

STATES OF JERSEY



ANNUAL BUSINESS PLAN 2009

AS AMENDED:

***[DEBATED BY PARAGRAPH
FROM 16TH TO 23RD SEPTEMBER 2008]***

**1ST LEVEL REVISIONS [E.G. AMD.(4)] ARE
SHOWN IN RED TYPE;**

**2ND LEVEL REVISIONS [E.G. AMD.(4)AMD.]
ARE SHOWN IN BLUE TYPE**

Lodged au Greffe on 15th July 2008
by the Chief Minister

STATES GREFFE

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;

except that for success criteria (iii) in Objective 1 on page 10 there shall be substituted the following success criteria –

“(iii) As part of the prioritisation process, the development of any new initiatives policies or strategies to be supported by all resource implications and funded within the approved total net revenue expenditure for States funded bodies contained in Summary Table A of the 2009 Annual Business Plan;”;

except that after success criteria (viii) in Objective 1 on page 10 there shall be inserted the following success criteria (with the subsequent success criteria renumbered) –

“(ix) Annual work programme produced at the beginning of each year by the Council of Ministers, after consultation with the scrutiny panels, setting out the proposed timetable of debate for propositions to be lodged by all Ministers;”;

except that after success criterion (vi) in Objective 2 on page 10 there shall be inserted the following new success criterion (and subsequent success criteria renumbered accordingly) –

“(vii) Succession Plan covering senior positions in public service developed by the end of September 2009;”;

except that after success criterion (x) in Objective 2 on page 11 there shall be inserted the following additional success criteria –

“(xi) In conjunction with the Treasury and all other States Departments, develop an action plan to deliver potential expenditure reductions and other related issues highlighted in the Comptroller and Auditor General's report entitled “Emerging Issues” presented to the States on 19th May 2008;

- (xii) Remuneration mechanisms of the States reviewed to ensure that arrangements are fit for purpose and appropriate to support the achievement of the States' objectives in the current environment;
 - (xiii) Age limits and financial arrangements for redundancy, early retirement and retirement for all States employees reviewed so that these are more comparable with best practice in the private sector or United Kingdom standards for equivalent services; giving due recognition to the economic environment and local employment conditions in which the States operates;
 - (xiv) A consistent programme of performance reviews and appraisals implemented which encourages and supports staff development and retention and improves performance.”;
- 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;
- except that after success criterion (ii) in Objective 2 on page 19 there shall be inserted the following new success criteria (and subsequent success criteria renumbered accordingly) –
- “(ii) Continued reduction in the number of hospital-acquired infections;”;
- 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, except that in success criterion (i) in Objective 3 on page 26, after the words “public realm” there shall be inserted the words “to include a funding mechanism to help extend the mains drain network”;
 - viii Social Security Department, as detailed in Part One of the report, pages 29 to 30;

except that after success criterion (iv) in Objective 4 on page 30 there shall be inserted the following success criterion –

“(v) Minimum service level for processing changes of circumstances relating to Income Support households occupying rental accommodation established.”;

ix Transport and Technical Services Department, as detailed in Part One of the report, pages 31 to 32;

except that after success criterion (ii) in Objective 2 on page 31 there shall be inserted the following success criterion (with the subsequent success criteria renumbered) –

“(iii) In conjunction with the Planning and Environment Department and other interested parties, funding options brought forward to extend the mains drain network brought forward and considered by the States by end of 2009;”;

x Treasury and Resources Department, as detailed in Part One of the report, pages 33 to 35;

except that for success criterion (vi) in Objective 2 on page 33 there shall be substituted the following success criterion –

“(vi) Establish and implement professionally accepted project appraisal, management and control procedures to enable the viability, funding, financial management and variance analysis of projects to be properly considered and evaluated”;

except that after Objective 3 there shall be inserted the following new Objective and Success Criteria (with subsequent Objectives renumbered accordingly) –

“Objective 4 – Improved efficiency and effectiveness of States expenditure and financial management.

