

STATES OF JERSEY



PRIORITIES FOR THE STRATEGIC PLAN: CONSULTATION DOCUMENT FEBRUARY 2009

**Presented to the States on 9th February 2009
by the Council of Ministers**

STATES GREFFE

Council of Ministers

Priorities for the Strategic Plan

of Jersey

6th February 2009

Working together to meet the needs of the community

The Council of Ministers has set out its main priorities for the future, as part of the strategic planning process.

These priorities will inform the **States Strategic Plan** and we want to know what you think of them.

Public consultation will continue until **21 May**.

During that time a first and second draft of the Strategic Plan will be prepared and your thoughts are welcome at each stage of the process.

3 March	First draft Strategic Plan published for comment
27 March	Second draft Strategic Plan published for comment
8 April	Strategic Plan lodged
9 Apr – 21 May	Formal Scrutiny process
2-3 June	States Debate

You can pick up a copy of this document from our website, the States Greffe bookshop, the central library, Cyril le Marquand House, or you can call 440422 and ask for a copy to be sent or e-mailed to you. The same will apply to forthcoming documents.

To comment on these strategic priorities:

Write to: Chief Minister, Cyril Le Marquand House, PO Box 140, JE4 8QT

Telephone: If you have a query you can call Janet Marshall on 440428

E-mail: yousay@gov.je

This consultation paper has been sent to the following individuals/organisations:

The Public Consultation Register

Supporting documents attached:

Council of Ministers - Priorities for the Strategic Plan

Your submission Consultation responses may be made public (sent to interested parties or the Scrutiny Office, quoted in a published report, reported in the media, published on www.gov.je, listed on a consultation summary etc.).

Please delete the following as appropriate:

I agree that my comments may be made public and attributed to me

I agree that my comments may be made public but should remain anonymous

I don't want my comments made public

Council of Ministers
Priorities for the Strategic Plan

‘Working together to meet the needs of the community’

Consultation Document

February 2009

Introduction

By Law, the Council of Ministers must produce a Strategic Plan by the early part of April 2009. Whilst this is a challenging target, the Council is committed to achieving this in a way which includes wide consultation and engagement with States Members, Scrutiny and the public.

The following document sets out the Council's initial thinking on a proposed strategic direction, including the main priorities for the next three years. This has been developed by the Council of Ministers with contributions from States Members who attended workshops during January, 2009.

Whilst the timescales for contributions on the strategic plan are necessarily tight, I hope you will take the opportunity to make your thoughts known as part of the consultation exercise. As the plan develops, there will be a number of opportunities to comment before the final plan is debated by the States Assembly in June 2009.

You can comment on the new States Strategic Plan at any point before the 21st May 2009. Throughout this time the plan will be developed in the stages set out below:

6 Feb	Council publishes its overall strategic direction for comment
9 & 10 Feb	Second series of workshops held with States Members
3 March	First draft Strategic Plan published for comment
6 March	Economic stimulus proposals put to Fiscal Policy Panel
27 March	Second draft Strategic Plan published for comment
31 March	Fiscal Policy Panel advises on economic stimulus and use of the Stabilisation Fund
8 April	Strategic Plan lodged, to include an economic package following Fiscal Policy Panel advice
9 Apr – 21 May	Formal Scrutiny process
2-3 June	States Debate, to include short, medium and long term priorities

In practice the consultation process will continue from the publication of this paper through to the end of the scrutiny process in May. Throughout this time you can e-mail us at yousay@gov.je or you can write to the Chief Minister, Cyril le Marquand House, PO Box 140, St. Helier JE4 8QT.

The States Strategic Plan in Context

In following on from the last States Strategic Plan, the new plan needs to address a range of social, environmental and economic priorities which will maintain the special way of life that exists within the Island. The Council of Ministers is optimistic that, through working together with all sections of the community, many of the difficult issues that face the Island can be addressed.

This plan is being developed at a time of considerable economic uncertainty as much of the world moves into recession. The Island will not escape from the effects of this and, whilst the precise outlook is unclear, deterioration in our economic performance over at least part of the life of the plan would appear to be inescapable.

With this in mind, the Council of Ministers believes that the next Strategic Plan must achieve a balance between:

1. Dealing with the downturn in order to minimise the impact of the global economic situation on Jersey's residents, communities and businesses.
2. Developing a plan to secure the long term future of the Island;

The early part of the plan will need to focus on dealing with the downturn to enable the Island to return to prosperity in the long term. In this context, we need to be realistic about what new priorities can be achieved in the short term. In particular, savings and efficiencies or additional income will be required if new priorities or spending pressures are to be met.

In the long term, one of the Island's key resources issues will be the size of its working population. Recognising the challenges presented by the ageing of the Island's current population, population levels must form part of the debate on the Strategic Plan.

With this in mind, the main principles which the Council of Ministers will apply to the allocation of resources are:

- To be realistic in its ambitions.
- To identify and implement all possible savings and efficiencies.
- Not to commit to additional spend unless this is matched by savings or new income streams.
- To only use the Stabilisation fund after advice from the Fiscal Policy Panel.

The strategic direction that follows sets out the main priorities that the Council of Ministers believe will be important in the future. This also includes the resources framework that will govern what can be achieved through the plan and ensures that a realistic approach is adopted to new areas of spend or priority.

Aim

The Council of Ministers is optimistic that, through working together with all sections of the community, many of the difficult issues that face the Island can be addressed. This is reflected in the proposed overall aim for this plan.

