



Government Plan 2021-24



GOVERNMENT PLAN
2021-24



Government of
JERSEY

R.16/2021

Government Plan 2021-2024 (P.130/2020) as amended

On 18th December 2020 the States Assembly approved the Government Plan 2021-2024 (P.130/2020), as amended.

This document sets out:

- The P.130/2020 Proposition and Summary Tables, as amended by the States Assembly (see Appendix 2).
- The Government Plan 2021-24 as amended to include all amendments agreed by the States Assembly (see Appendix 7) together with any necessary consequential and minor factual changes.

Our purpose

Our purpose as the Government of Jersey is to serve and represent the best interests of the Island and its citizens:

In order to do this, we must:

- Provide strong, fair and trusted leadership for the Island and its people
- Deliver positive, sustainable, economic, social and environmental outcomes for Jersey
- Ensure effective, efficient and sustainable management of public funds
- Ensure the provision of modern and highly-valued services for the public.

How to use the Government Plan 2021-2024

Part One sets out the approach the Government of Jersey has taken in this Government Plan to protect the Island's future. This includes how we will continue to respond to Covid-19, including through health, social and economic recovery and fiscal stimulus, how we will continue to invest in the Common Strategic Policy priorities, how we have listened to Islanders and how we have taken into account sustainable public finances and sustainable wellbeing, as required by the Public Finances (Jersey) Law 2019.

Parts Two and Three outline how the Government will invest in the five strategic priorities, while continuing to respond to the challenges of the global pandemic. At the same time, how we will continue our progress on modernising and driving efficiency across the Government.

Part Four sets out how the Government will make sure that expenditure is sustainable, using borrowing to support it, and enabling a plan to be delivered to balance the budget in the medium-term, continuing to invest in strategic priorities and preserving our reserves for any potential future shocks to our economy.

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Council of Ministers

as of 1 January 2021



Senator John Le Fondré

Chief Minister



Senator Lyndon Farnham

Deputy Chief Minister
Minister for Economic Development, Tourism, Sport and Culture



Senator Ian Gorst

Minister for External Relations



Deputy Carolyn Labey

Minister for International Development



Deputy Kevin Lewis

Minister for Infrastructure



Deputy Judy Martin

Minister for Social Security



Deputy Jeremy Maçon*

Minister for Children and Housing (elected 17 November 2020)



Connétable Len Norman

Minister for Home Affairs



Deputy Susie Pinel

Minister for Treasury and Resources



Deputy Richard Renouf

Minister for Health and Social Services



Senator Tracey Vallois

Minister for Education



Deputy John Young

Minister for the Environment

*replaced Senator Sam Mézec, Minister for Children and Housing to 9 November 2020

Assistant Ministers

as of 1 January 2021



**Connétable
Richard Buchanan**

Assistant Chief Minister,
Assistant Minister for
External Relations



**Deputy
Rowland Huelin**

Assistant Chief
Minister



**Deputy
Scott Wickenden**

Assistant Chief
Minister, Assistant
Minister for Social
Security



**Deputy
Lindsay Ash**

Assistant Minister
for Treasury and
Resources
Assistant Minister for
Home Affairs



**Deputy
Gregory Guida**

Assistant Minister
for the Environment,
Assistant Minister
for Home Affairs



**Deputy
Kirsten Morel**

Assistant Minister
for Economic
Development, Tourism,
Sport and Culture
(Appointed
8 December 2020)



**Deputy
Jess Perchard**

Assistant Minister for
Environment
(Appointed
3 December 2020)



**Deputy
Hugh Raymond**

Assistant Minister
for Health and Social
Services,
Assistant Minister for
Infrastructure
Assistant Minister for
Economic Development,
Tourism, Sport and
Culture (Appointed
8 December 2020)



**Deputy
Trevor Pinton**

Assistant Minister
for Health and Social
Services
(Appointed
25 November 2020)

The following were Assistant Ministers during the preparation of the Proposed Government Plan 2021-2024:

Deputy Montfort Tadier, Assistant Minister for Economic Development, Tourism, Sport and Culture and Assistant Minister for the Environment to 9th November 2020

Senator Steve Pallett, Assistant Minister for Economic Development, Tourism, Sport and Culture and Assistant Minister for Health and Social Services to 3rd November 2020.

Deputy Jeremy Macon, Assistant Minister for Health and Social Services, Assistant Minister for Social Security and Assistant Minister for Children and Housing to 17th November 2020

Chief Minister foreword



Senator John Le Fondré
Chief Minister

When we introduced the first Government Plan in November 2019, nobody could have predicted the unprecedented impact that the global Covid-19 pandemic would have on our lives, on our community and on our economy.

It has meant a substantial disruption to the work of Government, impacting on our income and creating a significant increase in our expenditure, as we moved quickly and effectively to meet the health, economic and fiscal challenges presented by the pandemic.

It forced us to re-examine the delivery of some projects, to re-prioritise how we use our resources, and to re-think how we continue to invest in our Island.

Covid-19 has not altered the determination and commitment of the Council of Ministers to improve Islanders' lives through the pledges we set out in the Common Strategic Policy. It has also not changed my determination that we will do what is needed to provide a sustainable and long-term legacy for Jersey.

Nonetheless there is no doubt that since March 2020, dealing with the pandemic has been the priority, and I am proud of the way that the Government has responded.

Led always by expert medical advice, we took the steps necessary to protect our community. We shielded the most vulnerable, built the Nightingale Wing, integrated the healthcare system with GPs, established an ethical care framework, set up the Personal Protective Equipment (PPE) hub and ran the largest public health awareness campaign ever seen in the Island.

Subsequently, we developed a testing programme which ranks amongst the most effective in Europe and implemented a comprehensive track and trace program to mitigate the spread of the virus within our community, whilst safely opening our borders.

We have also sought to protect the economic future of the Island. Our initial measures to assist local businesses were announced within 24 hours of Covid-19 being categorised as a pandemic by the World Health Organisation. This included the deferral of GST payments, the deferral of Social Security contributions and, in many cases, the deferral of rent payments for properties where the government acts as landlord. Shortly thereafter, on 18th March, we announced a multi-million pound package support for local businesses ranging from the loan guarantee scheme to the Co-Funded Payroll Scheme.

I believe we have responded well to the impact of Covid-19, and we remain prepared for the effects of a second wave of the virus, should one emerge this winter.

The measures set out in this Government Plan represent the continued ambitions of the Council of Ministers to meet our responsibility to protect Islanders from the pandemic, while ensuring our overarching aims and objectives in the Common Strategic Policy continue to be put first.

Protecting all Islanders, especially those at highest risk from the effects of Covid-19, will remain our priority as we continue to react to the medical and healthcare challenges presented by the pandemic. This includes ensuring the wellbeing of our Island's children; protecting our elderly citizens and those who feel isolated by the pandemic; and supporting those whose livelihoods are threatened.

We will provide investment and extra resilience to essential services, and do what is necessary to suppress the virus until a vaccine can be provided.

We will continue to fund the Nightingale Wing of the General Hospital, we will distribute Personal Protective Equipment (PPE) as and where needed, and we will fund the provision of a vaccine to tackle both flu and Covid-19, when it becomes available for Islanders.

To drive our recovery, we will also continue to provide support to Island businesses through new economic stimulus and growth initiatives. We have already seen the success of early schemes, including direct payment of approximately £1 million to Income Support and Pension Plus recipients, the reduction of employee Social Security contributions by 2%, and an injection of £11 million into the local economy through the £100 Spend Local Card scheme.

A programme of timely, targeted and temporary measures to support the economy through the remainder of the year and into 2021 will be established, with States Assembly approval, through a new Fiscal Stimulus Fund.

We must also be prepared to address the long-term impact on our public finances. The cost of the health and economic crises, combined with anticipated reduction in government revenues, has resulted in unprecedented financial deficits in 2020 and 2021. These exceptional circumstances pose a very real threat to the sustainability of our finances.

This plan sets out the prudent and measured steps that Ministers will take to address those deficits, while continuing to provide necessary investment in our essential services, especially health and education, and a longer-term plan to balance budgets by 2024.

To cover the costs of responding to the pandemic, Ministers are proposing borrowing up to a maximum of £336 million next year, in addition to the Fiscal Stimulus Fund of £50 million. Should the States Assembly approve current plans to move to Current Year Basis (CYB) taxation, then the future repayments of the 2019 tax liabilities for Previous Year Basis (PYB)

taxpayers will repay much, if not all, of this debt. Therefore, although Covid-19 has caused some financial challenges, the direct financial cost can be offset without a permanent increase in taxation, consistent with the long-term thinking and prudent approach that Jersey is renowned for.

The commitments made in the Common Strategic Policy, which underpin all of our work as a government, have not been forgotten. We will continue to put children first, to improve Islanders' mental and physical wellbeing, to create a vibrant and sustainable economy, to reduce income inequality and improve the standard of living, and to protect and value our environment.

Our Island's children and young people have been particularly impacted by the pandemic, with detrimental effects on their education and personal development. We will be introducing the Covid-19 Schools Catch-up Programme to ensure that we address the loss of schooling suffered by children at primary and secondary schools, alongside continued investment in mental health and wellbeing, which will have suffered as a result of the lockdown. In total, an additional £50.2million of expenditure will be made available, over the four-year period of this Plan, to support children.

While our Health Care Services have been successful to date in mitigating the impacts of the public health emergency, we must continue our programme of investment and change, ensuring that we have in place a health and care system that is capable of responding to our future needs in a way that is fit for Jersey's future.

From 2021 we will begin to implement the Jersey Care Model, which will enable a shift to a more preventative health service, through community and home-based services, enabling us to better cope with forecast demand from demographic change.

While Jersey businesses have shown resilience and tenacity in the face of the economic challenges of the pandemic, we must continue to support them through recovery and as we look to grow and diversify our economy. With recommendations from the Economic Council due to be received and considered in late 2020, we will develop their recommendations on longer-term economic renewal for consideration by the States Assembly and Islanders during early 2021, and begin implementation with the support of a new economic growth funding allocation.

Islanders whose employment and income have been impacted by the pandemic will continue to be supported, to ensure that disparities in income inequality and standards of living do not worsen. We will also remain committed to helping unemployed Islanders find work with the support of targeted Back to Work programmes.

We will ensure that we provide a home fit for the next generation and all those that follow with our new Island Plan, which will be changed to cover a shorter bridging timeframe, and enable us to live up to our commitment to the Island's environment.



This Government Plan also accounts for the continued improvements to organisation-wide change within the Government of Jersey to enable its continued transformation into a modern and innovative public sector which meets Islands' needs.

The pandemic has demonstrated the importance of working together as One Government and using new technology to respond flexibly and at speed. In 2021, we will continue to invest in public-sector employees, reform our workforce and modernise how we work. This will enable the organisation to deliver better outcomes and more efficient services.

I know there will be yet more challenges facing our Island in 2021. While some, like the pandemic, will be unpredictable, there are many that we can anticipate and are prepared for - including the potential risks to the Island from a 'No Further Negotiated Outcome' relationship between the UK and EU.

Detailed contingency planning is already underway and takes into account the range of possible outcomes from existing EU/UK future scenarios. We are adaptable and agile. We will meet the challenges of Brexit in the same way that we met the challenges of Covid-19, and with the same success.

The resolve of Islanders and their commitment to follow health guidelines and tackle the pandemic as a community has put us in our current good position. With this community spirit, I am confident that we can enter 2021 with the same resolve that has allowed us to successfully meet the challenges to our Island in 2020.

Finally, I would also like to take this opportunity to once again thank all of my Ministerial colleagues and the dedicated employees working across the public sector, not only to keep Islanders safe through the duration of the pandemic, but for their continued commitment to our Island, both in their day-to-day roles and in the production of this plan.

It is a testament to their work that we can propose the measures set out in this document. A vision that will see Jersey safely through any coming challenges and provide the lasting legacy that all of the Council of Ministers are committed to achieving.

Minister for Treasury and Resources foreword



Deputy Susie Pinel
Minister for Treasury
and Resources

In this year's Government Plan, we seek to keep Jersey on a responsible and stable course through what has been a turbulent year as we faced a global pandemic and economic downturn.

Following the lifting of many of the lockdown restrictions earlier this year, we have achieved a balance between protecting the Island's immediate health from Covid-19 and making sure we protect our future health and wellbeing through appropriate economic support and investment.

As Minister for Treasury and Resources, I am also clear we need to protect our future finances. I have responsibility for making sure the Government prioritises the long-term financial sustainability of our Island. This means that we must respond, in the short-term to the effects of Covid-19 by funding the essential public services needed to respond to the pandemic, in the medium-term by supporting the wider economic recovery, and the long-term by continuing to invest in our future by delivering on the priorities like education and healthcare.

This plan sets out the expected costs for us to manage the virus in Jersey, without limiting, unnecessarily, normal economic activity. This is the prudent course of action that protects the health and wellbeing of Islanders and preserves their livelihoods and businesses. We are conscious of the balance of risks - the risk of a second wave in Europe and the UK and a sharp slowdown in the world economy as a result of Covid-19, against the risk that we cause irreversible damage to our and our children's future by implementing costly and punitive restrictions on our economy during a recovery period.

This Government Plan includes a strategy of running deficits to support spending and investment in the coming years, with a return to balanced budgets by 2024. It is a plan that gives Jersey a consistent long-term framework for both economic and fiscal policy with the capacity to respond, in the short-term, to Covid-19 pressures. It forms part of the strategy that Ministers have put in place to reduce the impact on the economy while maintaining investment in education and skills, and a world class health care model.

Last year's Government Plan established the fiscal guidelines that this Government would borrow only to finance investment except under times of economic duress and would monitor the impact on net financial assets. This guideline is as relevant now as it was then. Nevertheless, considering the unprecedented nature of dealing with two global emergencies (a pandemic and a recession), the Council of Ministers has had to balance these two competing pressures.

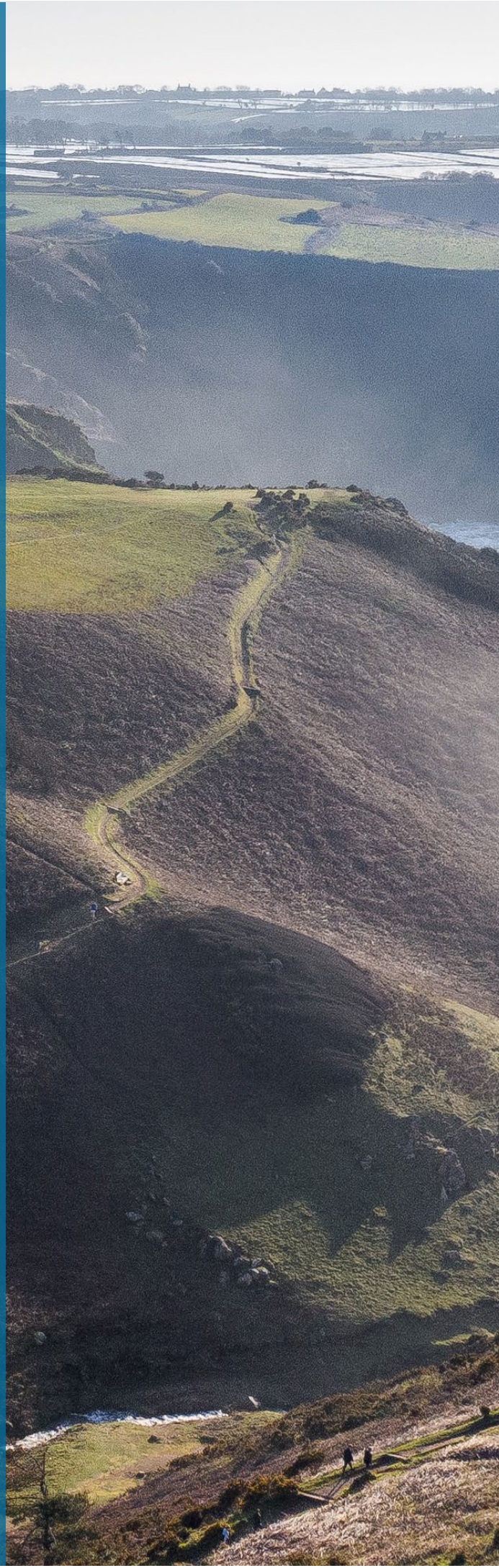
The 2021-2024 Government Plan, in line with recommendations of the independent advice of the Fiscal Policy Panel, uses borrowing to fund the cost of the pandemic response and protects the strength of our reserves. I and the rest of my Ministerial colleagues have a clear and strong belief that the Strategic Reserve should be maintained in these uncertain times. We may not be through the worst of the pandemic or the economic recession and, with a likelihood that the cost of debt will be far lower than the long-term returns on our reserves, it is a responsible measure to protect the Island's permanent reserve.

Furthermore, and if the States Assembly agrees to my plans to move all Islanders to Current Year Basis, we can repay the short-term loss of the outstanding 2019 tax owed, over the 15 years from the future payments of the 2019 Prior Year Basis tax. These payments would be time limited and avoid the need to raise taxes on Islanders working hard to preserve their livelihoods following the necessary lockdown measures. It would also make sure that the debts we incur to protect the Island from the effects of Covid-19 now, do not become a long-term issue for the next generation of Islanders and that we do our best to protect their future.





Part one
Introduction





1

‘Protecting our Island’s future’

Introduction

When our public health experts were first alerted to the threat of a Coronavirus pandemic in February, we, like other Governments around the world, immediately turned our attention to establishing the measures, processes and powers needed to respond to protect Islanders’ lives, livelihoods and wellbeing. At the same time, we had to continue to deliver essential services and as many other business-as-usual services as possible, while continuing to make progress with multiple Government Plan initiatives.

The stay at home and physical distancing restrictions, the closure of schools, Government and community facilities, and the public health measures put in place in the hospital all impacted on both how we have delivered public services this year and also on our ability to deliver many planned new initiatives set out in the 2020 four-year rolling Government Plan.

Public services, public finances and Government and legislative work have all been significantly disrupted by the pandemic. An urgent re-think was needed about how we continue to provide services and invest in our Island, while at the same time developing and implementing plans to recover from the severe economic impact of the pandemic.

However, while there is a need to adjust what we do and how we do it, there is no change to the Government’s core priorities, which were set out in the Common Strategic Policy in 2018. We will continue to focus on the things that matter most to protect our Island’s future, and those strategic priorities again form the foundations for this revised Government Plan.

Our plan for 2021-24 has been formed by listening to Islanders and Scrutiny Panels, being agile in refocusing our strategy and building on the flexibility and improved working of our OneGovernment modernisation programme.

Listening carefully to the feedback we have received, and looking to the challenges and opportunities ahead, our focus in 2021 will be to protect our Island’s future by:

- Responding to the ongoing health and wellbeing challenges of Covid-19 and protecting our health services
- Investing in our economic recovery
- Rebalancing the public finances
- Investing in our future healthcare and education to protect the future of Islanders.

Focusing on these core areas of strategic importance means that difficult decisions have needed to be made to defer the delivery of some initiatives as resources continue to be diverted to our Covid-19 response and securing our future.

In preparing this Government Plan, we have had to face some difficult choices and make some tough decisions on behalf of the Island. It sets out how we will continue to work towards our strategic aims and invest for the future, while making sure that we can continue to provide the level of public service that Islanders expect. At the same time, it outlines a plan to rebalance our public finances by repaying the debt incurred to fund our response to the pandemic while maintaining our reserves so that Jersey is protected and ready to respond to any further economic challenges.

Protecting our future by responding to the financial and economic impact of Covid-19

There is no doubt that the Island is dealing with a severe test of its financial and economic resilience. With the global economy expected to fall by more than 5% this year, the pandemic still poses a significant global threat, and with ongoing uncertainty over the impacts of Brexit for the UK and the Crown Dependencies, measures will be needed to help Jersey navigate through this crisis and set it on the road to recovery.

Independent forecasting in August from the Fiscal Policy Panel¹ predicts a severe recession for 2020, in common with other countries around the globe, with a long-term effect on the economy from which lost ground in 2020 may take many years to make up. Recovery could be slow, and spread across several years, meaning that Government revenues will be lower than forecast as the impact of the pandemic is felt in every household. While the immediate outlook remains challenging, with careful planning and targeted investment response in the right economic areas, Jersey can emerge from this crisis in a much stronger position.

Protecting our future by maintaining sustainable public finances

We must, as required by the Public Finances Law 2019, maintain long-term financial sustainability to make sure that Jersey remains a vibrant, prosperous and safe place to live, both now and for future generations.

In the last Government Plan, our focus was to put any additional funds into the Stabilisation Fund to rebuild it, in line with the Fiscal Policy Panel's recommendations at the time. This was in order to maintain Jersey's strong balance sheet and comparatively large reserves, protecting the Island against unforeseen economic pressures.

Since the publication of that plan, Covid-19 caused a major deterioration in Jersey's public finances. Both the cost pressures of the health emergency and economic crisis, combined with the anticipated falls in Government revenues, have resulted in unprecedented financial deficits in 2020 and 2021, with deficits continuing throughout the period if no action is taken. These exceptional circumstances potentially pose a very real threat to the sustainability of our finances if no action is taken.

In this autumn's economic assumptions, the Fiscal Policy Panel recommended that, in the short-term, the Government should not put

¹ gov.je/FiscalPolicyPanel

up taxes or make large cuts to spending to cover this deficit. Instead it recommended running deficits in the short-term to support the economy and longer-term plans to balance budgets by 2024, with flexibility to adjust to a changing and uncertain global financial environment during that period.

Our financial planning takes this recommendation into account, with deficits in the short-term and a longer-term plan to balance budgets by 2024. This will encourage the Island's economy to recover, support and stimulate broader investment and consumption and build confidence, minimising the impact on local jobs and livelihoods.

The latest income forecast is for £96 million less income in this year, compared to the forecast a year ago, with sizeable reductions across all years. In addition, across the next four years, we anticipate the costs of tackling Covid-19 and its wider impacts to be in excess of £400 million.

It has been possible to finance emergency expenditure and the wider impacts through drawing down the Stabilisation Fund and the balances held in our current account, which were intended for capital expenditure over the coming years.

It is our view that, in these uncertain times, we should not plug this hole by making damaging cuts to expenditure or by drawing down the Strategic Reserve. This would leave the Island with little financial resilience to deal with potential future shocks or further after-shocks to the economy arising from the current global crisis. This is consistent with the recommendation of the Fiscal Policy Panel.

Instead, we propose that we borrow to finance the impacts of Covid-19. The strength of our balance sheet, low debt levels and high credit rating going into this crisis have made borrowing possible. This is in line with Fiscal Policy Panel advice and maintains the strength of our reserves, our financial resilience and enables us to respond to potential future shocks to the economy.

In the longer-term, we will need to restore public finances with renewed attention on strengthening resilience and funding public investments, while supporting Islanders' sustainable wellbeing.

Future Government Plans will consider how to rebuild the Stabilisation Fund as soon as the economic situation and public finances allow. This is key to the Island's management of financial risk and uncertainty. This will include tight control over unspent funds, making sure they are used, first and foremost, to reduce our debt. This approach to borrowing means that, in spring next year, the States Assembly will make the final decision to approve the budget and funding of the Our Hospital project, which will include proposals to fund this through long-term debt.

Whilst the pandemic has had an unprecedented impact on our finances in the short-term, we have presented a plan, based upon sound economic advice, to bring forward measures in future Government Plans, that return us to balanced budgets and thereby minimising the impacts upon our reserves and enabling longer-term sustainability to public finances.



Borrowing

We are proposing to borrow up to a maximum of £336 million next year, in addition to the Fiscal Stimulus Fund (£50 million) to cover the costs of responding to the pandemic. This will provide flexibility and allow further work to proceed to minimise the scale of longer-term debt, required to replace the short-term facility in next year's Government Plan.

The annual financing costs of this debt have been included in the Government Plan, but debt has to be repaid and Ministers propose that, should the States Assembly approve plans to move to Current Year Basis (CYB) taxation, the future repayments of the 2019 tax liabilities for Previous Year Basis (PYB) taxpayers will be paid into a ring-fenced sinking fund to repay much, if not all, of this debt.

This will support the actions we are taking to restore public finances, while maintaining the strength of our reserves in order to respond to future shocks.

We will prioritise the application of any unspent funds in 2020 and 2021, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund, and used to minimise the borrowing requirement from the revolving credit facility.²

The Council of Ministers will agree an estates strategy in sufficient time for the next Government Plan (2022-25) to include a list of potential sales, in order for any funds raised to be prioritised for use to minimise any future borrowing.²

Social Security Fund

The Social Security Fund receives contributions from employers and working-age adults and, in normal times, an annual States Grant. The fund supports the wellbeing of Islanders by providing old age pensions and a range of working age benefits.

Following a States debate in 2020, it was agreed that no grant would be paid into the Social Security Fund in 2020 to allow £65.3 million to be allocated to support Covid-19-related financial pressures. Additionally, due to the exceptional financial pressure being faced by the Government as a consequence of the pandemic, it is being proposed that the States Grant is not paid in 2021, 2022 and 2023, allowing an additional estimated £235 million to be allocated to urgent financial pressures. This critical element will support the Government in managing the lost income and additional costs associated with the pandemic and help to fund our capital and revenue expenditure programmes, whilst we implement a plan to return to balanced budgets by 2024.

For the purposes of this Government Plan, the Minister for Social Security will only be proposing a change to the Social Security Law to remove the States Grant for 2021. Further changes to the value of the Grant will be proposed during 2021 following agreement on the outcome of the review of the Social Security scheme.

2. See Appendix 7 (11)

In addition to the removal of the States Grant, the Social Security Fund has made a considerable contribution to our response to Covid-19:

- Maintaining pension and benefit payments in the face of reduced income from contributions due to the economic downturn
- Reducing workers' Social Security contributions by 2% from October 2020 to June 2021 as part of the Fiscal Stimulus programme
- Enabling businesses and self-employed people to defer Social Security contributions payable in the first two quarters of 2020.

In 2020, the Social Security Minister managed these pressures by transferring resources from the Social Security Reserve Fund. The Reserve has substantial financial assets, which have built up over a number of years. Additional transfers from the Reserve Fund, estimated at £263 million, will be needed over the next three years to maintain pension and benefit payments.

At the end of 2019 the assets held in the Social Security Funds represented more than seven years of fund expenditure. These assets form an important part of the overall financial stability of the Island and play a significant role in our credit rating.

By the end of 2024 the value of the funds is estimated to hold just under six years of fund expenditure. This still represents a significant investment in the pension provision of future generations of Islanders and is in excess of the target of five times spend established 20 years ago.

Ministers are determined to make sure that the fund continues to serve future generations and, as a priority, will undertake a full review of the various components of the Social Security scheme ahead of the next Government Plan to ensure the future balance is maintained at a fully sustainable level.

Last year's Government Plan identified the need for a review of the future balance of funding between the States Grant, employer contributions and employee contributions. This work has been delayed in 2020 due to Covid-19 and this will now form an important part of the proposed review of the Social Security Scheme, as well as considering the burden of overall Government levies (taxes and contributions) on individuals, workers, businesses and employers.

The review will build on the public consultations previously conducted in 2016 and 2017 and will lead to proposals to be brought to the States Assembly during 2021 or incorporated into the next Government Plan.

Health Insurance Fund

The proposed Jersey Care Model will transform the way we deliver our healthcare in the Island. It is intended that some of the costs of the initial investment in the model and the digital care strategy will be met from the current balance in the Health Insurance Fund (HIF) over the next four years.

The HIF receives allocations from Social Security contributions from

employers and working-age adults and supports the wellbeing of Islanders by subsidising GP visits, the cost of prescriptions and other primary care services.

We will also extend the use of the HIF next year to fund a scheme to improve access to GP-led primary care services for financially vulnerable groups.

The HIF has supported the Covid-19 response in 2020, providing more than £5 million of funding, including covering the costs of directly employing the Island's GPs during the lockdown measures.

The combination of underlying demographic pressures, funding of Covid-19 related healthcare schemes, the proposed transfers to support the JCM and the health digital strategy, and the funding of the new financially vulnerable access scheme are projected to reduce the value of the HIF significantly over the next four years. This is anticipated to result in the HIF holding £35 million at the end of 2024, representing well under one year's worth of expenditure.

In order to integrate the health and social care system we will need to take a different approach to funding and financial management across the system. A one system, one budget approach will need to be taken in order to truly integrate services. A review of the system financial sources, income, process and structures will be required over the next four years in order to create a sustainable, efficient model for health and care in the Island.

The investment in the Jersey Care Model and the health digital strategy is absolutely essential and will help to contain the growth in the long-term costs of our health care. After investments, the JCM is forecast to save £23 million per year by 2036. However, it brings forward the need to deliver a solution to make sure that health costs are funded sustainably and we will undertake a full review – which will include taking proposals to the States Assembly - ahead of the next Government Plan to determine an appropriate model for future health funding.

The Minister for Social Security will bring forward legislation to create a transfer of £11.3 million from the Health Insurance Fund to support the Jersey Care Model and the Digital Health and Care programme budgeted for 2021.

The reviews of health and social security funding, as well as reviews of revenues collected to support other areas of government expenditure, will be co-ordinated to make sure the overall impact on individuals and businesses is fully considered.

Managing risk

The challenges and opportunities we are facing in 2021, especially as a result of our response to Covid-19, are key to enabling us to continue to support the Island's future prosperity.

As the impacts of Covid-19 continue to be understood then it is likely that additional risks and opportunities will be exposed. We will continue to

develop and refine our approach to managing these, and other, risks to enable us to be as responsive as possible to the future needs of the Island and its community.



Alongside the obvious organisational risks, we constantly track and review anything which may impact our Island community, which includes physical, environmental and global risks.

Not only does this improve the delivery of services and achieve value for money, but it also reduces any unwelcome surprises and contributes to the sustainability and prosperity of our Island. Managing risks will continue to form part of all Government decision-making processes.

More information on the risks that we track and manage can be found at Appendix 6.

Protecting our future through economic recovery and fiscal stimulus

Responding to the economic and financial impact of Covid-19 will be a significant focus of our work and resources during 2021 and we will invest

in a range of projects to support the economic recovery.

During the next three years we will fund new economic growth initiatives to drive the recovery. This will be informed by recommendations made by the Economic Council, and future measures will be agreed for implementation by the Council of Ministers.

Provision is made for the gradual phasing out of the co-funded payroll scheme by March and for continued sector-specific support across the winter. In order to make sure that we are targeting investment in the economic growth initiatives which will have the most impact, each initiative will be supported by a robust business case and require the formal support of the Economic Recovery Political Oversight Group before agreement by the Minister for Economic Development, Tourism, Sport and Culture (for more information see Part Two - Economy and Skills).

In addition, we will continue to provide a timely, targeted and temporary financial stimulus to our economy throughout next year.

Fiscal stimulus initiatives in 2020 included:

- Direct payments - making direct transfers to Income Support and Pension Plus recipients
- Spend Local cards - issuing time-limited prepaid debit cards to be spent with local businesses
- Social Security changes - reducing Social Security contributions by 2% for nine months.

Subject to approval by the States Assembly in Autumn 2020, we will establish a Fiscal Stimulus Fund to support the economy through the remainder of the year and into 2021.

These economic support initiatives should quickly take effect and aim to:

- Maximise consumer spending in Jersey
- Have a defined end date to avoid promoting structural budget deficits and creating permanent distortions or subsidies in the economy
- Reduce falls in output and employment in the short-term
- Reduce the structural impact on the economy in the medium to long-term.

Examples of future economic support might include, for example, investment to support construction, funding for skills and training, and further investment in technology.

Protecting our future by continuing to respond to Covid-19

Our on-going response to Covid-19 will remain our priority as we go into 2021, making sure we continue to protect Islanders' lives and livelihoods, provide support where it is most needed, and suppress the virus until a vaccine can be provided. This will continue to place all areas of

Government under unavoidable financial pressure and we will need to use public finances to:

- Target funding at those essential public services needed to respond to the pandemic
- Support the immediate economic response to the crisis and wider economic recovery
- Compensate for shortfalls in usual income streams across the public sector.

This plan makes the necessary provision for expected costs over the coming year and the financial impacts over the next three years, based upon being able to keep the virus to very low levels and limit restrictions to normal activities, without the need to use emergency States Assembly powers. These expected costs include:

- Maintaining the Test, Trace and Contact programme to support Islanders safety into 2021
- Continuing to fund the Nightingale Ward so that we have sufficient hospital capacity through to at least March 2021
- Making sure that we can effectively and efficiently distribute Personal Protective Equipment as and when needed
- Funding the provision of a Covid-19 vaccine to tackle the pandemic, when it becomes available.

To enable funding to be provided centrally and more efficiently, and to build on the OneGovernment approach, a Covid-19 Head of Expenditure will be established. This will make it simpler for Islanders and the Assembly to understand the total cost of the Government's response, thereby supporting good financial management control.

In addition, provision will also be made within the General Reserve to enable additional funding, if needed. As a general principle, this additional funding should only be accessed if the underlying public health position deteriorates over the next year, in order to ensure a continued focus on good financial controls. We also anticipate that other jurisdictions will increasingly seek to move some aspects of Covid-19 costs onto a more sustainable basis, such as charging some travellers for testing services. Jersey is likely to follow suit as this becomes the norm.

Further information on this funding can be found at Part Two – Our Priorities.

Protecting our future through priority investment

Whilst Covid-19 has created demand for some immediate and short-term funding to meet unforeseen costs, this Government believes we must continue to invest in our future by delivering on the priorities set out in the Common Strategic Policy 2018-22. These include those new initiatives funded in this plan, continuing the initiatives identified in the last

Government Plan, and through modernising the essential public services that we provide to Islanders.

In particular, in 2021 we will focus on a number of key initiatives that are of importance to the long-term sustainable wellbeing of Islanders. We will therefore:

- Embark on an ambitious three-year reform programme of our education system to drive long-term, sustainable improvement in educational outcomes for all children and young people (see Part Two – Putting Children First)
- Implement the new Jersey Care Model, which will support the move to a more preventative-focused and community-based health service, enabling it to cope better with forecast increased demand from demographic change. This will be supported by funding from the Health Insurance Fund (see Part Two – Wellbeing and Mental and Physical Health).
- Remain focussed on delivering a new hospital for Jersey, ensuring Islanders have access to a world-class healthcare facility which meets modern standards and the needs of Islanders both now and into the future. A full planning application for the new hospital will be submitted in September 2021, subject to the preferred site being agreed by the States Assembly in November 2020 (see Part Two – Wellbeing and Mental and Physical Health).
- Subject to States Assembly approval of the Council of Ministers' migration control policy, we will, in 2021, design new Control of Housing and Work Law permissions and structures, bring the required law changes to the States Assembly for approval and begin implementation of the agreed changes. In 2022, we will continue this work to fully implement the new migration controls policy (see Part Two - Economy and Skills).
- Continue our important work on tenants' rights, including implementing a new Housing Advisory Service and developing rent stabilisation measures and homeless services. In addition, we will build on the work of the Housing Policy Development Board, including improving the strategic alignment of Government-owned housing delivery bodies (see Part Two - Income Inequality and Standard of Living).
- Intensify our journey towards carbon neutrality and sustainable transport, recognising that the climate emergency has not diminished and build on the changes that Islanders have made and benefited from during the pandemic (see Part Two - Environment).
- Continue our drive to modernise the public service by further embracing our move towards digital working and service delivery – something which has been crucial during the pandemic. Strengthening our

commercial services, which are essential to delivering better value for the public purse as we seek to rebalance the public finances. Rationalising our office and property estate to release more land for affordable housing (see Part Three - Modernising Government).

- Review the funding mechanisms that support Health and Social Security spending to ensure that sustainable funding streams are in place to aid recovery from the economic impact of the pandemic and to support the extra costs that we will face as the proportion of older people in the population rises steadily over the next decade (see Part Four – Government Finances).

Protecting our future by enhancing our island identity and international personality

The Chief Minister established the Island Identity Policy Development Board in October 2019. Its aim has been to examine how Jersey's distinctive qualities can be recognised as fresh, protected, celebrated, nurtured and utilised for the benefit of the Island and Islanders.

The Board produced an interim report to provide an update for Ministers in July 2020, and it was agreed, in principle, that Jersey's National and International Identity, once finalised and approved by the Council of Ministers, should be included as a significant theme in the Government Plan, and that the recommendations of the Island Identity Policy Development Board should, as far as possible, be integrated into the Government Plan.

The report contains more than 60 recommendations, but also offers



a series of early recommendations for how, in a practical way, the Government can begin the work of nurturing and building a Jersey Identity.

These include ways to improve Islanders' understanding and appreciation of Jersey's distinctive history, heritage and culture, and helps clarify the language best deployed to reflect Jersey's unique constitutional status as 'a small island nation' with national institutions, whilst remaining proudly British.

The report also examines ways to deepen its historic and more recent ties to continental Europe, and to continue to develop its unique international personality.

It also provides a discussion piece for Ministers about what it means to be 'Jersey' – both in terms of how we see ourselves and how others see us, which will help to spark an important debate about the centrality of Jersey's national identity to the work of the Government.

Overall, it makes the case for Island Identity as a crucial factor in the development of future policy; signposting the longer-term work that will need to be undertaken to achieve the objectives set by the Chief Minister; and outlines the process to be undertaken within the Island Identity Programme between now and the publication of the action plan in 2021.

The next step is to refine the practical suggestions made by the Board so that, over the coming Government Plan period, departments can then incorporate the work of the Island Identity Policy Development Board into appropriate aspects of future Government policy direction.

Listening to Islanders

Islanders' voices, and especially those of children and young people, are essential to building our shared future. We listen to those voices through a range of engagement, surveys and consultation exercises³ which, together with official statistics, audit and Scrutiny Panel recommendations and decisions by the States Assembly, have helped to inform and shape this Government Plan.

For example, earlier in the year, the Office of the Children's Commissioner for Jersey and the Department for Children, Young People, Education and Skills, undertook a joint survey of children and young people to help understand the impact of Covid-19 on key elements of their lives. The results informed the initial children's rights impact assessment that was undertaken to inform the re-opening of schools.

Given the dramatic impact of the pandemic, two specific surveys have been undertaken. Almost 4,000 Islanders participated in both the Jersey Opinion and Lifestyle Survey⁴ and the Government Plan 2021-2024 Survey, with more than 3,000 comments received through the Government Plan Survey⁵. Islanders' provided views on their own lives, their social, economic and environmental issues, and what they think the focus of our Government priorities should be.

³ gov.je/Consultations

⁴ gov.je/OpinionsAndLifestyleSurvey

⁵ gov.je/GovernmentPlanSurvey

Key points from the two surveys include:

- Relative importance of priorities – “Improving Islanders’ wellbeing and mental and physical health” (68%) and “Creating a sustainable, vibrant economy and skilled workforce for the future” (60%) received the highest ratings on being more important now than before the pandemic.
- Children and Education – a majority of participants were more concerned about investment in schools, sports facilities and youth centres (53%), educational outcomes in secondary schools (50%) and the protection of and support for vulnerable children and children in care (51%). In general, 50% of adults are worried about the education and wellbeing of children in Jersey as a result of the pandemic.
- Wellbeing and Mental and Physical Health - participants were mostly concerned with having access to good mental health and support services (67%), and access to hospital services (63%). 70% said that investing in a new hospital should be the Government’s priority. One-in-four households delayed seeking medical treatment or advice due to the Coronavirus outbreak and 62% said that they were somewhat or very worried that they or their family will be infected by Coronavirus. The results also show that Islanders were smoking and drinking alcohol more often since the outbreak of the pandemic, however, they were also physically more active.
- Economy and Skills - participants were most worried about reduced job security (68%), being financially independent in old age (69%), being supported if they became unemployed (61%), and the impact of the new UK-EU relationship after Brexit. Supporting the economy through fiscal stimulus projects was seen as more important by 59%.
- Income inequality and standard of living – A key recurring theme from the many comments received as part of the Government Plan survey were the importance of affordable housing and the development of a new migration policy.
- Environment - making Jersey carbon neutral was seen by almost 80% of participants as either more important or as important as before the pandemic. An increasing or unchanged support for exploring environmental charges to improve carbon neutrality was expressed by 78% of participants. 49% were more concerned about improving public transport and prioritising active travel. 54% saw the update of the Island Plan to explain how we protect Jersey as more important.

This plan seeks to address these key points by both responding to the economic and financial impact of the pandemic, whilst also investing in our long-term future and delivering on the priorities set out in the Common Strategic Policy.

Sustainable wellbeing

Protecting our future in this Government Plan has meant focusing on the key sustainable wellbeing challenges faced by the Island.

In responding to Covid-19, protecting Islanders' health and wider wellbeing, now and for the future, has become a major focus for the Government. Resources were quickly re-allocated to respond to the threat of the pandemic and minimise the effects of the lockdown on Islanders' wellbeing. One of the most important roles for the Government has been to respond quickly to the rapidly changing health, economic and financial situation and to protect Islanders' lives and livelihoods through the pandemic.

