

**Corporate Services Scrutiny Panel Review  
Economic Development Department  
Medium Term Financial Plan 2013 to 2015  
General Questions arising from the Terms of Reference**

1. What overall expenditure limits were allocated to the Department in the 2012 Annual Business Plan for 2012, 2013, and 2014? Have the limits changed in the MTFP and, if so, why has it changed?

The States approved only one year's revenue expenditure at Departmental level in the 2012 Annual Business Plan.

The table below shows the expenditure limit for 2012 and proposed expenditure limits for 2013, 2014 and 2015 in the Medium Term Financial Plan:

<b>Summary of Recurring Funding</b>	<b>2012</b> £	<b>2013</b> (in principle) £	<b>2014</b> (in principle) £	<b>2015</b> (in principle) £
Revenue	15,898,400	18,255,800	19,459,300	19,974,800

The Departmental cash limits being proposed in the MTFP differ from the limits approved in the 2012 Annual Business Plan in respect of CSR savings, central procurement savings, inter-departmental transfers, inflation allowances and growth bids.

Details of these changes are shown in the table titled 'Reconciliation of Net Revenue Expenditure' in EDD's Departmental pages in the Annex to the MTFP. For ease of reference, EDD's Departmental pages are given in Appendix 1.

The table below shows EDD's approved growth bids for 2013-2015:

<b>EDD Funded Growth</b>	<b>2013</b> £'000	<b>2014</b> £'000	<b>2015</b> £'000
JFL – increase grant to JFL	800	800	800
JFL - additional	135	500	730
JFL – Saudi/GCC Financial Services	0	350	350
Finance Sector - Legislative Development	200	200	200
Inward Investment - Digital Jersey	500	500	500
Inward Investment - non-Financial Services	800	800	800
Jersey Business	200	200	200
Skills & Workforce Development	290	500	500
Tourism Development Fund	500	500	500
<b>Total bids proposed for funding through MTFP</b>	<b>3425</b>	<b>4350</b>	<b>4580</b>

**2. What commitments for growth were made for the Department in the 2012 Annual Business Plan for 2012, 2013, and 2014? Have growth commitments from previous Annual Business Plans addressed the issues which prompted those requests for additional funding and, if not, why not?**

There were no revenue growth commitments identified for EDD in the 2012 Annual Business Plan in respect of 2012, 2013 or 2014.

The growth bids approved in previous Annual Business Plans were:

2011 - £1,163,000

Growth in funding for the Incubator and Innovation Initiatives, renewable energy, e-gaming and Intellectual Property legislation, reduction in Jersey Enterprise grants	313,000
Funding for the Financial Ombudsman	100,000
Additional support to JFL, grant to fund the States share of the JFSC for Anti-Money Laundering unit.	750,000

A significant cut in revenue expenditure was required to fund the additional 'growth' and CSR savings target of £346,000. It was part of EDD's zero-based budgeting process and reflects the commitment to fund recurring expenditure from the Economic stimulus funding, essential financial services and investment to capitalise on potential diversification and growth in the Jersey economy.

2010 - none

2009 - none

**3. What changes in staffing levels if any are being proposed that were not allowed for in the 2012 Annual Business Plan?**

There are no proposed changes in staffing levels from the 2012 Annual Business Plan other than net impact of internal restructuring, CSR savings, interdepartmental transfers and growth bids.

<b>EDD Changes in Staff</b>				
<b>Service area</b>	<b>2012 FTE</b>	<b>2013 FTE</b>	<b>variance</b>	
<b>Economic Growth &amp; Diversification</b>	11.0	7.2	1.0	Growth Locate Jersey
			0.2	*Overhead allocation
			-5.0	Restructure Jersey Business
<b>Tourism, Destination &amp; Marketing</b>	24.0	24.3	0.3	*Overhead allocation
<b>Policy and Regulation</b>	28.7	24.3	1.0	Growth - Finance Industry Support
			1.0	Trading Standards - restructure Jersey Business
			-6.0	Regulation of Undertakings - transferred to CMD
			0.4	*Overhead allocation
			-0.8	Rural allocation (see below)
<b>Rural Support</b>	3.4	4.0	0.8	Rural allocation (see above)
			-0.2	Reduction hours
<b>Skills</b>	1.5	1.5	-	
	<b>68.6</b>	<b>61.3</b>	<b>-7.3</b>	
*Overhead allocation				Policy Development (new position) - Restructure Jersey Business