Success Criteria:

(i) In conjunction with the Chief Minister’s Department, develop an action plan to deliver potential expenditure reductions and other related issues highlighted in the Comptroller and Auditor General’s report entitled “Emerging Issues” presented to the States 19th May 2008, and present the action plan to the States with an implementation timetable prior to lodging of the 2010 Business Plan;

- (ii) Establish, with appropriate amendments to the Public Finance (Jersey) Law 2005 if necessary, an internal reporting mechanism which facilitates monitoring of expenditure and identification of variances in respect of the Service Analyses which support the Net Revenue Expenditure approved by the States in the Annual Business Plan;
- (iii) Ledger structures and definitions of costs standardized so that reliable States wide data on costs is available;
- (iv) Financial directions revised and monitored to ensure a rigorously and consistently applied unified system of financial control to ensure compliance with fundamental financial disciplines throughout all States departments;
- (v) Central authority and responsibility of the Treasurer of the States as corporate head of finance strengthened, with all finance officers and accounting staff recognizing their direct responsibility and accountability to the Treasurer;
- (vi) System established to provide financial information for facilitation of the setting of priorities for expenditure between departments to better inform the debate on resource allocation.”;

- 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; **except that –**

- (1) the net revenue expenditure of the Chief Minister's Department shall be increased by £570,000 to ensure the range of functions within the Chief Minister's Department required for a modern and responsible government are strengthened and re organised;
- (2) the net revenue expenditure of the Chief Minister's Department shall be increased by £200,000 to enable a new post for a Tax Strategist to be created within the Chief Minister's Department to work closely with the Director of International Finance and International Relations officers;
- (3) the net revenue expenditure of the Education, Sport and Culture Department shall be increased by £552,000 to extend opportunities for children who attain the age of 4 years between 1st September and 31st August in the year before commencing statutory education;
- (4) the net revenue expenditure of the Home Affairs Department shall be increased by £250,000 to provide the necessary funding for the implementation of the Discrimination (Jersey) Law 200-;
- (5) the net revenue expenditure of the Planning and Environment Department shall be increased by £1.0 million to fund the first phase of an extensive package of environmental initiatives; ~~with the approval of this expenditure, in accordance with the provisions of Article 14(9) of the Public Finances (Jersey) Law 2005, dependent upon the subsequent approval by the States of the introduction of a Vehicle Emissions Duty which will generate sufficient income to fund this expenditure;~~
- (6) the net revenue expenditure of the Social Security Department shall be increased by £4.5 million to provide the necessary funding for the anticipated increase in the cost of supplementation;
- (7) the net revenue expenditure of the Social Security Department shall be increased by £529,000 for the purposes of providing work and vocational day care service opportunities for people with learning disabilities and people on the autistic spectrum;
- (8) the net revenue expenditure of the Social Security Department shall be increased by £2,320,000 to extend transitional relief to October 2009 for those in receipt of protected benefit payments under the income support scheme and to increase the Winter Fuel Allowance in accordance with recent increases in the cost of fuel;

- (9) the net revenue expenditure of the Transport and Technical Services Department shall be increased by £1.0 million to fund the first phase of a package of recycling and sustainable transport initiatives, ~~with the approval of this expenditure, in accordance with the provisions of Article 14(9) of the Public Finances (Jersey) Law 2005, dependent upon the subsequent approval by the States of the introduction of a Vehicle Emissions Duty which will generate sufficient income to fund this expenditure;~~
- (10) the net revenue expenditure of the Law Officers' Department for 2009 shall be increased by £520,000 to ensure there are sufficient resources to restructure the Department in order to meet the pressures on the Department and achieve service levels which are to be agreed with the Council of Ministers;
- (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, **except that –**
- (1) the net revenue expenditure of the Chief Minister's Department shall be increased in 2010 by £584,000, in 2011 by £599,000, in 2012 by £614,000 and in 2013 by £629,000 to ensure the range of functions within the Chief Minister's Department required for a modern and responsible government are strengthened and re organised;
- (2) the net revenue expenditure of the Chief Minister's Department shall be increased in 2010 by £205,000, in 2011 by £210,000, in 2012 by £215,000 and in 2013 by £220,000 to enable a new post for a Tax Strategist to be created within the Chief Minister's Department to work closely with the Director of International Finance and International Relations officers;