Embedding sustainable wellbeing

In embracing sustainable wellbeing, we are transforming how we plan and focus public services. We have made real progress, and within the next two years sustainable wellbeing will be at the core of all policy making and important investment decisions. Whilst other governments around the world are also on this journey, we are well advanced to being a leading jurisdiction. This can be seen through the:

- Public Finances (Jersey) Law 2019⁶ - which introduced the requirement for the Council of Ministers to consider the sustainable economic, social, environmental and cultural wellbeing of Islanders over successive generations in preparing the Government Plan
- Common Strategic Policy 2018-2022 - which set out our five overarching wellbeing priorities for the Island for this term of office and which we are delivering through each Government Plan and Departmental Operational Business Plans.
- Development and implementation of Jersey's Strategic Framework⁷ – which helps us to align long-term sustainable wellbeing 'Island Outcomes' with our priorities, organisational objectives and with accurate measures of success through Jersey's Performance Framework. It is our ambition by the next election to have fully-implemented Jersey's Strategic Framework and to use it to continuously inform and improve everything we do.
- Development and implementation of Jersey's Performance Framework⁸ - which includes a variety of metrics against the Island Outcomes to show how each one has developed. This framework consists of objective metrics (those that include data and figures) and subjective metrics (those that include what people think and feel). We will use the data provided by this framework to inform our decisions by helping us to understand where we are and where we need to improve. This framework is for all of Jersey, not just Government, by helping us to engage with charities, businesses and communities who also have an important role to play in supporting the achievement of sustainable wellbeing for Islanders. We will continue to implement, develop and improve it through 2021 and beyond.

⁶ Article 9(9) Public Finances (Jersey) Law 2019, jerseylaw.je

⁷ gov.je/StrategicFramework

⁸ gov.je/PerformanceFramework

- Development and integration of sustainable wellbeing approaches into the business planning process – when allocating additional funding for 2021 (see Part Two – Our Priorities) and identifying efficiencies and other rebalancing measures (see Part Three – Modernising Government), we have introduced a simple sustainable wellbeing impact assessment. It challenges us to consider the impact of initiatives, positively or negatively, on the sustainable wellbeing of Islanders over successive generations. In 2021 we will review and refine the sustainable wellbeing impact assessment, and develop other approaches that will support us in taking sustainable wellbeing into account when making decisions about resource allocation, and embedding wellbeing fully into the processes of government.



Figure 1 - Jersey's Strategic Framework



Figure 2 - Jersey's Performance Framework



Part two
Our priorities





2

Introduction

This Part of the Government Plan should also be read in the context of:

- The Government Plan 2020-23⁹
- The Island Outcomes set out in the Jersey Performance Framework¹⁰ that describe the population-level wellbeing conditions that Islanders would like to see in the future
- What this Council of Ministers has achieved since taking office in June 2018 which is set out in: the Annual Report and Accounts 2018 (June 2018 onwards)¹¹; the Annual Report 2019¹²; and the Government Plan Six Month Update Report¹³ published on 28th August 2020.

Common Strategic Policy Priorities

For each Common Strategic Policy (CSP) priority, we have set out the following:

- A brief overview of the opportunities and challenges we face in 2021 (see Introduction); the total revenue and capital investment in supporting the CSP Priority (see Funding this priority); and the Island Outcomes and Indicators that we will use in the Jersey Performance Framework to measure our sustainable wellbeing impact (see How we will measure our sustainable wellbeing impact).
- A summary of new initiatives we will invest in for the first time in 2021 that contribute to the CSP Priority (see Our Investment in 2021). Further information on these initiatives can be found in Appendix 3.

We have also separately provided information on initiatives that were:

- Approved in the Government Plan 2020-23 and that we will continue to invest in 2021 or that will, from 2021, become part of the core business of our Departments; or
- Included in the Government Plan 2020-23 as being forecast to take place in 2021 that we will halt, defer or reduce in order to prioritise the investments set out above considering the new financial context.

Further information on these initiatives can be found in Appendix 4.

In addition, it should be noted that Departments also provide public services which support the CSP priorities. Information on these services will be set out in the Departmental Operational Business Plans for 2021-24 for each Department, which will be published in January 2021.

⁹ gov.je/GovernmentPlan

¹⁰ gov.je/PerformanceFramework

¹¹ gov.je/AnnualReport

¹² gov.je/AnnualReport

¹³ gov.je/SixthMonthReview





We will put children first

by protecting and supporting children, by improving their educational outcomes and by involving and engaging children in decisions that affect their everyday lives.

Headlines

- We will continue to implement the Children's Change Programme, so that vulnerable children are protected and supported, and the service makes demonstrable progress towards achieving consistently outstanding children's social work practice
- We will continue to focus on practice improvement within the Children's Service by funding relevant care worker training and by progressing the regulation of social work and mental health services available to children and young people in Jersey
- We will continue to progress policy, legislation and service delivery in relation to family law and sexual assault services to better protect children and young people
- We will continue to provide redress to people who, as children, suffered abuse or harm whilst residents of care in Jersey
- We will review the future delivery of student finance which was deferred due to the pandemic
- We will continue to promote ways to involve and engage the voice of young people in Jersey
- We will support our children in catching-up on their education so that they do not suffer long-term detriment
- We will continue to provide additional funding for the Youth Service Move On Café which supports more than 390 young people
- We will maintain our investment in Jèrriais
- We will re-prioritise existing resources to invest in the redesign of Children and Adolescent Mental Health Services (CAMHS) in order to improve support for children and young people experiencing mental ill-health
- We will embark on an ambitious long-term programme of reform for our education system in order to support the improvement of long-term educational outcomes for all children and young people
- We will renew and increase funding for the research project, approved in last year's Government Plan, to engage and discover the needs of young people within communities with English as an additional language concentrating initially on those within the Portuguese, Romanian and Polish communities
- We will increase Child Care Tax Relief and Child Tax Allowance to help families to meet the rising cost of living¹⁴

¹⁴see Appendix 7 (4) and (6)



Introduction

We will continue to involve and engage our children and young people in the decisions that affect their everyday lives so that we are able to understand how they are doing, what is important to them and what support they need.

Children need to be protected and their general wellbeing supported now more than ever. Like adults, they have not been able to live their lives to the full due to the pandemic. The restrictions on children's movements and activities and physical and social contact with friends, family and carers will have had an impact on their mental and physical health and, sadly, in some situations, on their personal safety and security.

All children and young people have felt the impact on their education, this despite the tremendous efforts by all parts of our education system and from parents and carers through schooling at home. It is now well documented that the impact of home-schooling and lack of physical attendance at school or college has caused a range of issues for a whole generation.

These include mental health and wellbeing issues, as well as an impact on educational progress and attainment. The pandemic has tested pupils, parents, carers, schools and the Department of Children, Young People, Education and Skills (CYPES) to find new ways of learning. Moreover, the challenges have been compounded for those groups of pupils who are disadvantaged, vulnerable, have English as an additional language, or special educational needs or disabilities. We will also maintain our investment in Jèrriais.

This year was one of huge disruption for our children and young people. While the medium to long-term impact of the pandemic on them will take time to fully understand and respond to, the immediate impacts are clear and have emphasised the importance of this Priority.

Our investment in 2021

In addition to the investment that will continue from 2020, we will also invest for the first time in 2021 in the following initiatives:

Covid-19
respond,
recover and
renew

GP21-CSP1-C-01 Covid-19 Schools Catch-up Programme

We will support our children in catching-up on their education so that they do not suffer long-term detriment.

We will do this by putting in place a 16-month programme, with funding running across the financial years 2020 and 2021 to reflect the school calendar, to address the learning loss experienced by many children at primary and secondary schools.

The programme has three strands based on lessons learned, both in Jersey and in other jurisdictions:

- To establish a tutoring programme, which will run from 2020 to 2021 (across the school academic year September to July). This will provide small-group tuition to the children most in-need, with intensive learning support, and giving schools access to subsidised tutoring sessions and free coaches for various groups of children (Jersey Premium, EAL, SEN/D and most vulnerable)
- To invest additional funding in the OLEVI teaching programme (teaching project across all Jersey schools) to accelerate building capacity to deliver the ‘catch-up’ programme effectively and improve sustained attainment into the future and to make sure that all staff are best equipped for the recovery challenge.



CYPES

Protecting and
supporting
children

GP21-CSP1-1-07 Youth Service Move On Café

We will continue to provide additional funding for the Youth Service Move On Café, which supports more than 390 young people.

This will make sure that the project is funded on a more secure basis and to enable it to manage the volume and level of need that many of the regular members require.



CYPES

CT8

Protecting and supporting children

GP21-CSP1-1-08

SARC – Dewberry House

We will provide additional funding to continue and further develop the Dewberry House Sexual Assault Referral Centre (SARC).

Dewberry House is now an integral service to the Island providing support to victims of sexual abuse, whether this happened recently or in the past. The current availability of this service still needs further development, especially when it comes to children and young people who are victims of sexual abuse.

This funding will support the provision of services which will follow the ‘Child’s House Model’. This model provides integrated medical, investigative and emotional support from one location through early support after the trauma of abuse. It aims to:

- Increase the length of time support is provided to children and families
- Gather more affective evidence from interviews
- Offer quicker progress in investigations and court cases.
- Provide a safe space for children and young people to talk about what happened to them and receive support and therapy to rebuild their lives.

This funding will also support the existing running costs for the SARC Manager and Crisis Workers and is also key to the development of psychological, therapeutic and intermediary services.



JHA

CT2

GP21-CSP1-1-06

CAMHS Service Redesign

In anticipation of recurrent growth funding from 2022, we will re-prioritise existing health and CYPES resources to release upfront investment to initiate the implementation of a redesigned Children and Adolescent Mental Health Service (CAMHS) in order to improve support for children and young people experiencing mental ill-health.

This includes investment in:

- Early intervention services for children of all ages
- Community intensive support services, seven days per week
- Improving and refocusing the current service as a specialist service
- Improving quality and performance management.



CYPES

HCS

CT8

Improving educational outcomes

GP21-CSP1-2-05**Education Reform Programme**

We will embark on an ambitious long-term programme of reform for our education system in order to deliver the sustainable improvement of long-term educational outcomes for all children and young people.

The Education Reform Programme aims to deliver the following:

- Achieving a sustainable funding settlement and strengthening the management of schools
- Increasing investment in current services, which will improve outcomes for pupils
- Delivering new initiatives to address current gaps in provision
- Exploring a range of transformational policy options, which will deliver a high quality, more efficient and effective education system and provide better outcomes for pupils.

**CYPES**

Involving and engaging children

GP21-CSP1-3-03**Youth Service - English as Additional Language**

We will, as approved in the previous Government Plan 2020-2023, renew and increase funding for the research project, to engage and discover the needs of young people within communities with English as an additional language, concentrating initially on those within the Portuguese, Romanian and Polish speaking communities.

The objective is to provide support to enable those young people to integrate with local networks and services so that they can achieve educational and personal goals and reach their full potential.

This pilot scheme introduces dedicated Youth Workers to address the need for youth development work with Portuguese, Romanian and Polish speaking young people so that their voices can be heard, and their needs identified.

Should further work with these communities be required, a similar resource provision is made for the three-year period following, should the research project find it is necessary.

**CYPES****CT8**

Please see Appendix 3 for more information on these initiatives.

Please see Appendix 4 for information on investment that will continue from 2020 that was approved in last year's Government Plan.

Funding this priority

We will resource these activities through base departmental budgets and/or existing funds. This additional expenditure will total £50.2 million over the four-year period of the Government Plan, with additional expenditure in 2021 estimated to be £9.2 million, broken down as follows:

- Protecting and supporting children: additional expenditure in 2021 of £0.2 million for the Move On Café and Dewbury House
- Improving educational outcomes: additional expenditure in 2021 of £7.9 million for the education reform programme
- Government Covid-19 Response: additional expenditure in 2021 of £0.9 million for the schools catch up programme
- Involving and engaging children: additional expenditure in 2021 of £0.15 million for Youth Service language support.

For further detail on the above additional expenditure, please see table 46.

We will also invest £20.9 million in initiatives included in last year's Government Plan.

We will be investing in infrastructure associated with this priority, with capital expenditure of £10.6 million in 2021 and totalling £67.4 million over the four-year period (for further detail, please see table 17).

How we measure our sustainable wellbeing impact

We measure our sustainable wellbeing impact and Jersey's overall progress towards sustainable wellbeing by monitoring a wide range of outcomes and metrics in Jersey's Performance Framework. The full set of metrics and data is available on gov.je¹⁵.

Examples of the Island Outcomes this Priority aims to progress further:

- Children develop as expected in their early years (aged 0 to 5 years)
- Children enter school ready to learn
- Pupils are proficient in core academic subjects at Key Stage 1 (KS1)
- Pupils are proficient in core academic subjects at Key Stage 2 (KS2)
- Pupils complete compulsory education successfully
- Pupils complete their A-levels and further education successfully
- Children in Jersey are safe
- All children in Jersey enjoy the same rights.

Examples of the Island Indicators this Priority aims to progress further:

- % of children reaching developmental milestones at age two
- % of Reception age children achieving/exceeding expected level of development
- % of pupils assessed as 'secure' in reading, writing and mathematics at end of KS1
- % of pupils assessed as 'secure' in reading, writing and mathematics at end of KS2
- % of pupils achieving five or more standard GCSEs
- % of pupils who progress to take a Level 3 qualification
- % of children aged 7 to 11 who are aware of their rights under the UNCRC
- % of children reporting being bullied at or near school in past 12 months
- % of Year 10 and 12 children who have been involved in bullying others using mobile phones, tablets, online games, social media etc.
- Number of children under 18 who are victims of crime.



Eye
20kg
100J
55
5
45
40

NO ENTRY

IMPORTANT



We will improve Islanders' wellbeing and mental and physical health

by supporting Islanders to live healthier, active, longer lives, improving the quality of and access to mental health services, and by putting patients, families and carers at the heart of Jersey's health and care system.

Headlines

- We will continue to deliver a range of preventative and proactive schemes focused on inspiring an 'Active Jersey', with a boost to alternative delivery methods in response to lockdown measures
- We will continue to support the reduction of preventable disease, to reverse the current upward trend in overweight and obesity rates, to increase healthy eating, to reduce the rates of smoking and harmful alcohol consumption, and to deliver a range of preventative and proactive schemes
- We will significantly improve access to mental health services, bringing parity of esteem to the mental health agenda, invest in our mental health environment and building infrastructure, implement initiatives for crisis support, a 'listening lounge', complex trauma, Child and Adolescent Mental Health Services and mental health legislation
- We will continue to implement a digital care programme, focused on replacing outdated systems with a new e-prescribing system, for a digital information flow between pharmacies and GPs, a WiFi upgrade for the hospital, process digitisation of pathology and radiology tests, and an improved flow of information between health care organisations
- We will continue to expand our 24-hour community nursing and primary care services, develop a preventative model of dental services for children and new models of care to support people with diabetes, and develop a model that improves access to primary care for financially-vulnerable people
- We will fund the operational costs and premises related costs for the Nightingale Ward including decommissioning costs, assuming decommissioning from March 2021
- We will fund the anticipated cost of purchasing and delivering Covid-19 vaccines during the pandemic and as and when available
- We will fund the anticipated costs of the Test and Trace Programme to June 2021
- We will fund the costs of warehousing and distribution of PPE (Personal Protective Equipment) stock

- We will provide funding to compensate for shortfall in income in the sports estate due to Covid-19 while Covid-19 restrictions remain in place
- We will begin to implement the Jersey Care Model that will enable a shift to a more preventative health service, enabling it to better cope with forecast demand from demographic change
- We will implement a model to support improved access to primary care for financially vulnerable Islanders from January 2021.
- We will provide additional funding to ensure the ongoing provision of an air ambulance service due to the collapse of the current provider
- We will provide funding to enable the purchase of pandemic specific vaccine stock in the event of a worldwide pandemic
- We will extend the key worker accommodation scheme to enable more units to be offered to key workers that are fit for purpose
- We will increase the investment in end of life health care to provide a range of services which are patient centred and delivered in accordance with their preferences
- We will provide on-island education programmes for those undertaking nursing qualifications to give local students the opportunity to train into these roles whilst staying on island

From all of us to all of you



Introduction

Jersey has been highly successful in controlling the immediate impact of a global public health emergency. While there remains much uncertainty, we will continue to respond to the pandemic as it develops and continue to prepare for realistic future scenarios.


Covid-19 has impacted on the physical and mental health of Islanders, in particular the need for timely, improved and expanded mental health services is now more important than ever.

We will continue to advance towards a health and care system that is responsive, outcome-focused and meets Jersey’s needs in a way that is fit for our future. Covid-19 has also demonstrated the importance of a resilient and properly resourced public health policy function to lead on approaches to the most important public health challenges we face, including continuing to respond to the pandemic as it develops.

Our investment in 2021

In addition to the investment that will continue from 2020, we will also invest for the first time in 2021 in the following initiatives:

Covid-19
respond,
recover and
renew

GP21-CSP2-C-02	Nightingale Ward – Premises
GP21-CSP2-C-03	Nightingale Ward – Operations
<p>We will fund the operational costs and premises related costs for the Nightingale Ward of the General Hospital, including decommissioning costs, assuming this takes place from March 2021.</p> <p>This facility will mitigate the risk of an overwhelmed health service throughout the pandemic by making sure there is sufficient Acute bed capacity available to Health and Community Services (HCS) during the approaching winter pressures.</p>	
	HCS IHE

GP21-CSP2-C-01

COVID-19 Vaccine

We will fund the anticipated cost of the Covid-19 vaccination programme, as and when a vaccine becomes available.

Although there remain several unknowns, the availability of a safe and effective vaccine for Covid-19 will be a hugely important element and very probably the key to controlling the pandemic. It is therefore essential, as a key public health strategy, that when a vaccine does arrive, we are ready to deliver it, rapidly, to all eligible Islanders.



HCS

GP21-CSP2-C-04

Test and Tracing Programme 2

We will continue to fund the anticipated costs of the Test and Trace Programme to June 2021.

As part of the agreed strategy to protect Islanders during the pandemic, a fully resourced and comprehensive programme of testing and contact tracing will be maintained. This will support the safer travel policy to enable our borders to operate and also the 'testing to protect' strategy, that makes sure our essential workers, those in health care settings and Islanders that need testing, can be tested quickly and without delay.

The programme also includes the introduction of an Exposure Notification App, to enable the quick identification of a positive Covid-19 case and to notify, through digital automation, those who were in close proximity that they may have been exposed to a positive case.



JHA

GP21-CSP2-C-05

PPE Warehousing Solution


We will fund the costs of storing and distributing Personal Protective Equipment (PPE).


Timely and complete provision of PPE is essential to the Government's management of Covid-19 cases in the Island. We must make sure that we can procure, store and distribute a three-month pandemic stock (which is based on a worst-case scenario) of PPE that is over and above our current supplies.



HCS

Put patients, families and carers at the heart of Jersey's health and care system

GP21-CSP2-C-06	Support for Sport Infrastructure
We will provide funding to compensate for shortfall in income in the sports estate due to Covid-19, while restrictions remain in place.	
	IHE CT1

GP21-CSP2-1-05	Jersey Care Model
We will begin to implement the Jersey Care Model (JCM), which will enable a shift to a more prevention focused health service, enabling it to better cope with forecast demand from demographic changes.	
The JCM aims to transform health and social care in order to improve Islanders' wellbeing and mental and physical health. To achieve this, it proposes adopting a person-centred approach whereby care is safe, accessible and financially sustainable, being provided in the places where people need it the most.	
The JCM has three overarching objectives:	
<ul style="list-style-type: none"> • Make sure care is person-centred with a focus on prevention and self-care, for both physical and mental health • Reduce dependency on secondary care services by expanding primary and community services, working closely with all partners in order to deliver more care in the community and at home • Redesign of health and community services so that they are better structured to meet the current and future needs of Islanders. 	
After investments, the JCM is forecast to avoid £23 million per year by 2036 of the expected expenditure growth for Jersey's health and care system. In order to deliver the JCM and realise the expected benefits, investment of £28.1 million over this government plan (2021-24) is required, before the model will deliver a net financial benefit from 2025. Through implementing the changes proposed in the JCM, the financial sustainability of Jersey's health and care system will be significantly improved.	
	HCS CT6

GP21-CSP2-3-06

Air Ambulance Services

We will provide additional funding to guarantee the ongoing provision of an air ambulance service following the collapse of the current provider.

The air ambulance service is a critical requirement of the Island, primarily utilised in emergency trauma and the need to immediately evacuate patients for emergency treatment that cannot be provided in Jersey.



HCS

GP20-CSP2-3-03

Maintaining Health Care Standards

We will use investment allocated in the previous Government Plan to maintain health care standards, such as:

- Diabetes Pathway Improvements – develop and implement a new diabetes strategy for the Island in order move to a more preventative approach, to reduce the prevalence of the disease and improve outcomes
- End of life care – to develop a community partnership to meet the growing need for end of life care. This includes provide more palliative care options and bereavement support
- Mental health nursing training – to improve sustainable access to mental health nurses by providing training to Islanders interested in accessing the profession
- Key worker accommodation – to make sure the provision of key worker accommodation to make sure that HCS can continue to recruit essential skilled workers required for the ongoing delivery of services.

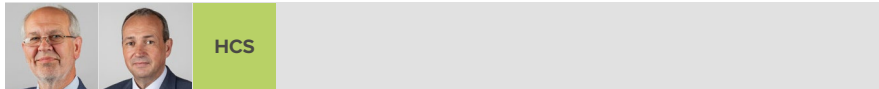


HCS

GP21-CSP2-CAPITAL **Our Hospital Project**

We will fund the Our Hospital project to continue the programme for delivering a new hospital for Jersey. For 2021, these include:

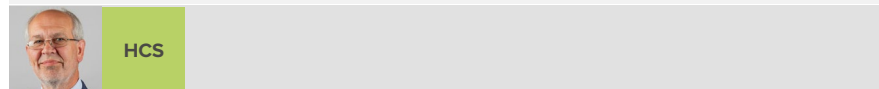
- The design stage, including the social value outputs
- A detailed planning submission for the new hospital, and associated highway alterations
- The Outline Business Case
- Continued public engagement
- The vacation and purchase of the selected site



GP21-CSP2-CAPITAL **In-Patients/Support Services Refurbishments**

We will fund the refurbishment of in-patients/support services for the existing hospital.

This will enable a phased approach to the required refurbishment ahead of the Our Hospital programme.



Please see Appendix 3 for more information on these initiatives.

Please see Appendix 4 for information on investment that will continue from 2020 that was approved in last year's Government Plan.

Funding this priority

We will resource these activities through base departmental budgets and/or existing funds, and additional investment. This additional expenditure will total £74.7 million over the four-year period of the Government Plan, with additional expenditure in 2021 estimated to be £53.3 million. This includes:

- Support Islanders to live healthier, active, longer lives: additional expenditure in 2021 of £6.6 million for the Jersey Care Model
- Put patients, families and carers at the heart of Jersey's health and care system: additional expenditure in 2021 of £0.4 million for the air ambulance service
- Government Covid-19 Response: additional expenditure in 2021 of £46.3 million for the test and trace programme, Nightingale Ward, purchasing a vaccine, PPE Warehousing and support for sports centres.

For further detail on the above additional expenditure, please see table 46.

We will also invest £22 million in initiatives included in last year's Government Plan.

We will be investing in infrastructure associated with this priority, with capital expenditure of £37.1 million in 2021 and totalling £71.6 million over the four-year period (for further detail, please see table 17).

How we measure our sustainable wellbeing impact

We measure our sustainable wellbeing impact and Jersey's overall progress towards sustainable wellbeing by monitoring a wide range of outcomes and metrics in Jersey's Performance Framework. The full set of metrics and data is available on gov.je.

Examples of the Island Outcomes this Priority aims to progress further:

- Jersey has a healthy population
- Islanders look after their health by being physically active
- Islanders look after their health by drinking alcohol responsibly
- Islanders look after their health by not smoking tobacco
- Islanders look after their health through healthy diets
- Islanders can access health care
- Effective public health interventions help prevent avoidable deaths
- Deaths due to treatable causes are avoided where possible
- Islanders with long-term health conditions enjoy a good quality of life
- Islanders enjoy positive mental health and wellbeing
- Islanders enjoy life in a strong, inclusive community
- Quality of life in Jersey benefits from a thriving sports sector.

Examples of the Island indicators this priority aims to progress further:

- Number of years a new-born baby in Jersey can expect to live, on average, in 'good' or 'very good' health
- Premature deaths per 100,000 population (where individual was aged <75)
- Jersey's population mental wellbeing score
- Average consumption in litres of pure alcohol per adult
- % of adults who smoke daily or occasionally
- % of adults who are overweight or obese
- % of adults who meet recommended levels of physical activity
- % of adults who say they feel lonely often or some of the time
- % of adults who regularly minimise face-to-face contact with people outside of their household
- % of adults who think they spend the right amount of time on social activities outside of their job.



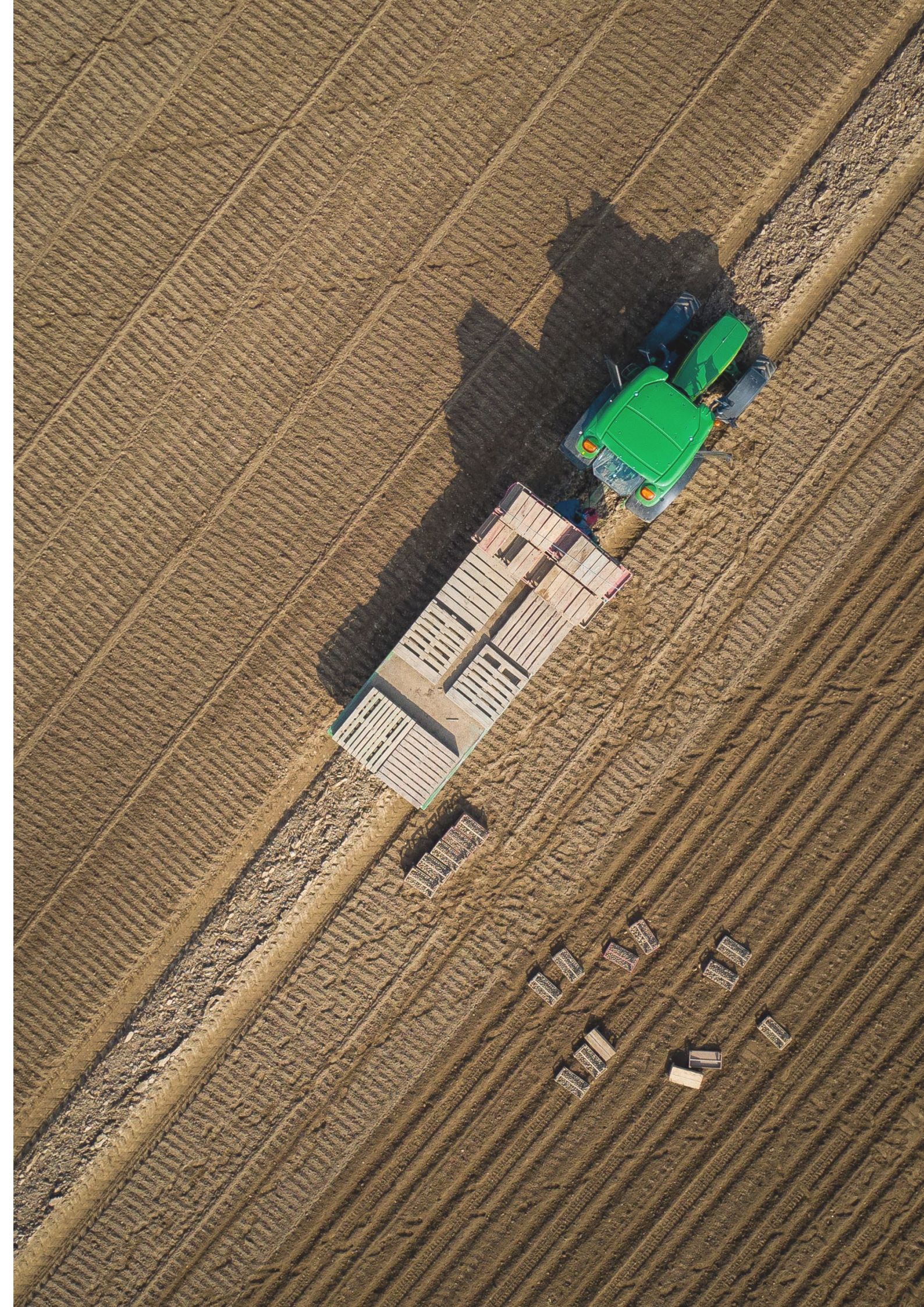


We will create a sustainable, vibrant economy and skilled local workforce for the future

by delivering an economic framework to improve productivity, by nurturing and strengthening our financial services industry, by enhancing our international profile and promoting our Island identity, by delivering the best outcomes from Brexit, and by improving skills in the local workforce to reduce Jersey's reliance on inward migration.

Headlines

- We will continue to develop and deliver the Future Economy Programme, which will aim to ensure our Island's long-term economic sustainability and resilience
- We will work to ensure that Jersey's interests are promoted and taken into account in respect of the UK's future trade negotiations
- We will continue to deliver our Global Markets strategy to promote Jersey on the world stage as a dynamic place to do business and trade with
- We will maintain and build on the Island's government to government relationships in respect of the UK and EU, to enhance understanding of our constitutional position, economy, reputation and international profile
- We will continue to support the development and delivery of Jersey's tax policy and delivery of international tax commitments
- We will continue to invest in Digital Jersey to ensure progress towards a digital, knowledge based economy and increased access to digital capability
- We will continue to review Jersey's Economic Framework and Productivity Support to create sustainable economic growth for Jersey and be managed in accordance with Jersey's new investment framework
- We will continue to protect our financial services industry by investing in Anti-Money Laundering and Countering the Financing of Terrorism processes



- We will continue to forge new and stronger commercial relationships to support our financial services industry
- We will fund support for a range of projects to support the economic recovery
- We will increase funding for the newly formed Jersey Competition Regulatory Authority to allow it to better focus on the consumer matters that impact people in Jersey, and on promoting competition that will support Islanders' living standards and improve the competitiveness of local businesses
- We will provide funding for the implementation of a migration control policy, building on the recommendations of the Migration Policy Development Board as and when approved by the States Assembly
- We will continue to increase Jersey's Overseas Aid contributions, investing in our long-term future as a responsible, outward-looking global citizen
- We will continue to develop and promote a strong and inclusive sense of national identity, to increase social cohesion and support Jersey in projecting a positive and coherent international profile



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Collection
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FRESH Jersey PRODUCE

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POLYBAGGED 40 JERSEY 400g
BUY JERSEY 400g RED PEPPERS
POLYBAGGED 40 JERSEY 400g

Introduction

We will need to remain agile in order to build back this capacity for further economic shock across the households and businesses, particularly in the foundation economy, where many businesses rely on footfall from Islanders and visitors. The outlook for inbound travel remains volatile and we will continue to evaluate the availability and effectiveness of Government support measures to those businesses that will be disproportionately affected.

The financial services sector was able to perform strongly, with some businesses in the sector paying tax liabilities ahead of their due date to assist with cashflow. Sector employment has remained strong, although the increase in remote working provides a warning against complacency of many roles remaining in Jersey in the long-term. We will continue to invest in the sector to support new business acquisition, new market opportunities, digitisation and continued preparedness to meet the high benchmark expected by clients and international standard setters.

In 2021 we will continue to invest resources in hospitality, retail, agriculture and fisheries through measures such as grants, route development support, re-capitalisation of the Rural Incentive Scheme and productivity support. We also remain committed to growth funding for the Arts, Culture and Heritage portfolio. We will deliver the States Assembly decision (P.40/2019) with 1% of net revenue expenditure (excluding time limited costs relating to Covid-19) going to these sectors in 2022. We commit to the reinstatement of funding at the agreed rate of 1% of net revenue expenditure for 2024 and beyond¹⁷. We will increase investment in arts, culture and heritage, recognising their importance to Islanders and investors alike. We will also continue our investment in Digital Jersey as a catalyst for the embrace of new technologies and a voice for the promotion and of our Island's growing digital sector.

Taking account of the advice of the Economic Council and Political Oversight Group for the development of the future economy, the Critical Skills programmes will be reviewed and proposals brought forward to make sure there is alignment with our future labour market. We will help both young people entering training and employment, and adults who need to re-skill, by providing opportunities across a range of work-based learning programmes, traineeships, apprenticeships and a broadening of Further and Higher Education offers. This will also feed into the development of the new Migration Policy.

Also within the context of the Future Economy programme, the Minister and Assistant Minister for Education will oversee the production of a re-training strategy that examines the range of existing training and employment support programmes offered through the private sector, Highlands College, Skills Jersey, Customer and Local Services and other stakeholders. This will ensure we have the most effective provision, management and funding of these services for the future, and identify future strategies and schemes that support social mobility through career changes or up-skilling.

¹⁷ see Appendix 7 (10)

While we remain confident about the role Jersey can play as a visitor destination, a well-regulated and internationally co-operative financial centre, and as a supplier of high quality dairy, agricultural and aquaculture products, we must recognise that suppressed demand and lower transaction flows elsewhere may impact our return to growth.

With recommendations from the Economic Council due to be received and considered in late 2020, we will develop plans for longer-term economic renewal for consideration by the States Assembly and Islanders during early 2021. Agreed plans will be taken forward with the support of a new economic growth funding allocation. We will challenge what growth means and through our policy making, seek to secure more evenly-shared future prosperity for Islanders, a prosperity that pays dividends in social cohesion, improved health, financial inclusion and judicious, sustainable use of our resources.

The direction of policy and regulation at EU and global (OECD) level, particularly in relation to the development of new standards in international tax, is likely to present additional complexity for the Island as it seeks to renew the economy in light of the pandemic. The long-standing approach of proactive engagement with international standard setters has served the Island well and we will continue this approach.


Jersey must continue to feed into the UK's trade negotiations as it establishes itself as an independent trading nation in its own right, moving at pace to understand the risks and opportunities from new trade relationships, and in ensuring our interests are understood and represented by the UK. Where necessary, this will also involve Jersey continuing to expand its own network of international agreements, tailored to suit the Island's particular economic interests.

We must also continue to deliver a programme of trade facilitation, profile raising and international engagement critical to Jersey's reputation and global standing. And while managing international challenges remains critical, we will also help Jersey seize new opportunities for economic recovery by ensuring that the Island is well-connected and well-regarded internationally in growth areas, such as environmental, social and governance investment, philanthropy, the continued development of a strong digital sector, and the continued advances in the effectiveness and reputation of Jersey's international aid programme.


As well as adapting existing programmes in response to the global Covid-19 pandemic, Jersey Overseas Aid continues to invest its funds in humanitarian interventions where needs are greatest. As agreed last year, from 2021 we will tie the value of our overseas aid to the size of the economy, with a single basis point increase, year-on-year, from 2021 onwards. This means that Jersey will move closer to international norms

while ensuring that expenditure on international relief and development remains affordable.

Covid-19
respond,
recover and
renew

GP21-CSP3-C-01	Economic Recovery
<p>We will fund support for a range of projects to support the economic recovery.</p> <p>This annual allocation in 2021-23 will be used to fund new economic growth initiatives, such as those recommended by the Economic Council and agreed for implementation by the Council of Ministers. Funding will also be drawn to complete the balance of economic support measures and the balance of initiatives in 2021 directly related to economic recovery, such as in the hospitality sector.</p> <p>Business cases will be required for each initiative and will require formal support of the Economic Recovery Political Oversight Group before sign-off by the Minister for Economic Development, Tourism, Sport and Culture under Ministerial Decision.</p>	
 <div style="background-color: #92d050; color: white; padding: 2px 5px; font-weight: bold;">OCE</div>	

Delivering
an economic
framework
to improve
productivity and
nurturing and
strengthening
our financial
services industry

GP21-CSP3-2-12	JCRA Reconstitution Funding
<p>We will increase funding for the newly-formed Jersey Competition Regulatory Authority (JCRA) to allow it to better focus on the consumer matters that impact people in Jersey and on promoting competition that will support Islanders' living standards and improve the competitiveness of local businesses.</p> <p>This will be achieved through the promotion of competition and consumer interests through a comprehensive programme of activity that would typically be delivered by a general competition authority.</p>	
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In 2022 we will invest in:

Improving skills
in the local
workforce to
reduce Jersey's
reliance
on inward
migration

GP21-CSP3-4-02

Migration Policy Implementation

We will provide funding for the implementation of new Migration Control Policies, building on the recommendations of the Migration Policy Development Board, as and when approved by the States Assembly.

Policy recommendations are due to be debated by the States Assembly before the end of 2020.

The recommendations include:

- Introducing new Control of Housing and Work Law permissions to businesses and individuals to allow Government to maintain closer control of the number of workers settling permanently in Jersey
- Increasing Government co-ordination at a strategic level to make sure that all policies take account of their potential impact to increase the population of the Island
- Providing accurate and regular performance management information to Ministers responsible for setting policy guidelines
- Ensuring that businesses have an accurate picture of the ongoing impact of the controls across business sectors and provide reassurance and transparency to the public.



CLS

CT8

Our investment in 2021

In addition to the investment that will continue from 2020, we will also invest for the first time in 2021 in the following initiatives:

Please see Appendix 3 for more information on these initiatives.

Please see Appendix 4 for information on investment that will continue from 2020 that was approved in last year's Government Plan.

Funding this priority

We will resource these activities through base departmental budgets and/or existing funds, and additional investment. This additional expenditure will total £40.4 million over the four-year period of the Government Plan, with additional expenditure in 2021 estimated to be £15.7 million. This includes:

- Government Covid-19 Response: additional expenditure in 2021 of £15.5 million for the economic recovery programme
- Future economy programme: additional expenditure of £0.15 million for the newly formed Jersey Competition and Regulatory Authority

For further detail on the above additional expenditure, please see table 46.

We will also invest £15.4 million in initiatives included in last year's Government Plan.

We will be investing in infrastructure associated with this priority, with capital expenditure of £4.1 million in 2021 and totalling £4.5 million over the four-year period (for further detail, please see table 17).



How we measure our sustainable wellbeing impact

We measure our sustainable wellbeing impact and Jersey's overall progress towards sustainable wellbeing by monitoring a wide range of outcomes and metrics in Jersey's Performance Framework. The full set of metrics and data is available on gov.je.

Examples of the Island Outcomes this Priority aims to progress further:

- Overall economic performance
- Islanders enjoy life in a strong, inclusive community
- Pupils complete compulsory education successfully.

Examples of the Island Indicators this Priority aims to progress further:

- Annual economic output divided by total population
- Productivity – Jersey's economic output divided by the number of employees (by sector)
- % of working age population who are economically active
- Number of people registered as actively seeking work
- % of permitted migrant staff working in Jersey's private sector who have licensed status
- % of young people aged 16-18 who are not in education, employment or training
- Jersey's overall wellbeing score using the Better Life Index.



We will reduce income inequality and improve the standard of living



by improving the quality and affordability of housing, improving social inclusion, and by removing barriers to and at work.

Headlines

- We will begin to develop detailed plans to implement agreed recommendations following the publication of the Housing Development Board's review of housing in Jersey
- We will continue to improve support and protection for tenants
- We will develop proposals to better support disabled adults living at home, and their informal carers
- We will fund the forecast overspend on Income Support in 2021-24 as a result of Covid-19 in line with the economic forecast
- We will fund the Co-Funded Payroll Scheme through to it being phased out in March 2021
- We will implement actions to modernise the Island's personal income tax system, in particular to modernise the tax treatment of married women and people in same-sex relationships
- We will continue to deliver the disability strategy alongside improving community-based services and supporting diversity
- We will develop a new approach to supporting workers with long-term health conditions to return to or remain in employment
- We will review the way in which the minimum wage is agreed
- We commit to funding Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey, to ensure that detailed information can be published on current levels of relative low income ("poverty") in Jersey, using both established measures and also taking account of the work of the Social Metrics Commission; and to develop a Poverty Strategy for inclusion in the 2022 Government Plan¹⁸

¹⁸see Appendix 7 (12)

Introduction

We must continue, through the pandemic and beyond, to support Islanders whose employment and income have been impacted to make sure that disparities in income inequality and standards of living are not exacerbated by the Government’s response to Covid-19. We will continue our work to develop modern incapacity benefits that support work and to deliver the disability strategy and community-based services. We will also help unemployed Islanders find work with the support of targeted ‘Back to Work’ programmes.


However, we must also stay focused on the longer-term challenges that Islanders face. We remain committed to our work on social inclusion and on removing barriers to, and at, work, including a review of the way in which the minimum wage is agreed.

We recognise the critical importance of improving the quality and affordability of housing for Islanders. We will continue our important work which we have already started on tenants’ rights, including implementing a new Housing Advisory Service and developing rent stabilisation measures. We will also develop new homeless services and improve the funding provided to the Shelter Trust. In addition, we will build on the work of the Housing Policy Development Board, including the strategic alignment of government owned housing delivery bodies.

Our investment in 2021

In addition to the investment that will continue from 2020, we will also invest for the first time in 2021 in the following initiatives:

Covid-19 respond, recover and renew

GP21-CSP4-C-02	Covid-19 Income Support Costs
<p>We will fund the forecast overspend on Income Support in 2021-24, as a result of Covid-19, in line with the economic forecast.</p> <p>This will ensure that Islanders who have lost their employment or suffered a reduction in income are adequately supported and that we continue to make payments of statutory benefits to eligible Islanders quickly and accurately. This includes providing additional Back to Work Employment Advisors to support unemployed Islanders find work.</p>	
	<p>CLS</p>

Improving social inclusion

GP21-CSP4-C-01 Covid-19 Co-Funded Payroll Scheme Phase III

We will fund the Co-Funded Payroll Scheme through to it being phased out by March 2021.