‘Working together to meet the needs of the community’

By working openly and inclusively with all sectors of the community we will:

- Allow everyone to have the opportunity to achieve their full potential
- Meet our health, housing and education challenges
- Prepare for the ageing society
- Preserve the countryside and protect our environment
- Create a responsive government that provides good and efficient services and sound infrastructure

If we are to achieve this, we must support and maintain our economy

This aim provides six key areas of focus against which main priorities for action can be considered. The next section identifies these priorities and how they relate to the Aim.

Priorities

To achieve the aim as described above, it is important that priorities for action are established and that these help to shape the detailed approach to delivering the Strategic Plan.

The following priorities have been identified and the table overleaf shows how each priority supports the main aims of the plan.

The short-term emphasis of the plan will be on:

- Supporting the Island through the economic downturn
- Reforming the public service to reduce costs
- Enhance support services to vulnerable children and families

In the medium and longer-term, the focus will be on:

- Ensuring sustainable Public Finances – Living within our means
- Sustainable population levels (see **Appendix A**)
- A strong, sustainable and diverse economy
- Increasing social inclusion and reduce social deprivation
- Providing for the ageing population
- Investing in children
- Enhancing and improving healthcare provision and promote a healthy lifestyle
- Public engagement through the community and Parish
- High quality education and skills
- Protecting and enhancing our natural and built environment
- Adequately housing the population
- Maintaining and developing the Island's Infrastructure
- Government Reform
- Supporting people to help themselves

How the priorities link to the Aim:

	Allow everyone to have the opportunity to reach their full potential	Protect our environment and preserve the countryside	Meet our health, housing and education challenges	Prepare for the ageing society	Create a responsive government that provides good and efficient services and sound infrastructure	Maintain a strong and sustainable economy
The early emphasis of the plan will be on:						
Supporting the Island through the economic downturn						✓
Reforming the public service to reduce costs					✓	✓
Enhancing support services to vulnerable children and families	✓		✓			
In the longer-term the focus will be on:						
Ensuring sustainable Public Finances – Living within our means					✓	✓
Sustainable population levels	✓	✓	✓	✓	✓	✓
Increasing social inclusion and reducing social deprivation	✓		✓	✓		
Providing for the ageing population	✓		✓	✓		✓
Investing in children	✓		✓			
Enhancing and improving healthcare provision and promoting a healthy lifestyle	✓		✓	✓		
Public engagement through the community and Parish	✓				✓	
A strong, sustainable and diverse economy	✓					✓
High quality education and skills			✓	✓		✓
Protecting and enhancing our natural and built environment		✓	✓			
Adequately housing the population		✓	✓			
Maintaining and developing the Island's Infrastructure		✓			✓	
Government Reform					✓	
Supporting people to help themselves	✓				✓	

The Priorities in detail

This section describes each of the Council of Ministers' priorities, a short description of what it means and why the Council believes it is important.

Support the Island through the economic downturn

The International Monetary Fund (IMF) highlighted at the end of January that it "expects the global economy to come to a virtual halt" this year and to experience the worst economic performance since the Second World War. The length and depth of the downturn is almost impossible to predict, however the International Monetary Fund (IMF), who have access to more information than most, expect a bounce back in global growth in 2010 but below the levels seen in 2008 and preceding years. However, even the IMF is circumspect about its own predictions, noting that the uncertainty surrounding this outlook is 'unusually large'.

In Jersey, our economy is dependent on the demand in other countries for the goods and services we produce, and it is reasonable to assume that the outlook for the Island economy is equally uncertain over the Plan period. Given the tendency for the Jersey economy to lag behind developments in the global economy there is also a risk that the downturn in the Island will be more prolonged. Further detail is provided in the resources section of this paper and at

Appendix B

Short description	<ul style="list-style-type: none"> • Stabilisation Fund used for economic stimulus (both through automatic stabilisers and new initiatives) with the aim of minimising the impact of the downturn on Jersey residents, communities and businesses. • Identify a range of policy options to stimulate the economy and consider: <ul style="list-style-type: none"> ○ What we can do to support the people most affected e.g. those on low incomes or facing mortgage arrears/repossession. ○ New programmes of maintenance/infrastructure spending. ○ New policies to help retrain those made unemployed and improve the skills base. ○ Options for business support including small business advisors, extending the Small Firms Loan Guarantee Scheme and additional marketing support for finance and tourism. ○ Non-fiscal measures to help make the States more responsive in areas such as Planning and RUDL. • Seek advice from the Fiscal Policy Panel as to the extent and nature of any proposal to use the Stabilisation Fund. • Ensure the ongoing provision of essential public sector services
Why must we do it	<ul style="list-style-type: none"> • To manage the downturn in a way that is consistent with the Island's economic objectives and puts the Island in a strong position to take advantage of the next upturn • To ensure that the most vulnerable are protected from the worst impacts of the downturn • We must be ready to act in a timely manner and have assessed the policy options. • Analysis shows that the economy slowed significantly in 2008 and there is likely to be a significant fall in real growth in 2009 which will be prolonged, in the best case, into 2010. We must minimise the impact of this fall otherwise our ability to deliver public services will be threatened • Under such circumstances interest rates could well fall further and remain low into next year. It would also be sensible to build in a weaker housing market performance. • The initial work across departments indicates that the most significant impact of the economic assumptions in relation to a fall in economic growth, employment and interest rates will be on States revenues rather

Council of Ministers – Strategic Plan Aims and Priorities

	<p>than expenditure.</p> <ul style="list-style-type: none"> On the basis of a two-year downturn in 2009 and 2010 income tax revenues are likely to reduce as company profits, earnings and investment income fall. Similarly, States own investment income will suffer from the historically low interest rates and a downturn in the property market would cause stamp duty revenue to fall significantly.
--	--

Reform the public service to reduce costs

The economic downturn will put significant pressure on government revenues and spending. If we are to maintain core public services at an acceptable level, an early priority will be to review services to make savings and ensure that they are efficient. This will include the need to concentrate on core services and, where appropriate, adopt a more commercial approach to the delivery of services including working in partnership with the private sector.

