

STATES OF JERSEY



ANNUAL BUSINESS PLAN 2009 (P.113/2008): FIFTH AMENDMENT (P.113/2008 Amd.(5)) – AMENDMENT

**Lodged au Greffe on 12th September 2008
by the Chief Minister**

STATES GREFFE

ANNUAL BUSINESS PLAN 2009 (P.113/2008): FIFTH AMENDMENT (P.113/2008 Amd.(5))–
AMENDMENT

1 PAGE 3, AMENDMENT 1 –

In the inserted success criterion (xi) for the words “develop an action plan to deliver” substitute the words “present a report to the States, prior to the lodging of the Annual Business Plan 2010, in response to the”.

2 PAGE 3, AMENDMENT 2(b) –

In the inserted success criterion (i) for the words “develop an action plan to deliver” substitute the words “present a report to the States in response to the”.

CHIEF MINISTER

NOTE:

This amendment to an amendment has been lodged by the Chief Minister less than 14 days before the start of the debate in accordance with the provisions of Article 11(5) of the Public Finances (Jersey) Law 2005. Paragraphs (4) and (5) of Article 11 are in the following terms –

- (4) A draft annual business plan is not capable of being amended during a debate in the States on the draft except in accordance with an amendment lodged at least 14 days before the start of the debate.
- (5) Paragraph (4) does not apply to an amendment moved by the Chief Minister if the States agree that the amendment may be debated forthwith or at a time approved by the States.

In accordance with the provisions of paragraph (5) the Chief Minister will seek the agreement of the States to debate this amendment to an amendment during the debate on the Annual Business Plan 2009.

REPORT

Comptroller and Auditor General's Report – Opportunities for reductions in expenditure:

Work is already underway to assess the achievability of the expenditure reductions and other issues identified by the Comptroller and Auditor General in his report.

This assessment is subject to the Comptroller and Auditor General's own statement: *"The fact that these opportunities for reductions in expenditure have been identified does not imply either that I recommend the implementation of all of them or that in practice they would prove straightforward to implement or acceptable to the Island's population."* The amendment is submitted to acknowledge that further work is required to determine whether these opportunities can be translated into firm proposals for service reductions.

Paragraph 3.8 of the 2009 Annual Business Plan also outlines the Council's initial proposals in respect of the Comptroller and Auditor General's recommendations which is to incorporate savings targets of £1.6 million for 2010 increasing to £3.1 million for 2011.

This amendment also seeks to rationalise the success criteria for the Chief Minister and the Minister for Treasury and Resources.

The Council accepts the other parts to the Amendment with the following comments –

The Council of Ministers accepts the following Amendments of the PAC subject to the Comptroller and Auditor General's own statement: *"The fact that these opportunities for reductions in expenditure have been identified does not imply either that I recommend the implementation of all of them or that in practice they would prove straightforward to implement or acceptable to the Island's population."*

AMENDMENT 1

Chief Minister's Department objectives pages 10 to 12 –

1(a)(xii)

This amendment is accepted. A review will be undertaken, although it should be noted that a review of the type envisaged would involve at the minimum a Hay pay comparability survey (comparing States of Jersey pay rates with those in the local private sector and in the UK public sector) which would cost of the order of £35k to £40k. In reality, it is likely that significant and costly additional research/advice would be needed.

1(a)(xiii)

Provided the reference to 'retirement' is to age of retirement for States employees, and not pension provision, this amendment is accepted.

1(a)(xiv)

This amendment is accepted.

AMENDMENT 2

Treasury and Resources Department objectives page 33 to 35

2(a)(vi)

Financial directions already apply sound project management approaches to IT projects over £20k and capital projects over £250k. The Council of Ministers supports the extension of such sound control to all significant projects but it is not possible, as the report suggests, to establish a dedicated unit in the Treasury for this purpose within current resources. On this basis the amendment is accepted.

2(b)(ii)

Financial direction 6.5 "Ministerial Financial Reporting" requires both original budget (i.e. as approved by the States in the Annual Business Plan) and revised budget to be reported (i.e. following transfers, carry forwards, etc.). Any such budget transfers are subject to appropriate control via financial direction 3.6 "Variations to Heads of Expenditure" and reported to the States twice-yearly where they are between departments. The amendment is accepted on the basis that it is largely being delivered already.

2(b)(iii)

The move to GAAP accounting requires consistent coding of States expenditure to enable the preparation of the annual accounts. The Treasury is continually seeking to improve the reliability and consistency of expenditure coding across the States, and is preparing formal guidance to departments on the coding of key types of expenditure. The amendment is accepted on the basis that work is already planned to review and improve this area.

2(b)(iv)

Financial directions are revised on a frequent basis, often to reflect comments from departments on their practicality. Compliance is monitored in a number of ways. The amendment is accepted on the basis that it is largely being delivered already.

2(b)(v)

The role of the Treasurer of the States as head of the finance profession will continue to be developed and strengthened to improve the efficiency and effectiveness of States expenditure and financial management.

2(b)(vi)

This amendment is accepted on the basis that the annual process will continue to provide the opportunity for all States members and for all States departments to be involved. The Treasury will also continue to strive to improve the processes and information which support the political prioritisation of expenditure between departments. As in previous years, the proposed process will be discussed with the Council of Ministers and shared with Scrutiny at the beginning of the year.