This is to:

- Make sure that businesses survive the immediate crisis, so they can resume trading so supply capacity remains intact
- Ensure that employment remains as close to pre-crisis levels as possible through the period of the pandemic
- Make sure that workers continue to benefit from a reasonable level of income to avoid hardship during the crisis and preserve demand to support an economic recovery once physical distancing and other public health measures are lifted
- Support a robust economic recovery.



CLS

GP21-CSP4-AMD11

Beresford Street Kitchen

We will provide support during 2021 for Beresford Street Kitchen and request officers to work with the organisation to support the development of a financially sustainable business model for future years.¹⁹



CLS

GP21-CSP4-AMD17

Poverty Strategy

We commit to funding Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey, to ensure that detailed information can be published on current levels of relative low income (“poverty”) in Jersey, using both established measures and also taking account of the work of the Social Metrics Commission; and to develop a Poverty Strategy for inclusion in the 2022 Government Plan.²⁰



SPPP

¹⁹see Appendix 7 (8)

²⁰see Appendix 7 (12)

Please see Appendix 3 for more information on these initiatives.

Please see Appendix 4 for information on investment that will continue from 2020 that was approved in the last year's Government Plan.

Funding this priority

We will resource these activities through base departmental budgets and/or existing funds, and additional investment. This additional expenditure will total £32.3 million over the four-year period of the Government Plan, with additional expenditure in 2021 estimated to be £18.8 million. This includes:

- Government Covid-19 Response: additional expenditure in 2021 of £18.8 million on the Payroll Co-Funding Scheme and Income Support for Islanders.

For further detail on the above additional expenditure, please see table 17.

We will also invest £5.1 million in initiatives included in last year's Government Plan.

How will we measure our sustainable wellbeing impact

We measure our sustainable wellbeing impact and Jersey's overall progress towards sustainable wellbeing by monitoring a wide range of outcomes and metrics in Jersey's Performance Framework. The full set of metrics and data is available on gov.je.

Examples of the Island Outcomes this Priority aims to progress further:

- Households have sufficient income to afford a decent standard of living
- Islanders enjoy life in a strong, inclusive community
- Islanders with long-term health conditions enjoy a good quality of life
- Jersey is an affordable place to live
- Jersey has a sufficient supply of housing
- Housing in Jersey is good quality
- Housing in Jersey is affordable.

Examples of the Island Indicators this Priority aims to progress further:

- Change in value of average earnings allowing for inflation (by sector)
- % of households who find it 'quite' or 'very difficult' to cope financially
- Change in value of income inequality indicators (90-10 ratio and Gini coefficient)
- % of Islanders living in 'relative low income' households (before and after housing costs)
- Number and % of new homes that are affordable
- Number of Islanders who are Actively Seeking Work (ASW)
- % annual increase in house price index
- % annual increase in rental price index
- % of low-income households in qualified private rental accommodation in rental stress
- % of Islanders who are 'very satisfied' with their housing
- % of Islanders who rate their life satisfaction as 7 or more out of 10
- % of Islanders with a disability who rate their life satisfaction as 7 or more out of 10.



We will protect and value our environment

by embracing environmental innovation and ambition, by protecting the natural environment through conservation, protection, sustainable resource use and demand management, and by improving the built environment, to retain the sense of place, culture and distinctive local identity.

Headlines

- We will continue to utilise the Climate Emergency Fund in order to support a new sustainable transport plan and other key initiatives
- We will continue to improve countryside access for Islanders
- We will continue to implement schemes that encourage changes in how we travel, increasing cycling, walking and the use of sustainable transport, that deliver a sustainable reduction in carbon emissions, and that increase the level of protection afforded to our environment
- We will seek to change behaviours in respect of pollution and waste
- We will protect our habitats and species through better legislation and enforcement
- We will tackle the climate emergency with energy and pace, and move quickly towards becoming a sustainable, low-carbon jurisdiction
- We will increase the subsidy for the bus network to enable a break-even position whilst capacity on services remains impacted by physical distancing
- We will invest in research surrounding inland water quality including PFAS and pesticide research and essential staffing relating to catchment management
- We will provide additional resource to the Marine Resources Management Team to respond to implications arising from Brexit

2 2013 2014 2015 2016 2017 2018 2019

climate emergency

Introduction

In February 2020, the States Assembly unanimously agreed the Carbon Neutral Strategy. This outlined the strategic context and principles and upon which a grass-roots community approach would be used to develop Jersey's detailed road map towards carbon neutrality. Crucial to responding to the climate emergency and biodiversity crisis was a Citizens' Assembly, which had been planned for early 2020 but had to be paused due to the public health restrictions on gatherings.

In March 2020, the States Assembly agreed the Sustainable Transport Policy, which comprised two parts. Firstly, a framework for a sustainable transport system that gave a vision supported by four pieces of rapid analysis needed to form a detailed approach to transitioning our transport system into one that promotes the sustainable wellbeing of future generations. Secondly, a Strong Start Delivery Plan for 2020 that offered several immediate projects, pilots and improvements.

Both reports, and their associated work streams, marked the beginning of an intensive phase of development and delivery that will ultimately re-shape the Island's response to the global challenge of climate change and our approach to travel within the Island.

Alongside these, the Island Plan Review programme began the process of reshaping our future spatial planning policy for the next decade, addressing major strategic challenges and tensions like planning for the need for homes, safeguarding the environment, supporting the economy, responding to our ageing population and securing good design and creating better places.

The pandemic response and the subsequent redeployment of staff and resources paused progress on these major strategic initiatives. It has not, however, diminished their importance as we move forward in a rapidly changed world. The Island Plan will be reprogrammed to cover a shorter bridging timeframe. In addition, dealing with the climate emergency remains a priority for the Council of Ministers and the response to the pandemic has shown we can adapt quickly and make significant changes in response to such emergency situations.


A post-virus resumption of unsustainable behaviours and lifestyles would miss the chance to make dramatic changes that this momentous time presents. For example, the experience of the pandemic has provided a glimpse of different ways of working that will impact our need to travel in old unsustainable ways, therefore influencing our spatial planning, the location of our workplaces, where we build new homes and the transport services we will need in the future.

The economic recovery can offer a new sustainable growth strategy, which is able to deliver on the twin benefits of stimulating economies and creating jobs while accelerating the green transition, reducing emissions and protecting biodiversity.


Our investment in 2021


In addition to the investment that will continue from 2020, we will also invest for the first time in 2021 in the following initiatives:

Covid-19 respond, recover and renew

GP21-CSP5-C-01	Covid-19 Bus Contract
We will increase the subsidy for the bus network to enable a break-even position whilst passenger capacity on bus services remains impacted by the need for physical distancing to reduce transmission of the virus.	
	IHE CT5


Protecting the natural environment

GP21-CSP5-2-04	Natural Environment – Water
We will invest in research surrounding inland water quality including per- and polyfluoroalkyl substances (PFAS) and pesticide research and essential staffing relating to catchment management.	
	IHE

GP21-CSP5-2-05	Marine Resources Management
We will provide additional resource to the Marine Resources Management Team to respond to implications arising from Brexit.	
	IHE CT2

Climate Emergency Fund

The Climate Emergency Fund will be the source of further additional expenditure in 2021 and will focus on:

GP20-CSP5-1-01	Strengthening Environmental Protection
We will spend £0.3 million on strengthening environmental protection - this constitutes unspent money for 2020 projects agreed in the previous Government Plan but deferred due to Covid-19. It includes the development of an Invasive and Non-Native Species Strategy and resources for ‘on the ground’ biosecurity measures, particularly around Asian Hornet control, marine species research and work to support tree protection and conservation.	
	IHE SPPP CT2

GP20-CSP5-1-01 **Policy Development on Carbon Neutral and Sustainable Transport Plan**

We will spend £0.5 million on Policy Development on the Carbon Neutral and Sustainable Transport Plan - this will be used to ensure continued technical support by external advisors to run an independent citizens' assembly as agreed in the Carbon Neutral Strategy (P.127/2019). Due to Covid-19-related delays, the assembly had to be re-scheduled into early 2021 with an increased focus on kick-starting this important workstream and delivering on the response to the climate emergency in this Government's term. Other expenditure from this area includes technical expert support for policy development, both for carbon neutrality but also the Sustainable Transport Plan, including resources to help with project development delivery.



GP20-CSP5-1-01 **Sustainable Transport Initiatives**

We will spend £3.2 million on sustainable transport initiatives - the States Assembly agreed the Sustainable Transport Policy P.128/2019. It outlined a strong start programme of several immediately-achievable projects, as well as outlining four rapid assessments which needed to be undertaken to define a detailed programme of sustainable transport policies and infrastructure initiatives. The 2021 projected expenditure of £3.2 million was estimated expenditure, which would be defined by the 2020 work. Due to Covid-19-related delays, much of the 2020 work will be carried into 2021.



GP20-CSP5-AMD21 **Tree Preservation Initiatives**

Further to an amendment to the proposed Government Plan 2021-24, the expenditure from the Climate Emergency Fund shall be increased by £300,000 to fund tree preservation initiatives. We also commit to funding tree preservation initiatives, with an additional expenditure per year of £75,000 in the years 2022, 2023, and 2024.²¹



²¹see Appendix 7 (13)

GP20-CSP5-1-01

Strengthening Protection of the Natural Environment

We will spend £0.5m strengthening protection of the natural environment - despite the delay of some of the climate emergency work in 2020, there is an opportunity to maintain momentum on important projects related to the climate emergency and biodiversity crisis. These projects have been prioritised by the Natural Environment Directorate and can be supported by the fund. Included is work to evaluate local soil health, biodiversity and habitat management - including projects that, as well as having a strong conservation element, also contributes to the drawdown of carbon by local ecosystems, and resources to make sure levels of biosecurity are maintained and enhanced.



IHE

SPPP

CT2

Please see Appendix 3 for more information on these initiatives.

Please see Appendix 4 for information on investment that will continue from 2020 that was approved in last year's Government Plan.

Funding this priority

We will resource these activities through base departmental budgets and/or existing funds, and additional investment. This additional expenditure will total £5.7 million over the four-year period of the Government Plan, with additional expenditure in 2021 estimated to be £2.6 million. This includes:

- Government Covid-19 Response: additional expenditure in 2021 of £2.0 million on supporting bus services
- Protecting the natural environment: additional expenditure in 2021 of £0.6 million on Marine Resources management and natural environment.
- Commitment to funding tree preservation initiatives: additional expenditure per year of £75,000 in the years 2022, 2023 and 2024.²¹

For further detail on the above additional expenditure, please see table 46.

We will also invest £3.1 million in initiatives included in last year's Government Plan.

We will be investing in infrastructure associated with this priority, with capital expenditure of £18.2 million in 2021 and totalling £87.2 million over the four-year period (for further detail, please see table 17).

How will we measure our sustainable wellbeing impact

We measure our sustainable wellbeing impact and Jersey's overall progress towards sustainable wellbeing by monitoring a wide range of outcomes and metrics in Jersey's Performance Framework. The full set of metrics and data is available on gov.je.

Examples of the Island Outcomes this Priority aims to progress further:

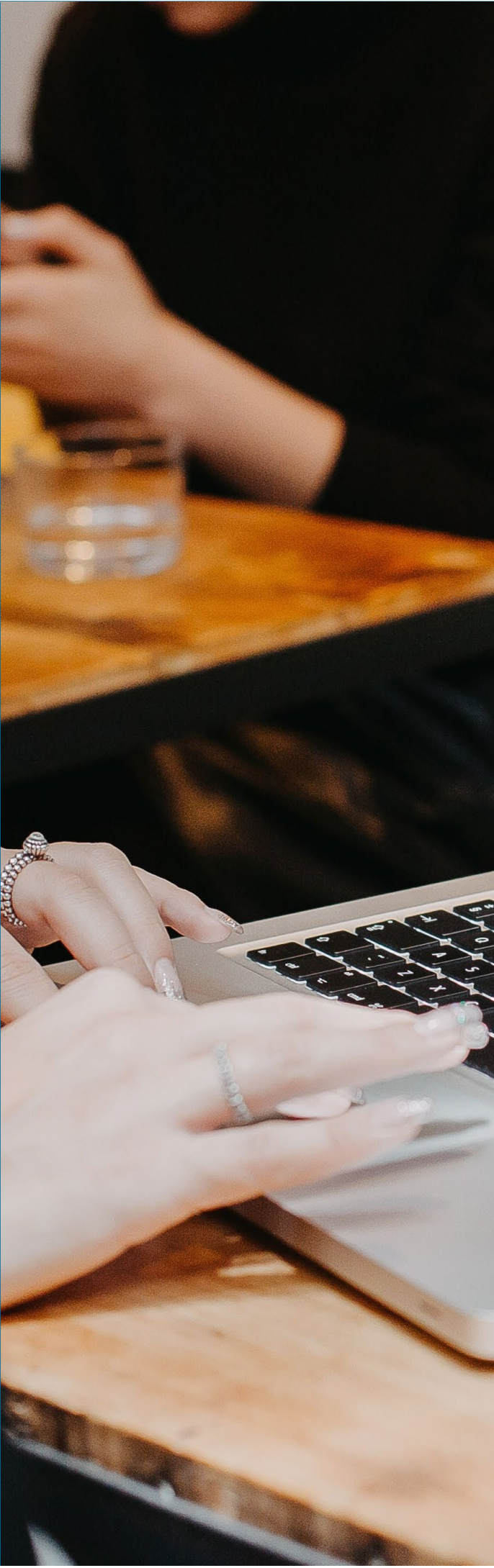
- Jersey's natural habitats and species are protected and conserved
- Jersey benefits from low pollution levels including good air quality
- Jersey protects its natural water supply
- Jersey manages the amount of waste products
- Islanders live in a healthy environment
- Housing in Jersey is good quality
- Jersey will become a carbon neutral island
- Islanders use sustainable modes of transport
- St Helier is an attractive town in which to live, work and visit.

Examples of the Island Indicators this Priority aims to progress further:

- % of Jersey's surface area (excluding inland water and inter-tidal areas) that is classed as natural environment and land under cultivation
- % of farmland achieving LEAF accreditation
- Abundance of key indicator species (birds and butterflies)
- The number of times average monthly nitrogen dioxide concentrations exceed European Directive limits
- % of pesticide detections in natural water resources above the limit (0.1 ug/l) and average nitrate levels (mg/l) in surface streams
- Jersey's emission level of greenhouse gases
- % of non-inert waste that is recycled
- % of journeys to work made by walking, cycling or public transport
- Morning peak traffic on nine main routes towards St Helier
- % of Islanders who are 'very satisfied' with their neighbourhood as a place to live
- % of Islanders who are 'very satisfied' with their housing.



Part three
Modernising
Government





Tax effective rate notice

Date protection

You can use this service to get a replacement effective tax rate if your income has changed or get a copy of your current rate.
We will use these details to update your information on the tax system and revise your effective rate (if applicable), so accuracy is preserved.
We will also need to have received your most recent tax return.
If you want to query your effective tax rate, you need to contact the taxes office on +44 (0) 1534 44000.

Are you registered for tax in Jersey?



We will improve the way in which Government and the public service function, so they deliver modern, efficient, effective and value-for-money services and infrastructure, sound long-term strategic and financial planning, and encourage closer working and engagement among politicians and Islanders.

5

ongoing initiatives

A States Assembly and Council of Ministers that work together for the common good

A new, long term strategic framework that extends beyond the term of a Council of Ministers

A modern, innovative public sector that meets the needs of Islanders effectively and efficiently

A sustainable long-term fiscal framework and public finances that make better use of our public assets

An electoral system which encourages voter turnout and meets international best practice

Headlines

- We will invest in the modernisation of the public sector through the use of digital technologies
- We will continue to transform the way in which we manage public finances, including greater long-term financial insight
- We will deliver cumulative sustainable efficiencies from 2020 to 2023 through a detailed and rigorous Efficiencies Programme
- We will provide funding for the implementation of new Target Operating Models within the Government to enable collaborative delivery and increased value for money from government spending
- We will continue to pay for the rent of 28-30 The Parade to provide flexibility as part of a longer-term estate strategy
- We will provide funding to cover the increase in insurance premiums



Introduction

The pandemic response has demonstrated the importance of working together as One Government and using new technology to respond flexibly and at speed. Without the flexibility created by the introduction of the One Government organisational changes, we would not have been able to have responded as effectively as we did to Covid-19.

In 2021, we will continue to deliver and support further organisation-wide change to enable the continued transformation of our Government into a modern and innovative public sector which meets the needs of Islanders, invests in our employees to reform our workforce and modernises how we work. This will enable us to deliver better outcomes and more efficient services for Islanders.

We will also continue to invest in the modernisation of the Government through the use of digital technologies, addressing the legacy of historic under-investment and protecting our technical infrastructure and data, and enabling us to be more efficient and agile in meeting Islanders' needs.

In last year's Government Plan we outlined our proposals to bring forward a new office for States and Government employees in order to improve the modernisation of the public services workforce. Building on our experiences of home working during the pandemic response and enabled by our continued investment in technology, we will introduce flexible working practices that enable people to work where and when is appropriate for them and the outcomes that they need to achieve. This will not only help create an agile and modern workforce but will also be a key enabler of the Office Modernisation Programme.

In 2021 we will finalise the contractual arrangements for the development of the new office arrangements, the final detail of which is due to be completed by November 2020. We have highlighted in this plan our intention to finance the development in a flexible way to take account of our current fiscal circumstances. The Council of Ministers is recommending that we initially lease the proposed new facility from 2023 with the option to purchase the building by 2026, when further information is available about Jersey's economic landscape, the fiscal position facing the island and the government's long-term borrowing commitments. This flexibility enables this important development to continue and in 2021 we include in the capital programme, funds to support the teams costs for progressing the project to completion in 2023 and separately, the associated revenue expenditure.

At the same time, we will also continue to rebalance Government finances and deliver cumulative and sustainable efficiencies, and other rebalancing measures, from 2021 to 2024 to decrease the cost of services to Islanders, avoid wasting money, encourage innovation and promote improved cost effective services that will lead to a better improved provision for Islanders.

Our investment in 2021

In addition to the investment that will continue from 2020, we will also invest for the first time in 2021 in the following initiatives:

A modern, innovative public sector that meets the needs of Islanders effectively and efficiently

GP21-OI3-15

Commercial Services Restructure

We will provide funding for the implementation of the Commercial Services Target Operating Model. Covid-19 has emphasised the importance of supporting the whole of Government to deliver good value in our contractual relationships. By 2024, we will have in place a highly capable commercial function, enabling collaborative delivery and protection of innovative and sustainable outcomes for the Island whilst also delivering increased value for money from government spending.



COO

GP21-OI3-16

Re-organisation – Justice and Home Affairs

We will put in place sustainable funding for the Justice and Home Affairs Target Operating Model. Appropriately resourcing the Justice and Home Affairs department ensures that it has the means to continue to positively deliver its function and fully contribute to OneGov and the wellbeing of the Island. The services provided by the Justice and Home Affairs department are critical to the delivery of public protection, law enforcement, emergency services and emergency planning. The effectiveness of the delivery of these services clearly impacts all Islanders' community wellbeing as well as directly and indirectly ensuring Islanders' environmental and economic wellbeing.



JHA

CT8

GP21-OI3-17

Re-organisation – Ministerial Support Unit

In the Government Plan 2020-2023, we secured improved resources for non-executive States Members, including dedicated research and casework staff.

In this Government Plan, we will consolidate funding for the Ministerial Support Unit to make sure we are providing sustainable support for Ministers with the resources they need to represent Islanders.



OCE

GP21-OI3-18

Re-organisation - Communications

We will consolidate funding for the Communications Directorate to provide sustainable resources to the organisation that will allow for enhanced internal communications and design work.

Due to Covid-19, there is an increased demand for internal and change communications to support the organisation with timely advice on public health measures, workplace restrictions, and all-Island messages.

Providing sustainable funding for a design team creates significant savings for the Government, with work done in-house being produced quicker and cheaper than procuring external agencies.



OCE

GP21-OI3-20

28-30 The Parade

We will continue to pay for the rent of 28-30 The Parade to provide flexibility as part of a longer-term estate strategy.



IHE

CT8

GP21-OI4-2

Insurance Premiums

We will provide funding to cover an increase in insurance premiums. This will be used to ensure we have sufficient cover for a range of additional general and specific risks identified as part of the insurance re-tender process undertaken during 2019. In addition to the general premium increases due to the hardening of global insurance markets we have also procured a number of specialist insurances to mitigate specific threats in areas such as Cyber security.



T&E

GP21-OI3-CAPITAL

Jersey Care Model – Digital Systems

We will provide funding for new digital tools to use across the health and care system. These include investment for integrated care records, core record systems, hub and micro services, and analytics.

This will contribute to the delivery of the Jersey Care Model, which aims to:

- Ensure care is person-centred with a focus on prevention and self-care
- Reduce dependency on secondary care services by expanding Primary and Community services in order to deliver more care in the community and at home
- Redesign of Health and Community services so that they are structured to meet the current and future needs of Islanders.



HCS

GP21-OI3-CAPITAL

Fort Regent (Early Phase)

We will provide funding for pre-feasibility work and early phase work at Fort Regent ahead of the main project.

This will allow for the evaluation of options and some quick win projects



IHE

GP21-OI3-CAPITAL

Office Modernisation

We will provide funding to continue to progress the Office Modernisation project as outlined in the Strategic Outline Case approved by COM in September 2019.

This will enable the Government of Jersey to more effectively discharge its duties to support Ministers, the States Assembly and the public it serves. It will also improve the efficiency and effectiveness of operational costs that support the public estate as well as productivity savings (both of which will be fully qualified in the Final Business Case); whilst at the same time consolidating our overall office estate. This will also allow for more cost-effective use of our accommodation and the release of sites for redevelopment for alternative uses, including housing.



OCE

GP21-OI3-CAPITAL

Benefits and Payments System - NESSIE

Changes to the Benefits and Payments System will be funded from the Social Security Fund.

This will enable the Customer and Local Services department to:

- Deliver customer-centric and organisational change
- Take advantage of significantly faster software enhancement development cycle times;
- Mitigate issues associated with the current system programming languages
- Act before the above become significant business risks.



CLS

GP21-OI3-CAPITAL

Firearms Range

A new Firearms Range for the States of Jersey Police will be provided via funding from the Criminal Offences Confiscation Fund.

This will allow the Government of Jersey and States of Jersey Police to meet the required level of Health and Safety and College of Policing Licensing requirements. This will keep the Island safe and secure.



JHA

GP21-OI3-AMD10

Review of the funding of Public Services
by the Parishes

The Minister for Treasury and Resources will work with the Minister for Infrastructure and the Comité des Connétables to agree the Terms of Reference for a review into the funding of public services by the Parishes, as agreed in the Common Strategic Policy, to carry out that work and then to bring forward any recommendations.²²



T&E

Please see Appendix 3 for more information on these initiatives.

Please see Appendix 4 for information on investment that will continue from 2020 that was approved in last year's Government Plan.

²²see Appendix 7 (7)



Non-Ministerial Department Investment in 2021

Introduction

The Non-Ministerial Departments (see Appendix 1 for full list) are constitutionally separate from the Government of Jersey.

Article 10 of the Public Finances (Jersey) Law 2019 requires the Government Plan, lodged by the Council of Ministers, to set out the proposed amount to be appropriated from the Consolidated Fund for the next financial year, in relation to the operations of a Non-Ministerial States body for 2021.

The head of expenditure for the Non-Ministerial Departments can be found at Appendix 2.

Our investment in 2021

Included in the head of expenditure are the following new investments for 2021 proposed by the Non-Ministerial Departments:

GP21-OI-NON-07	BASS Funding- Funding of x3 FTE / Regrading of Staff, New Trainee Probation Officer, Various
<p>The Jersey Probation and After-care Service requests funding for:</p> <ul style="list-style-type: none"> • Replacement funding to cover the structural loss of income used to pay for existing staff posts fulfilling the Building a Safer Society ('BASS') strategy • To enable full funding of a Trainee Probation post • To cover additional costs as a result of States Employment Board decision to regrade three posts, effective January 2020, and another two posts during 2020. 	
NM	PROBATION
GP21-OI-NON-08	CAG Inflation Funding
<p>The Comptroller and Auditor General requests inflation funding to ensure that their budget is increased in line with commitments under index-linked contracts over the term of the Government Plan.</p>	
NM	COMPTROLLER AND AUDITOR GENERAL

GP21-OI-NON-10**Crown Appointment Pension Increase**

Bailiff's Chambers requests funding in order to align the Crown Officers' salaries and benefits with UK standards, the States Employment Board (SEB) approved the increase to pension payments in 2019.

NM**BAILIFF'S CHAMBERS**

And in 2022:

GP21-OI-NON-09**Election 2022**

The Judicial Greffe requests funding in order to cover the cost of the 2022 Elections.

NM**JUDICIAL GREFFE**

Rebalancing Government Finances 2021

Introduction

In 2019 the States Assembly agreed that the Council of Ministers “bring forward detailed proposals each year, to be included as a separate paragraph within the Government Plan proposition, seeking the Assembly’s specific endorsement of each of the efficiencies contained in the Government Plan” .

The Government Plan 2020-2023 set out the ambition to achieve £100 million of efficiencies, with the first £40 million to be achieved in 2020. The plan for £40 million in 2020 was published in October 2019 and a performance update was published as part of the Government Plan Six Monthly Report in August 2020. This plan continues that ambition, setting out the detail of the 2021 plan to deliver £20 million of efficiencies and other rebalancing measures, and trails some of the activities and programmes of work that will support the rebalancing of finances over the remainder of the Government Plan 2021-2024.

While the Efficiencies Plan 2020 was published as a standalone report, the approval of Proposition 88/2019 requires the presentation of the plan within this and future Government Plans.

At the time of writing, the impacts of Covid-19 are still readily apparent and the effect on Government finances is considerably greater than the impact of efficiencies. As described in the 2020 Government Plan Six Monthly Report – multiple approaches will be required to balance Government finances, including a wide range of fiscal measures, borrowing strategies, economic stimulus, treatment of funds and the delivery of savings and efficiencies. This represents a shift to a broader set of financial rebalancing measures into which the efficiencies have been subsumed.

The financial impact of these multiple approaches focuses on areas such as:

- A reduction in revenue spend, delivering better quality services for less
- More efficient collection of existing income and better debt management
- Increasing the Government’s revenue through further recovery of existing costs, moving towards full cost recovery of services where appropriate
- The extension and increase of existing charges or the introduction of new charges as revenue-raising measures.

All of the work continues to progress the application of the One Government principles to the organisation.

Governance

As in 2020, the plan for 2021 was developed by Directors General and reviewed by relevant Ministers before formal approval by the Council of Ministers.

In order to drive through the rebalancing of the Government's finances the Government established a small project team that worked through the Operating Committee and reported into the Executive Leadership Team and relevant Ministers in generating ideas and proposals for consideration.

These were presented line by line to the Council of Ministers for consideration and challenge before being proposed as part of the Government Plan.

Efficiencies and other rebalancing measures approved through the Government Plan debate will result in cash limit reductions and/or income forecast increases at departmental budget level. The performance of each proposal will then be tracked monthly through the finance budget monitoring process and, where appropriate, with additional qualitative information provided through a project management system.

It is anticipated that performance updates on the 2021 plan will be provided in August 2021 and February 2022.

Officers and Ministers will continue to engage with the Efficiencies Review Panel to provide updates on the delivery and impact of the plan.

Sustainable wellbeing impact assessment

A critical aspect of assessing each proposal is understanding the potential impact of its delivery on sustainable wellbeing. We have introduced a simple sustainable wellbeing impact assessment which we will review and refine in 2021 (see Part One – Sustainable Wellbeing). Detailed descriptions of proposals will be published alongside the Government Plan for information and which include an initial assessment of impact on Islanders and staff and considers sustainable wellbeing.

Summary Plan for 2021 by Minister

The budget impact of the plan to deliver £20 million of efficiencies and rebalancing measures in 2021 is set out below and sub-totalled against each Minister or the Council of Ministers. Summary descriptions of proposals are then set out in the next table and more detailed descriptions of proposals will be published alongside the Government Plan for information.

Allocation by Minister	2021 (£)
Chief Minister	1,303,000
Council of Ministers	5,418,000
Minister for Children and Housing	555,000
Minister for Health and Social Services	5,000,000
Minister for Home Affairs	765,000
Minister for Infrastructure	4,500,000
Minister for Social Security	442,000
Minister for Treasury and Resources	1,280,000
Ministers for Infrastructure , Environment, EDTSC	750,000
Grand Total	20,013,000

Table 1 – Efficiencies and rebalancing measures 2021 - allocation by Minister

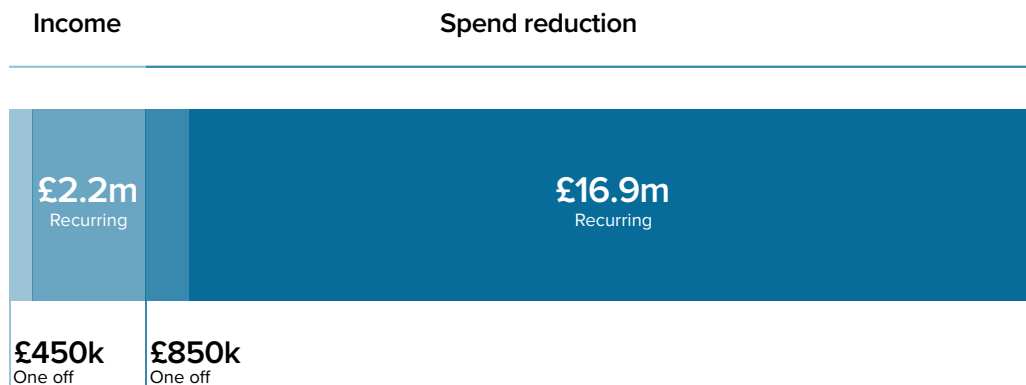


Figure 3 - Efficiencies and other rebalancing measures
Infographic presents income and spend reduction only and has been rounded

Summary Plan for 2021 by proposal

Efficiencies and other rebalancing proposals will result, in the majority of cases, in either a reduction in cash limit and/or an increase in income forecast. In a small number of cases there is an increase in cash limit (values shown in brackets).

This more detailed allocation sets out summary descriptions of each proposal, classification as either a recurring or one-off measure, budget impact and departmental allocations.

Minister	Department	Summary description	Recurring or one-off	Budget impact	2021 value (£)
Chief Minister	COO	Transfer technology functions from CYPES and HCS into Modernisation and Digital continuing the application of OneGov principles	Recurring	Spend reduction	900,000
Chief Minister	SPPP	Defer the implementation of the Public Services Ombudsman for one year.	One off	Spend reduction	378,000
Chief Minister	COO	Merge the support and re-plan commissioned research projects for the States Employment Board and Jersey Appointments Commission	Recurring	Spend reduction	200,000
Chief Minister	COO	Review and renegotiate the GoJ print contract securing some of the reductions in print volumes derived from an increase in home working and continued investment in technology	Recurring	Spend reduction	100,000
Chief Minister	SPPP	Defer the development of policy for Financial independence in old age by one year	One off	Spend reduction	50,000
Minister for Children and Housing	SPPP	Defer the development of policy for Long term housing by one year	One off	Spend reduction	25,000
Minister for Children and Housing	CYPES	Redesign the therapeutic support model for children with complex needs (including neuro assessment)	Recurring	Spend reduction	200,000
Minister for Children and Housing	CYPES	Review and realign the commissioned budget available for antenatal services with demand. Note there will be no reduction to the service	Recurring	Spend reduction	180,000
Minister for Children and Housing	CYPES	Review and realign the budget for care leavers with demand. Note there will be no reduction to the service	Recurring	Spend reduction	100,000
Minister for Children and Housing	CYPES	Review and realign the budget for intensive fostering with demand. Note there will be no reduction in the service	Recurring	Spend reduction	50,000
Minister for Health and Social Services	HCS	Implement proposals from the HCS Zero Based Budget exercise once approved by the Minister	Recurring	Spend reduction	5,000,000
Minister for Home Affairs	JHA	Sell a domestic dwelling no longer required by the Fire and Rescue Service whilst compensating for the reduction in rental income (prudent estimate pending valuation)	One off	Income	450,000
Minister for Home Affairs	JHA: SoJP	Through the application of enhanced workforce planning implement a vacancy factor equivalent to approximately 1% of staff costs	Recurring	Spend reduction	215,000
Minister for Home Affairs	JHA	Continue the digital transformation of GST and Customs services	Recurring	Spend reduction	50,000
Minister for Home Affairs	JHA	Continue the organisational implementation of electronic rostering to replace paper based rostering processes	Recurring	Spend reduction	50,000
Minister for Home Affairs	JHA: SoJP	Restructure the Intelligence Administration function to reflect known leavers and vacancies	Recurring	Spend reduction	20,000
Minister for Infrastructure	IHE	Revise and release a portion of the budget for the Health Estate in light of progress made with backlog maintenance and to reflect capital allocations within the HCS budget	Recurring	Spend reduction	4,000,000
Minister for Infrastructure	IHE	Reduce a portion of the property maintenance budget to reflect a re-prioritisation of assets requiring maintenance; informed by the Office Accommodation Project	Recurring	Spend reduction	300,000
Minister for Infrastructure	IHE	Re-structure Facilities Management across Government to create one centralised function with hub and spoke delivery aligned with the OneGov principles	Recurring	Spend reduction	200,000
Ministers for Infrastructure, Environment, EDTSC	IHE	Development of an IHE TOM to include reviews of the overall structure, sports division, business administration and the transfer of customer facing services to CLS	Recurring	Spend reduction	750,000
Minister for Social Security	CLS	Defer the implementation of the Care needs at home project by one year	One off	Spend reduction	400,000
Minister for Social Security	CLS	Continued review of, and improvement, to customer services	Recurring	Spend reduction	61,000
Minister for Treasury and Resources	T&E	Reduce cash handling fees by increasing non-cash payment options	Recurring	Spend reduction	30,000
Council of Ministers	Central	Increase income from new charges, and increased cost recovery of existing charged services, based on the initial implementation of a fees and charges framework	Recurring	Income	950,000
Council of Ministers	Central	Continue to manage inflationary pressures across government by retaining the budget for non-pay inflation and seeking best commercial outcomes to contract management	Recurring	Spend reduction	3,718,000
Council of Ministers	Allocated by department	Continue the best practice of reviewing and securing recurring reductions in non-staff budget including locking in some of the spend reductions evidenced during COVID-19	Recurring	Spend reduction	750,000
Chief Minister	SPPP	Deferred Island Plan Review activity from 2020	One off	Spend increase	(325,000)
Minister for Social Security	JHA	Restructuring advisor posts	One off	Spend increase	(19,000)
Minister for Home Affairs	JHA	Restructure of frontline posts to resource JCIS/SOJPS dog handler	One off	Spend increase	(20,000)
Subtotal excluding incremental tax revenue					18,763,000
Minister for Treasury and Resources	T&E	Increase tax revenues through the continued enhancement of domestic tax compliance	Recurring	Income	1,250,000
Total					20,013,000

Table 2 – Efficiencies and rebalancing measures 2021 - summary proposals

Recurring versus one-off efficiencies

Next year the vast majority of efficiencies (£19.1 million, 96%) and other rebalancing measures are recurring. The small remaining value are one-off measures impacting on the 2021 budget only (£0.9 million, 4%). Over the course of the year, recurring proposals to this value will be developed through the monthly budget monitor process.

Efficiencies and other rebalancing measures in 2022-24

The Government Plan 2020-23 sets out the commitment to deliver recurring efficiencies of £20 million in both 2022 and 2023 and the Council of Ministers has added a further £20 million objective in 2024, by which point £120 million of efficiencies and other rebalancing measures will have been delivered.

As in 2021, detailed plans will be brought forward within each Government Plan for the following year and there remains an intention to continue the focus on the themes introduced in 2020:

- Our workforce
- Processes and systems
- Commerciality
- Organisational structures
- Shaping demand for services (previously prevention and care).

In addition, there are several significant programmes of work which are anticipated to deliver value over the life, albeit it towards the end, of this Government Plan period.

Office Modernisation

The Office Modernisation programme is in pre-feasibility phase. This activity involves the procurement of a development partner to work with the public service to deliver a new office to bring together colleagues across the public service and provide an outstanding customer hub for Islanders. This will enable the Government of Jersey to more effectively discharge its duties to support Ministers, the States Assembly and the public it serves. The project team is in commercial dialogue with potential parties to identify a site and scheme with a view to having a new building operational by early 2024. The project is anticipated to realise several benefits, including reducing overall office running costs and realising capital receipts through the disposal of vacated buildings.

The Government has reviewed the principles of the Strategic Outline Case, which was approved in September 2019, to assess the implications of the pandemic on the project. Building on our experience of home working, we will introduce flexible working practices as a key enabler of the Office Modernisation programme. The Government will review plans for exiting leases, and timings for the potential sale of properties, to reduce

the impact of an economic downturn on capital receipts and anticipated revenue savings. On balance, the Government continues to consider the case to build a new office valid as it will deliver a noteworthy economic stimulus and a range of benefits for the organisation.

Technology Transformation Programme (TTP)

Major technology programmes initiated in 2020 will continue over this period, thereby providing a solid foundation for future initiatives.

Other programmes from the wider Technology Transformation Programme will be initiated over this period as plans are updated and this programme continues to present opportunities for efficiencies in several areas including:

- Quality of data and information compilation and provision
- Increased staff productivity
- Increased automation
- Reductions in support and licencing costs
- Reductions in costs of managing technology estate and requirements for storage.

Technical services

We will undertake a comprehensive review of the technical services provided by Infrastructure, Housing and the Environment.

Working in partnership with public utility providers, the review will include the identification and assessment of options for potential funding sources and new or revised service delivery mechanisms. The outcome will be the development of a business case for the future delivery of technical services, with a view to maintaining or improving the levels of service and environmental outcomes in the future.

We will appoint a working group of stakeholders, led by a specialist advisor, to support it through the review process, ensuring best practice is followed and that knowledge, experience and lessons learned from around the world can be brought to Jersey.

Sports facilities and services

The Government, in partnership with Jersey Sport, will undertake a comprehensive review of the sport services it provides. This will progress the work already undertaken to deliver improvements to our sports facilities and will also consider how sport services are funded and delivered into the future.

One government property estate and strategic property functions

We will create a single government property estate, whereby ownership, estate management and maintenance are consolidated from across Government into a new property structure within Infrastructure, Housing and the Environment.

Working in partnership with the States of Jersey Development Company, we will undertake a review of property development, disposal and acquisition functions to identify a new model of service delivery.

Shaping demand

Previously described as Prevention and Care, this Government-wide programme has progressed since the last Government Plan to identify several more specific opportunities where activity, in the remainder of 2020 and in 2021 should start delivering efficiencies in 2022 and beyond. These cross-cutting opportunities are in areas including criminal justice, school inclusion and in reconfiguring customer journeys to reduce high cost provision across a number of departments, notably Children, Young People, Education and Skills (CYPES), Health and Community Services (HCS), Customer and Local Services (CLS) and Justice and Home Affairs (JHA).



Commercial services

The establishment of a new commercial function is a key priority for the Government, providing capability and capacity to deliver improved commercial and procurement outcomes, enhanced governance, robust supplier and contract management and drive better value for money.

Fees and charges framework

Fees and charges are not only an important source of income – providing vital funds to deliver essential public services and assist in achieving our objectives for better outcomes for Islanders – but are also an important driver of efficiency. An appropriate and strategic approach to fees and charges requires us to have a robust understanding of the costs of the services we provide, as well as local economic and market factors, and to keep our schedule of fees and charges under regular review to ensure the most appropriate are applied.

Consequently, the Minister for Treasury and Resources intends to implement a framework within which a fair, economically sound and strategic approach to fees and charges levied is agreed, and regularly reviewed.

To ensure the best possible value for money, and establish the fairest possible approach to charging and cost recovery, the framework will set out that charges for discretionary services will be set to fully recover their costs unless there is a specific decision or well-established reason to subsidise the service provision.

The decision on whether to make a charge, and the amount of the charge, is not always in the Government's control, but where it is, it is important that the implications of the charging decisions being taken are fully understood.

This framework will provide guidance on:

- The setting of new charges and the context within which existing charges should be reviewed, including consultation and equality impact assessments, as required
- The Government's approach to cost recovery and the generation of income from charging for services
- The governance processes which must be followed to gain approval for services to be provided at subsidy – whether this be a subsidy to all users or in the form of concessions for users meeting a clearly defined qualifying criteria.

The framework should allow us to have a properly considered, consistent and informed approach to all charges we make for our discretionary services in support of the delivery of our strategic objectives and the protection of statutory services.

