

STATES OF JERSEY



MEDIUM TERM FINANCIAL PLAN 2016 – 2019 (P.72/2015): SIXTH AMENDMENT

**Lodged au Greffe on 21st September 2015
by Deputy J.A. Martin of St. Helier**

STATES GREFFE

MEDIUM TERM FINANCIAL PLAN 2016 – 2019 (P.72/2015):
SIXTH AMENDMENT

PAGE 2, PARAGRAPH (b)(I) –

After the words “as set out in Summary Table C” insert the words “except that the net revenue expenditure of the Chief Minister’s Department and the Treasury and Resources Department should be reduced in 2016 in the sum of £90,000 and £67,000 respectively and the net revenue expenditure of the Social Security Department be increased by £157,000 to fund the continued provision of means-tested free television licences for the over-75s.

DEPUTY J.A. MARTIN OF ST. HELIER

REPORT

This is a very easy amendment which I hope will be supported. It transfers money that is being spent by 2 departments to support 2 Ministers and their Assistant Ministers: monies which have never been agreed by the States as they do not appear in the MTFP or the States Accounts.

I think this money will be better spent on the means-tested TV Licence benefit for over-75s which the Minister for Social Security is trying to stop. The current eligibility criteria are incomes below £16,070 for a single person and £26,170 for a couple. At **Appendix 2** you will see the current full rate of a States of Jersey Pension is £197.40 per week for a single person, and at **Appendix 3** the current cost for a one-bedroom flat at Andium rental prices, but these only go up to 80% of current market rent, and the intention is to increase all these rents to 90% of the market rent. The single full pension does not cover most of the rental properties in the Andium portfolio. Why then would we take a very good means-tested benefit away from many of the most vulnerable in our Island?

I think this benefit has been targeted because it was easy to take it away. The Minister has not looked at other solutions: she says it is because more people are living longer and the cost of the benefit will keep increasing. Has there been any discussion of staggering the age to receive this benefit? No, this has not happened. Many of the over-75s and upwards are still very active, but there are also many that are housebound and the TV is their lifeline; there has not even been a discussion or a proposal to target this benefit to people with a disability. NO – it was just easy for the Minister or the Department to propose that this benefit is taken away. I have put more than needed into the Social Security budget over the lifetime of the MTFP, as the Minister says in P.104/2015 that the cost of this benefit, as it is now, will be under £100,000 a year, I put in more to account for growth over these years. This will also enable the Minister time to really look at the impact of taking this benefit away or possibly delivering it as a better targeted benefit. Now I'll go on to explain why this money should be moved:

I asked a written question (8789 attached at **Appendix 1** is the full reply) in the States which was submitted for the meeting on 12th May, but was deferred until 14th July 2015.

I was contacted by the Treasury by telephone and was asked if I would allow the answer to the question to be pushed back. There were 2 explanations for this: first, the majority of the staff were working on the MTFP, second, they do not hold this information and would take some time to find out the costs I required in the question. I was very surprised as to the second part of the explanation, as after 10 years of Ministerial Government I would expect this to be in calculations for spending somewhere in each Department's budget. The Public and other States Members need to know the cost for Ministerial Government: we know the cost of Scrutiny and its support and that monies have been returned to the centre from this budget in most years.

I agreed to be helpful and the reply came at our last States Sitting in July. Please note the comment at the end of the question under "**Notes** Secretarial/administrative support and direct officer support:". In the fourth line, which starts –

“However, I can confirm that the Treasury and Resources Minister and the Chief Minister both have dedicated PAs (who also work for the relevant Assistant Minister and Assistant Chief Ministers) and their costs amount to an average of £67,000 per year for the Treasury Minister and c. £90,000 for the Chief Minister”.

(These are the monies I want moved.)

The reply then goes on to say *“As the organisation becomes more flexible and departments work more closely together, these kinds of estimations will become even more difficult.”*. What we keep being told is that as departments merge or work together costs will go down, but how do we and the taxpayer measure this, as we do not have a start figure? I do not say there is not a cost to Ministerial Government, but it must be **Transparent, Open and Accountable**.

I am also lodging a separate proposition which asks the Council of Ministers to provide, in addition to the Medium Term Financial Plan covering the years 2017 to 2019, breakdowns and estimates for the financial costs of the dedicated support for Ministers and Assistant Ministers by individual Department and as a total.