Short description	<ul style="list-style-type: none"> Work with the public sector workforce to achieve a positive change in the efficiency of all Departments and, in doing so, reduce costs and maximise cross-departmental working (see resources section) Promote/review private sector involvement and more commercial approaches to service provision, including, but not limited to, outsourcing where appropriate Review terms and conditions of employment Rationalise property and promote modern office working environments which will maximise productivity and minimise property requirements.
Why must we do it	<ul style="list-style-type: none"> The Public Service needs take the lead in responding to external pressures - in particular the possibility of reduced income as a result of worldwide recession We must ensure that public services are efficient, appropriate and deliver best value Pressure on finances means that the public service must concentrate on essential services that meet the needs of the community Because the taxpayer, who pays for services, expects it Public Sector pay settlements will have a significant impact on overall expenditure. Controlling these costs will also set a benchmark and impact on the control of inflation

Ensure sustainable Public Finances – Living within our means

It is crucial that the Strategic Plan is developed within a financial framework which is affordable, to ensure that Jersey remains competitive and that we do not add to inflationary pressures in the Island. If we are to deliver new initiatives and address spending pressures then further savings and efficiencies will be required to fund them.

Short description	<ul style="list-style-type: none"> Keep finances on a sound footing in the medium term No new taxes outside the framework of the Fiscal Strategy There will be no additional spend unless matched by savings or income Need to find money for new initiatives and spending pressures Identify and implement all possible savings and efficiencies Manage expectations and be realistic To only use the Stabilisation Fund after advice from the Fiscal Policy Panel
Why must we do it	<ul style="list-style-type: none"> Ensure the Island remains competitive and low levels of inflation are maintained

Council of Ministers – Strategic Plan Aims and Priorities

	<ul style="list-style-type: none"> • Sustain the economy and increase standard of living • Deliver high quality, value for money public services • To address public expectations and avoid putting the Island in debt. • Drive out savings and efficiencies to avoid tax increases • Essential services should be maintained and improved and spending pressures addressed • Deliver new investment initiatives by identifying alternative provision or equivalent funding streams
--	---

Sustainable population levels

There can be few people who are unaware of the changes in the population caused by falling birth rates, falling death rates and the movement of people. The challenge for Jersey is to maintain a working age population which will deliver sustainable growth in our economy to generate enough funds to deliver future public services without increasing the population to the extent that it threatens our environment, essential infrastructures and way of life.

Sustainable population levels are a matter of great public concern and interest and this should be addressed as part of this Strategic Plan.

Attached at **Appendix A** is a paper which explains why the Council of Ministers are considering proposing a population policy which sets maximum inward migration at a rolling 5 year average of 200 heads of household per annum (an overall increase of c.430 people per annum). This proposal would be reviewed every three years.

It is intended that this proposal be debated as part of the Strategic Plan.

Short description	<ul style="list-style-type: none"> • Ensure that there is a clear stance taken over population numbers for the future • Implement new mechanisms to control the population, through the Migration Policy. • All our work suggests that this framework would support a sustainable population provided it is accompanied by other measures including increasing the pension age, increasing labour participation, continued growth in economic productivity and the acceptance that all Islanders will have to contribute more to fund the services required by an ageing society.
Why must we do it	<ul style="list-style-type: none"> • A matter of public concern; the effect on environment and keeping Jersey as a special place in the future • A clear method of managing long term population levels is needed, although Jersey's population levels may decline as a result of the current economic downturn • A clear target will enable effective planning for service provision • Such a policy is needed for accurate forecasting and planning

Increase social inclusion and reduce social deprivation

Increase and support the aspirations of all Islanders by ensuring that everybody can access opportunities. At the same time, we need to maximise opportunities for those in need or at risk of failing to participate in society and their community. Inclusion is a theme that will flow through all policies.

Short description	<ul style="list-style-type: none"> • An inclusive society where all ages are valued • Review of income support • Focus on rehabilitation of offenders • Reducing alcohol and drugs consumption and changing our culture
Why must we do it	<ul style="list-style-type: none"> • To help people with social problems and prevent the next generation from inheriting the same problems • To reduce medical, criminal justice and prison costs • To provide a better quality of life for all

Provide for the ageing population

We will develop a strategy for addressing the ageing population which will draw together in a cohesive way all the actions required to deal with this issue. It will include introducing schemes now that will result in better personal pension provision; better opportunities for independent living in old age; health and long-term care provision (through New Directions) in the future.