Part four
Government Finances





BAILIWICK OF JERSEY
ONE PENNY

£5

£20

États de Jersey
Bailiwick of Jersey

États de Jersey
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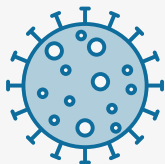
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promise to pay the bearer One Pound on demand

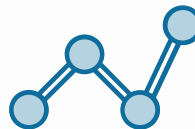
ten Pounds on demand

ADNUNN 6

Protecting our island's future by:



Responding to Covid-19



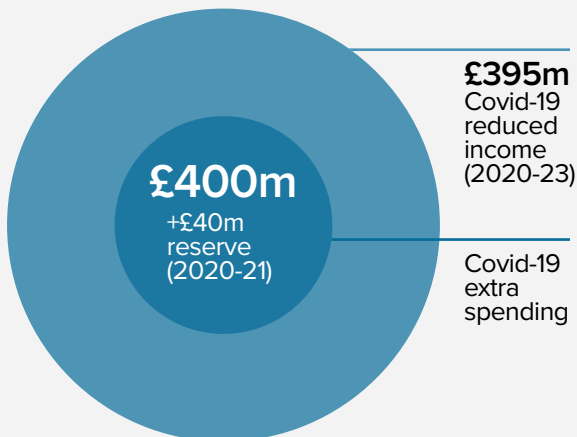
Investing in our economic recovery



Rebalancing public finances

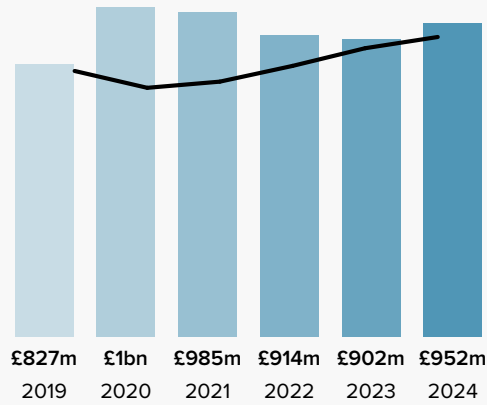


Investing in health and education

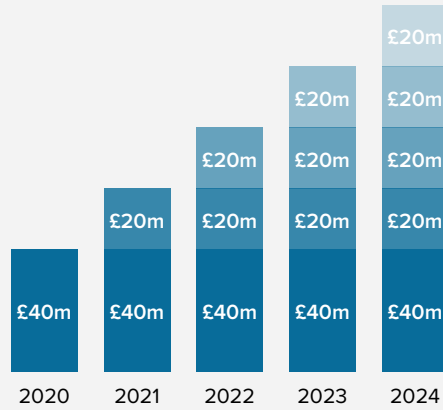


Borrowing to fund the cost of Covid-19

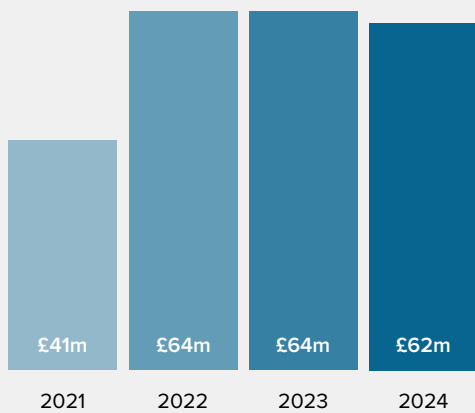
Spending exceeds income in 2020 and 2021 to respond to Covid-19. Returning to balanced budgets by 2023 and 2024



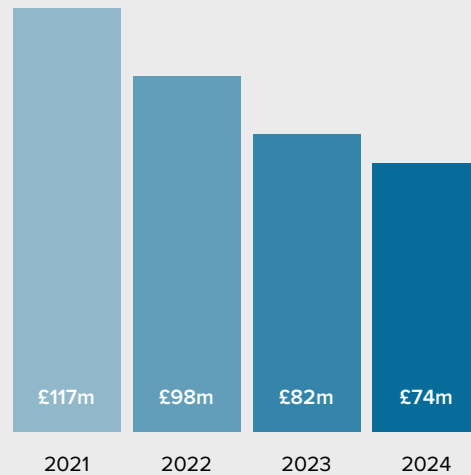
Delivering efficiencies by rebalancing our expenditure



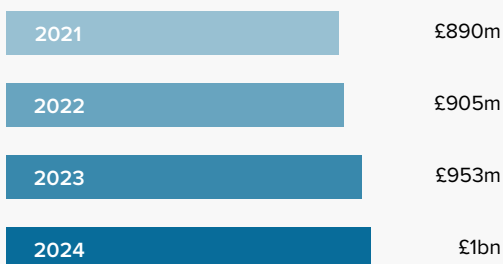
Investing in our priorities



Investing in our infrastructure



Growing the Strategic Reserve to protect against future uncertainty



Maintaining the Social Security Reserve



Budget measures for 2021

All alcohol

>>> **0%** <<<



.....
Increase

Duty frozen

Tobacco



20 king size cigarettes



+41p

.....
RPI + 5% increase in
standard tobacco duty



50g tobacco pouch



+£2.05

.....
RPI + 8% increase in
hand-rolling tobacco duty

Fuel



Per litre

+2.3p

.....
RPI +2p per litre increase in
road fuel duty (2p goes into
Climate Emergency Fund)



GST/ISE

International Services Entity fees paid, as an alternative to registering for GST, by businesses (principally in the finance sector) that mainly serve non-residents.

£3.5m

Total additional fees from ISEs



Income Tax allowances

£100

increase in single person's standard income tax exemption threshold

£150

increase in married couple's standard income tax exemption threshold

£50

increase in second earner's allowance



Stamp duty

First time buyers purchasing through an assisted ownership scheme will only pay stamp duty on the affordable price element



Stamp duty payable

Stamp duty no longer payable

4

Executive Summary

This section of the Government Plan presents the finances of the wider Government, moving towards consistency with the States Accounts, to enable greater transparency of the whole of Government's finances. This includes consideration of the plan for the Government Balance Sheet, including the finances of Government funds, our reserves, alongside the elements that are subject to States Assembly approval.

Government Plan 2020-23

The first Government Plan, agreed in December last year, laid out a strategy of investment in our strategic priorities funded largely by a programme of efficiencies and rebalancing up to £100 million per annum by 2023. The plan delivered broadly balanced budgets over the period and included transfers to the Stabilisation Fund, the first line of protection against an economic downturn. Rebalancing expenditure to enable investment in strategic priorities remains a foundation of this Government Plan, and together with the resilience and strength of the Island's reserves, places Jersey in the best place possible to respond to Covid-19.

We now propose building on our existing strategy to fund the impacts of the pandemic with responsible plans to finance those costs, adjust to the impact on our income, and return to balanced budgets in the medium-term, in accordance with independent advice from the Fiscal Policy Panel.

Covid-19 response and impacts

The pandemic has, and will, continue to have two significant impacts on the finances of the Government and States of Jersey:

- Unprecedented levels of immediate and time-limited additional expenditure required to save Islanders' lives and livelihoods during the pandemic
- Massive impacts upon our economy in the short-term, followed by a prolonged recovery period, which may ultimately leave the economy smaller than previously forecast, particularly if we do nothing. This has, and will have, an associated impact upon our income from taxation and Social Security contributions.

The expenditure impact of the pandemic over the period 2020-2024, including economic recovery and fiscal stimulus, is estimated at more than £400 million, with a further reserve of £40 million to cover the costs associated with dealing with potential future cases in the Island.

After modest revenue measures proposed in this plan, the income impact of the pandemic has seen the forecast for general revenues for 2020-2023 fall by £395 million since the Government Plan 2020-23 was approved.

The first of these impacts requires an exceptional funding solution, largely through borrowing for these time-limited costs, retaining the flexibility and resilience to be able to respond to an uncertain future. In addition, Ministers are also proposing to utilise the strength of the significant assets

held in the Social Security Reserve Fund to meet its requirements, rather than making a taxpayer contribution, in each of the years 2020-23.

The second impact requires a plan to readjust the balance between expenditure and income to balance the books by 2024, in line with the advice of the Fiscal Policy Panel, whilst we run deficits to pay for vital services and investments in our strategic priorities. The outline of the action required is included in this Plan.

Investment in public services

Other than investment in our pandemic response, we propose further investment of £62 million per year by 2024 in the strategic priorities. This includes additional amounts to provide significant investment in our education system and our model of health-care in the Island, rebalanced, in part, by reprioritising and rephasing planned investment in the Government Plan 2020-23.

We intend to build on last year's Government Plan by delivering further investment in our priorities. We also recognise the need to provide more effective and efficient services (see Part Three – Rebalancing Government Finances). This is a key part of balancing the plan, making the investment in priorities possible and making sure that we can deliver more, in the context of limited resources.

We will also continue to make much-needed investment in infrastructure and technology to drive a more effective organisation, with £371 million of planned capital projects.

Revenue measures

We have noted the advice of the Fiscal Policy Panel that significant additional revenue measures that impact the economy should not generally be introduced immediately as a response to the fiscal challenges of the pandemic.

Accordingly, other than for International Service Entity fees the budget measures are broadly cost neutral.

Our immediate revenue-related proposals in this plan are therefore limited to:

- Across-the-board increases to International Service Entities fees, paid instead of levying GST, which will generate new revenue of an estimated £3.5 million per annum
- Inflation-linked increases to the income tax exemption thresholds benefiting 90% of taxpayers, apart from those on the highest incomes.
- Above-inflation increases in road-fuel duty to enable an additional contribution of 2 pence per litre of petrol and diesel sold to be allocated to the Climate Emergency Fund, on top of the 4 pence per litre in last year's Government Plan
- Above-inflation increases in tobacco duties – maintaining existing policy – to support health objectives

- Freezing duty on alcohol to support the recovery of our hospitality sector
- Reduced Stamp Duty/Land Transaction Tax to benefit first-time buyers purchasing through an assisted ownership scheme.

Alongside the Government Plan, the Council of Ministers is bringing forward proposals to bring all taxpayers on to a Current Year Basis. This will provide a short-term cash boost to those most financially affected by the Government’s lockdown measures and, if approved, future payments of the 2019 Prior Year Basis tax will be ring-fenced to repay debt arising directly from the pandemic.

We also set out a programme of work for the year ahead including the move to Independent Taxation and development of measures to contribute to closing the gap in funding by 2024.

Ensuring long-term sustainability

We have a legal requirement, as set out in the Public Finances Law, to have regard to the long-term sustainability of our Island, which will help ensure that Jersey remains a vibrant, prosperous and safe place.

To this end, Ministers have articulated a plan to return to balanced budgets by 2024, whilst maintaining investment and spend, thereby assisting the economy. This plan also preserves the Strategic Reserve to maintain resilience against potential future shocks to the economy and instead proposes borrowing to meet the impacts of Covid-19 on our finances and laying out a plan for the repayment of that debt.

Table 3 below highlights the deficits in 2021 and 2022 as we return to balanced budgets in 2023 and 2024.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
General Revenue Income	806,350	863,153	915,559	965,916
Net departmental expenditure	(931,476)	(857,555)	(843,411)	(893,368)
Depreciation	(54,646)	(56,699)	(58,838)	(59,275)
Forecast operating surplus/(deficit)	(179,772)	(51,101)	13,310	13,274

Table 3 – Overall Position (Financial Forecast)

After taking into account forecast deficits in 2021, the costs of the capital programme and other transfers between funds, the total forecast borrowing requirement in 2021 is £336 million, in addition to the £50 million borrowing proposed for the Fiscal Stimulus Fund in 2020. This excludes the £250 million borrowing in respect of social housing, largely lent to Andium Homes Limited.

Financial and economic context

In preparing the Government Plan, the Council of Ministers has considered the medium-term and long-term sustainability of public finances and the outlook for the economy in Jersey. The plan has set out how the proposals take those matters into account.

The Fiscal Policy Panel provides the Minister for Treasury and Resources and States Members with independent economic advice, on a statutory basis, on matters relating to tax and spending policy, including the use of the Stabilisation Fund and the Strategic Reserve.

The Panel provides independent and objective recommendations including advice on borrowing to help ensure sustainable public finances. The Fiscal Policy Panel acknowledged, in their August 2020 economic assumptions letter, that there remains a high level of uncertainty around the impact of the pandemic on both the global and local economy.

The Panel's August letter also gave some advice on the appropriate budgetary balance (i.e. surpluses or deficits) over the four-year period of this plan and advice on our fiscal guidelines around borrowing. This advice has been considered by the Council of Ministers and is reflected in this Plan.

The international economic outlook

In its September 2020 Interim Economic Outlook, the Organisation for Economic Co-operation and Development (OECD), stated 'The economic outlook remains exceptionally uncertain, with the Covid-19 pandemic continuing to exert a substantial toll on economies and societies. Global output in the second quarter of 2020 was over 10% lower than at the end of 2019, an unprecedented sudden shock in modern times. The extent and timing of the pandemic shock differed across the major economies, but all experienced a sharp contraction in activity as necessary containment measures were implemented'.

The OECD forecasts the global economy to decline by 4.5% this year, before picking up to 5% growth next year. However, this is subject to considerable uncertainty regarding the evolution of the global pandemic, the actions required to contain the virus and the impact on consumer and business confidence.

The OECD has therefore produced forecasts for both a 'downside scenario' and an 'upside scenario', with the balance of risks being to the downside. In the upside scenario, faster progress is made in preventing the spread of the virus, boosting confidence and driving both spending and investment. Global growth still falls this year in the upside scenario, but the recovery in 2021 is considerably stronger at around 7%. In the downside scenario, stronger and more persistent effects from the pandemic result in heightened uncertainty and tighter global financial conditions. The downside scenario involves a deeper decline in 2020, but also a much slower recovery next year, with only 2% growth.

An even greater decline in the global economy was avoided through prompt and effective monetary and fiscal policy action. Monetary policy was eased through lower interest rates and purchases of financial assets by central banks. In fiscal policy, most countries have put in place significant payments to support both households and businesses throughout the collapse in economic activity.

A wide-ranging set of global responses include deferral of liabilities to government (e.g. tax), subsidies to employers to support employment, enhanced social security provision and direct payments to households. Many countries, including France and Germany, have put in place additional fiscal stimulus measures that include temporary tax cuts and large increases in public spending to support policy priorities in the recovery.

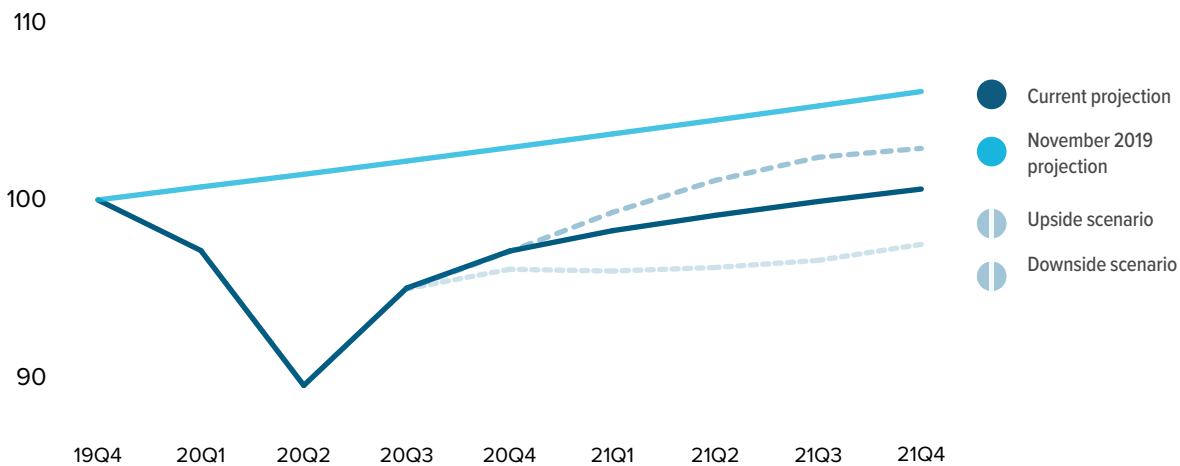


Figure 4 - world GDP Q4 2019 = 100
 Source: OECD interim Economic Outlook September 2020

The UK's exit from the European Union is unlikely to significantly affect the global economy, but the terms of any deal could significantly affect the economic outcome for the UK and Jersey along with the EU. On balance, the UK's exit from the EU will weaken growth in the UK and in Jersey, and promote higher inflation. In the event of a disorderly exit, with severe disruption to trade flows and perhaps a significant depreciation of the exchange rate, the impact could be much more severe. It remains a significant downside risk, alongside that of dealing with the global pandemic.

The economic outlook for Jersey

While 2019 data for Gross Value Added, which measures economic output, as of September 2020 had not yet been published, the indicators available in September suggest a year of steady growth. Employment increased by more than 1% and average earnings grew by 2.6%, although high inflation of 2.8% meant that real wages fell. The Fiscal Policy Panel has estimated GVA growth of 0.6% in 2019, which would be the slowest rate of growth since 2013.

However, economic developments in 2019 have less relevance than usual in assessing future economic prospects, given the scale of the economic crisis brought about by the pandemic throughout 2020. The Fiscal Policy Panel's March 2020 economic assumptions advised that a recession could not be avoided, and that Jersey would face an unprecedented collapse in economic output with a sharp fall in employment. The evolution of the economy in Jersey has been broadly in line with this and continues to follow the updated Fiscal Policy Panel forecast from August 2020.

As the economic crisis unfolded throughout lockdown, the number of people Actively Seeking Work rose sharply from 1,010 at the end of March 2020 to peak at 2,380 on 24 May - compared with 840 a year earlier. It had fallen consistently to 1,490 by mid September. The number of active Income Support claims rose from 5,620 at the end of February to peak at 6,550 on 31 May covering 8,390 adults and 3,410 children. The number of claims fell to 6,260 by mid September with the high number of claims reflecting lower income for those both in work and out of work.

The Jersey Opinions and Lifestyle Survey (JOLS) included several important new questions on how Covid-19 has affected Islanders. Notably many reported a reduction in their pay, with more than two-fifths (44%) of adults employed in hotels, restaurants and bars reporting a decrease in pay, compared to around one in fifty (2%) working in the public sector. Over a third (36%) of households reported that their finances had got worse due to the pandemic. These economic indicators illustrate the severe impact of Covid-19 on employment and incomes for households.

The Business Tendency Survey captures responses from firms about their current situation and expectations for the future. As would be expected, responses were markedly more negative in March and June 2020 compared with earlier periods and responses to the survey worsened significantly between those months. In June, the headline business activity indicator showed a negative net balance of -62 by far its lowest ever level, though it should be noted that this survey did not start until September 2009, after the initial hit of the global financial crisis.

Both the finance and non-finance sectors reported their worst contraction in activity since the survey began, but it was much more severe for non-finance. Hotels, restaurants and bars are worst hit – with 100% of firms reporting a reduction in activity. Construction was also severely hit, though a small number of firms in wholesale and retail and in other non-finance businesses reported an increase in activity.

Looking to the future, businesses overall expect activity to decline further in Quarter 3. This is perhaps surprising as business activity would be expected to increase from a very low level as restrictions on activity are eased – but the survey responses may just reflect pessimism in the current



Figure 5 - Business Tendency Survey, All Sectors, Principal Component

challenging economic conditions. This summary indicator is shown below, along with an average over four quarters that smooths out the volatility from one quarter to the next.

This summary indicator for the survey demonstrates the unprecedented collapse in economic activity, in both speed and scale, for the Jersey economy. The results for other sectors were similar, though with the finance sector significantly less negative than the non-finance sector. The hospitality sector was significantly more negative than the rest of the sectors.

There are a range of other indicators that help assess how the Island’s economy is recovering from lockdown, including data on footfall in the high street, bus passenger numbers and the total number of vehicles passing through the tunnel.

In broad terms, by mid-September vehicle traffic had recovered to pre-crisis levels but bus passengers remained at around 50% lower while footfall in the high street was still 40% lower. This would be consistent with higher rates of home working, restrictions on activity to support public health, and caution among Islanders in resuming normal patterns of work

and leisure. It would also reflect the significant reduction in harbour and airport arrivals to the Island of around 70% in August, compared with last year.

The Fiscal Policy Panel’s August 2020 forecast is for a severe recession in 2020, with a fall in economic output (as measured by real GVA) of 7.5% and a fall in employment of 1.6%. The deterioration in prospects for 2020, relative to their March 2020 forecast, is driven largely by a considerable reduction in banking profits, which make up a significant share of output (GVA) in Jersey’s economy.

The forecast assumes that the economy will continue to recover through the second half of 2020 and 2021, although at a relatively subdued pace. Crucially, the forecast also includes a judgement on how the global pandemic and recession will permanently affect the economy, with not all the lost ground in output made up. This means the economy is now forecast to be smaller in the medium-term than it was pre-crisis, with a

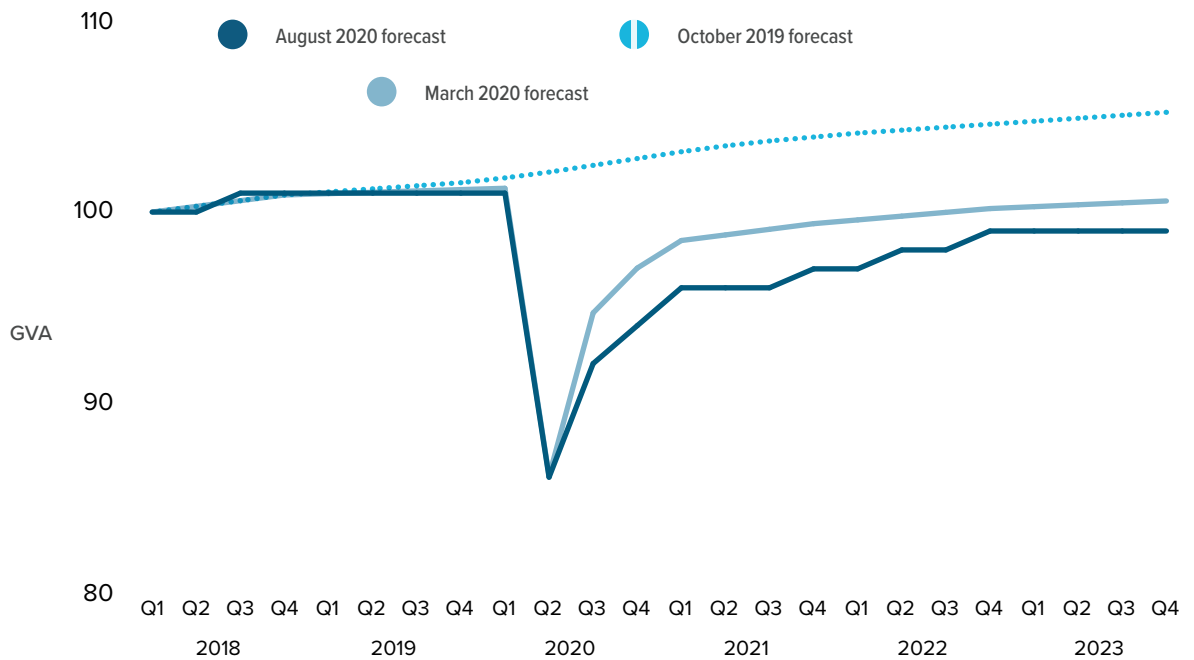


Figure 6 - Index of real gross value added (GVA), Q1 2018 = 100

consequence that our revenues will be lower. The chart below provides an illustrative profile of quarterly GVA, consistent with the Fiscal Policy Panel’s forecast.

While it is difficult to be certain about the nature and extent of any structural/long-term impact on the economy, the Fiscal Policy Panel has

advised that we should plan on the basis of a long-term reduction in the size of the economy compared to forecasts this time last year. This has been incorporated into the revenue forecasts from the Income Forecasting Group.

While the Fiscal Policy Panel's economic forecast assumes the economy will be smaller by the end of this Government Plan period, the panel has not revised its forecast for the trend growth rate of the economy – i.e. the long run average growth rate. The panel will undertake more work to update the trend rate of growth once the structural impact of the pandemic becomes clearer.

While the pandemic will have a substantial impact on the economy, other longer-term issues remain. The conclusion of the UK's negotiations with the European Union remains a source of uncertainty and challenges around demographics, and recent poor productivity performance will need to be resolved if Jersey is to continue to enjoy equally high levels of prosperity into the future.

Jersey's fiscal framework for 2020 and beyond

The Fiscal Policy Panel is established by the Public Finances Law, which enshrines its independence and sets requirements for it to provide an annual report on Jersey's economy and Government finances, and to inform the preparation of the Government Plan. The Council of Ministers or the Treasury and Resources Minister can also request other reports on specific subjects.

The Panel will continue to be responsible for monitoring the application of the fiscal guidelines.

The fiscal framework remains an important pillar of Jersey's economic and fiscal policy and sets the medium and long-term aims that help to inform budgetary decision making, with particular regard to the balance of income and expenditure (i.e. budget deficits or surpluses).

The key guidelines identified in the last Government Plan are to:

- Seek to increase the Strategic Reserve and public sector net worth, while following the advice of the Fiscal Policy Panel on borrowing and net financial assets
- Run a primary structural current balance or surplus until the Strategic Reserve is judged large enough to meet its mandate
- Borrow only to finance investment (or refinance liabilities), except in times of economic duress, and monitor the impact on net financial assets.

Financial strategy

This Government Plan sets out the new investment in our strategic priorities, as well as additional spending in response to the pandemic. Although the plan is focused on the period 2021-24, it also resolves the negative balance in the Consolidated Fund caused by the emergency spending on the pandemic response in 2020. These spending plans are set against the backdrop of significantly reduced income forecasts in 2020, and over the life of the plan.

In arriving at its financial strategy, the Council of Ministers has balanced these competing pressures. In line with recommendations from the Fiscal Policy Panel, Ministers have sought to largely retain the strength of our reserves, using borrowing in the early years to fund the cost of the pandemic response, before returning to a balanced budget by 2024.

Ministers are proposing utilising short-term borrowing facilities in 2021, given the enduring high levels of uncertainty. In 2021, when there is less uncertainty and a final decision relating to Our Hospital has been made, we will propose the nature of longer-term debt issuance to replace the short-term facilities. A draft strategy for medium to longer-term debt has been formulated. However, this strategy will benefit from greater certainty as the global pandemic evolves and once a budget for the Our Hospital project is agreed.

All borrowing must ultimately be paid for. We have made allowance for forecast interest on this debt and Ministers propose that the repayment of the debt will be from the payment of the 2019 Previous Year's Basis taxpayers' liability over the next 15 years or more, if the States Assembly agrees to the Treasury Minister's plans to move everyone to a Current Year Basis.

These payments are time limited and avoid the need to raise taxes to pay off the debt.

Reduced income

The latest forecasts from the Income Forecasting Group show a decline in income, as a result of Covid-19, of £96 million in 2020, compared to the forecasts a year ago, with all future years also reduced.

Government spending 2021-24

We are planning to spend £1.05 billion on public services and infrastructure in 2021. This compares with forecast expenditure of £945 million included in last year's Government Plan. The difference is largely the projected costs arising from the pandemic response and economic recovery. In setting our spending plans for the next four years, we have carefully reviewed all areas of growth expenditure. Our forecast additional spending on the revenue expenditure projects included in last year's Government Plan is £35 million per year by 2023. This compares with a forecast £55 million per year, as per last year's Government Plan. We will also continue to rebalance Government finances through the efficiencies plan announced last year.

In part, through this process of reprioritisation and challenge, as well as borrowing to fund Covid-19 costs, we have been able to accommodate £112 million of total additional investment in 2021, including £87 million in respect of Covid-19 and the associated economic recovery. In addition, we have included an expanded capital programme of £117 million within our spending plans, including some items deferred from 2020 as a result of the pandemic, which will also act as a fiscal stimulus.

Impact on the financial position

The financial position is forecast to improve over the period of the plan, from the large forecasted, and Covid-19 related, deficit in 2020. We are using accumulated balances in the Consolidated Fund and Stabilisation Fund to address this, along with borrowing in 2021 to meet the costs associated with our pandemic response. On current estimates, additional borrowing will be required in 2022, before budgets return to balance in 2023 and 2024.

The measures we have taken to reprioritise expenditure have reduced the amount of borrowing required in the short-term. We will look to use a combination of unused and uncommitted capital allocations, any unspent Covid-19 allocations, and some property disposals in the coming year to reduce our future borrowing requirements, ahead of the Government Plan next year and ahead of confirming the medium-term level of borrowing.

Borrowing

Government Plan 2020 established Fiscal Guidelines, including in respect of borrowing:

“Borrow only to finance investments (or refinance liabilities) except under times of economic duress and monitor the impact on net financial assets”

That guideline is as relevant now as it was then. However, considering the changed perspective, a policy for borrowing has been further developed and will be published by the Minister for Treasury & Resources.

In summary, that policy establishes valid uses for borrowing:

- Capital Investment in public sector assets for a non-financial return, but which provide public services (e.g. a hospital)
- Capital Investment in public sector assets for a financial return (e.g. housing or office space), where an income stream is generated
- Temporary costs of the economic cycle, and in times of economic duress, through lower revenues and higher spending (e.g. passive fiscal stimulus through use of “automatic stabilisers” and exceptional costs associated with Covid-19)
- Active fiscal stimulus – Short-term, targeted and timely, (e.g. financing the Fiscal Stimulus Fund)
- Deferral of income and cashflow purposes, although potential losses and financing costs need to be identified

Unprecedented, but time-limited, expenditure has been, and will continue to be, necessary as a result of our Covid-19 response, and we will incur deficits whilst returning to balanced budgets in 2023. The Stabilisation Fund and available balances on the Consolidated Fund will have been utilised to meet cash flow requirements in 2020.

Faced with this financial challenge, the Council of Ministers strongly believe that the Strategic Reserve should be maintained in these uncertain times and, instead, we propose to borrow to meet the shortfall caused by the pandemic and to maintain investment in services to Islanders, as well as in vital infrastructure. This decision is also informed by the likelihood that the cost of debt will be far lower than the long-term returns on our reserves.

The immediate future remains highly uncertain and Ministers are therefore proposing the use of short-term debt facilities ahead of further action to reduce the debt level before it is replaced by medium-term facilities.

This Government Plan seeks approval to utilise £336 million in 2021 from the Revolving Credit Facility of £500 million obtained by the Minister for Treasury & Resources in May 2020. This is in addition to the borrowing required to fund the Fiscal Stimulus Fund and in addition to the borrowing for social housing of £250 million, but excludes the Our Hospital project which will be the subject of a separate States Proposition to include a request to arrange financing for the project. The likely scale of borrowing that will be required for Our Hospital has been taken into account when considering the level of debt for Covid-19 costs and has been built into the draft medium-term debt issuance strategy.

The table below sets out the currently forecast total debt requirement, excluding that for Our Hospital.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Funding required from Revolving Credit Facility*	335,953	71,229	(4,981)	(6,231)
Fiscal Stimulus Fund Borrowing (2020)	50,000			
Cumulative Borrowing Requirement - Covid-19	385,953	457,182	452,201	445,970
Existing borrowing - Housing Bond 2014	250,000	250,000	250,000	250,000

Table 4 - Cumulative borrowing requirement

*2021 borrowing replaces any decisions regarding borrowing made by the Minister for Treasury and Resources in 2020

At the end of 2019, the assets held in the Social Security Reserve Fund represented seven times annual spend in reserve at £1.7 billion. The planned payments in the last Government Plan from taxpayer funds to the Social Security Fund during the four-year period of the Government Plan, would be £330 million.

Following a States debate in April 2020 (P.31/2020), it was agreed that no States grant would be paid into the Social Security Fund in 2020. This released £65.3 million to support pressures related to Covid-19.

Unprecedented pressure on Government finances remains and it is proposed that the 2021-2023 transfers from taxpayer funds into the Social Security Fund are also withheld. This will release a further £235 million, which otherwise would be added to the borrowing requirement. Instead, the Social Security Reserve Fund will be used to top up the Social Security Fund in order to maintain the regular payments out of the fund. This position will be kept under review ahead of next year's Government Plan.

It is proposed that funds will be utilised from the Health Insurance Fund to invest in the Digital Care Strategy and Jersey Care Model, which over time will reduce expenditure on health services.

Ministers will take reasonable steps to reduce this forecast of debt required beyond 2021 through several measures ahead of the next Government Plan:

- Return unused and uncommitted capital allocations at the end of the year
- Return unspent Covid-19 allocations from 2020
- Return any uncommitted Fiscal Stimulus allocations
- Develop a schedule of property disposals to be used to reduce the borrowing requirements and to be summarised in an Estates Strategy.

The Council of Ministers intends to finalise its medium-term debt strategy for inclusion within the Government Plan 2022, to coincide with the expiry date of the Revolving Credit Facility, and once the States Assembly has agreed a budget for Our Hospital. This is likely to require consideration of the long-term investment strategy of our reserves, which currently support our credit rating and were an enabler to obtaining the Revolving Credit Facility on an unsecured basis.

Our debt strategy will also show how we plan to repay the borrowing. Although these plans are still being developed, we will establish a sinking fund for the debt and use receipts from property disposals, and from the change to Prior Year Basis taxation system - subject to approval by the States Assembly - to fund the repayment of the debt proposed in this Government Plan. We will develop a further set of principles around efficiencies or receipts not previously identified, ring-fencing them to repay debt.

Returning to balanced budgets

The impact of reduced income over the period of the Government Plan arising from Covid-19 is considerable. This has required us to run deficits, while taking steps to balance the budget by 2024, in line with the advice of the Fiscal Policy Panel.

Ministers have identified a package of measures to close the fiscal gap by 2024, having already pared back the levels of further investment in the plan to 2024.

That package will be introduced over the period of this plan and consists of:

- A £20 million efficiency target for 2024, in addition to the £100 million per annum target by 2023
- Reviewing the long-term level of the taxpayer grant to the Social Security Fund, with a working assumption that this will be capped to a maximum of £65.3 million in 2024 and beyond
- Identifying taxation measures to raise taxation of approximately £10 million in total from several sources, with measures to be brought forward in Government Plan 2022 for implementation by 2024:
 - Broadening the tax base
 - Taxation of medicinal cannabis growing and processing
 - A review of commercial stamp duty levels, further to changes to enveloped properties measures
 - A full review of residential stamp duty
- Increases to International Service Entity (ISE) fees in this Government Plan (£3.5 million).

This would leave a small surplus in 2023 and 2024, and reduce the long-term debt required arising from Covid-19.

The impact of the pandemic has also been felt on the Health Insurance Fund and the Social Security Funds, and action will be taken to ensure their long-term sustainability.

To maintain the timetable for the implementation of the Jersey Care Model, Ministers propose to withdraw £28 million for the Health Insurance Fund and a further £16 million for the Health Digital Strategy. The fund currently holds a balance of £98 million. The overall impact of these withdrawals, plus additional planned health expenditure, would reduce the fund by the end of the Government Plan period to £35 million.

During 2021, Ministers will finalise their plans for a sustainable funding model for healthcare costs. These plans will be brought forward during 2021 or in the 2022 Government Plan.

The Minister for Social Security will bring forward legislation to create a transfer of £11.3 million from the Health Insurance Fund to support the JCM and the Health Digital Strategy costs budgeted for 2021.

In April 2020, the States Assembly agreed to reduce the amount due to be paid from general taxation into the Social Security Fund from £65.3 million to nil. This made available additional funding to support Covid-19 related pressures. Considering the continued pressure on Government finances, this Government Plan proposes that the planned annual transfers to the Social Security Fund of £235 million between 2021 to 2023 are also reduced to nil. This will release an additional £235 million to support other areas of Government expenditure.

Prudent decisions taken in the past have ensured that the Jersey Social Security scheme is on a very firm financial footing. The Fund collects contributions from the current generation of workers to meet the pension costs of their parents. This inter-generational bond helps to support a cohesive society. The individual decisions previously taken to reduce or remove the States Grant over the last five years have not threatened the sustainability of the Fund by themselves. However, repeating this type of decision in future years, without taking corrective action, will have a negative impact on the Fund over time.

At the end of 2019, the assets held in the Fund represented seven years of fund expenditure. These assets also form an important part of the overall financial stability of the Island and play a significant role in our creditworthiness ratings. By the end of 2024, the value of the Fund will be estimated to hold six years of fund expenditure. This still represents a significant investment in the pension provision of future generations.

However, Ministers are determined to ensure that the Fund remains in a fully sustainable position for future generations and, as a priority, will undertake a full review of the various components of the Social Security scheme ahead of the next Government Plan.

Last year's Government Plan identified the need for a review of the future balance of funding between the States Grant, employer contributions and employee contributions. This work has been delayed in 2020, due to the pandemic, and this will now form an important part of the proposed review as well as considering the burden of overall government levies (taxes and contributions) on individuals, workers, businesses and employers.

The review will build on the public consultations previously conducted in 2016 and 2017, and will lead to proposals to be brought to the States Assembly during 2021 or incorporated into the next Government Plan.

The reviews of health funding, social security funding and revenues collected to support other areas of government expenditure will be coordinated to ensure the overall impact on individuals and businesses is fully considered.

Guiding principles

The Council of Ministers previously agreed the following financial principles:

Long-term financial sustainability, with balanced budgets in the medium-term	The Government Plan should be consistent with the aim of ensuring long-term financial sustainability and have regard to Fiscal Policy Panel recommendations
	Provide flexibility to be able to make investments where necessary, while balancing budgets
	Over the long-term, the Government should make sure that the Stabilisation Fund and Strategic Reserve are of an appropriate size to manage risk and uncertainty
	In the short-medium-term action should be taken to preserve a minimum viable balance on the Strategic Reserve to be available whilst the reserve is grown in the long-term
Investment	The Government should seek to address areas of historic under-investment
	The Government should look to better utilise its whole balance sheet, including new ways to fund major projects
Borrowing	Borrow only to finance investment (or refinance liabilities), except under times of economic duress, and monitor the impact on net financial assets
Efficiency and effectiveness	The Government should deliver services efficiently through transformation and the use of technology. This will involve investment in staff, and productivity improvements through invest-to-save initiatives
	Expenditure and assets should support outcomes for Islanders, and the allocation of both existing funding and investments should be considered and prioritised in the context of effective and efficient delivery of strategic objectives
	The Government should also look to maximise the returns (fiscal and outcomes for Islanders) from all assets within agreed levels of risk

Fees and taxation	Appropriate and fair contributions should be made to the full cost of providing services
	Significant new income (taxes and charges) should only be implemented once rebalancing expenditure, including efficiencies and prioritisation have been addressed
	For new areas of significant investment, over and above the expenditure envelope agreed in Government Plan 2020, such as initiatives designed to respond to the climate emergency declared by the States Assembly, investment should be tied to a funding mechanism, such as a hypothecated tax, if unable to be addressed by re-prioritising expenditure

Tax policy principles

The Council of Ministers previously agreed the following tax policy principles:

Fair and sustainable	Taxation must be necessary, justifiable and sustainable
	Taxes should be low, broad, simple and fair
	Everyone should make an appropriate contribution to the cost of providing services, while those on the lowest incomes should be protected
Support broader Government policy	Taxes must be internationally competitive
	Taxation should support economic, environmental and social policy
Borrowing	Borrow only to finance investment (or refinance liabilities), except under times of economic duress, and monitor the impact on net financial assets
Efficient and effective	Taxes should be easy to implement, administer and comply with, at a reasonable cost
	No individual tax measure will meet all these principles, but overall the Island's tax regime should represent a sustainable balance of them

Public sector spending 2021-24

In the previous Government Plan, we set out our plans to invest an extra £136 million per year in the Common Strategic Policy priorities by 2023. We also planned to make £100 million of efficiencies over the four year period of the plan. We reported on the progress in delivering the new investment and efficiencies in the Government Plan six-month report, published in August 2020.

The impact of the pandemic on Government finances has been significant. As at 30 June 2020, we had incurred an additional £108 million of expenditure in relation to the pandemic, and forecast in excess of £250 million for the year. We have forecast spending of £87 million on costs related to the pandemic in 2021 and are proposing a further £40million be held in contingency to provide for an increase in costs in the event of cases during the winter. In addition, the Council of Ministers is proposing a Fiscal Stimulus Fund of £50 million be established in Autumn 2020.

As well as meeting the costs of the pandemic response in 2021, we will invest £41 million in initiatives that support the delivery of the Common Strategic Priorities. This includes £16m of investment in initiatives planned in Government Plan 2020 and £25 million of investment in new initiatives. In addition, we will be investing more than £371 million in our Island's infrastructure and technology over the period.