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY J.A. MARTIN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 14th July 2015**

Question

Can the Chief Minister –

- 1 outline the portfolio of each Minister and how this is supported by Assistant Ministers?
- 2 itemise the annual cost of each Ministerial Department, including support of the Assistant Minister(s) to take into account the cost of:
 - office space (rental)
 - secretarial/administrative support
 - direct officer support (giving the number and grades of the officers involved)
 - IT support
 - telephone costs
 - travel costs?
- 3 provide the whole budget for supporting Ministerial Government expressed in the same way as the allocation to Scrutiny is shown in the States Assembly accounts and indicate whether this budget can be identified in the States accounts and, if so, how?
4. advise when, and how, this budget was agreed and whether it is inflated in accordance with the cost of living each year and whether there have been any over or under-spends to date?
5. provide the budgets and manpower figures specifically relating to supporting Ministers from December 2011 until the election of the new Council of Ministers in November 2014 to give a full 3-year account of the cost of supporting ministerial government?

Answer

1. In accordance with Article 30A of the States of Jersey Law 2005, the Chief Minister is required to ‘establish, maintain and publish a list of Ministers and Assistant Ministers and the functions exercisable by each of them and by the Chief Minister personally.’ The most recent published list is contained in [R.19/2014](#).
2. Estimated costs for each Minister for 2014 are shown in the table below. These figures have been calculated by Departments solely for the purpose of answering this question and are approximate.

2014	Home Affairs	Social Security	Treasury & Resources	Education, Sport & Culture	Transport & Technical Services	Environment	Chief Minister, Housing & External Relations Ministers	Economic Development	Health & Social Services
Office space (rental)	£10,950	£3,000	£6,574	£5,100	£4,500	£6,000	£8,858	£9,000	£5,400
I.T support	£900	£599	£900	£450	£827	£450	£2,700	£900	£900
Telephone costs	£223	£84	£135	£488	£628	£22	£2,937	£306	£232
Travel costs	£0	£0	£17,029	£2,111	£0	£2,367	£41,418	£10,108	£300

2013	Home Affairs	Social Security	Treasury & Resources	Education, Sport & Culture	Transport & Technical Services	Environment	Chief Minister, Housing & External Relations Ministers	Economic Development	Health & Social Services
Office space (rental)	£5,820	£3,000	£6,414	£5,100	£4,500	£6,000	£8,404	£9,000	£5,400
I.T support	£900	£427	£900	£450	£827	£450	£1,350	£900	£900
Telephone costs	£345	£84	£199	£488	£628	£324	£1,684	£306	£232
Travel costs	£0	£0	£17,132	£2,111	£0	£2,367	£20,383	£10,108	£300

2012	Home Affairs	Social Security	Treasury & Resources	Education, Sport & Culture	Transport & Technical Services	Environment	Chief Minister & External Relations Minister	Economic Development	Health & Social Services
Office space (rental)	£5,820	£3,000	£6,257	£5,100	£4,500	£6,000	£8,200	£9,000	£5,400
I.T support	£900	£1,097	£900	£450	£827	£450	£1,350	£900	£900
Telephone costs	£292	£84	£1,255	£488	£628	£315	£1,819	£306	£232
Travel costs	£66	£0	£15,646	£1,620	£0	£2,292	£8,644	£10,230	£3,566