**4. How does the Department's budget break down into service areas? How does that breakdown compare to that provided in the 2012 Annual Business Plan?**

The key differences are:

- 'Enterprise & Business Support' changes name to 'Economic Growth & Diversification'.
- 'Marketing' changes name to Tourism, Destination & Marketing

<b>Service analysis Headings</b>	
<b>2012</b>	<b>2013 - 2015</b>
<b>Enterprise &amp; Business Support</b> Enterprise Support Investment and Diversification  <b>Marketing</b> Joint Marketing Destination Marketing and Communication Events Research and Statistics Visitor Services Tourism Development <b>Policy and Regulation</b> Competition Law Consumer Affairs/Trading Standards Finance Sector Gambling Legislation and Control regulation of Undertakings Rural Sector Policy Development <b>Rural Support</b> Single Area Payment Quality Milk Payment Dairy Service Support Payment Rural Initiative General Support <b>Skills</b> Training and Workforce Development	<b>Economic Growth &amp; Diversification</b>   <b>Tourism, Destination &amp; Marketing</b>   <b>Policy and Regulation</b>   <b>Rural Support</b>   <b>Skills</b>

**5. What existing services, if any, are due to be changed and, if so how will they be changed?**

International Finance

Following a review of the organisational structure for the support of financial services across the States it has been decided to consolidate all responsibility under a Director of Financial Services who would act as Accounting Officer for all aspects of the financial services budget within EDD. The Director would be located within the Economic Development Department with responsibility to the Economic Development Minister and working with three other Ministers. The Director would operate alongside the Chief Officer for Economic Development, will be treated in a similar manner to Chief Officers and be accountable to the Chief Executive of the States for management matters.

Jersey Finance

The additional funding provided to Jersey Finance will enable them to establish two additional offices and undertake further market development in the BRICS and Middle East.

### Tourism

A new strategy for tourism is being developed and a Green Paper is out for consultation with a deadline of 30<sup>th</sup> September 2012. The way government support for tourism is directed and managed will be reviewed and will include establishing a new Shadow Board to provide advice and expertise to the Minister across a wide range of areas.

### Locate Jersey

There will be a step change in the delivery of our inward investment and high value residency team, Locate Jersey, in order to achieve our key objective of creating new businesses and employment in high value sectors. This will involve both increased manpower resource and an increase in promotional and marketing activity.

### Skills and Workforce Development

Increased States funding for a new model of Apprenticeships in Jersey based on new sectors/trades/skills, closely linked to vocational training already underway or proposed in Jersey schools. New style Graduate Internships providing Jersey Graduates a full years post-graduate supported internship with companies operating within EGS target sectors or the Finance industry, conditional upon full time employment being provided thereafter.

## **6. What will Carry Forward funding for 2012 will be used for in the Department? What on-going items, if any, have been funded through Carry Forwards?**

Carry forward funding from 2012 will be used in 2013 (See the table in section 7 below).

**7. What funding pressures are facing the Department and how will they be addressed?**

The table below shows the pressures the Economic Development Department is facing and for which it sought some funding through the MTFP. This table includes new initiatives and regulatory requirements:

Growth Bids submitted by EDD	2013 £000	2014 £000	2015 £000	Funding Proposal
<b>Get People Into Work</b>				
Tourism	250	250	250	Establish a new Shadow Board and increase marketing in under-funded European and global markets
<b>Other Funding Pressures</b>				
Single European Payments Area project	90	0	0	Stimulus funding carried forward in 2012 but due to continued delays by the European Payments Council this will not be completed in 2012 – Carry Forward
Intellectual Property Development	50	50	50	Carry Forward 2013, Contingency 2014 & 2015
Ombudsman	57	0	0	Law Office delay in legislation – Carry Forward
Locate Jersey – Autumn Conference	150	0	150	New initiative bi-annual conference – Carry Forward 2013. Growth 2015
Locate Jersey –FT “Doing Business in Jersey” Report	60	0	60	Similar to previous supplement in 2007 – Carry Forward 2013. Growth 2015
Business Development - Retail	50	0	0	New initiative - Co-funding with the retail sector for new website – Carry Forward
<b>TOTAL</b>	<b>707</b>	<b>300</b>	<b>510</b>	