- (3) the net revenue expenditure of the Education, Sport and Culture Department shall be increased in 2010 by £1,498,000, in 2011 by £1,657,000, in 2012 by £1,639,000 and in 2013 by £1,679,000 to extend opportunities for children who attain the age of 4 years between 1st September and 31st August in the year before commencing statutory education, to access free education, 20 hours per week during term time;
- (4) the net revenue expenditure of the Home Affairs Department shall be increased in 2010 by £256,000, in 2011 by £263,000 in 2012 by £269,000 and in 2013 by £276,000 to provide the necessary funding for the implementation of the Discrimination (Jersey) Law 200-;
- (5) the net revenue expenditure of the Planning and Environment Department shall be increased in 2010 by £2.0 million, in 2011 by £2.5 million, in 2012 by £2.65 million and in 2013 by £2.65 million to fund further phases of the extensive package of environmental initiatives providing that a new Environmental Tax is approved by the States in 2009, following further public consultation, to fund this expenditure;
- (6) the net revenue expenditure of the Social Security Department shall be increased in 2010 by £842,000, in 2011 by £863,000, in 2012 by £884,000 and in 2013 by £906,000 for the purposes of providing work and vocational day care service opportunities for people with learning disabilities and people on the autistic spectrum ;
- (7) the net revenue expenditure of the Social Security Department shall be increased in 2010 by £2,056,000, in 2011 by £1,111,000, in 2012 by £716,000 and in 2013 by £351,000 to extend the phasing out of transitional relief, starting from October 2009, for those in receipt of protected benefit payments under income support and to increase the Winter Fuel Allowance in accordance with recent increases in the cost of fuel;
- (8) the net revenue expenditure of the Transport and Technical Services Department shall be increased in 2010 by £1.752 million in 2011 by £2.5 million, in 2012 by £2.5 million and in 2013 by £2.5 million to fund further phases of the package of Recycling and Sustainable Transport initiatives providing that a new Environmental Tax is approved by the States in 2009, following further public consultation, to fund this expenditure;

- (9) the net revenue expenditure of the Treasury and Resources Department shall be increased in 2010 by £308,000, in 2011 by £315,000, in 2012 by £323,000 and in 2013 by £331,000 to meet the additional costs associated with administering GST zero-rating;
- (10) the net revenue expenditure of the Law Officers' Department shall be increased in 2010 by £533,000, in 2011 by £546,000, in 2012 by £560,000, in 2013 by £574,000 to ensure there are sufficient resources to restructure the Department in order to meet the pressures on the Department and achieve service levels which are to be agreed with the Council of Ministers;

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, page 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, pages 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

Note: The Report and Annex accompanying this proposition are published separately.

GUIDE TO THE DRAFT ANNUAL BUSINESS PLAN 2009

Purpose of the Proposition

The Public Finances (Jersey) Law 2005 requires the Chief Minister to present an Annual Business Plan to the States each year seeking approval from the States for the allocations of revenue and capital expenditure for all States Funded Bodies (including trading operations) for the following year, in this case 2009. These approvals are sought in paragraphs (b) to (e) of the Proposition.

The Council of Ministers has agreed that, in addition, the States should also be given the opportunity to approve the levels of other resources to be employed for 2009, those being –

- States ICT resources, approved as part of the Capital Programme, paragraph (d);
- Income from property disposals, approved as part of the Property Plan, paragraph (f); and
- Law Drafting resources as part of the Legislation Programme, paragraph (g) of the proposition.

In line with a 5-year financial framework identified in the Strategic plan 2006–2010, the Council of Ministers also proposes the “in principle” revenue and capital expenditure limits for the 4 forecast years at paragraph (f), in addition to the budget year in paragraphs (b) to (e).

Following the debate of the Strategic Plan 2006–2010, in June 2006, the Council of Ministers also agreed that it would be appropriate to give the States the opportunity for an annual debate on the strategic objectives of each department. In the draft Annual Business Plan 2007, and in subsequent years, each Minister has presented their department’s key objectives and success criteria for debate and approval. This forms paragraph (a) of the proposition.

Additional briefings prior to debate

Immediately prior to lodging, the Council of Ministers will provide a summary briefing of the main expenditure and resource proposals and also an update of the States financial forecast.

An additional briefing has been arranged for States Members where each Minister will present the key objectives of their department, as proposed in the draft Annual Business Plan 2009, providing an opportunity for members to question and understand the proposals prior to the amendment deadline and debate.

Procedure for debate and handling amendments

The debate will commence with a series of debates on the Objectives in paragraph (a) and every Minister will present his or her Objectives in turn. A debate will then take place on each set of Objectives as listed in the pages of the Report referred to in the various sub-paragraphs. Any amendments will be taken under the sub-paragraph they

relate to. To avoid the confusion that may have arisen in the past about the content of this part of the overall debate on the Annual Business Plan, the Objectives have been printed in the main Annual Business Plan document so that members are clear on what material is subject to this part of the debate.

