

## Education and Home Affairs Scrutiny Panel

### Medium Term Financial Plan

#### Questions for the Home Affairs Minister

Public hearing 23<sup>rd</sup> July 2012 at 3pm in Le Capelain Room

- 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 Medium Term Financial Plan and, if so, why has it changed?**

The net expenditure limit for the Home Affairs Department for 2012 included in the 2012 Annual Business Plan is £48,584,600.

The 2012 Annual Business Plan does not include overall expenditure limits for the Home Affairs Department for 2013 and 2014. Summary Table E in the 2012 Annual Business Plan details the Total States Net Expenditure Allocations 2012 – 2014 (As Amended) but the figures for 2013 and 2014 are not split between Departments.

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- 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?**

Figure 6.5 in the 2012 Annual Business Plan details the CSR Growth Proposals for 2012 and 2013.

The 2012 growth proposals included:

Establishment of a Police Authority	£100,000
Filling of essential vacancies (staff increments)	£320,000
Sex Offenders Legislation transferred to the Judicial Greffe, Probation and Health and Social Services)	£884,000
Total	£1,304,000

This funding has addressed the issues which prompted the requests.

The growth proposal of £186,000 relating to filling of essential vacancies (staff increments) for 2013 has been included in the Department's 2013 Net Revenue Expenditure for 2013.

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

Changes in staffing levels in 2013 are as a result of CSR savings proposals which were detailed in the 2012 Annual Business Plan with the exception of the merger of the Fire and Rescue Service and Ambulance Service which is not being progressed at this stage.

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

Please refer to Attachment A.

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

The following are changes in the way in which Services will be delivered rather than changes to the Services themselves:

Repatriation of Prisoners

We will be aiming to minimise the prisoner population by repatriating foreign prisoners, principally those subject to a deportation order, to their country of origin and further prisoners to England and Wales on unrestricted terms.

Zero hours tutors

There will be a review of the extent to which education will be delivered by this means at the Prison.

Passport printing

Although there is no date set, passports will eventually be printed off Island owing to the complexities of printing biometric passports.

Police Authority

In 2013 there will be a Jersey Police Authority constituted as a result of the States of Jersey Police Force Law recently adopted by the States.

All Service Areas will be engaged in the Public Sector Reform 2012 – 2018, *A Collaborative Approach with the Government*, details of which are still under development. (Reference email from Chris Stephenson, Director, Employment Relations, email dated 12 July 2012.)

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

2011 Year end position - £1,536,534 underspend.

£83,000 was returned to the Consolidated Fund (Implementation of Sex Offenders Legislation – funding not required by Probation or Health and Social Services £42,200 and JCIS underspend on Court and Case Costs £40,800)

£1,453,534 was carried forward to 2012.

	£'000	£'000
Slippage in CSR Savings Delivery		992.8
<b>Other</b>		
Restructuring Provision	24.5	
Delays in 2011 Projects	102.0	
Specific projects	334.2	460.7
		<b>1,453.5</b>

Please refer to Attachment B for detailed breakdown.

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

Service spending pressures were identified by the Service Heads early in 2012. There was no process within Home Affairs to identify any bids for new growth only to maintain existing services.

The Department's request for growth funding in the MTFP endorses its contribution to "business as usual". Funding pressures would be addressed, in the first instance, by reprioritising of resources in order for the Department to continue to deliver its core functions.

**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?**

<b>Proposed Funding Source</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Central Contingencies	£'000	£'000	£'000
Annual Growth Allocation			
<b>Growth Bids</b>			
Staff Increments	144	450	600
Equipment/Vehicle Replacement	-	200	200
Maritime Incident Response Group	-	50	50
Prison! Me! No Way!!!	27	30	30
	171	730	880

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

None.

**10. Which bids for growth in the Medium Term Financial Plan were unsuccessful and what will be the likely impact?**

It is proposed that the 2013 bids are funded at 90%, the shortfall would be met by reprioritising expenditure within the Home Affairs 2013 budget for one year only.