Short description	<ul style="list-style-type: none"> • The proportion of older people will increase progressively. Measures can be taken to encourage the elderly to continue working beyond present retiring ages i.e. keep them economically active and make the sector less reliant on public services • Flexibility with regard to retirement age • Review pension provision and long term care funding and provision. • Elderly residential care provision for all, funded by insurance type subscription • Provide support in the community for the elderly
Why must we do it	<ul style="list-style-type: none"> • Enable elderly to retain independence, self respect and dignity. • Ensure equality, inclusion and fairness with regard to the elderly • Need to cope with increasing pressure on social services, hospital families and the population • Value and retain the skills of older people • Need to keep the older generation healthy • More people will require long-term residential/nursing care

Invest in children – enhance support services to vulnerable children and families

Investing in children and young families is a fundamental feature of the Social Policy and will target deprivation, low ambition, anti-social behaviour and exclusion and thus break the cycle of dysfunctionality over the generations. The aim is to work with young people and families to reduce the number of young people leaving school with poor skills, qualifications and low expectations and to reduce personal and social problems in later life.

Short description	<ul style="list-style-type: none"> • Implement the Williamson report • Enhance children's services • Support those in care and those struggling in the community • Target deprivation, low ambition, exclusion and thus break the cycle of dysfunctionality over the generations • Targeted intervention to catch under-achievers early • Encourage healthier lifestyles amongst children
Why must we do it	<ul style="list-style-type: none"> • So they are equipped, as adults, to play a part in meeting the Island's future challenges • Reduce crime (in long term) • Reduce illness • Reduce problem families • Reduce irresponsible behaviour • Increase educational attachment and skills

Enhance and improve healthcare provision and promote a healthy lifestyle

A healthy population will have a greater sense of well-being and be more productive. Investment now in a complex series of inter-linked proposals will lead to improved health and well-being within the population. In the longer term costs, which would otherwise have risen exponentially, will be contained and properly managed into the future.

This major shift in health and social care policy will deliver the twin aims of improving the health and social wellbeing of all islanders whilst also heading off the exponential increases in costs which would otherwise occur. The provision of care will shift from the Secondary to the Primary care sector. Emphasis will be placed upon prevention, rather than cure, in an environment where individuals will be encouraged to change their lifestyles. New and additional resources will need to be invested in the reduction of chronic diseases (e.g. Diabetes, Depression and long term back conditions), infectious diseases and in the management of the disabilities of old age where demographic shifts will be pronounced.

Short description	<ul style="list-style-type: none"> • Shift the balance from secondary to primary care with greater emphasis on prevention • Introduce elements of New Directions within realistic budgets. This aims to improve the health of the population by putting onus on individuals to change lifestyles • Particular attention to be given to people managing their own health and promoting healthy lifestyles • Funding issues will need to be addressed and funding streams identified
Why must we do it	<ul style="list-style-type: none"> • People must take responsibility for ensuring their own healthy lifestyles • In the light of the ageing population we can't afford not to – healthier, less

Council of Ministers – Strategic Plan Aims and Priorities

	<p>costly population</p> <ul style="list-style-type: none"> • Savings in health costs – better value for money • Economic benefits, including productivity and participation
--	--

Public engagement through the community and Parish

We need to overcome the apparent 'disconnect' between the public and the government. Public confidence in government needs to be restored if we are to succeed in managing the difficult choices that may be required over the next few years. Better information and consultation on issues, what the government is doing and the reasons behind it are essential. Imaginative engagement through the community and the Parish system needs to be embedded in the way we do things.

Short description	<ul style="list-style-type: none"> • Meaningful engagement with the public and the community • Improved consultation on key policy issues
Why must we do it	<ul style="list-style-type: none"> • Develop stronger ties with the community at local and Island level • Increase knowledge and understanding of government and increased participation in Island activities. • So that people believe their views are valued and listened to. • To provide services that the public need; to restore public confidence in how services are delivered; public feel ownership following real engagement

Strong, sustainable and diverse economy

A strong and diverse economy creates the means for people to live and improves both our standard of living and the quality of public services. The Island's recent economic prosperity was not accidental, it was built on sound policies that delivered growth. We are now entering a period which will be far more challenging. Over the period of the plan the Island needs to create the conditions where existing business in all sectors can thrive, and new businesses can enter the market.

In the face of significant changes in world financial markets, there is also a need to protect and maintain the Island's vital financial services industry in order to maintain the Island's prosperity. This includes the need to ensure that Jersey is regarded as a safe and well regulated place to do business in the eyes of the International community.

Short description	<ul style="list-style-type: none"> • Ensure that Jersey businesses in all sectors can thrive in, and survive through, the current economic downturn and, in doing so, continue to provide jobs for Jersey residents. This will be achieved, in part, by a comprehensive package of economic stimulus in 2009 and 2010 • Prepare Jersey businesses to maximise the opportunities that will be offered as the global economy comes out of recession • Further develop Jersey's careers, jobs and employment services to maximise opportunities for all Jersey residents • Develop international relationships, supported by legislation and regulation to maximise the potential of Jersey's financial services sector in existing and emerging markets • Accelerate the implementation of the enterprise and business strategy to diversify the economy, support new and existing businesses, attract low footprint/high value business from elsewhere and foster innovation (including new sectors, products, processes, and markets) • Prepare Jersey for a changed world, post downturn, and prepare for, and support, the UK Treasury (Foot) review
-------------------	--