Notes

- Secretarial/administrative support and direct officer support: Departments vary in how Ministers are supported and their PAs perform a range of tasks. PAs/secretaries often manage the administration of the Minister, Assistant Minister and Chief Officer, and also perform other work for the department, as required. Likewise, officers undertake a range of functions and provide a varying level of specific support for individual Ministers and Assistant Ministers as the work demands. However, I can confirm that the Treasury and Resources Minister and Chief Minister both have dedicated PAs (who also work for the relevant Assistant Minister and Assistant Chief Ministers) and their costs amount to an average of £67,000 per year for the Treasury Minister and c. £90,000 for the Chief Minister. As the organisation becomes more flexible and departments work more closely together, these kinds of estimations will become even more difficult. For instance, the new Community and Constitutional Affairs department is made up of a variety of officers and administration staff who support a number of ministers and assistant ministers (Chief Minister, Housing Minister, Home Affairs Minister and Assistant Minister, the chair of the Legislation Advisory Panel, and an Assistant Chief Minister) and discharge a range of policy and operational functions. This makes it difficult to separate out the percentage of support provided by specific staff members to individual Ministers and Assistant Ministers, compared with their departmental work.
 - Travel cost: Data for 2014 has not yet been published. Where updated information is not available, 2013 data from R.158/2014 is used as an indication of cost and/or taken from reports published to the States Assembly.
 - Office space costs: Shown as notional rental values. Most departments do not rent office space.
3. The budget for supporting Ministerial Government is not separately identifiable within the States' Financial Report and Accounts, and as noted above, it is not readily possible to separate work undertaken on behalf of a Minister and work undertaken on behalf of a Department, and indeed, they are ultimately one and the same thing, i.e. the cost of ministerial government is the cost of government.
 4. This cost is not managed by departments as a separately identifiable budget. As such it is not subject to specific over or underspends. Pay and non-pay inflation will have been allocated in accordance with arrangements across all departmental expenditure.
 5. As outlined above, budgets and manpower figures are not specifically identified for supporting Ministers so it is not possible to give a meaningful answer to this question. As an example, where the costs of secretarial and administrative support have been given these relate in most cases to a fraction of an employee's time. The table shown in the answer to question 1 is also shown for 2013 and 2012 to allow the Deputy to approximate a cost.

APPENDIX 2

Extract from:

<http://www.gov.je/Benefits/PensionsRetirement/Pages/HowPensionWorks.aspx#anchor-0>

About pensions: rates and claiming ages

A pension is a weekly benefit paid to you when you reach a certain age to help cover your basic needs in retirement.

The amount of pension you receive will depend on the amount of social security contributions you have paid during your working life.

Your pension is taxable so you must declare how much pension you receive on your tax return each year.

Current pension rate

The current full-rate pension is £197.40 a week.

If you're a married man, you'll get an increase of £130.34 a week if your marriage took place before 1 April 2001.

Your pension will be paid four weeks in advance directly into an account with any recognised bank or building society.

The rate of pension is reviewed on the first Thursday of October every year. We use the Jersey Earnings Index published on 30 June of the same year.

You don't have to do anything to receive the increase. It'll be paid to you automatically and you'll receive a letter telling you your new rate.

Age you can take a pension

If you were born before 1 January 1955, your pension is normally paid when you reach 65.

If you were born on or after 1 January 1955, your pension age has changed.

You can claim a reduced pension at any point when you're between 63 and 65, but this reduced rate is payable for life. You must take this into account when planning for your future.

Women who joined the Social Security scheme before 1 January 1975 can claim a pension when they reach the age of 60.

Sent: 31 July 2015 16:39
To: Judith Martin
Subject: Re: Housing

Dear Judy

We have reviewed this case and will do what we can to assist *[name redacted]* as soon as we can.

Unfortunately Le Squez Phase 3 only offers 4 x 2 bed houses, the rest are 4 beds and we are relying on all these units to assist us in decanting Phase 4 tenants, who as you know have to move in order to allow us to move on with the final phase of the Le Squez regeneration.

Phase 4 may offer more opportunities, but that is of course some way off so I would hope we would be in a position to help *[name redacted]* with other turnover in the area before then. The Allocations Team are aware of her predicament.

In regards to the rents, please find below a scale which shows the range of rents across the 1, 2 and 3 bed properties.

Type of unit	Number of units	Mid-point per week	The weekly rent of 80% of our units fall within the ranges below	
		£	£	£
1 bed bungalow	39	210.45	191.31	222.14
1 bed flat	1784	175.37	163.67	205.77
1 bed house	27	210.45	192.91	244.45
1 bed maisonette	3	187.06	187.06	198.76
2 bed bungalow	6	276.35	244.45	276.35
2 bed flat	1138	227.52	212.56	255.09
2 bed house	240	268.90	255.08	297.60
2 bed maisonette	143	198.76	244.45	268.90
3 bed bungalow	2	276.35	276.35	344.90
3 bed flat	93	245.51	212.56	276.35
3 bed house	721	318.86	297.60	339.05
3 bed maisonette	41	286.97	265.71	292.29
Total	4237			

If you have any further queries please come back to me.

Regards

Client Engagement & Communications Director

www.andiumhomes.je



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