Equipment/ Vehicle Replacement and the Maritime Incident Response Group bids have been slipped by one year. This slippage will be managed as follows:

Vehicle/Equipment Replacement

This funding is required for the revenue consequences of the new vehicle acquisition arrangements managed by Jersey Fleet Management from 2012 and the reinstatement of funding for specialist equipment (previously minor capital items).

The Department will seek to manage slippage of one year only by phasing expenditure but will only be able to manage this slippage in funding if it is able to carry forward unspent balances from 2012 to 2013.

MIRG

In September 2011 the UK Department for Transport (DfT) announced that, as part of its Comprehensive Spending Review programme, the Maritime and Coastguard Agency would cease its share of the funding for the National Maritime Incident Response Group (MIRG). The MIRG became non-operational in December 2011.

Interim provisions for maritime incident response are in place. Fire and Rescue Services in the UK are putting pressure on the Government to fund the MIRG so it will be appropriate to review the funding arrangements for 2014 and beyond if there is any change in circumstances.

The Home Affairs Department will seek to fund the costs associated with the MIRG in 2013 but will only be able to manage this slippage in funding if it is able to carry forward unspent balances from 2012 to 2013.

**11. In which areas of the Department were CSR savings targets 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?**

Targets

The Department's CSR savings target for the period 2011 – 2013 is £3,654,000 which is equal to 7.7% of the Department's 2010 Gross Budget.

In addition User Pays proposals of £92,000 have been identified along with Procurement Savings in 2013 of £275,800. This increases the Department's contribution to the CSR process to £4,022,000 which is equal to 8.4% of the Department's 2010 Gross Budget.

A breakdown by Service Area can be found in Attachment C.

Project Delivery

In November 2010 the Accounting Officer prepared a Delivery Plan for the Home Affairs CSR savings.

The Plan identified the in-house projects which require the discipline of organised project management. The HA Programme Board commenced its meetings in February 2011 and consists of the Accounting Officer, Finance Director, Senior HR Manager and the Project Manager. The main purpose of the Programme Board meetings is to review project programmes, assess the risks, consider risk mitigations where necessary, approve any changes to the project, sign off phases and report to the States Programme Board periodically. The Board adopts a system of exception reporting focusing discussion and action where it is needed.

The current RAG ratings for financial delivery confidence of the Department's 2012 and 2013 CSR projects are shown in Attachment D.

In the case of some projects contingency plans are in place for the short term delivery of savings until the projects are fully implemented and savings realised eg. Repatriation of Prisoners.

**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?**

Capital Programme 2013 – 2015

The projects detailed for the Home Affairs Department will be managed and delivered by Jersey Property Holdings.

	2013	2014	2015
	£'000	£'000	£'000
Police Station Relocation - Tranche 4	1,000	1,000	-
Prison Improvement Works - Secure Gatehouse and Administration/HQ Facility	-	-	7,532

Included in the Replacement Assets allocation is the reinstatement of minor capital funding to fund specialist equipment costing in excess of £10,000 which is capital expenditure in accordance with the Jersey Financial Reporting Manual (JFRm).

Long Term Capital Plan 2012 - 2032

Home Affairs consists of a number of diverse services including for the Prison Service, Jersey Fire and Rescue Service, States of Jersey Police and the Customs and Immigration Service. The capital requirements for Home Affairs are relatively modest by comparison with other departments with £44m of the total Home Affairs requirement of £60m included in this plan related to Prison Improvements.