Council of Ministers – Strategic Plan Aims and Priorities

<p>Why must we do it</p>	<ul style="list-style-type: none"> • A successful, sustainable economy enhances our prosperity and raises the standard of living for all • To deliver sound economic policies to help smooth the impact of changes in the global economy that affect Jersey. • To provide well paid job opportunities for all Islanders through full employment • To keep tax rates (personal and business) low and generate sufficient tax revenues to fund high quality and essential public services and infrastructure • To mitigate the impact of ageing society and allows us to meet future economic challenges • To sustain our finance that is crucial to our economic prosperity – there is a need to maintain and enhance our standard of living and avoid discriminatory action affecting the Island • The threat of world recession will require significant investment in industry development, plus defence against political attack, to maintain prosperity • Diversification into new high value sectors creates the potential for broader-based economic growth and reduces exposure economic shocks that may have a disproportionate impact on one sector
--------------------------	--

High quality education and skills

By developing the skills that the local economy requires, we not only provide opportunities and employment for local people and enable them to fulfil their potential, we also provide a future for our young people and the foundations for future economic growth.

<p>Short description</p>	<ul style="list-style-type: none"> • Maintain academic success, but ensure equally good vocational support for young people to help them achieve their potential • Ensure high levels of literacy and numeracy • Increase support for non-academic pupils • Invest in skills (vocational training); facilitate development of new and existing industries by: <ul style="list-style-type: none"> ○ Ensuring everyone has the opportunity to fulfil their full potential and enable them to access local employment. ○ Providing suitable jobs for local people <ul style="list-style-type: none"> ○ Making more efficient use of the Island's human resources
<p>Why must we do it</p>	<ul style="list-style-type: none"> • To have a self-supporting, inclusive society with the right skills to support the Island's economy by: <ul style="list-style-type: none"> ○ Helping individuals to realise their full potential. ○ Providing access to local job opportunities ○ Effective use of the local labour force • Equip everyone for the workplace • To ensure no-one feels excluded from educational opportunities • Create the conditions for economic growth

Protect and enhance our natural and built environment

We need to develop plans to consider the long-term sustainability of the Island's natural resources, safeguard the rural environment, avoid piecemeal development and include an active programme of regeneration and development of St Helier – including the Waterfront and Port area - as a quality living and working environment. There will also be a need to consider our global responsibilities and the need to investigate an affordable and sustainable energy supply to meet the changing world energy challenges for the next 50 years with new supply options, security of supply and greater efficiency of use.

<p>Short description</p>	<ul style="list-style-type: none"> • Implement a range of measures to reduce waste, energy use, pollution and traffic • A sustainable internal transport & communications infrastructure that supports economic and social prosperity • Improve bus service and persuade people out of cars • Through Island Plan/planning process, ensure that the Island's natural beauty & environment is protected, whilst making inventive use of urban areas to cater for future business/housing needs and increasing the quality of built design. • Long term solutions for sustainable housing provision and protection of the environment • Secure an affordable and sustainable energy supply to meet the changing world energy challenges and underpin economic and social prosperity, including assessing whether the Island's natural resources could be a future sustainable source of energy
<p>Why must we do it</p>	<ul style="list-style-type: none"> • Protect environment, countryside, agricultural land and coastal areas for future generations • Balance a sustainable environment for the future with economic prosperity • A regenerated, vibrant St Helier and Waterfront • Provide adequate land for affordable housing to meet demand for all ages, including lifelong homes • Improve the planning process and architecture • Secure energy supplies in the long term. • Make best use of natural resources – become more efficient and reduce current consumption of energy. • Reduce CO₂ emissions. • Reduce pollution

Adequately house the population

Develop sufficient housing appropriate to the needs of the population whilst protecting the environment

Short description	<ul style="list-style-type: none"> • Introduce schemes to encourage more home ownership • Identify sufficient appropriate development sites for housing in the Island Plan • Support the development of affordable housing • Continue to upgrade and improve older social housing property to meet modern-day standards
Why must we do it	<ul style="list-style-type: none"> • It is fundamental that Island residents should be housed adequately • Changing demographics will put pressure on certain types of accommodation • We must try to meet the aspirations of Islanders to own their own homes

Maintain and develop the Island's Infrastructure

Create and fund a long term programme of infrastructure works to maintain the Island's basic infrastructure. This will require a fundamental rethink of long term asset management with phased investment/divestment plans for States-owned property and infrastructure (to include States-owned utilities).

This may require taking a more commercial approach to the delivery, development and funding of our key infrastructure assets.

Short description	<ul style="list-style-type: none"> • Develop funding mechanisms to address backlog of maintenance in roads, sewers, States property, social rented housing, Harbours and Airport etc. • Develop and implement phased investment/divestment plans to ensure the States property and infrastructure is maintained in a sustainable condition • Investigate alternate funding and delivery mechanisms for key infrastructure services, such as liquid waste • Invest in improved solid and liquid waste strategy • Review States-owned utilities
Why must we do it	<ul style="list-style-type: none"> • To have a portfolio of public assets that is well maintained and sustainable for future generations. • Need to drive efficiencies in the use of public assets, in particular the property portfolio • Reduce long-term costs; less disruption to services and the public; reduction in infrastructure maintenance costs; improve delivery of services to the community

Government Reform

The continued need for electoral reform is a matter of significant public concern. This is properly a matter for the Privileges and procedures Committee to address, however the Council of Ministers believe that progressing this important topic should be included as a priority in the Strategic Plan. Public confidence in government needs to be restored if we are to succeed in managing the difficult choices that may be required over the next few years.