**8. Which bids for growth in revenue expenditure have been taken forward? For those which have, is it proposed that they be funded from Growth expenditure, Contingency Expenditure, Restructuring Provision, or another source?**

The table below shows the successful bids and the proposed funding source in the MTFP:

Successful EDD Bids in the MTFP	FTEs	2013	2014	2015	Proposed funding in the MTFP
		£'000	£'000	£'000	
JFL – increase grant to JFL	0	800	800	800	Central Contingency in 2013 & 2014. Growth from 2015
JFL - additional	0	135	500	730	Central Contingency in 2013 & 2014. Growth from 2015
JFL – Saudi/GCC Financial Services	0	0	350	350	Central Contingency in 2013 & 2014. Growth from 2015
Finance Sector - Legislative Development	1	200	200	200	Central Contingency in 2013 & 2014. Growth from 2015
Inward Investment - Digital Jersey	0	500	500	500	Central Contingency in 2013 & 2014. Growth from 2015
Inward Investment - non-Financial Services	2	800	800	800	Central Contingency in 2013 & 2014. Growth from 2015
Jersey Business	0	200	200	200	Central Contingency in 2013 & 2014. Growth from 2015
Skills & Workforce Development	0	290	500	500	Central Contingency in 2013 & 2014. Growth from 2015
Tourism Development Fund	0	500	500	500	Central Contingency in 2013 & 2014. Growth from 2015
<b>Total proposed Growth bids for which resources are identified</b>	<b>3</b>	<b>3425</b>	<b>4350</b>	<b>4580</b>	

**9. Which bids for growth appear for the first time in the Medium Term Financial Plan and which have been made by the Department in previous years?**

All EDD's bids appear for the first time in the MTFP as a formal proposal to the States for recurring funding although most are existing cost pressures which have been funded to a lesser extent for a number of years from non-recurring sources.

The growth bids are directly aligned to the priorities in the Economic Growth and Diversification Strategy, which are in turn aimed at achieving sustainable economic growth and getting people into work.

There is only one bid which is completely new in the MTFP which is the JFL Saudi/GCC office.

**10. Which bids for growth in the MTFP were unsuccessful and which relate to bids which have been made by the Department in previous years?**

The Tourism growth bid of £250,000 was unsuccessful but was not requested through the Annual Business Plan process in previous years.

**11. In which areas of the Department were CSR savings identified? Will the Department meet those specific savings targets? If not, in which areas will the savings not be met and what contingency plans, if any does the Department have in place?**

The Department has met the 2011 and 2012 CSR savings of £1,039,000. The table below shows the proposed 2013 savings.

<b>COMPREHENSIVE SPENDING REVIEW SAVINGS 2013 DEPARTMENTAL SAVINGS PROPOSALS</b>	<b>2013 Saving (£'000)</b>
<b>ECONOMIC DEVELOPMENT DEPARTMENT</b>	
Reduction in grant to the Financial Ombudsman	100
Reduction in grant to the Gambling Commission	39
Reduction of Rural Support grants including Single Area Payments	121
Reduction of Quality Milk Payments Rural Initiative grants	135
Strategic Development merge with Regulatory Services to become Policy & Regulation	18
Harbours and Airport compilation of statistics and reduction in printing costs	6
No inflation increases and efficiency savings across all areas of EDD	531
<b>SUB TOTAL:</b>	<b>950</b>



**12. What capital projects are proposed for the Department, both specifically for 2013 to 2015 and for the Long Term Capital Plan for 2012 to 2032?**

There are no capital projects proposed for EDD. However, Harbours and airports do have capital projects planned, but these are handled as separate Trading Entities.

**13. Have any capital projects not been provided for?**

There are no capital projects proposed for EDD. However, Harbours and airports do have capital projects planned, but these are handled as separate Trading Entities.