- *Minor Capital Assets (£7m)*  
This minor capital amount is mainly to fund specialist equipment and vehicles that would not be purchased through Jersey Fleet Management. An amount of £4.3m is an allowance for minor capital in the 2023-2032 period and represents a high level estimate.
- *Tetra Radio Replacement (£4.5m)*  
The Tetra Radio system is due for replacement within the lifetime of this plan and has been scheduled for 2022.
- *Prison Improvement Works Phase 6 (£7.5m) and 7-12 (£36.2m)*  
The Prison was designed in the late 1960s and was opened in 1974. Typically, prisoners are housed in various cell blocks of differing capacities along a central corridor and, due to the diversity of prisoner groups, accommodation cannot be met in alternative ways.

Various works have been undertaken since the Prison opened and this plan includes provision for Phases 6-12 of the overall Masterplan. Phase 6 is for the construction of a new Secure Gatehouse and Administration/HQ Facility which completes the terrace of three buildings forming the new façade to HMP La Moye. The remaining phases are:

Phase 7 – Workshops
Phase 8 – Health and Segregation
Phase 9 – Workshops and Education
Phase 10 – B Wing and Female Workshops
Phase 11 – Refurbishment of H Wing
Phase 12 – Outworkers Block

- *Fire Appliance Replacement (£0.45m)*  
Replacement of the Jersey Fire and Rescue Service Aerial Ladder Platform Vehicle
- *Police Headquarters (£4m)*  
Continuation of funding for the Police Headquarters that makes the total funding available £21m. This includes £2m for 2012 and two further amounts in 2013 and 2014.

All property projects will be managed and delivered by Jersey Property Holdings.

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

- The redevelopment of the Summerland and Rouge Bouillon sites post the Police Headquarters move is not provided for. In recent years, the replacement of the Jersey Fire and Rescue Service Headquarters was included in the future capital programme but this has dropped out as the capital programme has seen reduced funding. However, the requirement

remains and we believe the strategic aim is to co-locate the Jersey Fire and Rescue Service with the Ambulance Service, probably on the Rouge Bouillon site. Funding of £100,000 for a feasibility study to consider the relocation of the Ambulance and Fire stations is included for Health and Social Services in the 2013 Combined Capital Programme.

- The Prison Masterplan was originally a tighter programme of re-development but this has been 'stretched' as the capital programme has reduced to the point where there is no prospect of the Masterplan being completed in the foreseeable future.

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

- In relation to border controls, the printing of passports off-Island and developments around e-borders.
- The introduction of TASER by the States of Jersey Police.

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**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 CSR process all Service Areas considered the potential for new 'user pays' charges. The Minister agreed to pursue additional 'user pays' income as follows:

- Increase in Fire Certification charges of £5,000.
- Article 15 of the Fire and Rescue Service (Jersey) Law 2011 enables the Minister, by Order, to set charges for certain actions taken by the Fire and Rescue Service and to specify the persons who may be charged. The imposition of the charges are at the discretion of the Chief Fire Officer. The Minister has made the Fire and Rescue Service (Charges) (Jersey) Order 2012 and it is anticipated that £87,000 will be generated in 2013 by new or revised 'user pays' charges.

In addition, the generation of income has been included as part of the target savings for the Law Enforcement Review, currently £62,000 of the target savings of £614,000, (£25,000 attributable to the States of Jersey Police and £37,000 from the Jersey Customs and Immigration Service).

In previous years a former Minister, and the current Minister, pursued the introduction of 'user pays' charges for the sates of Jersey Police for the policing of certain events but this ran into difficulties in relation to appeals.

With regard to existing 'user pays' charges the 2013 – 2015 proposed net revenue expenditure limits include an assumption that existing charges will be increased by 2.5% per annum. As a number of the Home Affairs income streams are linked to UK charges eg Passport Fees, the Department is reviewing how the required increases in income can be generated.

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

The Department will be making a bid to the restructuring provision in 2012 for the reimbursement of backfilling staff costs in respect of the Criminal Justice Process Review.

There is the potential for further bids in 2012 and 2013 of a confidential nature which the Minister is happy to discuss with the Scrutiny Panel in confidence.