Short description	<ul style="list-style-type: none"> • Privileges and Procedures Committee to progress the implementation of the recommendations for electoral reform • Review of non-elected States Members
Why must we do it	<ul style="list-style-type: none"> • Improve the democratic process • To engage the electorate in the political process • Improve/increase voter turnout

Supporting people to help themselves

People who live independent lives tend to flourish when opportunities and incentives are given to them and our policies should allow people to manage their own lives. Our aim is that people should be the "authors of their own lives" and gain social justice through independence.

Short description	<ul style="list-style-type: none"> • Systems in place to facilitate people helping themselves • Government service provide a 'safety net' • Community involvement and voluntary service involvement • People accepting that government cannot provide or do everything • People accepting that with rights come responsibilities
Why must we do it	<ul style="list-style-type: none"> • The economy and the approach by government should facilitate people being able to provide for themselves. • People should take responsibility for their own lives and wellbeing • Government's role should be to facilitate and encourage people rather than make them dependent – give people a hand up not a hand out. • We have lost much of the community spirit and personal responsibility of previous generations • There is often an expectation that 'the States will provide'

Resources

A strategic plan must consider the resources that are likely to be available over its life. The following section identifies the overall resource framework within which the plan will be delivered and assesses the implications of this on what can be achieved.

Background

Economic Outlook

The International Monetary Fund (IMF) highlighted at the end of January that they “expect the global economy to come to a virtual halt” this year and to experience the worst economic performance since the Second World War. The IMF expect a bounce back in global growth in 2010 but below the levels seen in 2008 and preceding years. They have also emphasised that the uncertainty surrounding this outlook is ‘unusually large’.

In Jersey, our economy is dependent on the demand in other countries for the goods and services we produce, so the outlook for the Island economy is similarly uncertain this year. Given the tendency for the Jersey economy to lag behind developments in the global economy there is also a risk of the downturn lasting into 2010.

New research undertaken by the Economics Unit has tried to examine the relationship between Jersey’s overall economic performance in terms of GVA – both in the finance and non-finance sectors – and a range of economic variables from inside and outside the Island. This allows, for the first time, estimation of broad economic forecasts a year ahead. The output from this work, given the limited amount of data available in Jersey and the unusually uncertain global economic outlook, is surrounded by uncertainty.

These new forecasts have been complemented with significant analysis by the Economic Development Department, who have used their contacts with local firms to assess current business conditions. This ensures that the forecasts are not out of tune with the latest experiences of local businesses.

Recognising the significant uncertainty around such forecasts, the preliminary results show that the economy slowed significantly in 2008 (although was still likely to have recorded some positive growth overall) and there is likely to be a significant fall in real GVA in 2009 which will be prolonged into 2010. The preliminary estimates for the range of trends in real GVA in 2009 are -2 to -6% and in 2010 are 0% to -4%. Under such circumstances interest rates could well fall further and remain low next year. It would also be sensible to build in a weaker housing market performance.

While the precise outlook for 2009 and 2010 is still unclear, these new forecasts justify reassessing existing financial forecasts to take into account a significant deterioration in our economic performance. The uncertainty surrounding the forecasts suggests that it would be prudent to use a wide range of variations in GVA to cover a range of possible outcomes.

Potential Impact on Financial Forecast

The Budget 2009 forecast showed a surplus in 2009 followed by small but manageable deficits. Initial work has been done to estimate whether the remaining consolidated fund balance and then the Stabilisation Fund could absorb the probable

range of costs of the automatic stabilisers which are likely to result from an economic downturn.

The initial work across departments indicates that the most significant impact of falls in GVA, employment and interest rates will be on States revenues rather than expenditure.

On the basis of a two-year downturn in 2009 and 2010 income tax revenues are likely to reduce as company profits, earnings and investment income fall. Similarly, the States own investment income will suffer from the historically low interest rates and the downturn in the property market will cause stamp duty revenue to fall significantly.

The extent and possible duration of the downturn is currently the subject of more detailed analysis to identify the main implications. The outcome of this will be available in the near future.

Key Resource Principles

Having considered the above, the Council of Ministers has agreed the following key principles which will underpin the allocation of resources over the lifetime of this Plan.

- Be realistic
- Identify and implement all possible savings and efficiencies
- There will be no additional spend unless matched by savings or income
- The Stabilisation Fund will only be used during an economic downturn and as advised by the Fiscal Policy Panel to:
 - fund the effects of reductions in States revenues or increased demand for social benefits ('automatic stabilisers')
 - help stimulate the economy.

Key areas of long term investment:

Five areas of investment have been identified as important long term issues against which planning activity will need to be undertaken in the period leading up to 2012. These fall into the categories of ongoing maintenance, infrastructure and essential services, for which long term planning will need to begin as soon as possible. In view of the significant costs involved in paying for these essential areas, it is likely that new sources of funding will need to be identified and alternate ways of delivering services will need to be explored.

Address Ageing Population

There needs to be sufficient funding identified to meet future pensions and the cost of residential care for an ageing population. Looking to the future, a key issue will be to maintain a sufficient working age population.

Implement New Directions to Improve health of population

A major programme of investment designed to integrate primary and secondary healthcare with a focus on reducing the continuing levels of chronic illness and promoting healthier lifestyles.