**14. What policy changes are being considered by the Department (but which have yet to be agreed and/or implemented) could impact upon other Departments or the public?**

Harbours and Airport Incorporation and the potential transfer of rural responsibilities to the Environment Department.

**15. What new 'user pays' charges have been considered and which will be pursued? What increases to existing 'user pays' charges have been considered?**

As part of the Licensing Law development process, it was the intention to increase liquor licence fees by c. 60% (£175k additional income) as part of CSR user pays. The Minister has indicated that ED should not seek to increase fees more than the RPI, although the actual outcome maybe determined by changes to the final legislation

**16. What requirement if any does the Department have for restructuring provision?**

EDD received a restructure bid of £205,000 for the Integration of Jersey Business Venture and Jersey Enterprise's On-Island functionality to form a single independent and confidential business information, advice and support service – 'Jersey Business'.

Currently under consideration is a restructure bid of £156,551 for the reorganisation of the financial services within EDD (see question 5).

There may be a restructuring requirement for the transfer of rural responsibilities to the Environment Department and the reorganisation of Tourism (see question 5).

**17. What source of income does the Department have and what changes, if any, are proposed to the levels levied?**

EDD has a 2012 income target of £1.7m:

	<b>2012 Income £</b>
<b>Enterprise and Business Development</b>	
Enterprise Support	(213,000)
	<b>(213,000)</b>
<b>Marketing</b>	
Joint Marketing	(400,700)
Destination Marketing and Communication	(114,000)
Visitor Services	(196,000)
	<b>(710,700)</b>
<b>Policy and Regulation</b>	
Consumer Affairs / Trading Standards	(16,100)
Policy Development	(786,700)
	<b>(802,800)</b>
<b>Skills</b>	
Training and Workforce Development	<b>(12,000)</b>
<b>Net Revenue Expenditure</b>	<b>(1,738,500)</b>

The income is generated by:

- Enterprise & Business Development - Enterprise Awards & Business Incubator rent.
- Marketing – Advertising received for tourism brochures etc. (£401k), Jersey Pass (£114k), Visitor Services sales and Central Reservation commission (£196k).
- Policy & Regulation – Regulatory licence fees such as liquor licence fees, shipping registry etc. Also income received from Ofcom in respect of spectrum licence refund (303k).
- Skills – Enterprise Education sponsorship.

The only proposed change (other than RPI or 2.5% per annum), is that from 2013 onwards responsibilities from the Enterprise Awards will transfer to Jersey Business Ltd. and the Business Incubator has now closed.

**18. What funding if any does the Department receive from charitable or other sources in order to support the delivery of its services and for what purposes?**

The Department does not receive charitable or other funding apart from the fees and charges in response to question 17 above.

**19. What outstanding issues facing the Department, if any, have not been taken into account in the Medium Term Financial Plan?**

The Department's MTFP submission has been designed to cover all of the expected funding pressures through the MTFP's three-year period.

The Department undertakes continuous business planning and monitoring throughout the year, which ensures that budgets are directed to the most effective investments. Where there are issues that will require funding beyond that allowed for in the MTFP, the department will seek to meet the demands within existing budgets or call upon central contingency funding where necessary.

**20. What delivery plans have been developed to ensure that clear systems, action plans and success criteria are developed for the Strategic Plan priority entitled 'promote family and community values'?**

The Strategic Plan priority 'promote family and community values' falls principally within the operational remits of: Home Affairs; Health and Social Services; Education, Sport and Culture; and Social Security. The Economic Development Department will provide support to these departments, within existing departmental budget, to help them meet their objectives.

**21. What funding has been allocated to ensure the delivery of these plans?**

There is no funding allocated for the development of the delivery plan for Strategic Planning Priority 'promote family and community values'.

**EDD's Departmental Pages – Extract from Annex to the Draft MTFP**

**Minister's Introduction**

The Medium Term Financial Plan (MTFP) comes at a critical point in the development and evolution of our economy.