Table 5 shows expenditure over this Government Plan period.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening base budget	823,453	822,416	822,416	822,416
Investment in CSP priorities (GP20)	15,980	32,001	35,448	30,128
New Investments (GP21)	24,713	31,837	29,045	32,566
Covid-19 / Economic Recovery	87,277	26,590	25,642	12,602
Reserves, Inflation and Legislative Decisions	64,116	56,237	78,286	98,683
Reduction in grant to Social Security Fund	(65,300)	(76,100)	(93,100)	(30,200)
Rebalancing	(18,763)	(35,426)	(54,326)	(72,826)
Total net departmental expenditure	931,476	857,555	843,411	893,369
Capital programme	117,373	98,125	81,724	74,142
Total Government Net Expenditure	1,048,849	955,680	925,135	967,511

Table 5 - Government expenditure

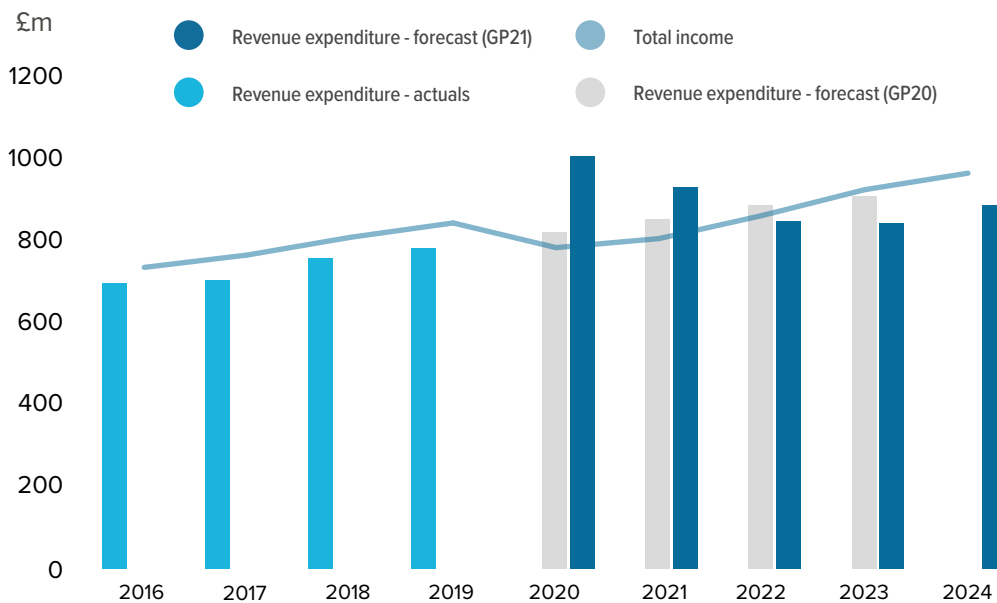


Figure 7 - income and expenditure trends

Covid-19 spending continuing into 2021

During 2021, we will invest £87m on responding to the pandemic. The majority of this investment is a one-off. However, we will continue to provide support to specific sectors over the period 2021-24 through the economic recovery programme, fiscal stimulus and additional funding for Government services where income is impacted (e.g. the bus service). Further information on this new investment can be found in Part Two.

To support the additional Covid-19-related spending, we have also provided for the costs of the revolving credit facility agreed early on in the pandemic, and a reserve for costs that would arise with spikes in Covid-19 cases and associated stepping up of restrictions.

Covid Programme	2021 Allocation (£000)	2022 Allocation (£000)	2023 Allocation (£000)	2024 Allocation (£000)
Covid-19 Nightingale Field Hospital	8,380	0	0	0
Covid-19 Payroll Co-Funding Phase III	11,300	0	0	0
Covid-19 Revolving Credit Facility	3,746	7,136	8,730	7,803
Covid-19 - Other	4,475	2,205	1,220	250
Economic Recovery	15,500	12,000	12,000	0
Covid-19 Income Support Costs	7,498	5,249	3,692	4,549
Covid-19 Schools catch-up programme	904	0	0	0
Covid-19 Test & Tracing Programme 2	30,000	0	0	0
Covid-19 Vaccine	5,474	0	0	0
Grand Total	87,277	26,590	25,642	12,602

Table 6 - Profile of COVID-19 proposed spend

	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)
CSP Investment				
Investment in CSP initiatives GP2020	15,980	32,001	35,448	30,128
Investment in CSP initiatives GP2021	24,713	31,837	29,045	32,566
Total Investment in CSP initiatives	40,693	63,838	64,493	62,694
Investment in Covid-19 (incl Economic Recovery)	87,277	26,590	25,642	12,602
Total investment	127,970	90,428	90,135	75,296

Table 7 - total investment in Government Plan 2021 above 2020 amounts

Investment in the common strategic priorities

In the Government Plan last year, we set out £80 million of investment into our strategic priorities during 2020. As shown in the table above, this Government Plan sets out further investment into the strategic priorities of £41 million in 2021, £64 million each in 2022 and 2023 and £63 million in 2024 (£232 million in total). In addition to this, £87m of investment is planned in 2021 in activities that respond to the Covid-19 pandemic (with further amounts in 2022-24). Further details of this investment is included in the appendices and the Government Plan Annex.

These amounts are on top of departments' existing budgets, which also contribute to delivering activities and outcomes associated with the five strategic priorities.

We will invest significant additional amounts in schools over the period 2021-24, to implement the recommendations of the School Funding Review. We will also invest in implementing the Jersey Care Model, which will be funded by proposed transfers from the Health Insurance Fund. Whilst this Government Plan only shows expenditure to 2024, the Jersey Care Model will begin to deliver savings from 2025 onwards.

The table below illustrates the total value of investment proposals in each of the Common Strategic Policy priorities and this new investment is over and above the amounts set out in the previous Government Plan. The amounts in respect of "protect our environment" are in addition to investment provided through the Climate Emergency Fund (see Table 42)

Further information on the initiatives proposed and funded in the previous Government Plan can be found in Appendix 4. The scope and timescale of some of these initiatives has changed, primarily as a result of the impact of Covid-19. These changes are also set out in Appendix 4.

	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)
Put children first	9,431	14,316	14,281	14,808
Improve wellbeing	62,613	22,126	24,090	16,910
Vibrant economy	16,108	15,467	16,431	3,888
Reduce inequality	20,031	6,673	5,275	5,882
Protect our environment	2,505	2,957	2,087	1,837
Modernising Government	17,282	28,889	27,970	31,970
	127,970	90,428	90,134	75,295

Table 8 - CSP investment

Reserves, inflation and legislative decisions

It is both prudent and good financial management to plan for the impact of economic influences on Government finances. As such, we have set aside amounts to cover inflationary pressures on pay and benefits. Non-staff inflation has been removed for 2021 as part of the Rebalancing Plan, set out in Part 3. Provision is also made for the increased costs associated with measures to improve the sustainability of employee pensions.

There are several items that also contribute to total net expenditure:

- Reserve for centrally held items: Some elements of expenditure, for example those relating to pay awards, are held centrally in the plan, and will be allocated to departments when appropriate. Inflation is, by nature cumulative, and so this amount grows throughout the plan. The 2021 amount will be reflected as fully allocated to departments in the 2022 Government Plan, and so on in each subsequent Government Plan
- General reserve: The reserve is held outside of operational expenditure limits, and can be used to meet unforeseen pressures, or to provide advance funding for urgent expenditure in the public interest. In each year, amounts are held to manage fluctuations in benefit expenditure due to economic changes, and to allow one-off investment for emerging priorities in 2021. In addition, the Covid-19 Contingency of £40 million will be held centrally and also £10 million over the period is allocated for assisted home ownership schemes, once developed. Following amendments to the Government Plan, the General Reserve holds amounts of £100,000 ringfenced for careleavers and £159,000 ringfenced for the Jersey Premium.²³

A further £10 million has been set aside for restructuring costs. This allocation will be held to assist in overall reduction in direct staffing costs through restructuring of services, management de-layering, pay and reward policies, and staffing reductions. This will include compulsory and

Reserves	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Reserve for centrally held items	10,782	22,060	38,774	56,601
General Reserve	54,319	22,345	7,222	7,040
Reserves Total	65,101	44,405	45,996	63,641

Table 9 - Reserves

²³see Appendix 7 (2) and (3)

voluntary redundancies contingencies where the costs cannot be met by the departmental budgets, subject to a defined return-on-investment for redundancy costs.

Revenue heads of expenditure

The Government Plan is required, by the Public Finances Law, to set out the proposed amount to be spent from the Consolidated Fund by each head of expenditure, after allowing for any income earned. Heads of expenditure within this Government Plan relate to each Government of Jersey department, non-Ministerial departments, and of those covering central items and reserves. In addition, we are proposing creating separate heads of expenditure for Financial Services and Digital Economy, States of Jersey Police and Covid-19 related expenditure. This will enable expenditure for these areas to be tracked separately.

Expenditure is approved in this manner to ensure that Accountable Officers, aligned to heads of expenditure, can be held accountable for delivery and the efficient use of resources.

Expenditure has been allocated to departments for 2021, and estimates produced for 2022 to 2024. The departmental expenditure limits incorporate both existing resource requirements and investments.

Depreciation

Depreciation represents the cost of using Government assets in the provision of services. It is included when calculating whether the Government is running a surplus or a deficit, which follows Fiscal Policy Panel advice, and helps to ensure that the need to continue to invest in assets is adequately recognised in planning.

The increase in depreciation during 2021-24 reflects an estimated uplift in asset values, as a result of either assets being created or replaced.

Efficiencies and rebalancing

Efficiencies and rebalancing measures, where identified for delivery by departments, have been included in individual departments' heads of expenditure for 2021. Targets for future years' measures are held outside of heads of expenditure until individual measures have been identified in future years.

	2021 Allocation (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)
Departments				
Chief Operating Office	36,638	45,126	44,446	44,201
Children, Young People, Education & Skills	160,286	166,245	166,044	166,475
Customer and Local Services ²⁴	91,715	93,838	95,778	95,778
Infrastructure, Housing and Environment	44,571	44,723	44,503	49,253
Health and Community Services	227,435	232,086	234,336	227,875
Jersey Overseas Aid	12,374	13,264	14,154	15,204
Justice and Home Affairs	29,613	30,062	30,062	30,062
States of Jersey Police	26,804	26,997	27,138	27,260
Office of the Chief Executive	8,505	8,505	8,505	8,504
Financial Services and Digital ²⁵	33,561	35,195	35,286	33,896
Strategic Policy, Planning and Performance ²⁶	9,997	9,211	9,602	9,613
Treasury and Exchequer ²⁷	67,155	69,194	69,181	134,833
Covid-19 Response	87,277	26,590	25,642	12,602
Departments total	835,931	801,036	804,677	855,556
Non Ministerial States Bodies				
Bailliff's Chambers	1,841	1,841	1,841	1,841
Comptroller & Auditor General**	870	888	910	932
Judicial Greffe	7,593	7,693	7,593	7,493
Law Officers Department	8,452	8,452	8,452	8,452
Office of the Lieutenant Governor	804	849	804	804
Official Analyst	603	603	603	603
Probation	2,371	2,395	2,411	2,422
States Assembly	7,148	7,340	6,971	6,971
Viscount's Department	1,712	1,712	1,712	1,712
Non-Ministerial States Bodies total	31,394	31,773	31,297	31,230
Reserves				
Reserve for centrally held items	10,782	22,060	38,774	56,601
General reserve ²⁸	54,319	22,345	7,222	7,040
Reserves Total	65,101	44,405	45,996	63,641
Rebalancing	(950)	(19,659)	(38,559)	(57,059)
Total net revenue expenditure	931,476	857,555	843,411	893,368
Depreciation	54,646	56,699	58,838	59,275
Total net revenue expenditure after Depreciation	986,122	914,254	902,249	952,643

Table 10 - Heads of expenditure 2021-24

*rebalancing in respect of 2021 is allocated against heads of expenditure

²⁴see Appendix 7 (8)

²⁵see Appendix 7 (9)

²⁶see Appendix 7 (1) and (12)

²⁷see Appendix 7 (7)

²⁸see Appendix 7 (2) and (3)

**The Acting Chairman of the Public Accounts Committee submitted, on 7th October 2020, a revised estimate of costs in 2021 for the Office of the Comptroller and Auditor General. At that date it was too late to accommodate the revised estimate and make the consequential changes within the Government Plan. The Minister for Treasury and Resources has given assurance to the Acting Chairman that she will make the additional funding required available in 2021 from the General Reserve.

Resources mapped to Ministerial portfolios

Under the new structure adopted by the Government, one or more departments may be responsible for supporting Ministers in the delivery of their Ministerial responsibilities. As expenditure is approved based on departments, this does not directly align with areas of ministerial responsibility. An indicative mapping of the departmental allocations to portfolios of Ministerial responsibility is included below.

	2021 Allocation (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)
Minister				
Chief Minister	43,680	51,612	51,813	51,718
Minister for Children and Housing	31,169	33,110	33,604	33,855
Minister for Economic Development, Tourism, Sport and Culture	45,437	42,216	41,847	28,053
Minister for Education	133,335	136,374	135,763	136,042
Minister for External Relations	10,809	11,027	11,205	10,895
Minister for Health and Social Services	238,312	232,815	235,065	228,604
Minister for Home Affairs	86,627	57,270	57,410	57,433
Minister for Infrastructure	43,817	39,146	38,375	42,895
Minister for International Development	12,374	13,264	14,154	15,204
Minister for Social Security	129,053	130,463	132,492	196,249
Minister for the Environment	5,778	5,734	5,585	5,565
Minister for Treasury and Resources	55,541	48,005	47,367	49,044
Non-Ministerial	31,394	31,773	31,297	31,230
Total Departmental Net Revenue Expenditure	867,325	832,809	835,975	886,786
Reserves (regulated by the Minister for Treasury and Resources)				
Reserve for centrally held items	10,782	22,060	38,774	56,601
General reserve	54,319	22,345	7,222	7,040
Reserves Total	65,101	44,405	45,996	63,641
Rebalancing	(950)	(19,659)	(38,559)	(57,059)
Total Net Revenue Expenditure	931,476	857,555	843,411	893,368

Table 11 - Net revenue expenditure by Minister

Capital 2021-2024

The Government Plan includes a programme of investments in our Island's infrastructure and other assets.

These projects are investments into the creation, improvement and extension of assets that support the delivery of services in Jersey and have an asset life of more than a year and, which in some cases, will last for decades.

Funding proposals for 2021-2024 are targeted at projects that address the priorities in the Government's Common Strategic Policy. This will result in improvement to our Island's public buildings, such as schools, healthcare and other key facilities. It also directs funding to Jersey's infrastructure, such as roads, sewers and sea defences, which we all rely upon, and will continue the work of improvements to the look and feel of our Island through the programme of regeneration in St Helier and across the parishes.

Funding is also allocated to replace essential equipment which supports the services that the Government provides. From essential hospital equipment to sports and safety equipment, the programme provides for their replacement to ensure that the equipment we use is fit for purpose and meets the relevant health and safety standards.

It was identified in the previous Government Plan that it was essential to invest in technology to deliver efficiencies and transform the way we operate. This investment continues in this Government Plan, with further investment in modern infrastructure both for our workforce, as well as a review to replace the current benefits and payments system together with further investment in cyber security.

There are some major projects that need consideration in this Government Plan, which will require new ways of thinking about funding due to the scale of the investment required. In the life of this Government Plan, we will need to make provision for Our Hospital, the Jersey Care Model and the Office Modernisation Strategy. We will also need to consider how to deal with Fort Regent and the requirement to evaluate sporting venues.

Previous investments and key live projects

There has been significant investment in the Island's infrastructure in previous funding cycles and this Government Plan continues to build on that work across a wide range of projects that relate to our overall objectives.

The redevelopment and refurbishment of schools has created a strong education property portfolio and major projects at Les Quennevais, St Mary and Grainville have either been completed or are well under way. In this Plan, consideration is given to a replacement school for Victoria College Prep and a review of the Jersey Instrumental Music Service Premises, together with the development of the extension of La Moye School and updates to several sporting facilities.

We are changing the way we work and this relies on the utilisation of effective systems and a strong core of fit-for-purpose information technology that can support this change programme. The investment required to support an agile workforce and to upgrade the systems that we use across the whole of the States of Jersey is substantial, and has increased in this Government Plan. The capital programme also includes a new Benefits and Payments system to enable Customer and Local Services to provide a better way to support Islanders, which it is proposed will be funded through the Social Security Fund.

Health and Community Services has significant needs for capital expenditure to correct historical under-investment and to continue our work on the Our Hospital project. There are necessary changes to the location of mental health facilities, and the requirements for a new centre for people with learning difficulties and to continue with the investment in replacement assets. The timing of these projects is complex, especially given the need to decide on the location of Our Hospital and the implementation of the Jersey Care Model.

There continues to be a need to do more, but with limitations on the funding available. This will require us to consider other funding mechanisms to support some of the larger proposed schemes. We are committed to doing this despite the recent pressure imposed by the impact of the pandemic on the overall financial plan.

2021-24 capital programme

The proposed capital programme invests in our Island’s infrastructure across the four years of the Government Plan.

	2021	2022	2023	2024	Total 2021-24
	£'000	£'000	£'000	£'000	£'000
Central Planning Reserve	3,700	450	-	-	4,150
Discrimination Law, safeguarding and Reg of Care	3,600	2,600	2,000	2,000	10,200
Schools extensions and Improvements	5,901	6,700	1,750	750	15,101
Infrastructure including the Rolling Vote	12,732	19,318	16,215	15,150	63,415
Information Technology	36,120	30,779	17,091	6,312	90,302
Replacement Assets	10,309	6,916	9,562	7,200	33,987
Estates including new Schools and Our Hospital	43,511	29,562	33,106	40,730	146,909
Reserve for Central Risk and Inflation Funding	1,500	1,800	2,000	2,000	7,300
Total Programme	117,373	98,125	81,724	74,142	371,364

Table 12 -Capital programme 2020-2013

This programme is funded by:

Proposed Funding of Indicative Capital Programme	2021	2022	2023	2024	2021-2024
	£'000	£'000	£'000	£'000	£'000
Total Proposed Departmental Capital Plan	117,373	98,125	81,724	74,142	371,364
Proposed Funding Sources					
Consolidated Fund (2021-2024 Government Plan schemes)	109,673	90,827	73,268	70,417	344,185
New Health Schemes - Funded from HIF	4,700	4,700	6,060	3,725	19,185
Criminal Offences Confiscation Fund (for various schemes)	1,956	1,609	2,396	-	5,961
Charitable Funds (for in patient/support services refurbishments)	1,044	989	-	-	2,033
Total Proposed Departmental Capital Plan	117,373	98,125	81,724	74,142	371,364

In addition to the programme above, the States Assembly is asked to approve the proposed capital plans of the Trading Funds.

Trading Funds	Department	2021 £'000	2022 £'000	2023 £'000	2024 £'000
Jersey Fleet Management	JFM	1,000	1,000	1,000	1,000
Jersey Car Parking	JCP	-	3,000	3,000	3,750
Total		1,000	4,000	4,000	4,750

Table 13 - Trading funds

The Customer and Local Services team will commence a project to replace the Social Security Benefits and Payments system, which it is proposed will be funded through the Social Security Fund.

	2021 £'000	2022 £'000	2023 £'000	2024 £'000	Total 2021-24 £'000
Proposed Schemes Funded from Social Security					
Benefits and Payments - System	250	5,000	10,000	7,750	23,000
Social Security Funded Schemes	250	5,000	10,000	7,750	23,000

Table 14 - Social Security

In addition to the programme above, the States Assembly is asked to note the following schemes, which are strategic and will require additional funding:

Proposed Schemes Subject to Funding	2021 £'000	2022 £'000	2023 £'000	2024 £'000	Total 2021-24 £'000
Fort Regent redevelopment (Major Project)	-	8,000	8,000	10,000	26,000
Sports Facilities (Island Wide)	1,200	16,200	22,100	10,450	49,950
Further Education College	-	5,300	5,000	19,600	29,900
	1,200	29,500	35,100	40,050	105,850

Table 15 - Additional funding

Grouped heads of expenditure

By grouping projects under a common head of expenditure, it will be possible, with appropriate governance processes, to utilise funds allocated more effectively, to move underspends to commence or accelerate high-priority projects and react, at pace, to changing requirements within a Government Plan cycle.

Annual allocation of funding

Project funding is allocated on an annual cash requirement, replacing the previous system whereby the States Assembly allocated the full budget upfront for a project. The previous allocation process meant that the Government had large amounts of cash tied up in projects, which was not able to utilise, resulting in the delay of some high-priority projects, while

the public accounts showed that the Government was holding large cash balances. This is not an efficient and effective use of public monies.

These changes to how funds are allocated have the effect of releasing funding within the Consolidated Fund earlier, so essential projects can start sooner, and new assets or equipment brought into use to realise benefits.

Risk funding

A further innovation is the creation of a separate reserve head of expenditure, which holds a provision for risk and inflation outside the individual capital budget allocations. By centralising this funding under the management of the Treasury and Exchequer department, and developing a robust governance structure for assessing calls on the funding process for its release, the aggregate amount of funding allocated for risk can be reduced. As with other measures taken, this enables funds allocated to work more effectively to deliver projects rather than be held in reserve.

Central planning reserve

Setting an appropriate and prudent level of funding will require a more mature approach to the development of project business cases and feasibility assessment. To facilitate this, a head of expenditure called 'central planning reserve' has been created, which provides funding to undertake assessment of proposals for projects and develop robust and comprehensive business cases. This was not an accurate description of the function of this reserve, so this Government Plan has renamed this to Central Planning Reserve.

Major projects and projects requiring alternative funding sources

The Public Finances (Jersey) Law defines 'major projects' under Article 1 as follows:

"major project" means:

- a. a capital project the duration of which, from start to finish, is planned to be of more than one year and the total cost of which is planned to be of more than £5 million; or
- b. a project that has been designated as a major project under an approved government plan.

In this Government Plan, the following have been deemed major projects:

- Sewage Treatment Works*
- Microsoft Foundation*
- Integrated Technology Solution*
- Cyber Security*

- Vehicle Testing Centre*
- Victoria College Preparatory Replacement School
- Mont a l'Abbe School
- Redesign of Greenfields
- Learning Difficulties Project
- Our Hospital (Phase Two)
- Fort Regent (Early Phase)
- Digital Care Strategy
- Office Modernisation

*Existing major projects included in Government Plan 2020

Some of these projects are already underway, having received funding in last year's Government Plan or earlier years. Some are in the early stages of development, and will receive initial funding for preparatory work from the Central Planning Reserve. This will allow further development of these important and complex projects and preparation of robust business cases, funding options and delivery mechanisms.

These projects are transformational and will address long-standing deficiencies in the public estate and reshape the delivery of services to Islanders and other service users. Innovative funding solutions will need to be considered for these projects, in order that they can commence within the timeline of this Government Plan and be affordable over the longer-term.

There were major allocations made in the 2020-2023 Government Plan. The revisions and additions to those are shown in the following table:

	Department	2020-2023 Government Plan Full Cost (£000)	2021-2024 Government Plan Full Cost (£000)
MS Foundation	COO	9,000	7,000
VCP Replacement School	CYPES		17,000
Mont a l'Abbe Secondary School	CYPES		7,350
Redesign of Greenfields	CYPES		7,000
Learning Difficulties - Specialist Accommodation	HCS		9,350
Fort Regent (Early Phase)	IHE		4,800
Our Hospital (Phase Two)	HCS		20,000
Digital Care Strategy	HCS		16,185
Office Modernisation	OCE		3,450
Total		9,000	92,135
Funded from Social Security Fund			
Benefits and Payments - System	CLS		23,000

Table 16 -Major projects amendments and new projects

Information technology projects

The Government Plan 2020-2023 identified that we will be critically dependent on technology to achieve our future aims and must deal with a substantial ‘technology debt’, which has come from an historical lack of investment in capability and a shortfall in the capacity to handle current demand.

There needs to be continued significant and strategic investment in technology, otherwise we will fail to achieve our commitments to the Common Strategic Policy and the longer-term aims of the One Government initiative. The investment in technology has been established under the central management of the Chief Operating Officer’s team to ensure alignment of objectives and the correct roll out of technology. The total investment in this Government Plan in information technology is £71 million with £33.4 million held within three major projects – MS Foundation, Integrated Tech Solutions and Cyber. There is a further £19 million investment in systems for health, funded from the Health Insurance Fund.

The investment in information technology projects aligns with the identified five key strategic elements of the vision for a modern and effective Government.

- Every Islander will be able to engage with the Government through paying tax, accessing social security and accessing health services digitally
- The Government will establish a record which allows a single view of Islanders’ data
- An efficient and effective billing and collection approach will support Islanders’ experience of transacting financially with the Government
- Support by an effective and efficient workforce, with the tools required to operate flexibly in a digital world
- Our infrastructure systems and data will be resilient and protected against cyber-attack

These elements have been used to enable and support the objectives outlined above through the introduction of technology capabilities in the following areas:

- Government-wide capabilities – enabling us to operate as a modern government
- Front-office (Islander-facing) capabilities – enabling Islanders to deal with the Government on a digital basis (as they would expect to deal with any other organisation)
- Enabling functions – supporting our effective and efficient operation.

Estates (Including schools)

There have been several projects for educational premises that have received funding in the last ten years, including school refurbishments and the building of the new Les Quennevais School. This plan includes refurbishments of existing educational premises, a review of the organisation of secondary schools, the rebuild of Victoria College Prep (VCP) school, the extension of Mont a l'Abbe and a revision of the service provision for those Islanders with learning difficulties and for those children in residential homes.

The replacement of VCP school has been under review since 2012, when the condition of the existing school was rated as below average. Since then there has been an updated feasibility study which reviewed different options to improve the school, but this needs to be updated and this project incorporates the funding for the updated scheme and the cost of the rebuild.

Due to the increased pupil numbers and overcrowding at Mont a l'Abbe there have been considerations about the options for expanding both the Primary and Secondary Schools. The current proposal would consider ways to expand the provision on a single campus to enable the staff to deliver the 0-19 curriculum, as well as provide for the growing need to offer a respite care provision in the Island. The pre-feasibility work will be completed in 2022 with the aim to begin the scheme in 2023, at a total cost of £7.35 million.

The current provision for detained children is at Greenfields, which was built in 2006. It was designed as a secure unit in which to house children and young people under the youth justice system and those requiring secure welfare placements. Since then, the number of children and young people detained has declined and given rise to the need to redesign the facility so that it can deliver a secure children's home provision. The original business case identified the importance of developing partnership arrangements between Greenfields and La Sente School. It is important that the site is redeveloped appropriately, to enable changes to be made to both the existing school premises and the Greenfields secure unit. On review of the original funding submission, it has been necessary to seek additional funding in 2024 to ensure there is enough budget available for the redevelopment of the site and not just the secure unit buildings. This means that this project is now budgeted to cost £7m, which is an increase of £1.25 million on the original estimate, the 2022 and 2023 costs of which were included in the previous Government Plan.

The health estate also needs to accommodate learning facilities in its accommodation of individuals with a learning disability. The accommodation for Islanders with these needs has three major imperatives:

- To ensure there is sufficient, quality accommodation of different type, to meet the needs of service users (including those transitioning from Childrens to Adult Services)

- To future-proof services in relation to people with learning disabilities, in particular those with complex care needs so that services are sustainable for the coming years
- To support care close to home, prevent service users travelling off the Island and ensure that services are safe, cost effective and flexible.

Aviemoore is five-unit facility which provides accommodation for those with learning disabilities who have the most complex needs and are in crisis. The nature of the existing building mitigates against the provision of appropriate and safe care, as well as providing a safe working environment for the staff. The nature of the existing building means it cannot be fully occupied and private sector accommodation must be sought to meet the needs of individuals. The replacement facility will allow the service to be provided in an appropriate and safe environment, in line with the Regulation of Care Law 2014, and give a cost saving through the reduction in the use of private sector accommodation.

There is a need to create a regime of vehicle testing in order to comply with the UN Vienna Convention on Road Traffic, which was extended to the Island in March 2019. A phased approach to inspections has been agreed and it is currently anticipated that period technical inspection of all vehicles in Jersey will be in place by 2022. The funding request addresses a likely scenario that a test centre will be required to undertake inspections on this scale. Although it is expected that the test centre will be self-funding, it also assumes that government will be required to provide the initial capital funding required for construction, which will commence in 2021.

Our Hospital

On 3 May 2019, the Chief Minister announced proposals to the States Assembly for establishing a new programme for delivering a new hospital for Jersey ('New Hospital Project: Next Steps', R54). A phased approach for the 'Our Hospital' Project was proposed which:

- Established the agreed clinical requirements of the new hospital
- Used the outcome of this to scope the size and shape of a new hospital to inform the shortlisting of potential locations
- Involved a thorough process of Island and stakeholder communication and engagement on those locations, alongside technical and financial assessments of deliverability, in order to identify a preferred site for the States Assembly to consider and approve.

The project has been set a challenging timeline to get to the submission of an outline planning application and business case completed, in order to deliver a new hospital, broadly to the timetable of the withdrawn Future Hospital proposal. This will be the single biggest capital expenditure undertaken in Jersey's history and will include investment in a digital care strategy.

Since project inception, the effects of Covid-19 reinforced the requirement for a new hospital that is fit for purpose and flexible enough to adapt its

capacity to deliver future healthcare needs. The project will continue without delay to meet the challenging timeline.

The concept of 'hold points' has been used to divide the project further into management stages. At each hold point the Senior Officers Strategy Group and the Political Oversight Group are asked to confirm continued business justification and that the project is/will deliver its expected benefit.

Phase 1 was a Major Project within the Government Plan 2020-2023, with £11.7m funding agreed for 2020 to meet project costs. In 2021, £20 million has been put into the Government Plan to fund the next phase ahead of a decision of the States Assembly scheduled in Spring 2021 to proceed with Our Hospital.

Fort Regent

The issue of 'what to do with the Fort' has been a perennial problem for decades. Last year, the States approved a Pre-Feasibility Funding allocation for the 2020-23 Government Plan. Subsequently a team of leading experts, under the guidance of the Fort Regent Steering Group chaired by the Chief Minister, have developed a coherent mix of uses which are both deliverable and sustainable. The proposals have been divided into phases and the early phase of development has been included in this plan. Notwithstanding current uncertainties regarding the pandemic, there are key 'quick win' projects that can be taken forward. These can provide both short-term fiscal stimulus and new placemaking/ interim uses for the Fort, whilst the enabling work for the long-term leisure mix of uses is being progressed.

The overall ambition for Fort Regent is larger than that contained in this Government Plan and will need to be considered as part of a wider debate, which includes the agreement of the vision, the impact on sporting facilities and the overall funding mechanism for the agreed scheme.

Digital care model

The Digital Health and Care Strategy, in partnership with Digital Jersey, is aimed at implementing a strategy that will look at ways to improve the way both health professionals and patients use technology. This will focus on:

- Record management
- Improvements in how care is planned, delivered and managed.

Office modernisation programme

We will provide funding to continue to progress the Office Modernisation programme as outlined in the Strategic Outline Case approved by the Council of Ministers in September 2019. The programme is in pre-feasibility phase, which involves the procurement of a development partner to work with the public service, to deliver a new office, to bring together colleagues across the public service and provide an outstanding customer hub for Islanders.

We have reviewed the principles of the Strategic Outline Case to assess the implications of Covid-19 on the project and consider that the case to build a new office remains valid, as it will deliver a noteworthy economic stimulus and a range of benefits for the organisation. It will enable the public service to more effectively discharge its duties to support Ministers, the States Assembly and the public it serves. It will also improve the efficiency and effectiveness of operational costs that support the public estate, as well as enhanced productivity savings, which will be fully articulated in the Final Business Case. We will review plans for exiting leases, and timings for the potential sale of properties, to reduce the impact of an economic downturn on capital receipts and anticipated revenue savings, whilst at the same time consolidating the overall office estate.

As part of the 2021 Government Plan, we will finalise the contractual arrangements of the development of the new office arrangements, the final detail of which is due to be completed by November 2020. The project team anticipate that a new building will be operational by early 2024 which will then realise the benefits of reduced overall office running costs and enable the disposal of vacated buildings.

An infrastructure fund for Jersey

The previous Government Plan identified that an Infrastructure Fund in Jersey could provide a way to fund major projects. Many jurisdictions have successfully established infrastructure funds, with these funds typically taking the form of a recyclable or evergreen fund, whereby they are reinvested over a medium to long-term to create a sustainable fund.

The original intention was to establish the fund in 2020 by lodging a proposition with the States Assembly which would have set out how the fund could operate and the necessary safeguards, governance and transparency measures for projects to be funded through this mechanism. The impact of the pandemic has delayed the implementation of this initiative, but the intention is to continue and seek approval of the States to create the Infrastructure Fund in 2021.

The Infrastructure Fund can widen the participation of third-party investors who wish to take an holistic view of the long-term success of the Island and give us the opportunity to fund longer-term projects in a different way. These funds not only reduce the dependency on public sector finances but can also be used to strengthen skills and resource planning capability. We can choose to invest at a fund or project level, or both.

The Government can play an active role in project definition, prioritisation, promoting initiatives, land assembly and attracting investors. We can widen the participation of third-party investors who wish to take an holistic view of the long-term success of the Island, as well as securing maximum leverage from third-party investors to support individual projects.

Robust transparency and accountability are an essential prerequisite of any fund where decisions are taken by elected Members following

independent advice. This will not only underpin the legitimacy of decision-making but will enable elected Members to exercise strict control over funding and long-term investment strategy. The decision to establish a new fund will be informed by a business case and can only be taken by the States Assembly.

Funding is included in the Central Planning Reserve to work towards the establishment of a fund and sets out how it could operate, the necessary safeguards, governance and transparency measures prior to a proposition being lodged for debate in 2021.

In addition to the Consolidated Fund and a potential Infrastructure Fund, capital expenditure may be funded from alternative sources, such as the Criminal Offences Confiscation Fund, where the proposed expenditure is appropriate and affordable, and we will continue to consider other potential funding options such as borrowing throughout the plan.

A full list of the capital programme is shown in table 17

			2021	2022	2023	2024	Total
	Department	CSP	(£000)	(£000)	(£000)	(£000)	2021-2024
							(£000)
Central Planning Reserve	T&E		3,700	450	-	-	4,150
Jersey Instrumental Music Service Premises		1	100	-	-	-	100
VCP Replacement School		1	150	-	-	-	150
North of St. Helier Youth Centre		1	350	-	-	-	350
Le Squez Youth Centre/Community Hubs		1	250	-	-	-	250
Rouge Bouillon site review		1	50	-	-	-	50
Mont a l'Abbe secondary school		1	-	250	-	-	250
Review of Greenfields		1	100	-	-	-	100
Piquet House - Family Court		1	150	-	-	-	150
Further Education Campus		3	150	150	-	-	300
Fort Regent		3	1,800	-	-	-	1,800
Learning Difficulties - Specialist Accommodation		2	100	50	-	-	150
Island Sports Facilities, Inspiring Places		3	200	-	-	-	200
Infrastructure Funding		O14	300	-	-	-	300
Discrimination law, safeguarding and regulation of care	IHE		3,600	2,600	2,000	2,000	10,200
Schools		1	1,500	500	-	-	2,000
Children's residential homes		1	100	100	-	-	200
Community Site Improvements		2	2,000	2,000	2,000	2,000	8,000
Schools extensions and Improvements	IHE		5,901	6,700	1,750	750	15,101
Le Rocquier and school/community sports facilities	IHE	1	1,305	2,400	1,000	-	4,705
School 3G Pitch replacements	IHE	1	750	750	750	750	3,000
School Field development - Grainville, St John	IHE	1	400	400	-	-	800
Les Landes Nursery	IHE	1	500	500	-	-	1,000
Mont A L'Abbe extension	IHE	1	850	650	-	-	1,500
Extend La Moye Hall and 2 additional classrooms	IHE	1	1,000	1,000	-	-	2,000
Extension to JCG School Hall	IHE	1	260	-	-	-	260
JCG and JCP additional music facilities	IHE	1	500	1,000	-	-	1,500
JCG and JCP new playing fields	IHE	1	336	-	-	-	336
Infrastructure including the Rolling Vote	IHE		11,732	14,318	15,215	14,150	55,415
Rolling Vote	IHE	5	10,232	11,318	12,715	12,650	46,915
STW Odour Mitigation (P115/2017)	IHE	5	-	1,500	-	-	1,500
Bellozanne STW Outfall Rehabilitation	IHE	5	-	-	1,000	-	1,000
La Collette Waste Site Development	IHE	5	500	500	500	500	2,000
Island Public Realm including St Helier	IHE	5	1,000	1,000	1,000	1,000	4,000
Sewage Treatment Works (Existing Major Project)	IHE	5	-	4,000	-	-	4,000
Drainage Foul Sewer Extensions	IHE	5	1,000	1,000	1,000	1,000	4,000
Information Technology			36,120	30,779	17,091	6,312	90,302
MS Foundation (Major Project)	COO	O13	2,570	1,100	-	-	3,670
Integrated Tech Solution (Major Project)	COO	O13	9,200	11,400	1,400	-	22,000
Replacement assets	COO	O13	5,000	5,000	5,000	2,500	17,500
Pride Software - JG	NON MIN	O13	-	200	-	-	200
Phoenix Software - Viscounts	NON MIN	O13	45	-	300	-	345
Court Digitisation	NON MIN	O13	1,648	951	831	87	3,517
Regulation Group Digital Assets	IHE	O13	1,290	1,230	-	-	2,520
Next Passport Project	JHA	O13	-	998	-	-	998
Combined Control IT	JHA	O13	2,000	-	-	-	2,000
Electronic Patient Records	JHA	O13	667	-	-	-	667
Electronic Document Management Solution	COO	O13	500	1,000	1,000	-	2,500
Cyber (Major Project)	COO	O13	6,500	1,200	-	-	7,700
Customer Relationship Management	COO	O13	-	2,000	2,500	-	4,500
IT for Migration Services	COO	O13	1,000	-	-	-	1,000
Service Digitisation	COO	O13	1,000	1,000	-	-	2,000
Jersey Care Model	HCS	O13	1,300	800	500	400	3,000
Digital Care Strategy (Major Project)	HCS	O13	3,400	3,900	5,560	3,325	16,185
Replacement Assets			10,309	6,916	9,562	7,200	33,987
Replacement Assets and Minor Capital	CYPES	1	200	200	250	250	900
Replacement Assets (Various)	HCS	2	3,250	2,600	2,750	2,750	11,350
Sports Division Refurbishment	IHE	3	1,300	200	-	-	1,500
New Skatepark (net of Port of Jersey Funding)	IHE	3	685	-	-	-	685
Refit & Replacement of Fisheries Protection Vessel & Auxiliary Vessels	IHE	5	-	-	2,800	-	2,800
Replacement Assets and Minor Capital	IHE	5	3,500	3,500	3,500	4,000	14,500
Minor Capital	JHA	None	236	166	62	-	464
Minor Capital-Police	JHA -Police	None	200	200	200	200	800
Equipment Replacement	JHA -Police	None	170	50	-	-	220
Replacement of Aerial Ladder Platform	JHA	None	768	-	-	-	768

	Department	CSP	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)	Total 2021-2024 (£000)
Estates including new Schools			43,511	29,562	33,106	40,730	146,909
Jersey Instrumental Music Service Premises	CYPES	1	-	2,000	1,120	1,480	4,600
VCP Replacement School (Major Project)	CYPES	1	-	1,000	2,000	14,000	17,000
Le Squez Youth Centre/Community Hubs	CYPES	1	-	2,000	2,300	-	4,300
North of St. Helier Youth Centre	CYPES	1	-	2,000	1,250	1,000	4,250
St Aubin Fort Upgrade	CYPES	1	-	500	500	-	1,000
Mont a l'abbe secondary school (Major Project)	CYPES	1	-	-	1,350	6,000	7,350
Redesign of Greenfields (Major Project)	CYPES	1	-	1,250	2,500	3,250	7,000
Vehicle Testing Centre (Major Project)	IHE	5	2,000	3,175	1,300	-	6,475
Conversion Courtroom 1 Magistrates Court	NON-MINS	None	440	-	-	-	440
States of Jersey Police Firearms Range	JHA	2	1,200	-	-	-	1,200
Prison Improvement Works - Phase 6b	IHE	None	90	-	-	-	90
Prison Phase 7	JHA	None	-	-	2,263	-	2,263
Prison Phase 8	JHA	None	666	1,609	133	-	2,408
Dewberry House (Sexual Assault Referral Centre)	JHA-Police	1	1,800	500	-	-	2,300
Piquet House - Family Court	NON-MINS	None	1,071	779	-	-	1,850
Health Services Improvements (including vital IT Investment)	HCS	2	5,000	5,000	5,000	2,000	17,000
Five Oaks Refurbishment	HCS	2	2,550	-	-	-	2,550
Learning Difficulties - Specialist Accommodation (Major Project)	HCS	2	2,000	3,300	4,050	-	9,350
Rouge Bouillon Site review outcome	IHE	None	2,000	5,000	7,000	8,000	22,000
Reorganisation of Secondary Schools	CYPES	None	-	-	-	5,000	5,000
Our Hospital (Major Project)	HCS	2	20,000	-	-	-	20,000
Fort Regent (Major Project)	IHE	O13	3,000	-	-	-	3,000
Office Modernisation (Major Project)	OCE	O13	650	460	2,340	-	3,450
In-patient/support services refurbishments	HCS	2	1,044	989	-	-	2,033
Reserve for Central Risk and Inflation Funding	T&E	None	1,500	1,800	2,000	2,000	7,300
TOTAL CAPITAL PROGRAMME			117,373	98,125	81,724	74,142	371,364

Table 17 -Detailed capital programme

General Revenue Income

General tax revenues

General tax revenues provide the main source of funding for the Government, with four main tax types:

Income Tax	The Government levies a tax on two sources of income. Firstly, the income earned by individuals in the form of personal income tax and, secondly, tax levied on companies through corporate income tax
Goods and Services Tax	Goods and Services Tax (GST) is a tax on the supply of goods and services in Jersey. GST is charged at 5% on the majority of goods and services supplied in Jersey, including imports
Impôt (excise) Duties	Impôt (excise) duties are levied on the importation of specific items - namely road fuel, alcohol, tobacco and motor vehicles
Stamp Duty and Land Transactions Tax	Stamp Duty is levied on the purchase of properties bought on the Island and the registration of wills of Jersey immovable property. Land Transactions Tax is levied on share transfers involving shares which give the owner the right to occupy property in Jersey

Funding public expenditure

The Government has two main sources of general income to fund ongoing, annual expenditure.

