auditor General	729	746	764		
States Assembly and its services	5,203	5,324	5,447		
Savings target from CAG proposals	-	(1,600)	(3,100)		
Net Revenue Expenditure Allocation	**£ 574,501**	**£ 593,017**	**£ 610,982**	**£ 627,700**	**£ 645,750**
Capital Expenditure Allocation	**£ 54,851**	**£ 61,399**	**£ 52,209**	**£ 61,874**	**£ 35,663**
Total States Net Expenditure Allocation	**£ 629,352**	**£ 654,416**	**£ 663,191**	**£ 689,574**	**£ 681,413**

Adjustments to reconcile to Financial Forecasts:					
Net Revenue Expenditure Allocation	*£ 574,501*	*£ 593,017*	*£ 610,982*	*£ 627,700*	*£ 645,750*
Repayment of Capital Debt	*(£ 43,720)*	*(£ 43,700)*	*(£ 43,700)*	*(£ 43,700)*	*(£ 43,700)*
Net Revenue Expenditure Allocation (as shown in financial forecasts)	***£ 530,781***	***£ 549,317***	***£ 567,282***	***£ 584,000***	***£ 602,050***
Capital Expenditure Allocation	*£ 54,851*	*£ 61,399*	*£ 52,209*	*£ 61,874*	*£ 35,663*
Property Capital Receipts	*(£ 4,000)*	*(£ 4,000)*	*(£ 4,000)*	*(£ 4,000)*	*(£ 4,000)*
Housing Capital Receipts	*(£ 12,770)*	*(£ 17,633)*	*(£ 10,950)*	*(£ 22,703)*	*(£ 15,363)*
Net Capital Expenditure Allocation (as shown in financial forecasts)	***£ 38,081***	***£ 39,766***	***£ 37,259***	***£ 35,171***	***£ 16,300***
Total States Net Expenditure Allocation (as shown in financial forecasts)	***£ 568,862***	***£ 589,083***	***£ 604,541***	***£ 619,171***	***£ 618,350***

Note:

The Overseas Aid Commission expenditure allocation appears as a grant from the Chief Minister's department, solely for the purpose of the expenditure allocations, as it has not yet been established as a States funded body under the Finance Law.

SUMMARY TABLE D – Proposed Capital Expenditure Allocations for 2009

	Department	Project			Allocation £'000	Allocation £'000
	Earmarked funds and Rolling Allocations					
	T&TS	Infrastructure Works			4,500	
	T&R	Allocation to Capital Reserve re Risk			7,000	
	T&R	JD Edwards System - Development and Upgrade			750	
	EDC – Airport	"Below Ground" Works			5,000	
	Housing	Social Housing Works			5,000	
	Chief Minister's	Corporate ICT			5,000	
	H&SS	Replacement ICT			3,000	
	Various	Equipment, Maintenance and Minor Capital			2,550	
					Total Earmarked Funds and Rolling Allocations	**32,800**
	Major Equipment, Building and Civil Engineering Works		Base Cost & Fees £'000	Estimated Inflation £'000	Allocation £'000	
	Property Holdings	Police Relocation - Sinking Fund	4,254	-	4,254	
	Property Holdings	Mont A L'Abbe Phase 2	3,581	631	4,212	
	T&TS	Bellozanne EfW Plant - Enhanced Maintenance	300	31	331	
	P&E	Weather Radar Station - Replacement & Upgrade	150	-	150	
	P&E	Fisheries Vessel - Mid-Life Refit	310	24	334	
					Total Building and Civil Engineering Works	**9,281**
					Social Housing Works (funded from Capital Receipts)	**12,770**
					Total Proposed Capital Expenditure for 2009	**54,851**

Note:

Less Contributions from Capital Receipts (T&R) Property Holdings	(4,000)	
Less Contributions from Earmarked Social Housing Capital Receipts (P6/2007)	(12,770)	
Net Allocation (Financial Forecast)		38,081