The worldwide economic crisis has lasted longer than most predicted and Jersey, as an international finance centre, has not been immune to its effects. The most devastating outcome of this has been rising unemployment which is at its highest recorded levels; if left unchecked, this will have a long-lasting and damaging effect on the social fabric of this Island. That is why one of the key priorities identified in the States Strategic Plan is to get people into work.

But at a time when we are aiming to facilitate the creation of more jobs in our economy, it is vital we take a strategic view and establish what kind of jobs we wish those to be. In taking this view, it is clear that if we are to seek to generate new employment, we must do so with the aim that these jobs will contribute to the delivery of economic growth. This is not growth for the sake of growth – but growth to deliver the tax receipts necessary to avoid having to raise taxes whilst still being able to fund our public services to the standard that we expect.

The Economic Growth and Diversification Strategy (EGDS) (P55/2012), sets out how we intend to achieve this. There are four priorities: to encourage innovation and improve Jersey's international competitiveness; to grow and diversify the financial services sector, capacity and profitability; to create new businesses and employment in high value sectors; and to raise the productivity of the whole economy and reduce the reliance on inward migration.

Without the growth bids put forward in the MTFP, this strategy simply cannot be delivered. A thorough assessment of our current and future work programme illustrated that to deliver growth we would have to reduce support for tourism and agriculture to unsustainable levels. This would have a highly damaging impact to those sectors, the people who work within them as well as to Island life as a whole.

This is not acceptable; and therefore the growth in the Department's budget to invest in economic growth is absolutely vital. Whilst recognising the financial constraints we must operate under, now more than ever we need to invest in developing the economy.

The table below sets out our MTFP bids, all of which are directly aligned to the priorities in the EGDS, which are in turn aimed at achieving sustainable economic growth and getting people into work.

Support for Jersey Finance and increased investment in developing finance legislation is vital if we are to enter new markets and develop new products so we can grow and diversify our finance sector, which is and will remain absolutely critical to delivering future growth. As the industry which contributes 40% of our GVA, we cannot afford to neglect the sector which in turn funds such a substantial proportion of our public services.

<b>EDD Funded Growth</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
JFL – increase grant to JFL	800	800	800
JFL additional	135	500	730
JFL – Saudi/GCC Financial Services	0	350	350
Finance Sector - Legislative Development	200	200	200
Inward Investment - Digital Jersey	500	500	500
Inward Investment - non-Financial Services	800	800	800
Jersey Business	200	200	200
Skills & Workforce Development	290	500	500
Tourism Development Fund	500	500	500
<b>Total bids proposed for funding through MTFP</b>	<b>3425</b>	<b>4350</b>	<b>4580</b>

Digital Jersey is one of the key components of our strategy to create new businesses in high value sectors. The e-commerce sector is set to have increasing significance on our economy and it is vital we can invest in and encourage its growth. Alongside this, strengthening our inward investment activities across all high value sectors is an essential driver in delivering diversification and creating jobs for local people.

We must accept however, that in seeking diversification into new and growing high value sectors, Jersey cannot operate in a vacuum. We need the external talent and investment as the catalyst for the creation of new jobs. As demonstrated by the successes over recent years, inward investment does create significant employment for local people – but to do this there needs to be an element of inward migration. This is good for our economy and good for Jersey.

Therefore, running in parallel to investment in growth, given the well-founded concerns of managing population growth on an island of limited resources, we must reduce our reliance on inward migration in other sectors. We should use our migration policy to encourage job creation and economic growth; rather than to fill jobs which could be filled with local people. That is why we are aligning our future support for traditional sectors such as tourism, construction and agriculture with reduced reliance on inward migration. Investment in skills is critical to fill that gap; as well as develop a workforce that can capitalise on the new and exciting opportunities inward investors provide.

Across the whole range of new and established businesses, Jersey Business will be available to help organisations achieve their full potential. As a new, independent organisation, there is an opportunity to provide a step-change in business support, which the additional funding will enable them to deliver. Furthermore, the Tourism sector gets additional support, with a stable and secure funding mechanism for the Tourism Development Fund to help enable Jersey to compete in the global marketplace.

A further breakdown of how the growth bids will be spent is provided within this document. However, it is essential to recognise that although the individual elements of the bid are discrete, as demonstrated above they are complementary and must be implemented contemporaneously to address the strategy for jobs and a sustainable economic future.