	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)
General tax revenue	747,484	802,373	851,000	899,653
Other Government income	58,866	60,779	64,560	66,264
Total States Income	806,350	863,153	915,559	965,916

Table 18 -Funding Public Expenditure

Revised income forecasts for autumn 2020

Covid-19 has caused significant disruption to the economy, with the necessary restrictions put in place to save Islander's lives effectively closing large parts of the economy and affecting the tax base. While restrictions have been partially eased, the speed of the recovery and the timing and extent of any further easing or re-imposition of restrictions remains uncertain. The Income Forecasting Group's forecast has been informed by the independent economic forecast produced by the Fiscal Policy Panel.

The Income Forecasting Group's revised forecast of total States income as at autumn 2020 reflects:

- The Fiscal Policy Panel's economic assumptions of August 2020 and other related economic data for Jersey
- General revenues out-turn for 2019
- Initial information on general revenues for Quarters One and Two 2020
- Forecasts from Treasury for 'other income'
- Latest available out-turn data from Revenue Jersey, and
- Intelligence from the Income Forecasting Group affecting future forecasts.

The autumn forecast is the second produced in 2020 and covers the years 2020-24 in order to cover the whole of the Government Plan period.

The forecast assumes previous policy assertions of Ministers in respect of impôts duties and growth in earnings/RPI for personal allowances. It is before additional yield arising from tax compliance measures and increases to ISE fees in this Plan.

Central Forecast £'000	2019 (Outturn)	2020	2021	2022	2023	2024
Income Tax	585,000	554,000	558,000	603,000	642,000	674,000
GST	89,704	78,210	84,610	90,910	94,510	98,310
Impôts Duty	62,879	67,716	67,986	69,979	71,037	71,485
Stamp Duty	34,898	29,083	30,953	30,249	31,118	32,023
Bad Debts	(3,235)	(9,000)	(6,000)	(6,000)	(3,000)	(3,000)
Other Income	71,434	59,069	58,866	60,779	64,560	66,264
Total States Income	840,680	779,079	794,415	848,918	900,224	939,081
Autumn 2019 (forecast)	850,986	875,459	909,802	947,762	985,010	
Variation	(10,306)	(96,380)	(115,387)	(98,844)	(84,786)	
	-1.2%	-11.0%	-12.7%	-10.4%	-8.6%	

Table 19 - summary of autumn 2020 forecast



Figure 8 - Range of forecasts for States income (Autumn 2020)

	2021 Allocation (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)
Income Tax ²⁹	551,500	596,500	638,500	670,500
GST	84,610	90,910	94,510	98,310
Impôt duties	67,986	69,979	71,037	71,485
Stamp duty ³⁰	31,288	30,584	31,453	32,358
Other Income	58,866	60,779	64,560	66,264
Central scenario	794,250	848,753	900,059	938,916
Domestic Compliance	8,600	10,900	12,000	13,500
Additional Tax measures	0	0	0	10,000
Additional ISE Fees	3,500	3,500	3,500	3,500
Total States Income (including additional measures)	806,350	863,153	915,559	965,916

Table 20 - Total States income

²⁹see Appendix 7 (4) and (6)

³⁰see Appendix 7 (5)

Summary of autumn 2020 forecast

The overall changes from the autumn 2019 forecast are:

Personal income tax

The personal income tax forecast comprises several components that have differing economic sensitivities. The Income Forecasting Group have made several adjustments to account for the effects of Covid-19 and the restrictions put in place in response. These adjustments, together with the updated Fiscal Policy Panel economic assumptions, and additional data, reduce the autumn 2019 forecast by £63m in 2020, decreasing to a £42 million reduction in 2023.

Corporate income tax

The recent broadening of the corporate tax base, and the differential effects of the pandemic, has led to the Income Forecasting Group splitting the corporate tax forecast on a sectoral basis. Additional adjustments have been made to reflect the impact of restrictions on activity on sectors subject to a positive rate of tax. Updated information for the 2019 year of assessment has resulted in an increase of £5 million to the 2020 forecast. However, as tax is collected one year in arrears, from 2021 the forecast is reduced by £20m with a £17 million reduction by 2023, as a result of the impacts of the current and anticipated impacts of Covid-19 on the economy.

GST, international services entities fees and import GST

The restrictions to activity arising from Covid-19 have led to a reduction in sales revenues, and hence GST receipts, in 2020. Work has been undertaken to estimate the sectoral impact of the restrictions. The Income Forecasting Group continues to believe that there will be a persistent impact on GST receipts continuing in 2021, with an implicit judgement that there would be an enduring change in consumer behaviour following the significant increase in internet shopping during the lockdown. This leads to a reduction in the autumn 2019 forecast of £18.5 million in 2020, decreasing to £9.5 million in 2023. Increases in International Services Entities (ISE) fees are proposed in this Government Plan.

Impôts duties

Available in-year data suggests that the restrictions in place to mitigate the health impacts of Covid-19 have produced a varied effect on excise duties. For example, the closure of hospitality outlets resulted in a dramatic fall in on-trade sales of alcohol, and the closure of schools and businesses led to a significant reduction in road fuel consumption. However, these decreases have been somewhat balanced by an increase in volumes of tobacco being put to duty, as a result of reduced duty-free sales. The revised Fiscal Policy Panel economic assumptions continue to give a reduction to the presumed duty rates in future years, with the autumn 2019 forecast being reduced by £0.5 million in 2020, £2.5 million in 2021, £3.0 million in 2022 and £3.7 million in 2023.

Stamp Duty

Despite the pandemic causing significant disruption in the housing market, the easing of lockdown restrictions has permitted a resurgence in property transactions. The updated Fiscal Policy Panel economic assumptions for annual house prices and transactions have improved since the spring 2020 forecast, but now suggest a slower recovery in future years. The in-year data and revised assumptions continue to cause a long-term reduction to the autumn 2019 forecast from £6.3 million in 2020 to £7.9 million in 2023.

Additional tax measures

As part of balancing the budget by 2024, the Council of Ministers has set an initial target of £10 million per annum of additional taxation arising from work to be undertaken in respect of taxation of medicinal cannabis, broadening the base of corporate income tax and reviews of commercial and residential stamp duty.

Domestic compliance

The rebalancing and efficiencies programme includes additional income arising from more efficient collection of taxes income, and reducing non-compliance among taxpayers.

Other Government incomes

In addition, the Government receives income from four other sources, as set out in the table below.

Island-wide rates	The 12 parishes collect an Island-wide rate, which is levied by the Government. The Island-wide rate is increased annually, based on the March Retail Prices Index, which is proposed to the States by the Comité des Connétables. Rates were frozen in 2020.
Income from dividends and returns	The principal contributions to this area of income arise from the dividends paid by those utility companies in which the Government has a shareholding interest. The other main source of income in this area is the return paid by the States of Jersey Development Company.
Non-dividends	A number of income streams contribute to this area, many of which are fairly small and relatively simple to forecast, such as income tax penalties, Crown revenues and miscellaneous interest, fees and fines. The investment returns from the Consolidated Fund and Currency Fund benefit from the pooled investments in the Common Investment Fund. The returns are based on the investment strategies of the two funds and the holding balance available to be invested.

Returns from Andium Homes and Housing Trusts

The returns from Andium Homes and the Housing Trusts arise from the incorporation of the housing department in July 2014. The company is obliged to make a return based on the transfer agreement and an agreed rental and return policy.

The annual increase in the level of social housing rents for 2021 is normally determined by the September 2020 RPI figure which will be released in late October 2020. Once the September RPI figure is published the Minister for Children and Housing and the Minister for Treasury and Resources will give consideration as to whether it would be appropriate to override the formula that sets the levels of Andium rents and the Guarantor's return paid to the Treasury and Exchequer.

A freeze in the rent levels and the Guarantor's return paid by Andium Homes to the Treasury & Exchequer will lead to a reduction in the expected return due to Treasury & Exchequer for 2021 and all subsequent years.

A freeze in rent levels will also lead to a reduction in Income Support expenditure for 2021 and all future years. If a freeze is agreed, Andium Homes will absorb the net cost into their business model for 2021 and all future years.

Further proposals will be brought forward in 2021 to review the social housing rents policy, which will be accounted for in the next Government Plan.

Agreements are already in place with those Housing Trusts that have moved to the 90% market rent level policy. This income stream reflects the historic income contribution made from the housing stock that was transferred to Andium.

	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)
Island-wide rates	13,486	13,809	14,155	14,523
Income from dividends and returns	8,133	8,568	8,918	9,347
Non-dividends	5,473	5,784	7,967	7,949
Returns from Andium Homes and Housing Trusts	31,774	32,618	33,520	34,445
Central scenario	58,866	60,779	64,560	66,264

Table 21 - Other Government income

Other income sources

In addition, Government departments receive money from fees and charges for individual services. These amounts are included within individual net expenditure allocations and are estimated at £101 million in 2021. The number of different sources of income reflects the variety of services provided by the Government. This includes fees for private patients at the hospital, school fees, fees for the disposal of inert waste, planning fees, and income from rents and our sports facilities.

Special Funds also receive income designated to them, as well as the investment returns on fund balances. This is then used for expenditure in line with the purpose of the fund. This is covered in more detail in Section 8.

Budget Proposals

Income tax (personal taxation) exemption thresholds

The income tax exemption thresholds set the income level at which an individual, or married couple, or civil partnership, start to pay personal income tax. An individual or couple with income below the income tax exemption threshold that applies to them will not pay any personal income tax. In addition, since the Long-Term Care contribution is calculated by reference to their personal income tax position, they will not pay any Long-Term Care contribution.

Furthermore, every individual or married couple who is taxed by reference to the marginal rate calculation also benefits from the income tax exemption thresholds. This means that the relevant income tax exemption threshold reduces the amount of income that is subject to tax at the marginal rate. Increasing the thresholds will therefore benefit the vast majority of taxpayers.

Normal policy has been to uprate the standard income tax exemption thresholds by the lower of the Average Earnings Index and the June Retail Price Index figures published by Statistics Jersey.

As average earnings growth is 1.1% and the June RPI inflation is 0.5%, Ministers propose that existing policy is maintained for 2021 and that the standard thresholds are increased by the June RPI inflation rate of 0.5%. This is assumed in the Income Forecasting Group forecast.

The impact for taxpayers of the proposal on the standard income tax exemption thresholds is:

Type of taxpayer	2020 actual	2021 proposed	Proposed increase	Tax reduction @ 26%
Single person	£15,900	£16,000	£100	£26
Married couple/civil partnership	£25,550	£25,700	£150	£39

Table 22 - Standard income tax exemption thresholds for 2020 and 2021 years of assessment

As the following table highlights, the income tax exemption thresholds in Jersey are greater than the equivalent tax allowances in Guernsey, the UK and the Isle of Man.

Jersey (2021 proposed)	Guernsey (2020)	UK (2020/21)	Isle of Man (2020/21)
£16,000	£11,575	£14,250	£12,500

Table 23 - Single person exemption thresholds/personal allowance across comparable jurisdictions

Following an amendment to the proposed Government Plan, we will increase the Child Allowance by £60 and the Additional Allowance by £90.³¹

³¹see Appendix 7 (6)

Allowance	2020 Actual	2021 Actual	Increase	Tax Reduction @ 26%
Child Allowance	£3,000	£3,060	£60	£16
Additional Allowance	£4,500	£4,590	£90	£23

Following an amendment to the proposed Government Plan, we will increase the maximum Child Care Tax Relief that can be claimed by £123; and the maximum Enhanced Child Care Tax Relief that can be claimed by £320 in 2021.³²

Type of Relief	2020 Maximum Claim	2021 Maximum Claim	Increase
Child Care Tax Relief	£6,150	£6,273	£123
Enhanced Child Care Tax Relief	£16,000	£16,320	£320

Second earner's allowance

Married couples, taxed by reference to the marginal rate calculation, are entitled to the married couple's income tax exemption threshold (see above) and, where both spouses are in receipt of earnings (e.g. employment income, self-employment income or pension income) they are also entitled to an allowance known as 'second earner's allowance'. Second earner's allowance reduces the income tax payable on the earnings of the lower-earning spouse.

This differs from cohabiting (unmarried) couples, where each partner is entitled to the single person's income tax exemption threshold.

Prior to the 2018 year of assessment, this differing treatment of married couples and cohabiting couples meant that it had been tax beneficial for couples, where both partners were in receipt of earnings, to cohabit, rather than get married.

In the Budget 2018, second earner's allowance was increased, so that the married couple's income tax exemption threshold, plus the second earner's allowance, was equal to two single person's income tax exemption thresholds – removing this form of discrimination.

This policy has been maintained in the 2019 Budget and Government Plan 2020-2023 and is sustained in the proposed increase in this Government Plan.

Second earner's allowance (2020)	Proposed second earner's allowance (2021)	Increase (and tax benefit at 26%)
£6,250	£6,300	£50 (£13)

Table 24 - Second earner's allowance proposal for 2021

Type of Taxpayer	Standard allowance proposed (2021)	Second earner's allowance proposed (2021)	Total Income Tax Threshold Applicable
Single person x 2	£32,000	N/A	£32,000
Married couple / civil partnership	£25,700	£6,300	£32,000

Table 25 - Comparison of proposed 2021 year of assessment allowances – married vs cohabiting (both earning)

³²see Appendix 7 (4)

Taxing the profits of companies in the cannabis industry

Under the current rules, the standard rate of corporate income tax is 0%, though certain types of company are subject to tax rates of either 10% or 20%. In the Government Plan 2020-23, it was announced that consideration was being given to also taxing the profits of companies within the cannabis industry.

In order to be in a position to bring forward a scheme for the taxation of these companies as soon as a proposal is fully developed, an amendment is being made to the Income Tax Law which allows the development of a scheme for taxing the profits of companies within the medicinal cannabis sector through the making of Regulations.

Revision of fees payable by International Services Entities (ISEs)

The finance sector, whose goods and services are predominantly supplied to overseas customers, can pay a fee to be listed as an International Services Entity, essentially allowing them to reclaim GST but not otherwise to participate in the GST system.

Following work with Jersey Finance Limited and affected sectors, the Minister is proposing an increase in International Services Entities fees across the board.

It is anticipated these increases will generate £3.5 million from 2021.

GST De-minimis

The reduction in the GST de-minimis level from £240 to £135 was proposed in the Government Plan 2020-23 and was agreed by the States Assembly in December 2019. This has been implemented by means of a new GST Direction with effect from 1 October 2020. The reduction was due to take effect from 1 July 2020 but was postponed by the Minister, considering the impact of the pandemic on Islanders. The introduction of the new level with effect from 1 October 2020 will encourage local spending.

Impôt (Excise) duties

Excise duties are levied on the importation/manufacture of tobacco products, alcoholic beverages, road fuels and motor vehicles. Ministers' proposals regarding each of these duties for 2021 and subsequent years are outlined below.

The increases in excise duties will take effect at midnight on 31 December 2020.

Tobacco

Ministers are aware that the duty on tobacco products has been subject to a wide range of increases in the recent past (over the last five Budgets, increases have ranged from under 5% to nearly 10%).

The Government Plan 2020-2023 signposted to consumers proposed increases in the cost of tobacco over the term of that plan by prevailing RPI inflation plus 5% in each of the years 2021, 2022 and 2023 in the expectation that this would create a change in behaviour.

While a whole package of measures is required, as set out in the Government's Tobacco Strategy, international research and studies indicate the price of tobacco products is strongly linked to consumption, particularly regarding the uptake among children and young people, and population harm. Hence Ministers are proposing a 5.5% increase (equating to June 2020 RPI inflation plus 5%) in the duty levied on tobacco products (with the exception of cigars and hand-rolling tobacco, which will be subject to a greater increase – see below) for 2021.

In recent Budgets, Ministers have established a policy of closing the differential between the duty charged on hand-rolling tobacco and the tobacco contained in cigarettes, on the basis that hand-rolling tobacco is as harmful as other tobacco products. Ministers are proposing this policy is extended in this government plan to the tobacco contained in cigars. In 2020 there is a nearly £38 per kg of tobacco differential in the amount of impôts duty charged on hand-rolling tobacco versus the tobacco contained in cigarettes and a £104 per kg differential in the amount of impôts duty charged on cigars.

In order to continue the policy of closing this differential, Ministers propose to increase the duty on hand-rolling tobacco and cigars by 8.5% (June 2020 RPI inflation plus 8%). Provided this policy is maintained, modelling indicates that the duty on the tobacco in cigarettes and hand-rolling tobacco should be aligned in 2023 and that duty on the tobacco in cigarettes and cigars should be aligned in 2029.

The proposed increase in duty for tobacco products for 2021 of 5.5% equates to a 41p increase in the duty on a standard packet of 20 cigarettes (up from £7.31 per packet to £7.72). The increase on hand-rolling tobacco of 8.5% equates to a £2.05 increase per 50g pouch (up from £24.21 per pouch to £26.26).

Ministers intend to review the case or need to tax vaping in order to dis-incentivise the use of vaping outside of strategies to reduce tobacco consumption.

Road fuel

We have carefully considered the impact of fossil fuels on the environment, both in terms of air pollution and in their contribution to global warming. In the light of the declaration by the States Assembly of a climate emergency in May 2019, fuel duty was increased significantly in the last Government Plan, for both petrol and diesel. The plan also signalled above-inflation increases would apply for 2021 and 2022 in order to encourage drivers to switch from fossil fuel vehicles to cleaner vehicles, and to public transport, cycling and walking, and to further contribute to the Climate Emergency Fund.

To maintain this policy and to continue to apply downwards pressure on excessive consumption, Ministers are proposing to increase fuel duty in this Budget by the rate of inflation and to levy an additional 2 pence per litre for the Climate Emergency Fund.

Even after these increases, road fuel in Jersey continues to be less expensive than in Guernsey, France and the UK.

Alcohol

In determining their proposals on excise duties on alcoholic beverages, Ministers must consider the overall financial and economic position and the advice they receive from public health officials.

For Government Plan 2021-2024, Ministers have carefully considered the balance between the health benefits of further increasing the duty on alcohol with the need to provide continuing support to the hospitality sector due to Covid-19. Having taken account of the lengthy closure of businesses during 2020, and also of the recent introduction of minimum-pricing for off-licence sales, Ministers propose that, exceptionally, for 2021 duty on alcohol is frozen.

RPI impact of increases in impôts

The estimated impact of all the proposed impôts measures is an increase in RPI of 0.1%.

Stamp Duty and Land Transaction Tax (LTT)

We support various assisted ownership schemes to help households who cannot afford to purchase a property on the open market suitable for their needs.

Households can take advantage of an assisted ownership scheme if they meet certain qualifying criteria. These criteria include Entitled residential status and maximum income levels.

Under an assisted ownership scheme, a purchaser is only required to finance part of the market value of the property by way of a mortgage and savings (this is sometimes described as the affordable price). The

difference between the market value of the property and the affordable price is deferred. But the amount deferred will be held within the scheme in perpetuity. This is to ensure that the property cannot be sold on the open market in future.

Under the current rules Stamp Duty/LTT is calculated based on the higher of the consideration paid in respect of a transaction or the market value of the property. As such, a person buying a property through an assisted ownership scheme would be charged Stamp Duty/LTT based on the market value of the property and not the affordable price paid.

In order to assist households with the affordability of buying a house under an assisted ownership scheme, the Minister is proposing to reduce the amount of Stamp Duty/LTT that such households are required to pay when purchasing the house.

Under this proposal the Stamp Duty/LTT will be calculated based on the affordable price rather than the market value of the property.

The conditions for qualifying for relief will be:

- The assisted ownership scheme must be approved by the Minister for Children and Housing
- The purchaser(s) must be first time buyer(s)
- The purchaser is allocated to purchase the property through the affordable housing gateway
- Where the purchaser is not allocated the property through the affordable housing gateway then the assisted ownership scheme must be approved by the Minister for Treasury and Resources.

Further to an amendment to the proposed Government Plan, we will also increase the Stamp Duty rates and Land Transaction Tax for residential property at the upper-end of the market (properties over £2 million).³³

2021 Proposed revenue measures	Revenue/(cost) versus base (£000)
Personal income tax threshold increases	(1,200)
ISE rate increases	3,500
Stamp Duty - Changes for FTBs using the assisted ownership scheme	(500)
Alcohol duty	-
Tobacco duty increases	877
Road fuel duty increases	1,020
General Revenue Total before earmarked road fuel duty increases	3,697
Earmarked Road fuel duty increases - Climate Emergency Fund	(895)
General Revenue Total before amendments	2,802
2021 amendments adopted	
Child Allowance and Additional Child Allowance increases	(260)
Child Care Tax Relief and Enhanced Child Care Tax Relief increased caps	(240)
Stamp Duty and Land Transaction Tax increases on property with a market value > £2m	335
General Revenue Total after amendments	2,637

Table 26 - Summary of Revenue Measures

³³see Appendix 7 (5)

Progress of tax reviews

Current Year Payment Basis

The Government Plan 2020-23 committed Ministers to considering the options for bringing all taxpayers on to a current year payment basis. That review has been accelerated in the light of Covid-19, to provide a short-term cash boost to those most financially affected by the lockdown measures, especially self-employed people and prior-year basis employees, whose income in 2020 has reduced.

Consultation has recently closed regarding the proposals, and the Minister has lodged a proposition to move all personal taxpayers to a Current Year Basis. The terms of the payment of the 2019 tax liability will be set out in regulations, which the Minister will publish before the proposal is debated in the States Assembly on 3 November 2020. The regulations will need to be made by the Assembly no later than 31 March 2021.

If the Assembly agrees to the proposal, the Minister will then propose in next year's Government Plan for these payments to be ring fenced to the repayment of the Covid-19 debt, so this debt does not become a long-term issue for future generations.

Introduction of Independent Taxation

In November 2019, the States Assembly agreed a proposed roadmap for changes to Jersey's personal tax system, ultimately to introduce a system of independent taxation.

This is a significant change to the personal tax system that will affect all taxpayers in a marriage, or civil partnership, and have financial implications for thousands of taxpayers who are currently jointly assessed. Research indicates that moving immediately to independent taxation would require approximately 8,300 married couples and civil partners to pay additional tax. Managing the financial impact on individuals is a particularly challenging aspect of the proposals, and further public consultation is planned in 2020 and 2021.

As a transitional step, it is anticipated joint access to tax information will be introduced for couples in a legal relationship in 2021. It remains our goal to implement full independent taxation for the year of assessment 2022.

Improving tax administration

As part of Budget 2017, the Income Tax Law was amended to include a new regulation-making provision, with a view to requiring Jersey financial institutions to report financial account information on Jersey residents to the Comptroller. Over summer 2020, views have been sought from businesses that would be affected by the Regulations, asking for views on the proposal. Draft regulations will soon be shared with affected parties before being lodged by the Minister. The intention is that 2021 account information would be first reported to the Comptroller in 2022, by banks in the first instance.

Proposals for new business interest rules

The business interest project is looking at how businesses obtain tax relief for the cost of loans and borrowings used to purchase assets and businesses. This area of tax is being reviewed because there are a number of inconsistencies in the current regime for giving relief for the cost of loans which has resulted in tax relief not being given on some commercial transactions and in taxpayers misunderstanding their obligations.

If introduced, new rules will apply to business transactions undertaken by individuals and companies. The existing regime includes several tax concessions that will be withdrawn if a replacement regime is introduced.

The project's goals are to introduce a system of relief that satisfies the following principles:

- Reinforces Jersey's international competitiveness
- Complies with international standards
- Provides legal certainty and improves taxpayer compliance
- Allows a robust approach to tax avoidance and prevents relief for excessive interest
- Has rules that are reasonably simple to apply in practice.

Several meetings have been held with the accountancy profession, and a detailed framework is being developed for consultation. It is anticipated the project will conclude in 2021.

Review of tax residency rules

We have begun to examine options for modernising the income tax law that governs the tax residence of individuals in Jersey.

The review will examine international best practice and guidance and will ensure that any new regime for establishing tax residency underpins Jersey's future competitive position as an international finance centre.

Taxation of transactions involving "enveloped property"

Holding real estate within a company is often referred to as enveloping. Currently, neither Stamp Duty nor Land Transaction Tax arises where the ownership of Jersey commercial real estate is transferred by way of a share transfer.

Proposals for the taxation of these share transactions are now fully developed and were consulted on in 2019. It is proposed enveloped property transfers are taxed at broadly the same rates that are applied to non-enveloped transactions.

Law drafting is nearing completion and a further consultation exercise with stakeholders will shortly take place on the draft legislation. It is expected the draft law will be debated by the States Assembly in early 2021.

Improved income collection

Investment in resources to improve income collection (principally from improved compliance with tax law) has seen further recruitment into Revenue Jersey. Following the publication of its first compliance programme under new ways of working, work in 2020 has been adjusted to take account of the Covid-19 lockdown and has principally focused on tax compliance in the legal profession. Taking account of the slower-than-anticipated commencement of compliance work (resulting from lockdown), improved collection, as part of the Efficiencies Programme, is estimated to increase revenues by £6.35 million in 2020, rising to £13.5 million in 2024.

International tax reform at the OECD

The increasingly digitalised economy has created new business models which continue to challenge international tax rules. The OECD is currently examining how cross border profits within these businesses are taxed, and what global effective corporate tax rates they pay.

International tax standards are always evolving, and Jersey has a proven track record of successfully adopting and adapting to such changes. Jersey will continue to advocate for the maintenance of the principle of the level-playing field among tax jurisdictions, so that new standards are of global application and are to be applied without discrimination.

We are engaging constructively and extensively in these discussions at the OECD. We are also working with industry representatives in Jersey so that the Island will be ready to respond to any requirements arising from new international tax standards if it transpires that any future changes are needed.

Work in this area is a cross-department effort between Revenue Jersey, External Relations and Financial Services and Digital Economy and is also referenced in Part Two - Economy and Skills.

New Reviews for 2021:

Review of Stamp Duty

Stamp duty is charged on transactions involving the transfer of Jersey real estate from one person to another.

Currently, the same rates of stamp duty apply to residential property and commercial property where the property's stamp duty value does not exceed £500,000. Where the value exceeds £500,000, higher rates of stamp duty are applied to residential property. The government is looking at the rates of tax payable on residential and commercial property and whether the gap between these rates should be changed.

Tax measures and long-term climate action

In February 2020, the States Assembly approved P.127/2019 the Carbon Neutral Strategy, which outlined a road map for developing a long-term climate action plan, which will now be lodged with the States Assembly in 2021. This outlined Jersey's level of ambition and timescale for, and the necessary policies to achieve, carbon neutrality. A critical factor in achieving carbon neutrality was the acceptance that a long-term policy will entail an investment by current generations in the interests of future generations.

The use of tax measures and other levers is likely to be pivotal in encouraging changes in behaviour by ensuring polluters and/or users pay for their actions and there is sufficient revenue for investment in infrastructure or mitigating measures. Early work has begun to assess the suitability of tax measures to meet these objectives and bring forward proposals for public consultation and then inclusion in the 2022 Government Plan for implementation thereafter.

Measures to achieve balanced budgets by 2024

Including some of the above, work will progress through the year to identify measures to close the forecast budget deficit. Included within that is a target of at least £10 million per annum to be delivered through tax measures, including broadening the tax base, the taxation of medicinal cannabis growing and production and Stamp Duty.

The Government of Jersey Balance Sheet and States funds

The balance sheet provides a snapshot of our financial position at the end of any given year. It sets out what we own, what we owe and what is owed at any that point in time. This provides an understanding of the long-term financial risks that we face.

The balance sheet is comprised of four main components:

1. **Non-current assets:** This considers the longer-term assets that we have available to deliver services and outcomes. It includes the buildings that we own, along with other equipment that will be used over many years (e.g. IT, vehicles, roads, sea defences, and other infrastructure), the long-term strategic investments that we have made to deliver a return, and loans that we have issued to other organisations.
2. **Working capital or net current assets:** These represent the net day-to-day resources available to us. These include the cash that is held in our bank accounts, the amount owed to us from creditors within the next 12 months; and the amount we need to repay to individuals and organisations within the next 12 months. The Government has high net working capital, which means that we have more than enough current assets to meet all of our short-term financial obligations.
3. **Non-current liabilities:** Conversely, our liabilities include loans and bonds that have been taken out to fund capital projects, the long-term liabilities related to our Pension funds, and any other provisions that we need to make as a result of past actions and activities where there is a strong obligation that these will need to be repaid.
4. **Taxpayers' equity:** Taxpayers' equity represents the accumulation of previous surpluses and deficits and is equal to the total net assets that we hold.

Balance Sheet Forecasts

In recent years, our Island has maintained a strong balance sheet position, and this is forecast to be maintained throughout this Government Plan. Our property and equipment assets will increase as we invest in capital projects. At the same time, we will protect our capital reserve funds, reinvesting returns to ensure that our investment balance grows to help manage risks and protect the long-term sustainability of the Island's finances.

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Non-current assets					
Property and equipment	3,959,546	4,029,052	4,072,276	4,096,648	4,113,625
Loans to external organisations and other assets	248,567	253,227	258,257	257,477	255,767
Strategic investments	376,192	376,192	376,192	376,192	376,192
Investments	3,019,363	2,897,840	2,832,153	2,883,580	3,033,584
Total non-current assets	7,603,668	7,556,311	7,538,878	7,613,897	7,779,168
Working capital (net current assets)	349,443	527,788	579,607	641,212	674,714
Non-current liabilities					
Provisions	(24,989)	(24,989)	(24,989)	(24,989)	(24,989)
Borrowing	(305,926)	(641,979)	(713,308)	(708,427)	(702,296)
Pension liabilities	(443,764)	(475,587)	(480,785)	(485,660)	(490,170)
Total non-current liabilities	(774,679)	(1,142,555)	(1,219,082)	(1,219,076)	(1,217,455)
Total net assets	7,178,432	6,941,544	6,899,403	7,036,033	7,236,427
Taxpayers' equity	7,178,432	6,941,544	6,899,403	7,036,033	7,236,427

Table 27 – balance sheet forecast

Consolidated Fund

The Consolidated Fund is the main fund through which we collect tax, other revenues, and spend money in providing services.

All money received by us or on our behalf is paid into the Consolidated Fund, except where specified in law. Expenditure from the Consolidated Fund is approved by the States Assembly in the Government Plan. The Council of Ministers must not lodge a Government Plan which shows a negative balance in the Consolidated Fund at the end of any of the financial years that the plan covers.

During 2020, the additional expenditure incurred in responding to Covid-19 has meant the Consolidated Fund unallocated balance i.e. the balance after deducting all expenditure budget approvals, including unspent ones, moved from a positive balance to a deficit position of £89 million. In 2021, the lower forecast income and higher expenditure result in a borrowing requirement of £336 million to return the consolidated fund to a balanced position.

Further borrowing is required in 2022, before the borrowing then reduces, as small surpluses are forecast in 2023 and 2024.

There are several planned transfers into the fund to support investment into the Jersey Care Model, capital projects and other expenditure items.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	228,914	0	0	0
Adjustment in respect of Personal Taxation Accrual	(318,342)			
Opening Balance restated on a cash basis	(89,428)	0	0	0
General revenues income	806,350	863,153	915,559	965,916
Departmental expenditure	(931,476)	(857,555)	(843,411)	(893,368)
Forecast Operating Surplus/(Deficit)	(125,126)	5,598	72,148	72,548
Major projects				
Capital Programme	(117,373)	(98,125)	(81,724)	(74,142)
Transfers				
HIF to Consolidated Fund Revenue	11,300	13,000	12,160	7,825
Charitable Funds to Consolidated Fund	1,044	989		
Loans Funds to Consolidated Fund	0	5,700	0	0
Criminal Offences Confiscation Fund to Consolidated Fund	1,956	1,609	2,396	0
Consolidated Fund Float Working Balance				
Consolidated Fund Working Balance	(18,326)			
Net movement in borrowing required	335,953	71,229	(4,981)	(6,231)
Closing balance	0	0	0	0

Table 28 – Consolidated Fund

Trading Funds

Jersey Car Parking Trading Fund

The Jersey Car Parking trading operation manages the provision of the public parking places that are within the functions of the Minister for Infrastructure. The projections for 2021 and beyond include a considerable reduction in income following the pandemic and lockdown measures in the early part of 2020 and assume a modest return to normality over the coming years.

This reduction in income has also necessitated a review of the capital projects to be undertaken by the trading operation and the figures are adjusted accordingly. Priority is given to maintenance and refurbishment of car parking facilities, with the “modernisation” programme expected to re-start in 2022.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	13,338	7,274	5,327	4,065
Trading Income	6,199	6,999	7,505	8,030
Expenditure	(5,670)	(5,672)	(5,695)	(5,758)
Capital Expenditure	(6,593)	(3,274)	(3,072)	(3,826)
Closing balance	7,274	5,327	4,065	2,511

Table 29 – Jersey Car Parking Trading Fund

Jersey Fleet Management Trading Fund

The Jersey Fleet Management trading operation manages the acquisition, maintenance, servicing, fueling, garaging and disposal of vehicles and mobile plant and machinery on our behalf.

Charges are set to recover the up-front cost of the asset, routine maintenance and servicing, and the costs of managing the fleet operations.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	5,376	4,410	4,769	5,205
Trading Income	4,902	5,042	5,195	5,325
Expenditure	(3,008)	(3,073)	(3,149)	(3,243)
Capital Expenditure	(3,000)	(1,750)	(1,750)	(1,750)
Asset Disposals	140	140	140	140
Closing balance	4,410	4,769	5,205	5,677

Table 30 – Jersey Fleet Management Trading Fund

Special funds

The Government has several special funds established by individual legislation. This provides the public with the confidence that the funds remain ring-fenced and used for the specific purpose for which they were established. However, for the purposes of investment, the funds are pooled together into the Common Investment Fund, thus achieving the benefits of economies of scale, and more effective risk management of the overall Government investment portfolio. Each individual fund has its own investment strategy which reflects the long-term aims of that fund, and investment returns are estimated based on the target investment return for each fund.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening Balance	3,019,363	2,897,840	2,832,153	2,883,580
Returns on Investments	43,400	41,900	166,900	172,750
Operational Income	322,494	353,886	365,155	440,458
Operational Expenditure	(474,161)	(441,164)	(466,072)	(484,698)
Transfers	(13,256)	(20,309)	(14,556)	21,494
Closing Balance	2,897,840	2,832,153	2,883,580	3,033,584

Table 31 – movements in Special Funds

Special funds balances	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Strategic Reserve Fund	890,300	904,900	952,900	1,003,600
Stabilisation Fund	0	0	0	0
The Health Insurance Fund	79,340	62,517	47,467	35,027
The Long-Term Care Fund	35,220	39,566	43,810	46,190
The Social Security Fund	91,746	86,020	75,294	66,818
The Social Security (Reserve) Fund	1,667,068	1,609,813	1,634,638	1,751,338
The Currency and Coinage Funds	107,800	108,600	109,400	109,400
The Jersey Reclaim Fund	14,300	14,300	14,300	14,300
Housing Development Fund	(14,665)	(13,270)	(11,815)	(10,290)
Climate Emergency Fund	3,097	3,382	3,657	3,272
Fiscal Stimulus Fund	0	0	0	0
Other Special Funds	23,634	16,325	13,929	13,929
Total	2,897,840	2,832,153	2,883,580	3,033,584

Table 32 – Special Funds balances

Strategic Reserve Fund

The Strategic Reserve is a permanent reserve and is to be used in exceptional circumstances to protect the Island's economy from severe structural decline, such as the collapse of a major Island industry or from major natural disaster. It forms a critical part of the infrastructure of financial risk management and helps to protect the long-term financial sustainability of our Island. The Strategic Reserve also supports the £100 million of funding, if called upon, for the Bank Depositors' Compensation Scheme.

No extra money will be deposited over the Government Plan period due to current economic circumstances, however in the long-term, the Fiscal Policy Panel recommends that the Strategic Reserve continues to grow to a long-term target of 30% of Gross Domestic Product, by retaining earned investments and depositing funds when the economy is expanding.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	876,000	890,300	904,900	952,900
Return on investments	14,300	14,600	48,000	50,700
Closing balance	890,300	904,900	952,900	1,003,600

Table 33 – Strategic Reserve Fund

Stabilisation Fund

The Stabilisation Fund exists to support the Island through major economic shocks, with the recent focus of the fund being to manage the effects of Covid-19 and the subsequent worsening of the budget position. We are acting on the Fiscal Policy Panel's advice to utilise the stabilisation fund this year to support economic recovery, and this includes a transfer of the complete value of the fund to the Consolidated Fund, hence the fund shows a closing balance of zero each year. No contributions into the fund are planned for the next four years, however the long-term aim is to rebuild the fund when enough income is available and the economy recovers.

Health Insurance Fund

The Health Insurance Fund receives allocations from Social Security contributions from employers and working-age adults, and supports the wellbeing of Islanders by subsidising GP visits, the cost of prescriptions and other primary care services. The table reflects the anticipated costs of current services over the period as they are presently provided for.

During this Government Plan period, it is anticipated that the Jersey Care Model will be implemented to deliver an improved system of healthcare provision for all Islanders. It is intended that £28 million of this investment in the JCM will be met from the current balance in the Health Insurance Fund. In addition, £16 million of the Health Digital Project is proposed to be funded from transfers out of the Health Insurance Fund. This, when combined with other cost pressures and planned additional assistance to financially vulnerable patients, means that the value of the fund is planned to reduce as outlined in the table below. This is anticipated to result in the fund holding £35 million at the end of 2024, representing well under one years' worth of expenditure.

Given that the ageing demographic will also increase the underlying annual costs to be met by the fund during the 2020s, changes will be needed to maintain a sustainable funding model for primary care costs. Therefore, a further commitment in the 2021-2024 Government Plan is to design and implement this sustainable funding model in 2021 for approval by the 2022-2025 Government Plan. It is envisaged this new model will be implemented alongside the Jersey Care Model.

The Minister for Social Security will bring forward legislation to create a transfer of £11.3 million from the Health Insurance Fund, to support the Jersey Care Model and the Health Digital Project costs budgeted for 2021.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	97,679	79,340	62,517	47,467
Return on investments	1,600	1,400	3,000	2,250
Contributions Income	32,778	36,781	37,877	39,006
Benefits and other expenditure	(41,417)	(42,004)	(43,767)	(45,871)
Transfers - Jersey Care Model & Digital Care	(11,300)	(13,000)	(12,160)	(7,825)
Closing balance	79,340	62,517	47,467	35,027

Table 34 – Health Insurance Fund

Long-Term Care Fund

The Long-Term Care Fund provides universal and means-tested benefits to individuals with long-term care needs, and is funded through a central grant from general revenues and income-related contributions from income tax payers.

As part of the Government Plan 2020-23, an increase in the contribution rate of an additional 0.5% was agreed and implemented. The Long-Term Care rate now stands at 1.5%. Most people pay less than 1.5% of their income into the Long-Term Care Fund each year, because of the availability of allowances and reliefs, particularly marginal relief within the personal income tax system.

The current rate is expected to enable the balance on the Long-Term Care Fund to continue to increase throughout the period of the Government Plan. It is anticipated that there will need to be further increases in the Long-Term Care contribution rate in future years, as the number and proportion of older people with long-term care needs is expected to increase. However, the implementation of the Jersey Care Model, and the proposed introduction of the new Care Needs at Home Benefit, are intended to reduce the number of individuals who will need a care home placement through the provision of alternative care options and improved support at home and in the community. These actions are expected to reduce the extent of future increases in Long-term Care expenditure.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	30,972	35,220	39,566	43,810
Return on investments	300	400	400	400
Existing Long-Term Care charge	31,889	34,471	37,264	38,866
Grant to Long-Term Care Fund	31,000	32,100	33,300	34,200
Benefits and other expenditure	(58,941)	(62,625)	(66,720)	(71,086)
Closing balance	35,220	39,566	43,810	46,190

Table 35 – Long-Term Care Fund

Social Security Fund

The Social Security Fund receives allocations from Social Security contributions from employers and working-age adults and in normal times, an annual States Grant. The Fund supports the wellbeing of Islanders by providing old age pensions and a range of working age benefits.

Following a States debate in 2020, it was agreed that no grant would be paid into the Social Security Fund in 2020 to allow £65.3 million of cash, in the consolidated fund, to be allocated to support Covid-19 related financial pressures. Additionally, due to the exceptional financial pressure being faced by the Government as a consequence of the pandemic, it has been proposed that the States Grant is not paid in 2021, 2022 and 2023, allowing an additional estimated £235 million to be allocated to urgent financial pressures. This is a critical element in enabling the Government to cope with the lost income and additional costs associated with Covid-19 and fund its capital and revenue expenditure programmes. If we don't do this, borrowing will need to increase over the period to fund these additional transfers.

In addition to the removal of the States Grant, the Social Security Fund is also facing reductions in contributions income because of:

- The economic downturn resulting from the response to the pandemic
- The decision to reduce employee social security contributions by 2% from October 2020 to June 2021 as part of the Economic Stimulus programme
- The decision to enable businesses and self-employed people to defer social security contributions, payable in the first 2 quarters of 2020, to be repaid over 2 years.