As required by the Public Finances (Jersey) Law 2005, the Summary Table A in paragraph (b) will be debated *en bloc* and the Minister for Treasury and Resources will propose this part of the proposition. As required by the Law, this means that the net revenue expenditure of all the States funded bodies listed in the Table will be proposed together. Amendments are possible to increase or decrease the expenditure of any States funded body in the list, either by increasing or decreasing overall States expenditure or by moving funds from one body to another. As the Table only contains a total figure it is not, however, possible to move funds from one purpose to another within a single States funded body, although an amendment to the Objectives in paragraph (a) may be a way to give an indication that a particular States funded body should use its resources in a different way.

After the debate on paragraph (b), the Minister for Treasury and Resources will propose paragraphs (c), (d) and (e) in turn. Amendments will be possible in the usual way.

Paragraph (f) asks the States to give ‘in principle’ agreement to the proposed increases in overall States spending for 2010 to 2013. Amendments to increase or decrease the proposed sums will be possible. Members who are proposing any overall increase or decrease in the 2009 expenditure figures through an amendment to paragraph (b) need to consider whether an amendment to paragraph (f) is necessary as well to ensure that the proposed increase/decrease in 2009 is reflected in future years if it is an on-going item.

After the debate on paragraph (f), the Minister for Treasury and Resources will propose paragraph (g) and the Chief Minister will propose paragraph (h). Amendments will be possible in the usual way.

All amendments must be lodged at least 2 weeks before the start of the debate because of the provisions of Article 11(4) of the Public Finances (Jersey) Law 2005. After this deadline amendments can only be lodged by the Chief Minister, and these can only be debated if the States agree to do so. Amendments must therefore be distributed by the States Greffe no later than Monday 1st September 2008, and time must be allowed before this deadline for the amendments to be finalised, approved and printed.

Revised Format – Draft Annual Business Plan Report

Part One (Objectives) – introduces the strategic and performance framework and details the key objectives of each department along with the success criteria which are proposed for approval for 2009.

Part Two (Finance and Resources) – provides an overview of the policies and process which have enabled the proposals within paragraphs (b) to (e) of the proposition to be developed. Part Two also includes an update on the States Financial Forecast, the financial framework and background against which the proposals have been prepared. The sections of the report are laid out in broadly the order of the proposition.

Part Three (Summary Financial Tables) – the tables provide the detail behind the overall revenue and capital expenditure limits for all States non-trading and trading departments for 2009 and then the “in principle” figures which are being proposed for 2010 to 2013. The final tables show the detail of the proposals for property disposals and proposals for the use of Law Drafting resources.

Draft Annex to the Annual Business Plan Report

The Annex is provided as supporting information for States members but it is not intended that this level of detail is the basis for debate. Within the overall revenue expenditure proposed and approved by the States for 2009 will be an amount allocated for each States department. Once approved, the Council of Ministers is able to manage those allocations between departments for 2009. Similarly, each Minister within the allocation for their department is able to manage the allocation across the services and objectives to be delivered.

The Annex follows the format of the draft Annual Business Plan Report. The Summary Tables in Part Three of the Report break down the total States spending by department and capital project; the Annex provides the detail behind the individual department totals and further detail and description behind the individual capital projects.

For each department a summary financial text is provided, together with a detailed breakdown of the year-on-year changes in cash limit and an analysis identifying the services and objectives that will be delivered.

Separate sections of the Annex are also provided giving details of the individual capital projects, properties for disposal and Laws to be drafted.

Changes from previous years

The structure of the draft Annual Business Plan Report and Annex have been improved since last year to –

- simplify the proposition;
- include the objectives for each department in the body of the report so that all items for approval are now contained in the main report;
- allow the Annex to be provided for reference only and as supporting information for States members, but which is not intended for debate itself.

A separate presentation on 24th July, in addition to the normal summary presentation on 14th July prior to lodging, is being provided by the Council of Ministers, at which each Minister will present and explain the key objectives of their department. This has been deliberately scheduled to take place after lodging, but before the summer recess, and to provide an opportunity for all States members to question Ministers and consider at an early stage any amendments that may be appropriate.