Each initiative is being progressed as far as possible in order to impact on job creation without delay once recurring funding is agreed. I would like to take this opportunity to thank all the staff at Economic Development for the work they have done to date as well as the significant additional work that this plan for growth and jobs will require over the next three years.

Senator Alan Maclean  
**Minister for Economic Development**

# ECONOMIC DEVELOPMENT

## AIM

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To deliver growth, improve competitiveness, diversify the local economy and create employment.

## SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA FOR 2013 TO 2015

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### Key Objective 1: Encourage innovation and improve Jersey's international competitiveness

#### Success criteria:

- (i) Work with the Treasury and Resources Department to establish a new Innovation Fund as a Separately Constituted Fund under the Public Finances (Jersey) Law – managed by EDD with an independent Board including EDD, Treasury and Resources, and Chief Ministers' Department representatives and non-Executive Directors drawn from the private sector.

*Note: Success for this objective will be to have established a fund, and assessment framework, that could be used for strategic investments into innovation and new technologies that would deliver a competitive advantage for Jersey, attract additional private sector investment and create new high value businesses resulting in significant new job opportunities in a more diversified economy.*

#### Strategic Plan References:

- **Vision:** A strong and sustainable economy
- **Priority:** Get People Into Work

### Key Objective 2: Grow the financial services sector capacity and profitability

#### Success criteria:

- (i) Publish a new Financial Services policy framework that allows industry, Jersey Finance Ltd, Jersey Financial Services Commission and Government to align with a set of common objectives.
- (ii) Develop both existing (UK/EU) and new markets (BRIC).
- (iii) Contribute to the increasing the speed of legislative development alongside the Law Officers Department and Chief Ministers Department
- (iv) Raise Jersey's international profile as a transparent and cooperative jurisdiction.
- (v) Work with the Treasury and Resources Department to improve Jersey's competitiveness in international market place through continued development of tax policy.

*Note: Success for this objective will be to, within the financial services sector, improve productivity and maintain employment numbers at, or above, current levels whilst diversifying into new products, services and markets.*

#### Strategic Plan References:

- **Vision:** A strong and sustainable economy
- **Priority:** Get People Into Work

### Key Objective 3: Create new businesses and employment in high value sectors

#### Success criteria:

- (i) Enhance efforts to secure high-value inward investment, exceeding previous levels of inward investment.
- (ii) Task Jersey Business to increase the rate of high-value business start-ups and the growth of existing high value businesses.

- (iii) Develop a “Whole of Government” approach to ensure that the education system, Social Security and benefits policies, Planning approvals process and Housing and Work Laws recognise, where appropriate, the creation of employment as a priority.
- (iv) Maximise the potential of Gigabyte Jersey and further develop an internationally competitive telecoms offering.

*Note: Success for this objective will be that by 2015, in addition to exceeding previous levels of business development and inward investment success, a minimum of 10 flagship projects will have been delivered over the next three years, leveraging significant economic and growth opportunities for Jersey or Jersey businesses.*

**Strategic Plan References:**

- **Vision:** A strong and sustainable economy
- **Priority:** Get People Into Work

**Key Objective 4: Raising the productivity of the whole economy and reducing the reliance on inward migration**

**Success criteria:**

- (i) Align the education and training of the current and future workforce, with the needs of employers.
- (ii) Remove the barriers to enterprise, encourage innovation and use of new technologies.
- (iii) Link continued support for the Tourism and Rural sectors to increased local employment and reduced reliance on inward migration.

