

STATES OF JERSEY



DRAFT ANNUAL BUSINESS PLAN 2010 (P.117/2009): SIXTEENTH AMENDMENT (P.117/2009 Amd.(16)) – COMMENTS

**Presented to the States on 21st September 2009
by the Council of Ministers**

STATES GREFFE

COMMENTS

Amendments 1-3

The Council of Ministers supports the aim of Education, Sport and Culture (ESC) to provide a first class education service, support the development of skills, and promote leisure and cultural activities. To this end, ESC is developing a long-term strategic plan for Education, Sport and Culture, and in this connection it has already initiated reviews of the following areas –

- Vocational provision for 14-19 year olds;
- Funding of primary and secondary education;
- Social inclusion: support for students with additional needs.

These reviews are critical to any in-depth assessment of secondary education, and they are scheduled for completion by June 2010. It is anticipated they will result in a number of options being developed for the future structure of secondary education, and it is therefore proposed that Amendment 1 should be accepted on the basis that the review of secondary education would be completed by June 2010 rather than April.

In relation to Amendment 2, the ESC Department has proposed in its 2010 Business Plan that it will monitor and review the implementation of the Cultural Strategy, and this will also be relevant to the development of a long-term strategic plan. The proposed review can therefore be undertaken as part of this work, and can be completed by April 2010.

Turning to Amendment 3, the Council of Ministers has previously agreed with the ESC Minister that there will be a comprehensive review of spending across the ESC Department and, as part of this review, it will be examining the management structure of the department. The element of the review relating to the management structure can be completed by April 2010.

The Council of Ministers accordingly accepts these three parts to the Amendment as indicated.

Financial and manpower implications

The reviews currently being undertaken by the ESC Department are being managed within existing resources. It is likely, however, that there will be additional costs associated with the external peer review of the ESC management structure, as referred to in Amendment 3, and it may be necessary to reprioritise existing resources to meet these costs.

Amendments 4 and 5

The Education and Home Affairs Scrutiny Panel has requested that a new objective be inserted and additional funding of £250,000 be agreed for Home Affairs in 2010 in relation to the implementation of Discrimination Legislation.

The Council of Ministers believe these parts of the amendment are unnecessary. The following comment clarifies the position of the Home Affairs department and demonstrates that the saving of £250,000 in 2010 is achievable without affecting the

current implementation plan for the legislation, and that £100,000 will be available in 2011 once the law comes into force.

The Council of Ministers therefore opposes the amendment as the Scrutiny Panel proposes an increase to net revenue expenditure of £250,000 without identifying equivalent savings, offsetting reductions in expenditure or additional funding and therefore increases the deficit position in 2010.

Comment

The Discrimination Law is one of the Minister for Home Affairs' priorities for 2009 and 2010. It is 'work in progress'. In recent weeks, he and the assistant Minister have carried out a thorough review of the draft law and have had discussions with the Minister for Social Security and the Law Draftsman in order to progress it.

One of the main obstacles to progress was the likelihood that there would not be any law drafting time for the first set of Regulations (Race) until 2011. However, the indications are that the law drafting process is likely to move towards a more flexible, rolling programme of allocating drafting time in order that departments can take advantage of gaps in the programme caused by slippage in the availability of law drafting instructions from departments who had been allocated specific time. Consequently, if the brief covering Race Regulations can be prepared in the months ahead, there would be a possibility of having them available next year. The Minister has always maintained that this is 'work in progress' and, in view of the possibility of law drafting time becoming available, it may not be the case that matters are delayed until 2011.

Turning to the proposed amendments, the first suggests inserting a new Objective 7 into the Home Affairs key objectives on page 25. An objective to introduce discrimination legislation by the 1st January 2011 is a subsidiary, rather than a key, objective. It should more properly be placed in the consolidated legislation programme commencing on page 251 of the Annex to the Draft Business Plan 2010.