SUMMARY TABLE E – Proposed Trading Organisation Capital Expenditure for 2009

Trading Organisation	Project	Estimated Outturn Cost £'000	Total Allocation £'000
Airport	Air Traffic Control Centre (ATCC) Equipment Phase 2	2,250	
	CUTE/CUSS system	1,000	
	Engineering/ARFFS building - inflation	508	
	Regulatory Compliance and Safeguarding	500	
	Public Address/Fire Alarm system	398	
	Access control system	150	
	Minor Capital Assets	300	
			5,106
Harbours	Marina Electricity System	160	
	Elizabeth Pontoon Fingers	240	
	CCTV	200	
	Elizabeth Terminal (Phase II)	250	
	MCA (2009)	513	
	Minor Remediation Projects (M&E)	300	
	Minor Remediation Projects (Civils)	350	
			2,013
Jersey Fleet Management	Vehicle and Plant Replacement	150	
			150
Jersey Car Parking	Multi Storey Car Park at Anne Court	9,000	
			9,000
	Total Capital Expenditure to be Financed from Trading Funds in 2009		**16,269**

SUMMARY TABLE F – Proposed Capital Expenditure Allocations for 2010-2013

Department	Project				Allocation £'000	Allocation £'000
Earmarked funds and Rolling Allocations						
T&TS	Infrastructure Works				19,250	
T&R	JD Edwards System - Development and Upgrade				5,250	
EDC – Airport	"Below Ground" Works				20,000	
Housing	Social Housing Works				12,750	
Chief Minister's	Corporate ICT				20,000	
H&SS	Replacement ICT				2,000	
P&E	Urban Renewal				400	
Various	Equipment, Maintenance and Minor Capital				10,200	
					Total Earmarked Funds and Rolling Allocations	**89,850**
Major Equipment, Building and Civil Engineering Works		**Assumed Start Year**	**Base Cost & Fees £'000**	**Estimated Inflation £'000**	**Allocation £'000**	
T&R (PH)	Prison Improvement Works	2010/2011	2,546	268	2,814	
T&R (PH)	Police Relocation - Sinking Fund (Fit Out)	2011	2,000	-	2,000	
T&R (PH)	St Martin's School	2011	1,882	357	2,239	
T&R (PH)	Grainville School Phase 4	2010	3,977	501	4,478	
T&R (PH)	Oncology	2011	2,397	368	2,765	
T&R (PH)	Les Quennevais School Upgrade and Extension	2012	6,104	1,178	7,282	
T&R (PH)	FB Fields Running Track	2012	413	97	510	
H&SS	Replacement CT Scanner	2010	1,005	255	1,260	
Home Affairs	TETRA Radio Replacement	2010	3,938	512	4,450	
T&TS	Refurbish Sludge Digester/STW Tanks	2011	843	157	1,000	
T&TS	Permanent Re-Use/Recycle Centre	2010	1,286	166	1,452	
T&TS	New Inert Waste Disposal Site - Planning	2011	750	-	750	
T&TS	Refurbish Clinical Waste Incinerator	2013	798	202	1,000	
T&TS	STW - Secondary Treatment Upgrade	2012	11,025	3,054	14,079	
T&TS	Town Park Additional Funding	2010/2011	7,500	-	7,500	
T&TS	Bellozanne EfW Plant - Enhanced Maintenance	2010	300	47	347	
T&TS	Relocation of Animal Carcass Incinerator	2011	814	156	970	
					Total Building and Civil Engineering Works	**54,896**
					Social Housing Works (funded from Capital Receipts)	**66,649**
					Total Proposed Capital Expenditure for 2010-2013	**211,395**
Note:						
Less Contributions from Capital Receipts (T&R) Property Holdings						(16,000)
Less Contributions from Earmarked Social Housing Capital Receipts (P6/2007)						(66,649)
					Net Allocation (Financial Forecast)	128,746

States Property Plan

SUMMARY TABLE G - Schedule of Properties Proposed for disposal in 2009

FIELD 87, LA ROUTE DES QUENNEVAIS, ST BRELADE (1648)
Non-operational let to a tenant farmer. Retained in public ownership pending the creation of a public cycle track along the east boundary, which is planned for 2008. The field offers no prospect of serving an operational purpose to the States and cannot generate a significant rental income. Proposed sale to existing tenant or by informal tender.