*Note: Success for this objective would be improvement in the productivity of existing business, increased number high value start-up enterprises, reduced numbers of hard to fill vacancies and skills gaps reported by employers. and increases in the percentage of locally qualified staff working in the traditional sectors.*

**Strategic Plan References:**

- **Vision:** A strong and sustainable economy; a highly skilled workforce
- **Priority:** Get People Into Work; Manage Population Growth and Migration

**Key Objective 5: Continue to improve efficiency and effectiveness across the Department**

**Success criteria:**

- (i) Reform the mechanisms of delivery for areas of the Department where service can be improved and efficiencies delivered through a change in organisational structure
- (ii) Continue to develop and improve regulatory and policy frameworks which that support business whilst protecting the public’s interests
- (iii) Continue to drive efficiencies through the use of arms-length delivery organisations

*Note: Success for this objective would be private sector led organisations delivering more of EDD services with the Department focused on developing and improving policy and regulation.*

**Strategic Plan References:**

- **Priority:** Reform Government and the public sector



## Economic Development

### Net Revenue Expenditure - Service Analysis

2012 Net Revenue Expenditure	2013 Gross Revenue Expenditure		2013 Income	2013 Net Revenue Expenditure	2013 FTE	2014 Gross Revenue Expenditure		2014 Income	2014 Net Revenue Expenditure	2014 FTE	2015 Gross Revenue Expenditure		2015 Income	2015 Net Revenue Expenditure	2015 FTE	
	+ Depreciation £	DEL £				AME £	DEL £				AME £	DEL £				AME £
1,881,300	<b>Economic Growth &amp; Diversification</b>	2,513,000	-	<b>2,513,000</b>	7	2,741,400	-	<b>2,741,400</b>	7	2,798,000	-	<b>2,798,000</b>	7			
5,923,300	<b>Tourism, Destination &amp; Marketing</b>	7,122,000	(767,500)	<b>6,354,500</b>	24	7,257,800	(767,500)	<b>6,490,300</b>	24	7,380,900	(767,500)	<b>6,613,400</b>	24			
5,531,400	<b>Policy and Regulation</b>	7,799,100	3,200	(956,400)	<b>6,845,900</b>	24	8,680,800	3,200	(956,400)	<b>7,727,600</b>	24	9,033,800	3,200	(956,400)	<b>8,080,600</b>	24
2,144,900	<b>Rural Support</b>	1,957,000	-	<b>1,957,000</b>	4	1,725,900	-	<b>1,725,900</b>	4	1,701,100	-	<b>1,701,100</b>	4			
421,100	<b>Skills</b>	588,600	-	<b>588,600</b>	2	777,300	-	<b>777,300</b>	2	784,900	-	<b>784,900</b>	2			
<b>15,902,000</b>	<b>Net Revenue Expenditure (non cash)</b>	<b>19,979,700</b>	<b>3,200</b>	<b>(1,723,900)</b>	<b>18,259,000</b>	<b>61</b>	<b>21,183,200</b>	<b>3,200</b>	<b>(1,723,900)</b>	<b>19,462,500</b>	<b>61</b>	<b>21,698,700</b>	<b>3,200</b>	<b>(1,723,900)</b>	<b>19,978,000</b>	<b>61</b>
(3,600)	Less: Depreciation	- -	<b>3,200</b>	-	<b>3,200</b>	-	- -	<b>3,200</b>	-	<b>3,200</b>	-	- -	<b>3,200</b>	-	<b>3,200</b>	
<b>15,898,400</b>	<b>Net Revenue Expenditure (near cash)</b>	<b>19,979,700</b>	-	<b>(1,723,900)</b>	<b>18,255,800</b>	<b>61</b>	<b>21,183,200</b>	-	<b>(1,723,900)</b>	<b>19,459,300</b>	<b>61</b>	<b>21,698,700</b>	-	<b>(1,723,900)</b>	<b>19,974,800</b>	