Although the £250,000 earmarked for implementation of the law is part of the corporate savings measures for 2010, the Council of Minister's intention was to restore £100,000 p.a. from 2011. The Department does not require dedicated funding during the law drafting process, but it will need some funding in advance of the law coming into force in order to set up the administrative support (offices, secretarial, etc.); recruit a Discrimination Officer; provide for a mediation facility; implement a training programme, especially for the Tribunal members; and publicity/awareness. The remaining cost would be after implementation for Tribunal members' expenses in dealing with cases.

A significant amount of work remains to be done: finalising the Tribunal arrangements with Social Security and the Tribunal Chairmen; working with the Social Security Department on the Employment Law; drafting Regulations, either as part of the law or as 'stand alone' Regulations; drafting those Regulations; gaining human rights compliance clearance; Council of Ministers approval; consulting on the Regulations; lodging and debating the law; Privy Council approval; and further down stream, recruiting, training and briefing. Implementation at some point in 2011 is, therefore a more realistic expectation.

Financial implications

The Amendment proposes increasing the Net Revenue Expenditure for 2010 by £250,000 and therefore increases the proposed deficit.

The amendment does not identify equivalent savings, offsetting reductions in expenditure or additional funding and is incompatible with the key resource principles of the Strategic Plan approved by the States in June, and the strategic objective to “Ensure sustainable Public Finances” and maintain approved spending limits.

The scale of the projected deficits in future are such that it would be unwise to make that position worse in the short-term by approving additional expenditure unless matched by savings or additional income

Amendment 6

The Education and Home Affairs Scrutiny Panel has requested that an allocation of £500,000 be made from the consolidated fund to pay for the demolition of the Fort Regent Swimming Pool in 2010.

The Council of Ministers opposes this amendment on the basis that –

1. The level of expenditure actually required to demolish the Fort Regent Swimming Pool is now £750,000 and not £500,000 as indicated in the amendment.
2. Demolishing the Pool will not act as a catalyst for further development at Fort Regent.
3. JPH is already required to deliver £20 million over the next 5 years to fund a fully allocated Capital investment programme .This amendment would require the proposed capital programme be reduced, reprioritised or additional funding identified as appropriate.

Comment

- Whilst it is accepted that the Fort Regent Swimming Pool is in poor condition and detracts from the visual amenity of Fort Regent, Jersey Property Holdings (JPH) has, through its comprehensive review of repairs required to the property portfolio, determined that there are more pressing needs for expenditure on Health and Safety related works.
- Current prices for demolishing the pool structure, excluding removal of the concrete pool structure and foundations, but including the disposal of any asbestos containing materials have recently been obtained by JPH. Including a contingency to cover unforeseen issues the total price is close to £750,000. This allows for demolishing to ground level with the concrete spoil being crushed to infill the pool. There may be additional costs for restoring the site to an even surface level if the quantity of spoil is insufficient.

- The report states that demolition will ‘...focus the mind on future use’, however JPH is concerned that this could have the opposite effect - i.e. if the pool goes then there is less drive to deal with the remainder of the site.
- The demolition should be part of an integrated development of the site.
- The report also states that the current structure is ‘...frustrating future planning of the site.’ This is not correct – future planning is frustrated by lack of resource to progress detailed Master-planning.
- The report proposes funding ‘...be offset from the ongoing asset disposal programme.’ JPH is required to deliver £20 million over the next 5 years from the disposal of property assets. All of these funds have already been allocated to future capital projects.

Financial impact

The Amendment proposes increasing the Net Capital Expenditure for 2010 by £500,000 and therefore increases the proposed deficit, however this would not be sufficient as current estimates suggest the cost is likely to be nearer to £750,000.

The Scrutiny Panel’s report suggests that this could be offset by the ongoing asset disposal programme, but JPH is already required to deliver £20 million over the next 5 years from the disposal of property assets just to enable the proposed programme of future capital projects.

The amendment does not identify equivalent savings, offsetting reductions in expenditure or additional funding and is incompatible with the key resource principles of the Strategic Plan approved by the States in June, and the strategic objective to “Ensure sustainable Public Finances” and maintain approved spending limits.

The scale of the projected deficits in future is such that it would be unwise to make that position worse in the short-term by approving additional expenditure unless matched by savings or additional income