FIELDS 330 & 331, LA RUE DE CRABBE, ST MARY (1433)
Non-operational land acquired in 1860 and let to a tenant farmer. Offers no prospect of serving an operational purpose to the States and cannot generate a significant rental income. Proposed sale to existing tenant or by informal tender.

FIELD 1001, LE MONT DE STE MARIE, ST MARY (1947)
Acquired in 2002 to enable work to widen Le Mont de Ste Marie and to retain the land slippage that had occurred at the field/roadway boundary. Currently the field is un-let. The field offers no prospect of serving an operational purpose to the States. It is recommended that the fields be sold by informal tender.

FIELD 1489, BELLOZANNE VALLEY, ST HELIER (2005)
Acquired in 1994 for possible expansion of Bellozanne works, but to date no proposals have been made to use the land for this purpose. T&TS recommend retaining the field for a further year until all plans for Bellozanne Works are finalised in case land is required. It is recommended that if the field is no longer required that it be sold by informal tender.

FIELDS 79 & 80, ROZEL, ST MARTIN (0405)
The fields (côtils) were purchased in the 1960s to create car-parking at Rozel - which was subsequently abandoned. The fields offer no prospect of serving an operational purpose to the States and cannot generate a significant rental income. It is recommended that negotiations are opened with the current licensees to agree fair and proper prices. If this cannot be achieved, informal tenders should be sought.

LAND AT VUE DU SOLEIL, PONT DU VAL, ST BRELADE (551)
Historically this area of public land has formed part of the private dwelling Vue du Soleil, for use as garden and parking (leased). Recently a second dwelling was constructed on the garden of Vue du Soleil, whose owner now wishes to purchase the public land by negotiated sale.

HIGHBURY HOUSE / STRANTON, FIVE OAKS, ST SAVIOUR (1089)
Acquired by compulsory purchase in 1996 as a housing development site. Property Holdings has submitted a planning application for residential development, which is under consideration. If approval is forthcoming, it is recommended that the site be marketed by informal tender.

PICQUET HOUSE & 11 ROYAL SQUARE, ST HELIER (1404)
The building is occupied by the Home Affairs Department and in part by the Parish of St Helier. It does not provide effective or efficient office accommodation and there are no identified alternative operational uses. Therefore, disposal is recommended subject to the relocation of the existing activities.

LES MALTIERES COTILS, LE CHEMIN DES MALTIERES, GROUVILLE (398)
Consists of côtils overgrown with mixed vegetation and diseased elms, but is home to an egret colony. Possible requirement to be included in the sale of the land to a third party to preserve the natural state of the land. The land offers no prospect of serving an operational purpose to the States.

SUMMARY TABLE H – LEGISLATION PROGRAMME 2009

Bid No.	Minister	Description	Drafting days
1	HA	**Immigration (E-Borders) Law** To enable data sharing between C&E, police and UK authorities, in order to join UK e-Borders programme (information about passengers and freight obtained from air and sea carriers)	20
2	HA	**Children and Vulnerable Adults (Protection) Law** New Law to ensure that people working with them are adequately checked and that safeguarding information remains accessible once the UK independent safeguarding authority scheme begins to be rolled out in autumn 2008	25
8	P&E	**Community Provisions (Trade in Bovine Embryos) Regulations** To implement Directive 1989/556 on animal health conditions governing intra-Community trade in and importation from third countries of embryos of domestic animals of the bovine species	10
9	P&E	**Archaeological Artefacts (Protection) Law** Legislation to provide protection and management for artefacts of archaelogical or other historic significance	20
10	P&E	**Community Provisions (Trade in Bovine Semen) Regulations** To implement Directive 1988/407 laying down the animal health requirements applicable to intra- Community trade in and imports of deep-frozen semen of domestic animals of the bovine species	15 (assuming level of reference is agreed)
11	P&E	**Diseases of Animals (Transmissible Spongiform Encephalopathy) Order** To implement Regulation 2001/999 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies	20
12	P&E	**Diseases of Animals Law** To replace the outmoded provisions of the 1956 Law to ensure that adequate powers exist to identify, control and eradicate notifiable diseases in accordance with recognized international standards	30 (inc. 2 items of subordinate legislation)
13	P&E	**Fish Health Regulations** To implement Directive 2006/88 on animal health requirements for aquaculture animals and products thereof, and on the prevention and control of certain diseases in aquatic animals	20
14	P&E	**Food and Environmental Protection Order** To replace the existing Order regulating the dumping/placing into the sea of any material	20
18	CM	**Post IMF visit amendments - financial crime** To amend financial crime legislation to implement IMF recommendations	20 And top-up from contingency if nec.
26	ED	**Milk Marketing Co-operative (transitional provisions)** Legislation to enable the transition from the current milk marketing scheme to a voluntary co-operative	8