Liquid waste strategy

A funding mechanism is required to generate circa £150 million to £200 million over the next 20 years to rebuild or refurbish the ageing infrastructure for liquid waste disposal.

Solid waste strategy

A new site and funding for the disposal of inert waste needs to be identified in the near future.

Property

Funding for the backlog of maintenance on States-owned property will need to be addressed and will require an aggressive approach to rationalisation and disposal over the period of this Plan. This, coupled with a new strategy for all States office accommodation will identify savings and maximise the efficient use of office space.

Delivering savings

In the face of the economic outlook as described above, substantial savings will be needed across the public sector if services are to be maintained.

To deliver such savings will require in depth reviews of all services provided by the public sector to determine whether they are working at optimal efficiency and if not, what needs to be done to make the necessary service improvements. It is unlikely that efficiencies alone will deliver savings required. Departments will also have to consider whether the services they provide to the community should continue in their current form, be reduced, stopped or transferred to the private sector.

A plan to deliver savings will need to address the following:

- Service efficiencies throughout all States departments.
- Re-structuring of some high cost services provided to the island through new working arrangements with current or new service providers.
- Identify services that might be better placed in the private sector.
- Review levels of service and determine which services should be reduced or stopped, based on whether the service is deemed core or desirable.
- Full review of Terms and Conditions of employment and pay levels within the public sector.

Achieving such a plan will require commitment and the resolve to see through difficult decisions such as termination of services, reduction in staffing levels, reprioritisation of services and transferring services and staff to the private sector. The public service relies heavily on the quality and commitment of its workforce. As a good employer, we are committed to employment opportunities and the wellbeing of our staff. Public sector reform and the achievement of efficiencies will require some difficult choices to be made. We are committed to working together with our staff to achieve our aims.

Dealing with resources in the early years

The above clearly identifies the resource challenges within which the new States Strategic Plan will need to be developed. This serves to illustrate why the short term emphasis on the plan will need to include supporting the Island through the economic downturn and delivering savings through the reform of the Public Sector.

Appendix A

Demographics, the ageing society and the effects on the population

Demographics, the Ageing Society and the Effects on the Population

Executive Summary

There can be few people who are unaware of the population changes around the world that are caused by changes in birth rates, death rates and the movement of people between countries. Unfortunately, as far as the western world is concerned, what is essentially a good news story, the fact that people are living longer, has been shrouded in negativity because of the difficult challenges it presents. In Jersey demographic changes are clearly centred on the challenges and opportunities presented by an ageing population in a small island with limited resources and space.

Change in the structure of the population is not a short term issue. It is a gradual long term change and for Jersey a key issue for many years to come will be how the structure of the population is managed to ensure that, as society ages, the people of Jersey continue to enjoy a good and sustainable lifestyle. The Strategic Plan that is currently being developed cannot simply look at just the next three years isolated from long term issues. It must look to the future and set a direction to safeguard and improve the life of the Island for the next three decades and beyond. If Jersey is to maintain a good standard of living, health and wellbeing, to continue to be a beautiful Island to live in and to provide jobs for its children, both the people of Jersey and its government must ensure that the population is capable of sustaining this delicate balance.

The States of Jersey has already approved a process and structure for monitoring population change and managing migration. This is being implemented by the new Registration and Migration Laws which are currently being developed along with the underlying administrative processes. However, these Laws and processes cannot function without an overall direction, framework or context in which to operate.

This paper considers the demographic changes and the effect on the population that will be facing the Island and sets out the Council of Ministers initial views about the levels of migration and how they should be reviewed to maintain a dynamic balance between the size and structure of the population and the environmental, economic and social issues which flow from it. The ability to review and adjust this balance, particularly in terms of migration is essential. It is likely that in the initial years of this strategy, as the global recession bites, that the overall population in Jersey will fall, but as the Island returns to growth there has to be a mechanism within a framework to govern potential population increases.

Jersey's population is ageing and this is inevitable and cannot be changed. To achieve the necessary balance between environmental, economic and social policies and a sustainable population requires a range of initiatives. This is not planning for growth. This is planning to meet the challenge, and indeed the opportunities that living longer presents to the Island. A measured series of initiatives that make up this overall strategy include:

- Maintaining a working age population sufficient to help a strong economy, capable of funding future service requirements by increasing participation from groups traditionally less active in the labour market notably by
 - Supporting people to return or enter work, including an emphasis on skills and health,
 - Increasing pension age by say 3 to 4 years by 2035, supported by policies to keep people working longer, and

- Allowing a moderate amount of net inward migration per annum.
- Increasing the economic value generated by the working population by
 - 1% productivity growth per annum supported by skills initiatives and business development activities, and
 - Shifting the balance of workers towards the higher value sectors by, say 2,000 to 3,000 workers by 2035.
- Islanders paying more in taxes or contributions in the long term.

The Council of Ministers believes that limited and managed inward migration of up to an average (based on a rolling 5 year period) of 200 heads of household per annum should be allowed. Based on the average size of households this could equate to 430 people a year.

The demographic effects of allowing net inward migration of 200 head of households a year does not cause a dramatic increase in the total population over the period to 2035. In fact any gradual increase tapers off and plateaus by 2035. However the working age population still continues to decline but not as much as that seen in the net nil migration scenario. There is a resultant improvement in the dependency ratio compared to the net nil scenario, from 1.3 workers per dependent to 1.5 workers per dependent by 2035.