In 2020, the Social Security Minister has managed these pressures by transferring resource from the Social Security Reserve Fund. The Reserve has substantial financial assets which have built up over many years. It is proposed that a proportion of these assets are now utilised to help the Government to manage the extreme financial pressures it is currently facing. It is recognised that the temporary removal of the States Grant and other reductions in income, come at a time when the ageing population demographic is also placing increasing pressure on the Fund.

The Council of Ministers will undertake an urgent review of the sustainability of the Social Security Funds. This will draw on the work already completed, which has gathered views on the future of the fund, contributions and benefits. The review will include a long-term plan and funding model for the Social Security Fund given the ageing population, the need to encourage greater retirement saving, and the pressure on its reserves brought about by the economic impact of Covid-19 and social restrictions. A transfer of up to £150 million was approved by the Social Security Minister in May 2020 and further transfers from the Reserve Fund, estimated at £263 million, will be required during 2021 to 2023 to support the on-going payment of pensions and benefits. A planning assumption that the States Grant will be set at £65.3 million, and that sustainability

measures will be used to address the balance of £29.3 million, has been made for 2024. These assumptions will be examined as part of the review, which will identify an appropriate balance of income into the Fund between contributions from employers and workers, and the annual grant from the Consolidated Fund.

For the purposes of this Government Plan, the Minister for Social Security will only be proposing a change to the Social Security Law to remove the States Grant for 2021. Further changes to the value of the Grant will be proposed during 2021, following agreement on the outcome of the review of the Social Security scheme.

The implementation of a parental allowance to replace the current maternity allowance has been delayed for six months and is now due to be implemented from early 2021. The additional costs of the new benefit are being met through an increase in employer and Class 2 contributions in respect of earnings above the Standard Earnings Limit. This increase was implemented in January 2020.

It is also anticipated that a major new project will be commenced in 2023 to begin work on a new, modern IT system to administer benefits. This will be a significant capital investment in a new platform to enable the efficient management of social security.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	92,722	91,746	86,020	75,294
Existing Contributions income	199,054	205,507	211,627	217,929
Changes to Contribution rates	(15,894)	0	0	0
Sustainability Measures	0	0	0	29,319
Transfer from Social Security Reserve	94,932	81,255	87,175	0
Grant to Social Security Fund	0	0	0	65,300
Existing benefits and other expenditure	(275,879)	(284,475)	(296,398)	(310,018)
New Benefits proposed	(2,939)	(3,013)	(3,130)	(3,256)
Capital Investment in New Benefits System	(250)	(5,000)	(10,000)	(7,750)
Closing balance	91,746	86,020	75,294	66,818

Table 36 – Social Security Fund

Social Security (Reserve) Fund

The Social Security (Reserve) Fund holds the balances built up in the Social Security Fund and is a key way in which we are managing the impact of an ageing population on future pension costs.

As outlined above, it is proposed that some of the assets in the Reserve Fund are utilised to support the cost of Social Security pensions and benefits. The treasury management and investment strategy will ensure that these reserves are drawn down in the most advantageous way possible. Consideration is also being given to modifying the investment strategy of the Reserve Fund to allow it to invest in local infrastructure, providing greater benefit to the Island while still providing a healthy financial return to the fund.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	1,736,400	1,667,068	1,609,813	1,634,638
Return on investments	25,600	24,000	112,000	116,700
Transfers	(94,932)	(81,255)	(87,175)	0
Closing balance	1,667,068	1,609,813	1,634,638	1,751,338

Table 37 – Social Security (Reserve) Fund

Currency and Coinage Funds

The Currency and Coinage Funds' principal purpose is to hold assets to match the value of Jersey currency in circulation, such that the holder of Jersey currency could, on request, be repaid. The Currency and Coinage Funds can also invest in Jersey infrastructure. The fund currently has investments in Jersey infrastructure including Gigabyte Jersey, valued at £10 million and the liquid waste plant investment, valued at £25 million. Excess monies, above those required to match currency in circulation, are generally transferred to the Consolidated Fund annually.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	106,600	107,800	108,600	109,400
Return on investments	1,200	1,100	2,900	2,100
Expenditure	0	(300)	(2,100)	(2,100)
Closing balance	107,800	108,600	109,400	109,400

Table 38 – Currency and Coinage Funds

Jersey Reclaim Fund

The Jersey Reclaim Fund receives the balances of dormant accounts held in Jersey banks for distribution for charitable and other purposes, subject to reclaim by transferring banks under certain conditions. The fund was set up in 2017, and initially received transfer of dormant account monies from local banks, along with a small volume of customer reclaims. The fund is required by legislation to ensure that monies are managed prudently, to enable the payment of claims when they are made.

A transfer was made in 2020 from the Reclaim Fund to charitable organisations that are working to protect at-risk Islanders during the pandemic. Any excess balance on the return on investments will be allocated to further charitable purposes.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	14,300	14,300	14,300	14,300
Return on investments	400	400	600	600
Expenditure	(400)	(400)	(600)	(600)
Closing balance	14,300	14,300	14,300	14,300

Table 39 – Jersey Reclaim Fund

Housing Development Fund

The Housing Development Fund exists to help support the development of social rented and first-time buyer homes. In June 2014, the States issued a £250 million bond with a 40-year maturity, the proceeds of which were placed in the Housing Development Fund and issued to Andium Homes, or equivalent facilitating agencies, to fund construction and improvement works on social housing.

In the initial stages of drawdown, proceeds from the bond issuance were held in a defensive portfolio to protect the capital from losses before sufficient money could be drawn by Andium Homes, or equivalent facilitating agencies, to meet coupon payments. During this interim period coupon payments reduced the net value of the Fund as interest payments exceeded income.

The fund is now fully drawn, holding only interest-bearing loans issued predominantly to Andium Homes. Interest receipts are in excess of the external coupon associated with the States issued bond, net gains will be recycled into further housing loans and used to rebuild the fund value over time. The fund Strategy currently focusses on consolidating gains to rebuild the fund over time. In due course the Strategy of the fund will be reassessed and optimised to repay the external bond due in 2054.

In addition to bond interest payments, Andium pay an annual return to the Government of Jersey, this payment however is not paid to the Housing Development Fund and so not recorded in the table below.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	(16,000)	(14,665)	(13,270)	(11,815)
Income	10,710	10,770	10,830	10,900
Expenditure	(9,375)	(9,375)	(9,375)	(9,375)
Closing balance	(14,665)	(13,270)	(11,815)	(10,290)

Table 40 – Housing Development Fund

Climate Emergency Fund

Following on from the declaration of a Climate Emergency and the agreement to set up the Climate Emergency Fund in 2019, a Carbon Neutral Strategy was bought before the States Assembly in February 2020. This was unanimously agreed and outlined the strategic context and the principles upon which a community driven, participatory democracy approach would be used to develop Jersey's detailed road map towards carbon neutrality – A Long-term Climate Action Plan. In addition, it outlined some 'strong start' carbon reduction and sustainable transport projects, to be funded from the Climate Emergency Fund, and that would be undertaken in parallel with the community engagement and a Citizens' Assembly process.

Between April and August, resources were redeployed across the Government to address the Covid-19 response, causing a pause in these workstreams. However, the political commitment and resolve in tackling the climate emergency, has in no way diminished during or because of Covid-19. Resources have now returned, and work is beginning again on this major strategic initiative, which is arguably even more important as we move forward in a changed world. The financial information reflects the deferral of some projects into 2021.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	5,100	3,097	3,382	3,657
Income	2,700	4,000	4,000	4,000
Expenditure	(4,703)	(3,715)	(3,725)	(4,385)
Closing balance	3,097	3,382	3,657	3,272

Table 41 – Climate Emergency Fund

Income estimates have been adjusted for 2021 due to the potential impact of Covid-19 on impôts fuel duties.

Expenditure from the Fund approved in 2019 on sustainable transport initiatives, was dependant on the States Assembly's agreement of a Sustainable Transport Plan, which was secured in March 2020. A suite of strong start transport projects were agreed against the first year's projected expenditure of £1.3 million. Although some projects have been deferred due to the impact on resources of Covid-19, delivery is now underway and where they cannot be completed in 2020, they will be addressed in 2021 where the funding will still be available.

It is proposed that further climate related work that strengthens environmental protection is funded in 2021 to 2024 from the Climate Emergency Fund. This will build on work that began in 2020 and will maintain momentum in these areas whilst the Long-Term Climate Action Plan is being developed. Work will focus on soil health, biosecurity (especially related to invasive and non-native species) and wider conservation work including marine research, habitat management and support for the new Conservation of Wildlife Law, should it be adopted by the States Assembly in 2020.

	2021 (£000)
Policy Development on Carbon Neutral and Sustainable Transport Plan	500
Strengthening Environmental Protection	295
Sustainable Transport Initiatives	3,150
Additional expenditure to strengthen the protection of the natural environment	458
Tree Preservation Initiatives ³⁴	300
Total expenditure	4,703

Table 42 – 2021 expenditure from Climate Emergency Fund

Fiscal Stimulus Fund

Proposals to establish the Fiscal Stimulus Fund were lodged in October 2020 to create a fund to support economic recovery after the Covid-19 pandemic. Subject to approval of the Fund by the States Assembly, funding bids will be received during the remainder of 2020 and it is expected that the full balance will be allocated in 2021.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	50,000	0	0	0
Expenditure	(50,000)	0	0	0
Closing balance	0	0	0	0

Table 43 – Fiscal Stimulus Fund

Other special funds

There are several smaller special funds that operate for specific purposes. These funds hold lower balances and are similarly established either under legislation or through bequests made to the Government. Income and expenditure are generally equal.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	25,590	23,634	16,325	13,929
Lottery and Other Income	30,257	30,257	30,257	30,257
Expenditure	(30,257)	(30,257)	(30,257)	(30,257)
Transfers	(1,956)	(7,309)	(2,396)	0
Closing balance	23,634	16,325	13,929	13,929

Table 44 – Other Special Funds

³⁴see Appendix 7 (13)

Government of Jersey Group forecast

The financial forecast for the Government of Jersey Group takes into account the income and expenditure through trading operations and special funds. An operational surplus is forecast to be generated over the period of the Government Plan. Investment returns of the funds also form part of the accounting surplus, although the use of these returns is restricted.

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Forecast Operating Surplus/(Deficit)	(179,772)	(51,101)	13,310	13,274
Trading Operations Net Income	2,423	3,296	3,856	4,354
Special Funds Net Operational Expenditure	(151,667)	(87,278)	(100,917)	(44,240)
Group Operational Surplus/(Deficit)	(329,016)	(135,083)	(83,751)	(26,612)
Target Investment Returns	43,400	41,900	166,900	172,750
Group Surplus/(Deficit)	(285,616)	(93,183)	83,149	146,138

Table 45 – Government Of Jersey Group forecast

Key Fiscal Measures for Consideration in 2021

Classification of Government spending

In accordance with P.94/2019, we will pursue opportunities to progress classifying all States' expenditure in accordance with the United Nations Classification of the Functions of Government system, so that the Annual Accounts of the States of Jersey 2021 and all subsequent government documents presenting financial information (including the Government Plan 2023) classify public spending in accordance with this standard framework.

An infrastructure fund for Jersey

The previous Government Plan identified that an Infrastructure Fund in Jersey could provide a way to fund major projects. Many places have successfully established infrastructure funds, with these funds typically taking the form of a recyclable or evergreen fund, whereby funds are reinvested over a medium to long-term to create a sustainable fund.

The original intention was to establish the fund in 2020 by lodging a proposition that would have set out how the fund could operate, the necessary safeguards, governance and transparency measures for projects to be funded through this mechanism. The impact of Covid-19 on this Government has shifted the priority for Treasury to ensuring liquidity and financing in place for existing expenditure proposals, as outlined in the Plan. This, combined with uncertain market appetite, delayed the implementation of this initiative but the intention is to continue with an intent to lodge a proposition to create the Infrastructure Fund in 2021.

The Infrastructure Fund can widen the participation of third-party investors who wish to take a holistic view of the long-term success of the Island and give us the opportunity to fund longer-term projects in a different way. These funds not only reduce the dependency on public sector finances but can also be used to strengthen skills and resource planning capability. We can choose to invest at a fund or project level, or both.

We can play an active role in project definition, prioritisation, promoting initiatives, land assembly and attracting investors. We can widen the participation of third-party investors who wish to take a holistic view of the long-term success of the Island, as well as securing maximum leverage from third-party investors to support individual projects.

Robust transparency and accountability are an essential prerequisite of any fund where decisions are taken by elected Members following independent advice. This will not only underpin the legitimacy of decision-making but will enable elected Members to exercise strict control over funding and long-term investment strategy. The decision to establish a new fund will be informed by a business case and can only be taken by the States Assembly.

Funding is included in the central planning reserve to work towards the establishment of a fund and sets out how it could operate the necessary safeguards, governance, and transparency measures, prior to a proposition being lodged for debate in 2021.

Refinancing of pension debt

We have two pension schemes which currently operate with a debt, which is being repaid through annual sums. These are the Public Employees Contributory Scheme (PECRS) Pre-87 Debt and the Jersey Teachers Superannuation Fund (JTSF) Pension Increase Debt (PID). As at 31 December 2019, these debts were valued at a combined £447 million.

The repayment of the Public Employees Contributory Scheme Pre-87 Debt has been set within regulations, with a fixed repayment date of 2053 and a defined method of calculating annual repayments. Repayments, currently £8.5 million per annum, increase annually by the actual increase in pensionable salaries for members employed throughout the previous financial year. Increases in pensionable salaries arise through pay awards, increments and promotions.

The repayment of the Jersey Teachers Superannuation Fund Pension Increase Debt has not been formalised and there is no fixed repayment date. The repayment arrangement established in 2007, pending formal agreement to the repayment mechanism, involves us paying 5.6% of pensionable salaries (currently £3.4 million per annum) towards the Pension Increase Debt as part of the overall employer contribution rate. The Jersey Teachers Superannuation Fund Pension Increase Debt is not expected to be repaid until early 2100s, at significant long-term cost.

Latest estimates show that the total repayments of this debt over these timeframes will amount to £4 billion. Options for repayment of the pension increase debts have been analysed, and significant long-term savings can be achieved through the early repayment of the debts. It would be advantageous to borrow, or otherwise refinance in the current low interest rate environment to repay the debts. Subject to further work and borrowing capacity, consultation with stakeholders, and further technical work and exploration of other options, proposals will be progressed with a view to implementing them by the Government Plan 2022-25.

Introduction of independent taxation

In November 2019, the States Assembly agreed a proposed roadmap for changes to Jersey's personal tax system ultimately to introduce a system of independent taxation.

This is a significant change to the personal tax system that will affect all Islanders in a marriage, or civil partnership, and have financial implications on thousands of Islanders who are currently jointly assessed. Research indicates that moving immediately to independent taxation would require approximately 8,300 married couples and civil partners to pay additional tax. Managing the financial impact on individuals is a particularly

challenging aspect of the proposals, and further public consultation is planned for 2021.

As a transitional step, it is anticipated joint access to tax information will be introduced for couples in a legal relationship in 2021. It remains the government's goal to implement full independent taxation for the year of assessment 2022.

Review of Social Security sustainability

We are determined to place the Social Security Fund in a fully sustainable position for future generations, and will undertake a full review of the various components of the Social Security scheme over the coming months. These components include the contributions levied, other income coming into the Fund, the range and level of benefits and pensions provided and the size and investment strategy of the Reserve Fund. In particular, the balance of contributions and States Grant will be reviewed in the context of the burden of overall government levies (taxes and contributions) on individuals, workers, businesses and employers.

The review will build on the public consultations, previously conducted in 2016 and 2017, and will lead to proposals to be incorporated into the Government Plan 2022.

Health Insurance Fund

The combination of underlying demographic pressures and the proposed funding of the Jersey Care Model, the Health Digital Strategy, and the new low-income access scheme are projected to reduce the value of the Health Insurance Fund significantly over the next four years. This is anticipated to result in the Fund holding £35 million at the end of 2024, representing less than one year's worth of expenditure.

This investment in the Jersey Care Model and the health digital strategies is absolutely essential, and will reduce the growth in the long-term costs of health care on the Island. However, it brings forward the need to deliver a solution to ensure that all health costs are funded sustainably. We will undertake a full review over the next six months to determine an appropriate model for future health funding, with particular reference to the funding of primary care, incorporating the low income access scheme, and the extended primary care services envisaged within the Jersey Care Model.

This review will be co-ordinated with the parallel review of sustainable funding for Social Security pensions and benefits, and proposals will be brought to the States Assembly by the Government Plan 2022-2025.

Zero Based Budgeting

The implementation of zero-based budgeting was a Government Plan commitment in 2020. A project was established to set up a rolling programme of zero-based budgeting across the government. Under the scheme, budget Managers start from a 'clean sheet' (i.e. from zero) with no assumptions. All activities conducted are justified on their contribution to

outcomes, and all required resources to support delivery are evidenced and objectively challenged. Zero-Based Budgeting will provide greater control over our budgets and make it easier for us to redirect resources towards our strategic priorities. This increases the connection between our spending and our objectives, introduces increased cost transparency and control across the organisation, and creates a sustainable culture change in how we financially plan. The method seeks to align our operational and financial planning, with better management and better ability to shift resources towards priorities which will lead to better government.

In 2020, the first phase of work developed zero-based budgeting infrastructure for our incorporating training assets, templates and tools. This is to conduct the exercise and develop a series of standardised rollout methods that could be deployed within each department. Whilst Covid-19 slowed progress on the programme, the methodology was rolled out to Treasury and Exchequer and Health and Community Services, and is planned to be rolled out into two further departments before the end of 2020. These exercises have generated substantial insight into the departments and identified both opportunities to deliver efficiencies in the short-term, and priority areas where further work can be focused. This ongoing challenge and review are a key part of embedding zero-based budgeting as a way-of-working across our Government, and the accompanying shift in culture.

In 2021 zero-based budgeting will be rolled out to all remaining departments in the Government, as part of establishing a rolling programme of zero-basing to inform decision making in future government plans.

Review of fuel duty

In the 2019 budget, it was identified by the Council of Ministers that a shift towards increased purchase and usage of electric and hybrid vehicles will, at some point in the future, result in reducing revenues from road fuel duty and Vehicle Emission Duty. It is therefore necessary to consider options to deliver the fairest and most sustainable means of taxing vehicle usage and ownership in the longer run. Tackling the climate emergency is likely to accelerate this decline in revenues and increases the urgency for options to be considered. Work will continue and be considered over the period of this plan.

Parking charges

As part of the Sustainable Transport Plan a rapid analysis review of car parking is being undertaken that will consider how we encourage behaviour change and model shift away from private car use, including the current and future cost of parking.

Coastal Management Strategy/Shoreline Management

Jersey's Shoreline Management Plan outlines how the Island's low-lying coastal areas will be defended from flood risk and erosion over the next 100 years. It sets out a framework to manage these risks to the community,

environment and economy of Jersey in a sustainable manner up to 2120, over three time periods in line with future climate projections and sea level rise. Some capital is available for implementing short-term infrastructure maintenance and improvement, but further funding will need to be sought over the longer-term, accepting that 'maintaining the line' is the minimum policy and in some cases we would seek to 'adapt' or 'advance the line'. Work will need to be undertaken to assess how to secure the required funding.

Appendices





Appendix 1: Key to Abbreviations

Minister	
CM	Chief Minister
MEDTSC	Minister for Economic Development, Tourism, Sport and Culture
MEDU	Minister for Education
MER	Minister for External Relations
MID	Minister for International Development
MINF	Minister for Infrastructure
MSS	Minister for Social Security
MCH	Minister for Children and Housing
MHA	Minister for Home Affairs
MTR	Minister for Treasury and Resources
MHSS	Minister for Health and Social Services
MENV	Minister for the Environment

CSP Common Themes	
CT1	We will enable Islanders to lead active lives and benefit from the arts, culture and heritage
CT2	We will promote and protect Jersey's interests, profile and reputation internationally
CT3	We will work in partnership with Parishes, Churches, community groups, the third sector, volunteers, businesses and key stakeholders
CT4	We will make St Helier a more desirable place to live, work, do business and visit
CT5	We will improve transport infrastructure and links
CT6	We will prepare for more Islanders living longer
CT7	We will explore and use the opportunities offered by digital
CT8	We will nurture a diverse and inclusive society

CSP Ongoing Initiatives

OI1	A new long-term strategic framework that extends beyond the term of a Council of Ministers
OI2	A States Assembly and Council of Ministers that work together for the common good
OI3	A modern, innovative public sector that meets the needs of Islanders effectively and efficiently
OI4	A sustainable long-term fiscal framework and public finances that make better use of our public assets
OI5	An electoral system which encourages voter turnout and meets international best practice

Department

OCE	Office of the Chief Executive
T&E	Treasury and Exchequer
COO	Chief Operating Office
SPPP	Strategic Policy, Planning and Performance
IHE	Infrastructure, Housing and Environment
CLS	Customer and Local Services
CYPES	Children, Young People, Education and Skills
HCS	Health and Community Services
JHA	Justice and Home Affairs
NM	Non-Ministerial Departments:
BC	- Bailiff's Chambers
LOD	- Law Officers' Department
JG	- Judicial Greffe
VD	- Viscount's Department
SG	- States Greffe
C&AG	- Comptroller and Auditor General
JOA	Jersey Overseas Aid
PPC	Privileges and Procedures Committee

Appendix 2: Proposition and summary tables³⁵

THE STATES are asked to decide whether they are of opinion –

to receive the Government Plan 2021 – 2024 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- a. to approve the estimate of total States income to be paid into the Consolidated Fund in 2021 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law, except that –
 - i. the 2021 Estimate for Stamp Duty and Land Transactions Tax shall be increased by £335,000 by amending the Stamp Duty and Land Transactions Tax bands in accordance with the table below, with other affected lines in Summary Table 1 to be updated accordingly –

Transaction value up to	2019 rate	2020 rate	Proposed new rate
1-50	0.5% up to 50k	0.5% up to 50k	-
50,001 – 300	1.5% on excess up to 300k	1.5% on excess up to 300k	-
300,001 – 500	2% on excess up to 500k	2% on excess up to 500k	-
300,001 – 500	3% on excess up to 700k	3% on excess up to 700k	-
700,001 – 1	3.5% on excess up to 1m	3.5% on excess up to 1m	-
1,000,001 – 1.5	4.5% on excess up to 1.5m	4.5% on excess up to 1.5m	-
1,500,001 – 2	5.5% on excess up to 2m	5.5% on excess up to 2m	-
2,000,001 – 3	6.5% on excess up to 3m	6.5% on excess up to 3m	7%
3,000,001 – 6	8.5% on excess up to 6m	8.5% on excess up to 6m	9.5%
6,000,001 +	9.5% on excess	9.5% on excess	10.5%

- ii. the 2021 Estimate for Personal Income Tax shall be reduced by £240,000 by amending Child Care Tax Relief in accordance with the table below with other affected in lines Summary Table 1 to be updated accordingly –

Transaction value up to	2020 Allowance	Increase	Proposed 2021 Allowance
Child Care Tax Relief	£6,150	£123	£6,273
Enhanced Child Care Tax Relief	£16,000	£320	£16,320

- iii. the 2021 Estimate for Personal Income Tax shall be reduced by £260,000 by amending Child Tax Allowances in accordance with the table below with other affected in lines Summary Table 1 to be updated accordingly –

Transaction value up to	2020 Allowance	Increase	Proposed 2021 Allowance
Child Allowance	£3,000	£60	£3,060
Additional Allowance	£4,500	£90	£4,590

³⁵Summary tables include the impact of adopted amendments

- b. to approve the amounts to be transferred from one States fund to another for 2021, in line with Article 9(2)(b) as set out in Appendix 2 – Summary Table 2 to the Report;
- c. to approve the proposed borrowing to be obtained for 2021, in line with Article 9 (2) (c), up to and including the amount set out in Appendix 2 – Summary Table 3 to the Report;
- d. to approve each major project that is to be started or continued in 2021 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved government plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- e. to endorse the efficiencies and other re-balancing measures for 2021 contained in the Government Plan as set out in Appendix 2 Summary Table 6 and reflected within each gross head of expenditure in Appendix 2 – Summary Table 5(i);
- f. to approve the proposed amount to be appropriated from the Consolidated Fund for 2021, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, except that, in Summary Table 5(i) –
 - i. the head of expenditure for the General Reserve shall be increased by £100,000 with this amount ring-fenced for care leavers;
 - ii. the head of expenditure for the General Reserve shall be increased by £159,000 with this amount ring-fenced for the Jersey Premium;
 - iii. the Total Revenue Head of Expenditure for Customer and Local Services shall be increased by £300,000 to provide support as required during 2021 for Beresford Street Kitchen, and that the Council of Ministers shall request officers to work with the organisation to support the development of a financially sustainable business model for future years;
 - iv. the Total Revenue Head of Expenditure for Strategic Policy, Planning and Performance shall be increased by £150,000 to provide funding for Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey and to provide funding to develop a Poverty Strategy;
 - v. the Heads of Expenditure for Financial Services and Digital shall be increased by £750,000 in 2021 in order to fund the development of Elizabeth Castle, including the Hospital and Officers’ Quarters and the revised business case for that development, with a commitment that funding shall be provided in subsequent years to complete the development, no later than the end of 2025, subject to the agreement of an updated business case and after the Jersey Heritage Trust and Ministers have worked together to thoroughly investigate other potential funding mechanisms, and that any such funding shall be over and above the 1% allocation for Culture, Arts and Heritage of overall expenditure;
 - vi. the head of expenditure for Treasury and Exchequer shall be increased by £50,000 for the purpose of a review into the funding of public services by the Parishes
- g. to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2021 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;

- h. to approve the proposed amount to be appropriated from each States trading operation's trading fund for 2021 for each head of expenditure in line with Article 9(2) (i) of the Law and set out in Appendix 2 – Summary Table 8 to the Report;
- i. to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2021 as set out in Appendix 2 – Summary Table 9 to the Report, except that the expenditure from the Fund shall be increased by £300,000 to fund tree preservation initiatives;
- j. to agree that the Minister for Treasury and Resources should prioritise the application of any unspent funds in 2020, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund, and used to minimise the borrowing requirement from the revolving credit facility as set out in part (c);
- k. to agree that the Minister for Treasury and Resources should prioritise the application of any unspent funds in 2021, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund, and used to minimise the borrowing requirement from the revolving credit facility as set out in part (c);
- l. to request the Council of Ministers to agree an estates strategy in sufficient time for the next Government Plan (2022-25) to include a list of potential sales, in order for any funds raised to be prioritised for use to minimise any future borrowing requirements by the Minister for Treasury and Resources; and
- m. to approve, in accordance with Article 9(1) of the Law, the Government Plan 2021-2024, as set out at Appendix 3 to the Report, except that –
- i. the heads of expenditure for Strategic Policy, Planning and Performance shall be increased by the following amounts to provide for the establishment of a Public Services Ombudsman –
 - 2022; £200,000
 - 2023: £401,000
 - 2024: £412,000”.
 - ii. on page 60, after the words “when approved by the States Assembly” there should be inserted the following words –

“We commit to funding Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey, to ensure that detailed information can be published on current levels of relative low income (“poverty”) in Jersey, using both established measures and also taking account of the work of the Social Metrics Commission; and to develop a Poverty Strategy for inclusion in the 2022 Government Plan”;
 - iii. (iii) on page 62 of Appendix 3, after the words “going to these sectors in 2022.” there should be inserted the following words –

“We commit to the reinstatement of funding at the agreed rate of 1% of net revenue expenditure for 2024 and beyond
 - iv. on page 79 of Appendix 3, after the words “Marine Resources management and

natural environment” there shall be inserted the following words –

“Commitment to funding tree preservation initiatives: additional expenditure per year of £75,000 in the years 2022, 2023, and 2024”;

- v. the Minister for Treasury and Resources is requested to work with the Minister for Infrastructure and the Comité des Connétables and firstly agree the Terms of Reference for a review into the funding of public services by the Parishes, as agreed in the Common Strategic Policy, to carry out that work and then to bring forward any recommendations.

	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)
Income Tax				
Personal Income Tax	460,500	499,500	533,500	560,500
Companies	97,000	103,000	108,000	113,000
Provision for Bad Debt	(6,000)	(6,000)	(3,000)	(3,000)
Income Tax Total	551,500	596,500	638,500	670,500
Goods & Services Tax (GST)				
Goods & Services Tax (GST)	75,700	82,000	85,600	89,400
ISE Fees	8,910	8,910	8,910	8,910
GST Total	84,610	90,910	94,510	98,310
Impôt Duties				
Impôt Duties Spirits	7,185	7,293	7,476	7,701
Impôt Duties Wine	8,986	9,122	9,340	9,622
Impôt Duties Cider	860	855	858	868
Impôt Duties Beer	6,569	6,633	6,691	6,791
Impôt Duties Tobacco	16,463	15,715	15,933	15,352
Impôt Duties Fuel	24,993	27,517	27,895	28,307
Impôt Duties Goods (Customs)	200	200	200	200
Vehicle Emissions Duty (VED)	2,730	2,644	2,644	2,644
Impôt Duties	67,986	69,979	71,037	71,485
Stamp Duty				
Stamp Duty	26,641	25,842	26,611	27,413
Probate	2,400	2,400	2,400	2,400
Stamp Duty on Share Transfer (LTT)	2,247	2,342	2,442	2,545
Stamp Duty	31,288	30,584	31,453	32,358
Central Scenario	735,384	787,973	835,500	872,653
Annual growth %	2.1%	7.2%	6.0%	4.4%
Increased collections - Domestic Compliance	8,600	10,900	12,000	13,500
Additional Tax measures			0	10,000
Additional ISE Fees	3,500	3,500	3,500	3,500
Total General Tax Revenue	747,484	802,373	851,000	899,653
Island Rate Income from Parishes	13,486	13,809	14,155	14,523
Other States Income - Dividends	8,133	8,568	8,918	9,347
Other States Income - Non-Dividends	5,473	5,784	7,967	7,949
Other States Income - return from Andium Homes and Housing Trusts	31,774	32,618	33,520	34,445
Other Government Income	58,866	60,779	64,560	66,264
Total States Income	806,350	863,153	915,559	965,916

Summary Table 1 - States income

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Health Insurance Fund to Consolidated Fund	11,300	13,000	12,160	7,825
Charitable Funds to Consolidated Fund	1,044	989	0	0
Loans Funds to Consolidated Fund	0	5,700	0	0
Criminal Offences Confiscation Fund to Consolidated Fund	1,956	1,609	2,396	0
Total transfers to/from the Consolidated Fund	14,300	21,298	14,556	7,825

Summary Table 2 - Transfer of monies between States Funds

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Funding required from Revolving Credit Facility	335,953	71,229	(4,981)	(6,231)

Summary Table 3 - Borrowing for 2021

	Department	2020-2023 Government Plan Full Cost (£000)	2021-2024 Government Plan Full Cost (£000)
MS Foundation	COO	9,000	7,000
VCP Replacement School	CYPES	-	17,000
Mont a l'Abbe Secondary School	CYPES		7,350
Redesign of Greenfields	CYPES		7,000
Learning Difficulties - Specialist Accommodation	HCS		9,350
Fort Regent (Early Phase)	IHE		4,800
Our Hospital (Phase Two)	HCS		20,000
Digital Care Strategy	HCS		16,185
Office Modernisation	OCE		3,450
Total		9,000	92,135

Summary Table 4 – Full costs of projects designated as a Major Project, to be started in 2021 and projects with amended totals since Government Plan 2020

	Income (£000)	Expenditure Allocation (£000)	Head of Expenditure (£000)
Departments			
Chief Operating Office	1,029	37,667	36,638
Children, Young People, Education and Skills	19,845	180,131	160,286
Customer and Local Services	9,486	101,201	91,715
Infrastructure, Housing and Environment	32,592	77,163	44,571
Health and Community Services	25,031	252,466	227,435
Jersey Overseas Aid	0	12,374	12,374
Justice and Home Affairs	3,457	33,070	29,613
States of Jersey Police Service	234	27,038	26,804
Office of the Chief Executive	145	8,650	8,505
Financial Services and Digital	54	33,615	33,561
Strategic Policy, Planning and Performance	589	10,586	9,997
Treasury and Exchequer	5,261	72,416	67,155
Covid-19 Response	0	87,277	87,277
Departments total	97,723	933,654	835,931
Non-Ministerial States bodies			
Bailiff's Chambers	68	1,909	1,841
Comptroller and Auditor General	69	939	870
Judicial Greffe	1,292	8,885	7,593
Law Officers Department	288	8,740	8,452
Office of the Lieutenant Governor	107	911	804
Official Analyst	53	656	603
Probation	88	2,459	2,371
States Assembly	96	7,244	7,148
Viscount's Department	806	2,518	1,712
Non-ministerial States bodies total	2,867	34,261	31,394
Total Departments and Non-Ministerial States bodies	100,590	967,915	867,325
Revenue Reserves Heads of Expenditure			
Reserve for centrally held items	0	10,782	10,782
General reserve	0	54,319	54,319
Total Revenue Reserves Heads of Expenditure	0	65,101	65,101
Total Revenue Heads of Expenditure	100,590	1,033,016	932,426
Rebalancing expenditure to be allocated	0	(950)	(950)
Total income/expenditure after rebalancing	100,590	1,032,066	931,476

Summary Table 5(i) 2021 Revenue Heads of Expenditure

	Department	2021 £'000
Central Planning Reserve	T&E	1,900
Discrimination law, safeguarding and regulation of care	IHE	3,600
Schools extensions and Improvements	IHE	5,901
Infrastructure including the Rolling Vote	IHE	11,732
Drainage Foul Sewer Extensions	IHE	1,000
Replacement assets	COO	5,000
Phoenix Software - Viscounts	NON MIN	45
Court Digitisation	NON MIN	1,648
Regulation Group Digital Assets	IHE	1,290
Combined Control IT	JHA	2,000
Electronic Patient Records	JHA	667
Electronic Document Management Solution	COO	500
IT for Migration Services	COO	1,000
Service Digitisation	COO	1,000
Jersey Care Model	HCS	1,300
Replacement Assets and Minor Capital	CYPES	200
Replacement Assets (Various)	HCS	3,250
Sports Division Refurbishment	IHE	1,300
New Skatepark (net of Ports of Jersey Funding)	IHE	685
Replacement Assets and Minor Capital (1)	IHE	3,500
Minor Capital	JHA	236
Minor Capital-Police	JHA -Police	200
Equipment Replacement	JHA -Police	170
Replacement of Aerial Ladder Platform	JHA	768
Conversion Courtroom 1 Magistrates Court	NON-MINS	440
States of Jersey Police Firearms Range	JHA	1,200
Prison Improvement Works - Phase 6b	IHE	90
Prison Phase 8	JHA	666
Dewberry House (Sexual Assault Referral Centre)	JHA-Police	1,800
Piquet House - Family Court	NON-MINS	1,071
Health Services Improvements (including vital IT Investment)	HCS	5,000
Five Oaks Refurbishment	HCS	2,550
Rouge Bouillon Site review outcome	IHE	2,000
In-patient/support services refurbishments	HCS	1,044
Reserve for Central Risk and Inflation Funding	T&E	1,500
TOTAL		66,253
Major Projects		
MS Foundation	COO	2,570
Integrated Tech Solution	COO	9,200
Cyber	COO	6,500
Vehicle Testing Centre	IHE	2,000
Learning Difficulties - Specialist Accommodation	HCS	2,000
Fort Regent (Early Phase)	IHE	4,800
Our Hospital (Phase Two)	HCS	20,000
Digital Care Strategy	HCS	3,400
Office Modernisation	OCE	650
Total Major Projects Heads of Expenditure		51,120
Total Capital Heads of Expenditure		117,373

Summary Table 5(ii) 2021 Capital Heads of Expenditure

Minister	Department	Summary description	Recurring or one-off	Budget impact	2021 value (£)
Chief Minister	COO	Transfer technology functions from CYPES and HCS into Modernisation and Digital continuing the application of OneGov principles	Recurring	Spend reduction	900,000
Chief Minister	SPPP	Defer the implementation of the Public Services Ombudsman for one year.	One off	Spend reduction	378,000
Chief Minister	COO	Merge the support and re-plan commissioned research projects for the States Employment Board and Jersey Appointments Commission	Recurring	Spend reduction	200,000
Chief Minister	COO	Review and renegotiate the GoJ print contract securing some of the reductions in print volumes derived from an increase in home working and continued investment in technology	Recurring	Spend reduction	100,000
Chief Minister	SPPP	Defer the development of policy for Financial independence in old age by one year	One off	Spend reduction	50,000
Minister for Children and Housing	SPPP	Defer the development of policy for Long term housing by one year	One off	Spend reduction	25,000
Minister for Children and Housing	CYPES	Redesign the therapeutic support model for children with complex needs (including neuro assessment)	Recurring	Spend reduction	200,000
Minister for Children and Housing	CYPES	Review and realign the commissioned budget available for antenatal services with demand. Note there will be no reduction to the service	Recurring	Spend reduction	180,000
Minister for Children and Housing	CYPES	Review and realign the budget for care leavers with demand. Note there will be no reduction to the service	Recurring	Spend reduction	100,000
Minister for Children and Housing	CYPES	Review and realign the budget for intensive fostering with demand. Note there will be no reduction in the service	Recurring	Spend reduction	50,000
Minister for Health and Social Services	HCS	Implement proposals from the HCS Zero Based Budget exercise once approved by the Minister	Recurring	Spend reduction	5,000,000
Minister for Home Affairs	JHA	Sell a domestic dwelling no longer required by the Fire and Rescue Service whilst compensating for the reduction in rental income (prudent estimate pending valuation)	One off	Income	450,000
Minister for Home Affairs	JHA: SoJP	Through the application of enhanced workforce planning implement a vacancy factor equivalent to approximately 1% of staff costs	Recurring	Spend reduction	215,000
Minister for Home Affairs	JHA	Continue the digital transformation of GST and Customs services	Recurring	Spend reduction	50,000
Minister for Home Affairs	JHA	Continue the organisational implementation of electronic rostering to replace paper based rostering processes	Recurring	Spend reduction	50,000
Minister for Home Affairs	JHA: SoJP	Restructure the Intelligence Administration function to reflect known leavers and vacancies	Recurring	Spend reduction	20,000
Minister for Infrastructure	IHE	Revise and release a portion of the budget for the Health Estate in light of progress made with backlog maintenance and to reflect capital allocations within the HCS budget	Recurring	Spend reduction	4,000,000
Minister for Infrastructure	IHE	Reduce a portion of the property maintenance budget to reflect a reprioritisation of assets requiring maintenance; informed by the Office Accommodation Project	Recurring	Spend reduction	300,000
Minister for Infrastructure	IHE	Re-structure Facilities Management across Government to create one centralised function with hub and spoke delivery aligned with the OneGov principles	Recurring	Spend reduction	200,000
Ministers for Infrastructure, Environment, EDTSC	IHE	Development of an IHE TOM to include reviews of the overall structure, sports division, business administration and the transfer of customer facing services to CLS	Recurring	Spend reduction	750,000
Minister for Social Security	CLS	Defer the implementation of the Care needs at home project by one year	One off	Spend reduction	400,000
Minister for Social Security	CLS	Continued review of, and improvement, to customer services	Recurring	Spend reduction	61,000
Minister for Treasury and Resources	T&E	Reduce cash handling fees by increasing non-cash payment options	Recurring	Spend reduction	30,000
Council of Ministers	Central	Increase income from new charges, and increased cost recovery of existing charged services, based on the initial implementation of a fees and charges framework	Recurring	Income	950,000
Council of Ministers	Central	Continue to manage inflationary pressures across government by retaining the budget for non-pay inflation and seeking best commercial outcomes to contract management	Recurring	Spend reduction	3,718,000
Council of Ministers	Allocated by department	Continue the best practice of reviewing and securing recurring reductions in non-staff budget including locking in some of the spend reductions evidenced during COVID-19	Recurring	Spend reduction	750,000
Chief Minister	SPPP	Deferred Island Plan Review activity from 2020	One off	Spend increase	(325,000)
Minister for Social Security	JHA	Restructuring advisor posts	One off	Spend increase	(19,000)
Minister for Home Affairs	JHA	Restructure of frontline posts to resource JCIS/SOJPS dog handler	One off	Spend increase	(20,000)
Subtotal excluding incremental tax revenue					18,763,000
Minister for Treasury and Resources	T&E	Increase tax revenues through the continued enhancement of domestic tax compliance	Recurring	Income	1,250,000
Total					20,013,000

Summary Table 6 – Efficiencies and rebalancing measures 2021 - summary proposals

	Income (£000)	Annual Operating Costs (£000)	Estimated Income to be paid into trading fund (£000)	Depreciation (£000) Depreciation
Jersey Car Parking	6,199	5,670	529	1,414
Jersey Fleet Management	4,902	3,008	1,894	1,260
Total	11,101	8,678	2,423	2,674

Summary Table 7 - Trading Operations 2021

	Trading Fund	Head of Expenditure (£000)
Jersey Car Parking - Car Park Enhancement and Refurbishment	JCP	-
Jersey Fleet Management - Vehicle and Plant Replacement	JFM	1,000

Summary Table 8 – Trading Operations Capital Heads of Expenditure

Climate Emergency Fund	2021 (£000)
Opening Balance 1/1/2021	5100
Income	2,700
Expenditure:	(4,703)
Closing balance	3,097

Summary Table 9 – Climate Emergency Fund income and expenditure



Appendix 3: new revenue initiatives to be invested in for the first time in 2021

The Summary Business Cases for these initiatives will be published at the same time as the Government Plan.