SUMMARY TABLE H – LEGISLATION PROGRAMME 2009

Bid No.	Minister	Description	Drafting days
27	ED	**Shipping (Compensation for Oil Pollution) Legislation** To enable Jersey to accede to the protocol to the Convention on Civil Liability for Oil Pollution Damage which establishes a supplementary compensation	10
28	ED	**Fishing Vessels (Safety Provisions) Order** Amendments to complete the safety requirements, ensuring that Jersey fishing vessels are compliant with international standards	5
29	ED	**Telecommunications Law** Amendments to add to and clarify the powers of the JCRA in respect of telecommunications service providers	20
30	ED	**Sea Fisheries Regulations** Amendments necessary to ensure that changes to the fisheries management agreement are reflected in and implemented by local legislation	25
31	ED	**Unclaimed Assets Law** To establish process for identifying unclaimed assets and for their use and for the reimbursement in the event that the owner is subsequently identified	20
32	ED	**Trusts Law** Amendments to safeguard creditors, allow the application of trusts to Jersey immovables and introduce an 18 year limitation on actions for breach of trusts	25
33	ED	**Charities Law** To codify what is a charity for the purposes of Jersey law	10
34	ED	**Companies Law** Amendments necessary to keep the Law up-to-date with international developments in companies legislation, to include a review of penalties, continuance and merger provisions, submission of accounts after winding up and resignation of directors	40
36	ED	**Security Interests Law** The 2nd phase of the introduction of security interests legislation, extending its application to tangible property	40
37	ED	**Financial Services Law** Amendments to extend the application of the Law to provide for the oversight of e-money providers	10
39	ED	**Post-IMF visit - financial services** To amend the financial services regulatory Laws in the light of the IMF report	20
40	ED	**Trademarks Law** Amendments to allow 1st registration of trademarks in Jersey and enable the extension to Jersey of international conventions on intellectual property	30
41	ED	**Financial Services Law** Amendments to clarify the exemption from registration for private trust companies	8
42	ED	**Registered Designs Law** Amendments to allow the recognition of Community-registered designs, to allow 1st registration in Jersey and for connected matters	30

SUMMARY TABLE H – LEGISLATION PROGRAMME 2009

Bid No.	Minister	Description	Drafting days
43	ED	**Community provisions - Single European Payments Area (SEPA)** New legislation to enable to join SEPA, a scheme for simpler, cheaper and quicker cross-border payments in Europe	10
44	ED	**Patents Law** Amendments to allow for compulsory licences, to enable Jersey to sign the TRIPS agreement, to introduce 1st registration in Jersey and for connected purposes	30
46	ED	**Control of Borrowing Law** To update or replace the legislation so as to remove any duplication of regulatory requirements	20
56	H&SS	**Regulation of Care Law-** New Law to improve levels of protection afforded to the most vulnerable sections of the population (will replace the Nursing and Residential Homes (Jersey) Law 1995 and the Nursing Agencies (Jersey) Law 1978)	25

**Note: these programme items are not presented in an overall order of priority, but each Minister's items appear in the Minister's own order of priority.*