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

The Department's 2012 Income budget is £1,795,900, the main sources of which are:

- Passport fees;
- Fees for legalisation of documents;
- Immigration fees;
- Prison canteen sales;
- Prison horticultural and carpentry sales;
- Property rentals;
- Police checks.

Details of all income sources can be found at Attachment E.

A number of the Home Affairs income streams are linked to UK charges with the agreement of the Treasurer. eg Passport Fees. As the 2013 – 2015 proposed net revenue expenditure limits include an assumption that existing charges will be increased by 2.5% per annum the Department is reviewing how the required increases in income can be generated.

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**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?**

It is possible that the Department will be receiving some assistance from a private source in its efforts to deter drug trafficking at the borders.

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

None.

Home Affairs Department  
16 July 2012

## Home Affairs Department

### Details of Carry Forward Funds from 2011 to 2012

#### Slippage In CSR savings delivery in 2012 and 2013

- States of Jersey Police £799,200

The 2011 planned underspend will be utilised in the first instance to mitigate the impact of slippage in the delivery of 2012 and 2013 CSR savings proposals. If funds are not available to carry forward it may be necessary to further reduce staff numbers (£799k is equivalent to around 16 constables).

- Home Affairs £193,634

The balance of the underspend is required to mitigate the slippage in CSR savings delivery in 2012 and 2013 (non Police Projects).

#### Restructuring Provision £24,500

An amount of £29,000 was agreed from the Restructuring Provision for the costs associated with changes to PECRS required for the introduction of a new Prison Officer grade. As at 31 December expenditure of £4,500 has been incurred and the balance of £24,500 will be required in 2012 for the work to be completed.

#### Delays in 2011 Projects £102,000

Maintenance works managed by JPH:

- Jersey Fire and Rescue Service - roof repairs £55,000
- Jersey Field Squadron - repairs required on the east facing façade £35,000

JCIS planned expenditure £12,000

#### Specific Projects

- JFRS - Retention of Offshore Ship Firefighting Capability £50,000

Funding for 2012 only as detailed in MD-HA-2011-0070. Funding from 2013 will need to be considered against the new Growth allocation for 2013 onwards, in accordance with procedures for the new Medium Term Financial Plan.

- Prison Me No Way Grant £45,000

Home Affairs (BaSS) contribution (not included in 2012 cash limit) £20,000 and overall 2012 funding shortfall £25,000.

Amendment 15 to the 2012 ABP stated that the Council of Ministers would be prepared to commit to top up any shortfall in funding agreed with PMNW up to a total of £60,000, from the Provision for Central Reserves during 2012. If the Department is able to carry forward these funds there will be no need for any funding from central reserves in 2012.

Funding from 2013 has been submitted for consideration against the new Growth allocation for 2013 onwards in the Draft Medium Term Financial Plan.

- CICS £44,200

To supplement the 2012 budget as the Accounting Officer has no control over the amount or quantum of awards agreed by the Criminal Injuries Compensation Board.

- Vetting and Barring Office £55,000

Review of staffing and arrangements with CRB –additional staff may be required for the SoJP.

- Prison – New Pay Spine £90,000

In 2011 the SEB approved the move to a new pay spine for Prison Officers and if no pay award funding is available in 2012 there will be a potential funding shortfall – as detailed in a letter from the Accounting Officer to the Treasurer dated 15 September 2011.

- Prison Inspection £50,000

Possible Prison inspection in 2012/13.





<b>Total Savings</b>	<b>1,014</b>	<b>1,064</b>	<b>1,668</b>	<b>3,746</b>	<b>7.9%</b>	% 2010 Gross Budget
<b>Procurement Savings</b>	-	-	276	276	<b>0.6%</b>	% 2010 Gross Budget
	<b>1,014</b>	<b>1,064</b>	<b>1,944</b>	<b>4,022</b>	<b>8.4%</b>	% 2010 Gross Budget

\* £55k delivered early in 2011