# Economic Development

## Net Revenue Expenditure - Service Analysis

2012 Net Revenue Expenditure  + Depreciation £		2013 Net Revenue Expenditure  £	Increase/ (Decrease)	2014 Net Revenue Expenditure  £	Increase/ (Decrease)	2015 Net Revenue Expenditure  £	Increase/ (Decrease)
1,881,300	<b>Economic Growth &amp; Diversification</b>	<b>2,513,000</b>	631,700	<b>2,741,400</b>	228,400	<b>2,798,000</b>	56,600
5,923,300	<b>Tourism, Destination &amp; Marketing</b>	<b>6,354,500</b>	431,200	<b>6,490,300</b>	135,800	<b>6,613,400</b>	123,100
5,531,400	<b>Policy and Regulation</b>	<b>6,845,900</b>	1,314,500	<b>7,727,600</b>	881,700	<b>8,080,600</b>	353,000
2,144,900	<b>Rural Support</b>	<b>1,957,000</b>	(187,900)	<b>1,725,900</b>	(231,100)	<b>1,701,100</b>	(24,800)
421,100	<b>Skills</b>	<b>588,600</b>	167,500	<b>777,300</b>	188,700	<b>784,900</b>	7,600
<b>15,902,000</b>	<b>Net Revenue Expenditure (non cash)</b>	<b>18,259,000</b>	<b>1,725,300</b>	<b>19,462,500</b>	<b>975,100</b>	<b>19,978,000</b>	<b>458,900</b>
(3,600)	Less: Depreciation	(3,200)		(3,200)		(3,200)	
<b>15,898,400</b>	<b>Net Revenue Expenditure (near cash)</b>	<b>18,255,800</b>		<b>19,459,300</b>		<b>19,974,800</b>	

# Economic Development

## Net Expenditure - Operating Cost Statement

2012 Net Revenue Expenditure		2013 Estimate	2014 Estimate	2015 Estimate
£		£	£	£
	<b>Income</b>			
(685,200)	Duties, Fees, Fines & Penalties	(667,800)	(667,800)	(667,800)
(831,200)	Sales of Goods and Services	(967,600)	(967,600)	(967,600)
(241,600)	Other Income	(88,500)	(88,500)	(88,500)
<b>(1,758,000)</b>	<b>Total Income</b>	<b>(1,723,900)</b>	<b>(1,723,900)</b>	<b>(1,723,900)</b>
	<b>Expenditure</b>			
-	Social Benefit Payments	-		
4,119,600	Staff Costs	3,852,400	3,896,800	3,896,800
6,190,600	Supplies and Services	6,288,300	6,451,500	6,491,500
314,400	Administrative Expensives	251,500	251,500	251,500
606,000	Premises and Maintenance	389,700	389,700	389,700
177,000	Other Operating Expenses	60,700	390,000	700,500
6,246,400	Grants and Subsidies Payments	9,137,100	9,803,700	9,968,700
2,400	Finance Costs	-	-	-
<b>17,656,400</b>	<b>Total Expenditure</b>	<b>19,979,700</b>	<b>21,183,200</b>	<b>21,698,700</b>
<b>15,898,400</b>	<b>Net Revenue Expenditure (near cash)</b>	<b>18,255,800</b>	<b>19,459,300</b>	<b>19,974,800</b>
3,600	Depreciation	3,200	3,200	3,200
<b>15,902,000</b>	<b>Net Revenue Expenditure (non cash)</b>	<b>18,259,000</b>	<b>19,462,500</b>	<b>19,978,000</b>

# Economic Development

## Reconciliation of Net Revenue Expenditure

	2013	2014	2015
	£	£	£
<b>Base Department Budget</b>	<b>15,898,400</b>	<b>18,255,800</b>	<b>19,459,300</b>
Price Inflation - Dept Income	(44,000)	(47,900)	(49,100)
Price Inflation - Dept Expenditure	339,800	326,400	334,600
Price Inflation - Provision for Pay Award	0	0	0
<b>Commitments from Existing Policies</b>			
FSR - Employers Social Security 2% increase above cap			
Department Savings	(834,000)	0	0
Department User Pays	(116,000)	0	0
<b>Departmental Transfers</b>			
International Finance			
Regulation of Undertakings and Developments to CMD	(368,800)		
<b>Capital to Revenue Transfers</b>			
<b>Currently Proposed Funded Growth</b>	<b>3,425,000</b>	<b>925,000</b>	<b>230,000</b>
<b>Currently Proposed Procurement Savings</b>	<b>(44,600)</b>		
<b>Currently Proposed Other Budget Measures</b>			
<b>Net Revenue Expenditure (near cash)</b>	<b>18,255,800</b>	<b>19,459,300</b>	<b>19,974,800</b>
Depreciation	3,200	3,200	3,200
<b>Net Revenue Expenditure (non cash)</b>	<b>18,259,000</b>	<b>19,462,500</b>	<b>19,978,000</b>