CSP Priority	Sub-priority	CSP Ref	Programme	2021 Allocation (£000)	2022 Allocation (£000)	2023 Allocation (£000)	2024 Allocation (£000)
	Government COVID-19 Response	CSP1-C-01	Covid-19 Schools catch-up programme	904	0	0	0
	Government COVID-19 Response Total			904	0	0	0
	Improving educational outcomes	CSP1-2-05	Education Reform Programme	7,946	11,200	11,200	11,583
	Improving educational outcomes Total			7,946	11,200	11,200	11,583
Put Children First	Involving and engaging children	CSP1-3-03	Youth Service English as Additional Language	150	150	150	150
	Involving and engaging children Total			150	150	150	150
	Protecting and supporting children	CSP1-1-06	CAMHS Service Redesign	0	1,750	2,000	2,250
		CSP1-1-07	Youth Service Move On Cafe	53	53	53	53
		CSP1-1-08	SARC - Dewberry House	150	150	150	150
	Protecting and supporting children Total			203	1,953	2,203	2,453
Put Children First Total				9,203	13,303	13,553	14,186
	Government COVID-19 Response	CSP2-C-01	Covid-19 Vaccine	5,474	0	0	0
		CSP2-C-02	Nightingale Field Hospital	4,313	0	0	0
		CSP2-C-03	Covid-19 Nightingale Field Hospital	4,067	0	0	0
		CSP2-C-04	Covid-19 Test & Tracing Programme 2	30,000	0	0	0
		CSP2-C-05	Covid-19 PPE Warehousing Staffing and logistics	338	0	0	0
		CSP2-C-06	Support for Sports Infrastructure	2,137	1,005	720	0
	Government COVID-19 Response Total			46,329	1,005	720	0
Improve Wellbeing	Put patients, families and carers at the heart of Jersey's health and care system	CSP2-3-06	Air Ambulance Services	395	395	395	395
	Put patients, families and carers at the heart of Jersey's health and care system Total			395	395	395	395
	Support Islanders to live healthier, active, longer lives	CSP2-1-05	Jersey Care Model	6,600	8,300	6,100	4,100
	Support Islanders to live healthier, active, longer lives Total			6,600	8,300	6,100	4,100
Improve Wellbeing Total				53,324	9,700	7,215	4,495
	Future economy programme	CSP3-2-12	JCRA Reconstitution Funding	150	150	150	150
	Future economy programme Total			150	150	150	150
Vibrant Economy	Government COVID-19 Response	CSP3-C-01	Economic Recovery	15,500	12,000	12,000	0
	Government COVID-19 Response Total			15,500	12,000	12,000	0
	Growing skills in Jersey	CSP3-4-02	Migration Policy Implementation	0	108	108	108
	Growing skills in Jersey Total			0	108	108	108
Vibrant Economy Total				15,650	12,258	12,258	258
				15,650	12,258	12,258	258

Reduce Inequality	Government COVID-19 Response	CSP4-C-01	Covid-19 Co-Funded Payroll Scheme Phase III	11,300	0	0
	Government COVID-19 Response Total	CSP4-C-02	Covid-19 Income Support Costs	7,498	5,249	3,692
				18,798	5,249	3,692
	Reduce Inequality Total			18,798	5,249	3,692
Protect our environment	Government COVID-19 Response	CSP5-C-01	Covid-19 Bus Contract	2,000	1,200	500
	Government COVID-19 Response Total			2,000	1,200	500
	Protecting the natural Environment	CSP5-2-04	Natural Environment - Water	300	400	250
	Protecting the natural Environment	CSP5-2-05	Marine Resources Management	250	92	92
	Protecting the natural Environment Total			550	492	342
	Protect our environment Total			2,550	1,692	842
Modernising Government	A modern, innovative public sector	O3-15	Commercial Services Restructure	2,500	2,310	1,680
		O3-16	Re-organisation - Justice and Home Affairs	314	314	314
		O3-17	Re-organisation Ministerial Support Unit	1,390	1,390	1,390
		O3-18	Re-organisation - Communications	623	623	623
		O3-19	Digital Jersey grant shortfall	303	303	303
		O3-20	28-30 The Parade	1,141	1,141	1,141
		O3-21	Office Modernisation			5,000
	A modern, innovative public sector Total			6,271	6,081	5,451
	Government COVID-19 Response	O4-C-1	Covid-19 Revolving Credit Facility	3,746	7,136	8,730
	Government COVID-19 Response Total			3,746	3,698	8,730
	A sustainable long-term fiscal framework and public finances	O4-2	Insurance premium	2,194	2,612	2,612
	A sustainable long-term fiscal framework and public finances Total			2,194	2,612	2,612
	Modernising Government Total			12,211	15,829	16,793
Modernising Government	Non-Ministerial growth	O1-NON-07	Probation - BASS funding, regrading, trainee post	161	185	201
		O1-NON-08	CAG Initiation	13	31	53
		O1-NON-09	Election 2022	0	100	0
		O1-NON-10	Bailiff's Office - additional for Crown appointment pension increase awarded by SEB	80	80	80
	Non-Ministerial growth Total			254	396	334
	Modernising Government Total			254	396	334
	Modernising Government Total			111,990	58,427	54,687

Table 46 - new revenue initiatives

Appendix 4: Revenue expenditure initiatives agreed by the States Assembly in 2020 as a result of last year's Government Plan and that we will continue to invest in 2021

The table below includes the following information:

- Initiatives included in GP20, broken down at a budget line level
- Revised cost of the initiative in each year 2021-23
- Estimated expenditure for the initiative in 2024
- Excludes proposals contained in the Efficiencies and Rebalancing Measures Plan 2021
- BAU: This column shows whether the expenditure is part of the core 'business as usual' of our departments (for example, workstreams that commenced during the previous Medium-Term Financial Plan). These activities will not be identified separately in future Government Plans.

CSP Priority	Sub-priority	GP Ref	Programme	Programme Description	2021 Revised Allocation (£000)	2022 Revised Allocation (£000)	2023 Revised Allocation (£000)	2024 Allocation (£000)	BAU YES/ No	
Put Children First	Protecting and supporting children	GP20-CSP1-1-01	Children's Change Programme	Children's Change Programme - Baby Steps	226	226	226	226	Yes	
				Children's Change Programme - Care Inquiry funding YES Growth	98	98	98	98	Yes	
				Children's Change Programme - Family Support Workers	180	180	180	180	Yes	
				Children's Change Programme - IJCI implementation oversight	190	190	190	190	Yes	
				Children's Change Programme - Increase capacity family/children's section	335	335	335	335	Yes	
				Children's Change Programme - Maintenance of Care Inquiry funding YES Cat1	194	200	200	200	Yes	
				Children's Change Programme - Maintenance of Care Inquiry funding YES Cat2	104	104	104	104	Yes	
				Children's Change Programme - Nursery Special Needs	62	62	62	62	Yes	
				Children's Change Programme - Public Protection Unit	127	127	127	127	Yes	
				Children's Change Programme Total	1,516	1,522	1,522	1,522		
		GP20-CSP1-1-02	Independent Jersey Care Inquiry P108		IJCI - Enhanced MASH resourcing	48	48	48	48	Yes
					IJCI - P108 - Parent / Infant / Psychotherapy Service	70	70	70	70	Yes
					IJCI - P108 - Recommendation 2 - Children's Voice: Develop a Looked After Children Advocacy Worker (Children Services)	62	62	62	62	Yes
					IJCI - P108 - Recommendation 2 - Children's Voice: Develop a new Children's rights service plus MOMO App (Mind of Mine Own) - (Children Services)	214	214	214	214	Yes
					IJCI - P108 - Recommendation 3 - Inspection of Services: Practice improvement, performance and quality (CSW)	138	138	138	138	Yes
			IJCI - P108 - Recommendation 4 - Sustainable Workforce: Accredited training (CSW)	31	31	31	31	Yes		
			IJCI - P108 - Recommendation 4 - Sustainable Workforce: HR professional with admin support (CSW)	92	101	110	110	Yes		
			IJCI - P108 - Recommendation 4 - Sustainable Workforce: Multi-Agency Specialist Training	79	79	79	79	Yes		
			IJCI - P108 - Recommendation 4 - Sustainable Workforce: On-Island Social Work Training	221	144	144	144	Yes		
			Children's Change Programme Total	1,516	1,522	1,522	1,522			

		LJI - P108 - Recommendation 5 - Legislation: Children's Policy and Legislative Programme					LJI - P108 - Recommendation 7 - The "Jersey Way"				
		400	400	400	400	400	400	400	400	400	Yes
	Independent Jersey Care Inquiry P108 Total	1,555	1,487	1,496	1,496	1,496	1,496	1,496	1,496	1,496	Yes
GP20- CSP1-1-03	Policy/legislation service delivery	165	175	185	185	185	175	175	185	185	No
	Care leavers entitlement	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	No
	Family Law	100	100	100	100	100	100	100	100	100	Yes
	Jersey domestic abuse support	239	239	243	243	243	239	239	243	226	No
	Regulation and inspection	225	375	405	405	405	375	375	405	405	No
	Safeguarding PB	180	180	180	180	180	180	180	180	180	No
	SARC / development of children's house model	355	355	355	355	355	355	355	355	355	No
	Youth Justice	205	98	0	0	0	98	98	0	0	No
	Policy/legislation service delivery Total	3,229	3,282	3,228	3,228	3,228	3,282	3,282	3,228	3,111	Yes
GP20- CSP1-1-04	P82 Children's Services Early Intervention	3,866	4,005	4,149	4,149	4,149	4,005	4,005	4,149	4,149	Yes
	Health P82 - P.82/2012 White Paper: Services for Children (Early Interventions)										
	P82 Children's Services Early Intervention Total	3,866	4,005	4,149	4,149	4,149	4,005	4,005	4,149	4,149	Yes
	Protecting and supporting children Total	10,166	10,296	10,395	10,395	10,395	10,278	10,278	10,278	10,278	No
GP20- CSP1-2-01	Higher education	2,583	2,660	2,000	2,000	2,000	2,660	2,660	2,000	2,000	No
	Higher Education P.33/2018 - removal of HCA - Expenditure	3,616	3,735	2,803	2,803	2,803	3,735	3,735	2,803	2,803	No
	Higher education Total	6,199	6,395	4,803	4,803	4,803	6,395	6,395	4,803	4,803	No
GP20- CSP1-2-02	Improving educational outcomes	75	75	150	150	150	75	75	150	150	No
	Education Law	889	1,277	1,765	1,765	1,765	1,277	1,277	1,765	1,765	No
	Schools & Education - Early years	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	No
	Schools & Education - Improving standards	942	1,216	1,675	1,675	1,675	1,216	1,216	1,675	1,675	No
	Schools & Education - School funding and demographics	3,106	3,768	4,790	4,790	4,790	3,768	3,768	4,790	4,790	No
	Improving educational outcomes Total	9,305	10,163	9,593	9,593	9,593	10,163	10,163	9,593	9,593	No
GP20- CSP1-3-01	Involving and engaging children	100	100	100	100	100	100	100	100	100	No
	Advocacy for CIN and child protection	725	725	725	725	725	725	725	725	725	Yes
	IJCI Childrens Commissioner	130	95	80	80	80	95	95	80	80	No
	Participation and advocacy for LAC and care leavers	100	110	110	110	110	100	100	110	110	No
	Youth Voice	1,055	1,030	1,015	1,015	1,015	1,030	1,030	1,015	1,015	No
	Involving and engaging children Total	378	200	401	401	401	200	200	401	412	No
GP20- CSP1-3-02	Public Services Ombudsman	378	200	401	401	401	200	200	401	412	No
	Public Services Ombudsman										
	Public Services Ombudsman Total	1,433	1,230	1,416	1,416	1,416	1,230	1,230	1,416	1,427	No
	Involving and engaging children Total	20,904	21,689	21,404	21,404	21,404	21,689	21,689	21,404	21,298	Yes
Put Children First Total											
Improve Wellbeing	Support Islanders to live healthier, active, longer lives	779	965	965	965	965	965	965	965	965	No
	Inspiring an Active Jersey	779	965	965	965	965	965	965	965	965	No
	Inspiring an Active Jersey Total	779	965	965	965	965	965	965	965	965	No
	Preventable diseases	1,200	2,500	2,800	2,800	2,800	2,500	2,500	2,800	2,800	No
	Preventable diseases Total	1,200	2,500	2,800	2,800	2,800	2,500	2,500	2,800	2,800	No
	Support Islanders to live healthier, active, longer lives Total	1,979	3,465	3,765	3,765	3,765	3,465	3,465	3,765	3,765	Yes
Improve the quality of and access to mental health services	Adult Safeguarding Improvement Plan	100	100	100	100	100	100	100	100	100	Yes
	Adult Safeguarding Improvement Plan										
	Adult Safeguarding Improvement Plan Total	100	100	100	100	100	100	100	100	100	Yes
	Mental Health	4,800	4,100	4,200	4,200	4,200	4,100	4,100	4,200	4,200	No
	Mental Health Total	4,800	4,100	4,200	4,200	4,200	4,100	4,100	4,200	4,200	No
	Mental Health legislation	629	629	629	629	629	629	629	629	629	Yes
	Mental Health legislation Total	629	629	629	629	629	629	629	629	629	Yes
	Improve the quality of and access to mental health services Total	5,529	4,829	4,929	4,929	4,929	4,829	4,829	4,929	4,929	Yes

CSP Priority	Sub-priority	GP Ref	Programme	Programme Description	2021 Revised Allocation (£000)	2022 Revised Allocation (£000)	2023 Revised Allocation (£000)	2024 Allocation (£000)	BAU YES/ No	
Vibrant Economy	Put patients, families and carers at the health of Jersey's health and care system	GP20-CSP2-3-01	Digital Health and Care Strategy	Digital Health and Care Strategy	700	800	800	800	No	
		GP20-CSP2-3-01	Digital Health and Care Strategy Total	Digital Health and Care Strategy Total	700	800	800	800		
		GP20-CSP2-3-02	Health P82 reinstated 2019 new and recurring	Health P82 Reinstated 2019 new and recurring	3,597	3,597	3,597	3,597	Yes	
		GP20-CSP2-3-02	Health P82 reinstated 2019 new and recurring Total	Health P82 Reinstated 2019 new and recurring Total	3,597	3,597	3,597	3,597		
	Put patients, families and carers at the health of Jersey's health and care system	GP20-CSP2-3-03	Maintaining health and community care standards	Maintaining health and community care standards	10,000	12,250	16,300	11,840	Yes	
		GP20-CSP2-3-03	Maintaining health and community care standards Total	Maintaining health and community care standards Total	10,000	12,250	16,300	11,840		
		GP20-CSP2-3-04	Regulation of Care - income deferred	Regulation of Care - income deferred	200	200	200	200	Yes	
		GP20-CSP2-3-04	Regulation of Care - income deferred Total	Regulation of Care - income deferred Total	200	200	200	200		
	Improve Wellbeing Total	Put patients, families and carers at the health of Jersey's health and care system Total				14,497	16,847	20,897	16,437	
						22,005	25,141	29,591	25,131	
GP20-CSP3-1-02			Brexit and International Trade	Brexit and International Trade	110	110	110	110	Yes	
GP20-CSP3-1-02			Brexit and International Trade Total	Brexit and International Trade Total	110	110	110	110		
Enhancing our international profile and promoting our Island identity - Brexit response		GP20-CSP3-1-03	Future Economic Partnership Goods and Borders Cluster	Future Economic Partnership Goods and Borders Cluster	250	250	250	250	No	
		GP20-CSP3-1-03	Future Economic Partnership Goods and Borders Cluster Total	Future Economic Partnership Goods and Borders Cluster Total	250	250	250	250		
		GP20-CSP3-1-06	Continuation of External Relations funding	External relations growth	1,234	1,234	1,234	1,234	Yes	
		GP20-CSP3-1-06	Continuation of External Relations funding Total	External relations growth Total	1,234	1,234	1,234	1,234		
Enhancing our international profile and promoting our Island identity		Reversing the decline in Jersey's Overseas Aid contributions	GP20-CSP3-1-07	Reversing the decline in Jersey's Overseas Aid contributions	Reversing the Decline in Jersey's Overseas Aid Contributions	2,040	2,930	3,820	4,870	No
			GP20-CSP3-1-07	Reversing the decline in Jersey's Overseas Aid contributions Total	Reversing the Decline in Jersey's Overseas Aid Contributions Total	2,040	2,930	3,820	4,870	
	GP20-CSP3-1-08		International Team investment	Tax Policy and International Team Investment	1,753	1,650	1,650	1,650	Yes	
	GP20-CSP3-1-08		International Team investment Total	Tax Policy and International Team Investment Total	1,753	1,650	1,650	1,650		
	Enhancing our international profile and promoting our Island identity Total	GP20-CSP3-1-09	Trade & Export function	Trade & Export function	0	0	0	0	No	
		GP20-CSP3-1-09	Trade & Export function Total	Trade & Export function Total	0	0	0	0		
		GP20-CSP3-2-02	Competition policy and JCRA	Competition policy and JCRA	5,027	5,814	6,704	7,753		
		GP20-CSP3-2-02	Competition policy and JCRA Total	Competition policy and JCRA Total	5,027	5,814	6,704	7,753		
	Future economy programme	Delivering the Digital Policy Framework	GP20-CSP3-2-03	Delivering the Digital Policy Framework	Delivering the Digital Policy Framework	250	270	270	270	No
			GP20-CSP3-2-03	Delivering the Digital Policy Framework Total	Delivering the Digital Policy Framework Total	250	270	270	270	
GP20-CSP3-2-04			Digital Jersey Academy	Digital Jersey Academy	541	541	541	541	No	
GP20-CSP3-2-04			Digital Jersey Academy Total	Digital Jersey Academy Total	541	541	541	541		
Digital Jersey growth		GP20-CSP3-2-05	Digital Jersey growth	Digital Jersey growth	366	219	202	0	No	
		GP20-CSP3-2-05	Digital Jersey growth Total	Digital Jersey growth Total	366	219	202	0		
Economic Framework and Productivity Support Scheme	Economic Framework and Productivity Support Scheme	GP20-CSP3-2-06	Economic Framework and Productivity Support Scheme	Economic Framework and Productivity Support Scheme	897	1,097	1,197	1,197	No	
		GP20-CSP3-2-06	Economic Framework and Productivity Support Scheme Total	Economic Framework and Productivity Support Scheme Total	897	1,097	1,197	1,197		
Economic Framework and Productivity Support Scheme Total					1,000	1,000	1,000	500	500	

GP20- CSP3-2-07	Financial Crimes Unit Financial Crimes Unit - Economic Crime & Confiscation Unit Financial Crimes Unit - Financial Crime Enforcement	505 447	505 486	505 500	505 500	Yes Yes
GP20- CSP3-2-08	Financial Crimes Unit Total Jersey Financial Stability Board Jersey Financial Stability Board	952 50	991 50	1,005 50	1,005 50	1,005 No
GP20- CSP3-2-09	Jersey Financial Stability Board Total Migration Policy Migration policy	50 183	50 75	50 78	50 78	50 No
GP20- CSP3-2-10	Migration Policy Total Promoting Jersey Securing professional rugby in Jersey Visit Jersey - Route Marketing Visit Jersey - Short Breaks	183 150 250 600	75 50 250 600	78 0 250 600	78 0 250 600	78 No No No
GP20- CSP3-2-11	Promoting Jersey Total Rural Economy Strategy Rural Economy Strategy	1,000 272	900 473	850 680	850 680	0 No No
Future economy programme Total		5,511	5,616	5,873	4,321	
GP20- CSP3-3-01	AML / CFT AML / CFT Total	950	700	700	700	Yes
GP20- CSP3-3-02	Jersey Finance Growth Jersey Finance Growth - NY office	400	400	400	400	Yes
Protect and build our financial services industry		750	750	750	750	Yes
GP20- CSP3-4-01	Jersey Finance Growth Total Skills Jersey Skills Jersey Total	1,700 675	1,450 695	1,450 716	1,450 716	Yes Yes
Growing skills in Jersey Total		675	695	716	716	
GP20- CSP3-5-01	Cyber Security growth Cyber Security growth Total	600	443	458	458	No
GP20- CSP3-5-02	Heritage, Arts & Culture Elizabeth Castle Development Heritage, Arts & Culture	0	0	0	0	No
Infrastructure investment		963	3,197	2,966	2,926	No
GP20- CSP3-5-03	Heritage, Arts & Culture Total Jerrials Jerrials Total	963 386	3,197 398	2,966 410	2,926 410	Yes
GP20- CSP3-5-04	Sport division - minor capital replacements Sport division - minor capital replacements Total	200	200	200	200	No
Infrastructure investment Total		2,149	4,238	4,034	3,994	
Vibrant Economy Total		15,422	18,173	19,137	18,594	

CSP Priority	Sub-priority	GP Ref	Programme	Programme Description	2021 Revised Allocation (£000)	2022 Revised Allocation (£000)	2023 Revised Allocation (£000)	2024 Allocation (£000)	BAU YES/ No	
Reduce Inequality	Reduce income inequality and improve the standard of living	GP20-CSP4-1-01	Compensation for Mesothelioma	Compensation for Mesothelioma	100	100	100	100	No	
			Compensation for Mesothelioma Total		100	100	100			
		GP20-CSP4-1-02	Financial independence in old age	Financial independence in old age	50	0	100	100	No	
			Financial independence in old age Total		50	0	100	100		
			Food costs bonus	Food costs bonus	340	340	340	340	Yes	
	GP20-CSP4-1-04	Food costs bonus Total		340	340	340	340			
		Single Parent Component P.113/2017	Single Parent Component P.113/2017	2,539	2,530	2,524	2,524	Yes		
	Reduce income inequality and improve the standard of living	GP20-CSP4-1-05	Single Parent Component P.113/2017 Total		2,539	2,530	2,524	2,524		
			Housing PDB and long term plan	Housing PDB and long term plan	3,029	2,970	3,064	3,064		
			Housing PDB and long term plan Total		725	950	950	700	No	
Tenants' rights			Tenants' rights	725	950	950	700			
Tenants' rights Total				300	380	380	380	No		
Improving the quality and affordability of housing	GP20-CSP4-2-01	Housing PDB and long term plan	Housing PDB and long term plan	300	380	380	380	No		
		Tenants' rights	Tenants' rights	300	380	380	380			
		Tenants' rights Total		300	380	380	380			
		Care Needs at Home	Care needs at home	1,025	1,330	1,330	1,080	No		
		Care Needs at Home Total		620	620	620	620	No		
Improving social Inclusion	GP20-CSP4-3-01	Disability social inclusion	Disability social inclusion	620	620	620	620	No		
		Disability social inclusion Total		481	426	491	491	No		
		Disability social inclusion Total		481	426	491	491			
Reduce Inequality Total	Improving social Inclusion Total			1,101	1,046	1,111	1,111			
				5,155	5,346	5,505	5,255			
				2,700	4,000	4,000	4,000	No		
				2,700	4,000	4,000	4,000			
				2,700	4,000	4,000	4,000			
Protect our Environment	Embracing environmental innovation and ambition	GP20-CSP5-1-01	Climate Emergency Fund	Climate Emergency Fund	2,700	4,000	4,000	4,000	No	
			Climate Emergency Fund Total		2,700	4,000	4,000	4,000		
		Embracing environmental innovation and ambition Total			2,700	4,000	4,000	4,000		
			GP20-CSP5-2-02	Countryside access	Countryside access	200	160	90	90	No
				Countryside access Total		200	160	90	90	
	Protecting the natural environment	GP20-CSP5-2-03	Jersey National Park	Jersey National Park	150	200	250	250	No	
			Jersey National Park Total		150	200	250	250		
			Jersey National Park Total		350	360	340	340		
	Protect our Environment Total			3,050	4,360	4,340	4,340			
				3,050	4,360	4,340	4,340			

CSP Priority	Sub-priority	GP Ref	Programme	Programme Description	2021 Revised Allocation (£000)	2022 Revised Allocation (£000)	2023 Revised Allocation (£000)	2024 Allocation (£000)	BAU YES/ No
		GP20-013-07	Guernsey-Jersey Joint Working Programme	Guernsey-Jersey Joint Working Programme	40	40	40	40	Yes
			Guernsey-Jersey Joint Working Programme Total		40	40	40	40	Yes
		GP20-013-08	Increased audit fees	Increased audit fees	75	75	75	75	Yes
			Increased audit fees Total		75	75	75	75	Yes
		GP20-013-09	Modernisation and Digital - enhanced capabilities	Modernisation & Digital - Target Operating Model	5,000	4,900	5,100	6,000	No
			Modernisation and Digital - enhanced capabilities Total		5,000	4,900	5,100	6,000	No
		GP20-013-10	People and Corporate Services - enhanced capabilities	People & Corporate Services - People Strategy	2,000	2,000	1,500	1,500	No
			People & Corporate Services - Respond	People & Corporate Services - Respond	2,400	2,600	2,700	2,800	No
			People & Corporate Services - Sustain	People & Corporate Services - Sustain	2,800	2,900	3,000	3,100	Yes
			People and Corporate Services - enhanced capabilities Total		7,200	7,500	7,200	7,400	No
		GP20-013-11	Policing 2020-23	Policing 2020-2023	1,630	1,784	1,907	2,046	No
			Policing 2020-23 Total		1,630	1,784	1,907	2,046	No
		GP20-013-12	Supply Jersey	Supply Jersey Maintenance, Licencing & Procure to Pay Analysis	133	133	133	0	Yes
			Supply Jersey Maintenance, Licencing and Procure to Pay analysis		133	133	133	0	Yes
		GP20-013-13	Supporting One Gov	Supply Jersey Maintenance, Licencing and Procure to Pay analysis Total	133	133	133	0	No
			- Team Jersey (HR/OD strategic partner)	Supporting One Gov - Team Jersey (HR/OD strategic partner)	252	0	0	0	No
			Supporting One Gov - Team Jersey (HR/OD strategic partner) Total		252	0	0	0	No
		GP20-013-14	Technology Programme	Revenue Impact of IT Investment Fund	4,567	14,637	14,637	13,570	No
			Technology Transformation Programme Total		4,567	14,637	14,637	13,570	No
			A modern, innovative public sector Total		25,614	34,100	33,722	33,761	Yes
		GP20-014-01	Delivering effective financial management	Finance Transformation	2,725	2,300	1,271	1,271	Yes
			Delivering effective financial management and public finances Total		2,725	2,300	1,271	1,271	Yes
		GP20-015-01	Electoral registration encourages voter turnout	Electoral registration	34	6	0	0	No
			Electoral system which encourages voter turnout Total		34	6	0	0	No
		GP20-016-01	Reduction in contingency	Reduction in contingency	-1,000	-1,000	-1,000	-1,000	No
			Reduction in investment Total		-1,000	-1,000	-1,000	-1,000	No
		GP20-016-02	Reduction in investment	Reduction in investment	-116	-117	-117	-117	No
			Reduction in investment Total		-116	-117	-117	-117	No
			A reduction in investment Total		-1,116	-1,117	-1,117	-1,117	No
			Modernising Government Total		30,178	38,025	36,204	36,243	Yes
			Grand Total		96,714	112,734	116,181	110,861	Yes

Table 47 - Revenue expenditure initiatives in last year's Government Plan



Appendix 5: Administrative tax measures

Additional Minor Administration Measures to be included in the Finance Law (debated alongside the Government Plan)

Legislating for Existing Concessions

Following a review of Business Tax and Miscellaneous Concessions and Practice currently published by Revenue Jersey and available to taxpayers it has been determined that the following should be introduced into the Jersey Income Tax Law:

Foreign Tax on Trading Profits

This will allow traders to claim foreign tax paid on profits earned overseas as an expense against their business profits.

Transfer of all Machinery and Plant to Successor

Where all machinery or plant is transferred by a trader to his successor, the capital allowances will be calculated as if the trade had continued, provided that both parties agree.

Capital Allowances: Commencement of Trade

Where a trader's financial period exceeds 12 months (up to a maximum of 18 months allowed by the Income Tax Law) the amendment will increase the annual written down allowance proportionately to reflect the longer financial period.

Loss Relief: Enhancement of Article 107 / 107a Loss by Capital Allowances

- This will allow the capital allowances due to a trader to enhance or create a loss for relief under the above provisions.
- Loss relief under Article 107 and 107A does not apply to companies (other than utility companies taxed at 20%).

Group Life Insurance Schemes

This will allow a business to claim a deduction against its profits for contributions into a Group Life Insurance Scheme subject to the death benefits payable not exceeding specific limits. This removes the current requirement for businesses to seek approval from the Comptroller of Revenue on a case by case basis.

Taxation of Dividends from Non-Resident Companies Paid Out of Capital Profits (Clarifying Provision)

The Income Tax Law will be amended to make it clear that dividends paid out of the capital profits of a non-Jersey resident company are exempt for Jersey tax purposes.

Other Measures

Pensions: administrative measures

There are two administrative amendments covering pension provisions under Part 19 of the Income Tax Law.

1. Withdrawal of approval of a scheme and appeals

This amendment will ensure that the withdrawal of approval of a pension scheme, and the raising of an assessment in respect of that withdrawal, will become a single legislative step that can be appealed against by the taxpayer.

2. Date of election for exemption from tax on lump sums paid from overseas schemes

This amendment will ensure the election date for exemption from tax on lump sums paid from overseas schemes under the pension provisions, matches the July date for filing personal tax returns.

Serving Notices

- i. This amendment will ensure that returns are required to be delivered even if the requirement is not “served by a notice in the following year”.
- ii. The law will be clarified to ensure that service of a notice of assessment can include an electronic notice retrieved via an online account.

Set-off Provisions

This amendment will ensure that ITIS remittances made by employers are included within the set-off provisions provided for in the Revenue Administration Law.

Penalties

This amendment to the income tax law extends the £50 monthly penalty due under the law to the late delivery of a return by a foundation.

Clos de Paradis housing trust

Amend the Income Tax Law such that the income of the Clos de Paradis housing trust that is applied for the purpose of providing social housing remains exempt from tax.

Proposed Amendment to the Revenue Administration Law

Revenue Jersey is to be given responsibility for the collection of social security contributions.

Appendix 6: Managing risk

Some of the risks addressed in this Government Plan include:

Rebalancing Budgets

Risk

Failure to deliver balanced budgets

Mitigation

In response to the measures taken to respond to Covid-19, this plan lays out the financial plan that balances the long-term sustainability and resilience of our finances against the short-term pressures. This plan has been developed hand-in-hand with the measures being considered as part of the economic recovery plan. We will consider contingency measures should the worst-case financial scenarios become a reality. We will revisit our growth plans introducing halt, defer, reduce exercises, and consider various revenue-raising measures to help finance major projects and deliver political aspirations in order to replenish our financial reserves.

Economic Recovery Planning

Risk

Failure to implement an economic recovery plan

Mitigations

This Government Plan will be our recovery plan for the island. We are actively developing this plan and the governance structures to support its implementation. The Economic Council is in place and overseeing the recovery agenda. In the short-term we will continue to maintain a range of economic stimulus packages as part of our overall safe exit strategy. In the longer-term our aim is to develop a plan to create a more resilient Island community, including business and household resilience, develop a skills strategy to underpin the future especially for young people and building in inclusivity and sustainability. We will also continue to consider our place in the wider world by advancing the Global Markets Strategy in support of market diversification away from historic UK/EU reliance, especially in light of Brexit.

Information and Cyber Security

Risk

Failure to protect Government and Islanders' data from cyber attacks

Mitigation

Investment in cyber security technology was prioritised in the previous Government Plan and continues to drive current arrangements. These were tested during the pandemic and responded well. Further investment is now being deployed in order to further strengthen our controls alongside the wider developments to the modernisation of information management systems, which have seen historical underinvestment. Section 6 'Modernising Government' provides more details on the initiatives we will undertake.

Jersey Care Model

Risk

Failure to implement significant health and social care reforms

Mitigation

Following the review of the JCM, a multi-year implementation plan has been developed with key projects prioritised in tranches. Given the assessment through the JCM review and through planning it is been determined that the implementation of the JCM over this government plan period will be completed in three tranches. The emphasis of the first tranche will be on detailed planning, particularly around workforce and change management, to be able to support our health and care professionals to be able to deliver in the new model, establishing the necessary foundations to deliver on the new model, and driving care delivery through enhancing intermediate care. Implementation will need to be phased, to be able to shift to the new model, while being able to be responsive to any immediate needs on the system, including COVID-19.

In developing a realistic and achievable implementation plan we reviewed the deliverability of the JCM. Considering the emerging challenges, the island is facing post COVID-19, the phasing of the programme has been amended to allow stabilisation of the platform within Jersey and internationally, with the roll out of programme phased in three risk assessed tranches.

Safeguarding Children and Vulnerable Adults

Risk

Failure to adopt recommendations identified in the Independent Jersey Care Inquiry.

Mitigation

Longstanding systemic challenges to progress in partnership working have been addressed in a Children's Plan, which sets out shared priorities and outcomes with key agencies, including better joint planning and joint working across Government departments and with the voluntary and community sector. Funding has been allocated in the Government Plan to progress a range of initiatives that respond to the recommendations in the various reports. Revised ways of working were put in place due to Covid-19, the success or otherwise of which will be evaluated in the coming months and years.

One Gov Modernisation

Risk

Failure to implement the One Government modernisation initiative

Mitigation

We continue to maintain our commitment to improve, transform and modernise Government services, to improve the way in which Government and public services function so they deliver modern, efficient, effective and value-for-money services and infrastructure, sound long-term planning, strategic and financial planning, and encourage closer working and engagement among politicians and Islanders. We will

also learn from the challenges faced during the pandemic and utilise the learning to help shape future health and community services.

Brexit

Risk

Failure to prepare for Brexit

Mitigation

Throughout 2020 we have continued to allocate resources to the negotiations surrounding Brexit in order get the best deal for Jersey. Our key aim is to support a sustainable, vibrant economy and skilled local workforce for the future. Delivery of Brexit action plans through the Brexit Ministerial and officer working groups will continue to be monitored on a regular basis. Detailed contingency planning continues and reflects the range of possible outcomes from existing EU/UK future scenarios. A No Further Negotiated Outcome scenario could impact heavily on Jersey in the short-term, in common with other European countries. Whilst some flexibility has been built into the Government Plan, significant adverse impacts may require additional amendments.

COVID-19 Second Wave

Risk

Failure to adequately plan for a second wave of COVID-19

Mitigation

Planning structures are in place to respond to any resurgence of the Covid-19 pandemic. In both the health department and across other government departments, officers are continuing to monitor the situation and remain ready to respond if medical evidence suggests a need. The Governance Framework during the pandemic has remained in place and ready to respond. Public health department have undertaken a lessons learnt review to inform possible second wave activity. There is an on-going review of hospital resourcing and resilience. The tracking and tracing systems have been put in place to enable rapid response if required.



Appendix 7: Amendments to the Proposed Government Plan

1. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd)(1)) as amended by P.130/2020 Amd.(1)Amd), which agreed:

“the heads of expenditure for Strategic Policy, Planning and Performance shall be increased by the following amounts to provide for the establishment of a Public Services Ombudsman –

- 2022: £200,000
- 2023: £401,000
- 2024: £412,000”.

2. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd)(2)) as amended by P.130/2020 Amd.(2)Amd), which agreed:

“the head of expenditure for the General Reserve shall be increased by £159,000 with this amount ring-fenced for the Jersey Premium”.

3. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd)(3)), as amended by P.130/2020 Amd.(3)Amd which agreed that:

“the head of expenditure for the General Reserve shall be increased by £100,000 with this amount ring-fenced for care leavers”.

4. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd)(6)), which agreed:

“the 2021 Estimate for Personal Income Tax shall be reduced by £240,000 by amending Child Care Tax Relief in accordance with the table below with other affected in lines Summary Table 1 to be updated accordingly -

Transaction value up to	2020 Allowance	Increase	Proposed 2021 Allowance
Child Care Tax Relief	£6,150	£123	£6,273
Enhanced Child Care Tax Relief	£16,000	£320	£16,320

5. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd)(7)), which agreed:

“the 2021 Estimate for Stamp Duty shall be increased by £335,000 by amending the Stamp Duty bands in accordance with the table below, with other affected lines in Summary Table 1 to be updated accordingly –

Transaction value up to	2019 rate	2020 rate	Proposed new rate
1-50	0.5% up to 50k	0.5% up to 50k	-
50,001 – 300	1.5% on excess up to 300k	1.5% on excess up to 300k	-
300,001 – 500	2% on excess up to 500k	2% on excess up to 500k	-
300,001 – 500	3% on excess up to 700k	3% on excess up to 700k	-
700,001 – 1	3.5% on excess up to 1m	3.5% on excess up to 1m	-
1,000,001 – 1.5	4.5% on excess up to 1.5m	4.5% on excess up to 1.5m	-
1,500,001 - 2	5.5% on excess up to 2m	5.5% on excess up to 2m	-
2,000,001 - 3	6.5% on excess up to 3m	6.5% on excess up to 3m	7%
3,000,001 – 6	8.5% on excess up to 6m	8.5% on excess up to 6m	9.5%
6,000,001+	9.5% on excess	9.5% on excess	10.5%

6. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd)(8)), which agreed that:

“the 2021 Estimate for Personal Income Tax shall be reduced by £260,000 by amending Child Tax Allowances in accordance with the table below with other affected in lines Summary Table 1 to be updated accordingly –

Transaction value up to	2020 Allowance	Increase	Proposed 2021 Allowance
Child Allowance	£3,000	£60	£3,060
Additional Allowance	£4,500	£90	£4,590

7. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd)(10) as amended by P.130/2020 Amd.(10)Amd), which agreed that:

“the head of expenditure for Treasury and Exchequer shall be increased by £50,000 for the purpose of a review into the funding of public services by the Parishes” and

“the Minister for Treasury and Resources is requested to work with the Minister for Infrastructure and the Comité des Connétables and firstly agree the Terms of Reference for a review into the funding of public services by the Parishes, as agreed in the Common Strategic Policy, to carry out that work and then to bring forward any recommendations”.

8. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd).(11) as amended by P.130/2020 Amd.(11)Amd), and P.130/2020 Amd.(11)Amd(2), which agreed that:

“the Total Revenue Head of Expenditure for Customer and Local Services shall be increased by £300,000 to provide support as required during 2021 for Beresford Street Kitchen, and that the Council of Ministers shall request officers to work with the organisation to support the development of a financially sustainable business model for future years”.

9. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd).(12) as amended by P.130/2020 Amd.(12)Amd), and P.130/2020 Amd.(12)Amd(2), which agreed that:

“the Heads of Expenditure for Financial Services and Digital shall be increased by £750,000 in 2021 in order to fund the development of Elizabeth Castle, including the Hospital and Officers’ Quarters and the revised business case for that development,

with a commitment that funding shall be provided in subsequent years to complete the development, no later than the end of 2025, subject to the agreement of an updated business case and after the Jersey Heritage Trust and Ministers have worked together to thoroughly investigate other potential funding mechanisms, and that any such funding shall be over and above the 1% allocation for Culture, Arts and Heritage of overall expenditure”.

10. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd).(13), which agreed that:

“on page 62 of [the proposed Government Plan 2021-24], after the words “going to these sectors in 2022.” there should be inserted the following words – “We commit to the reinstatement of funding at the agreed rate of 1% of net revenue expenditure for 2024 and beyond.”.

11. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd)(14)), which agreed:

“the Minister for Treasury and Resources should prioritise the application of any unspent funds in 2020, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund, and used to minimise the borrowing requirement from the revolving credit facility” and

“that the Minister for Treasury and Resources should prioritise the application of any unspent funds in 2021, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund, and used to minimise the borrowing requirement from the revolving credit facility” and

“that the Council of Ministers are to agree an estates strategy in sufficient time for the next Government Plan (2022-25) to include a list of potential sales, in order for any funds raised to be prioritised for use to minimise any future borrowing”.

12. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd).(17), amended by P.130/2020 Amd.(17)Amd), which agreed that:

“the Total Revenue Head of Expenditure for Strategic Policy, Planning and Performance shall be increased by £150,000 to provide funding for Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey and to provide funding to develop a Poverty Strategy” and

“on page 60 [of the proposed Government Plan 2021-24], after the words “when approved by the States Assembly” there should be inserted the following words – “We commit to funding Statistics Jersey to undertake additional surveys and analysis as needed to complement the results of the 2019/2020 Living Costs and Household Income Survey, to ensure that detailed information can be published on current levels of relative low income (“poverty”) in Jersey, using both established measures and also taking account of the work of the Social Metrics Commission; and to develop a Poverty Strategy for inclusion in the 2022 Government Plan.””



13. The States Assembly adopted an amendment to the Government Plan 2021 – 2024 (P.130/2020(Amd)(21)), which agreed:

“the expenditure from the [Climate Emergency] Fund shall be increased by £300,000 to fund tree preservation initiatives” and

“on page 79 of [the Government Plan], after the words “Marine Resources management and natural environment” there should be inserted the following words – “Commitment to funding tree preservation initiatives: additional expenditure per year of £75,000 in the years 2022, 2023, and 2024”.