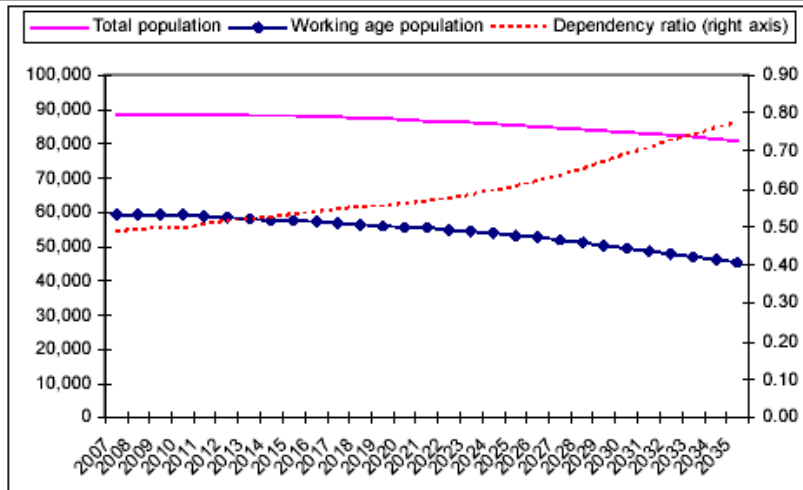
This paper addresses the migration and demographic issues. However the combination of all the factors suggests that not only is a moderate amount of inward migration desirable it is also a necessity as part of a range of initiatives that maintain a policy balance.

It cannot be stressed strongly enough that a population or inward migration figure should not be seen as the only and absolute strategy. Migration is only a part of an integrated strategy to handle the challenge of an ageing society and deliver the quality of life that Islanders desire in environmental, social and economic terms.

Net Nil Migration

The expression "net inward migration" may appear clumsy but it has an important meaning, rather than the more common word immigration. Migration is a flow of people both ways; into a place and out of a place. "Net inward migration" means that the flow of people in exceeds the flow of people out. Where the flow of people entering is matched by the flow of people leaving it is known as "net nil migration."

With net nil migration the population in Jersey would actually decline to a figure of 80,000 by 2035 and 60,000 by 2065. The following graph shows this effect, and also maps the dependency ratio which increases from around 0.5 (2 workers per dependent) to about 0.78 (1.3 workers per dependent).



Net nil migration leads to a decline in the size of the working age population that could not be countered to achieve the resources to maintain let alone improve the standard of living. In fact with a declining labour market businesses and people, including local people, would leave Jersey leading to a sharper decline in the labour market.

It is a simple fact that in a net nil migration scenario in Jersey, the total population declines, but the working age population declines more severely. The proportion of the elderly in the population is drastically increased and those people working would not be able to support them, or the quality of life that the Island currently enjoys. There would not be enough money to support government services such as health, the State pension could not be funded, and children leaving education would have great difficulty finding employment in Jersey. It has been estimated that just to meet the known issues in an ageing population Jersey would need to find a further £140 million a year by 2035.

Demographics

The study of population statistics was relatively simple many years ago when the make up of the population was driven mainly by the number of births and deaths. In very simple terms, if mothers on average had 2.2 births the population would remain roughly the same size and be stable generation on generation. More recently the average number of births per mother has fallen, so the population is not being "replaced".

In more modern times, birth rates have fallen as have death rates such that the average age of the population is increasing as people effectively live longer; there are more elderly people now. Births outnumber deaths so there is a natural increase in the population that can vary in time and was significant just after the Second World War. Jersey was not immune from this "baby boom" and saw a rapid growth in the size of the population in the early sixties when the number of births was far larger than the number of deaths. Jersey also saw a rapid growth in the population in the 1980's which was due to "net inward migration".

There are several points to bear in mind when looking at demographic information particularly when considering a small "insular" population such as Jersey. The size of the population is important but perhaps of equal importance is the proportions of specific age groups within that population. Normally these groups are designated as children, those of working age and those over working age. The importance of these classifications is that only one, the working age population, is the engine that generates the resources

upon which the other two groups are dependent. Births, deaths and the characteristics of those people migrating in and out of the Island can influence these proportions.

Statisticians and actuaries monitor changes in these population proportions by referring to "dependency ratios". These give an indication of the number of people above and below working age as a proportion of the working age population. Actuaries are also keen to use the "worker: pensioner ratio" which describes the average number of workers needed to support each person over pension age.

Demographics in Jersey

Imagine Jersey 2035 looked at the demographic trends that Jersey faces to the year 2035. There are three key demographic trends which will remain consistent regardless of any updates to the population model

- The number of people over age 65 will increase dramatically (by 75%)
- The number of people of working age will decrease (by 25%)
- The number of school age children will decrease (by 27%)

As the number of people in the working age population decreases whilst the number of dependent people increases, the relativities between these proportions widens which means that disproportionately fewer workers are available to support pensioners and children.

Since the 1950's the Government Actuary has been monitoring the Island's population and from 1974 this has been done as a statutory requirement under the Social Security Law in the triennial review of the financial status of the Social Security Fund. His analysis uses the net nil migration scenarios as a control or comparison and therefore allows different assumptions to be mapped against this control. In 2003 the Actuary looked at the scenario of net inward migration of 200 a year from 2003 based on the 2001 Census (which was released in 2002) with the following effect on the worker: pensioner ratio

Table showing effect of migration on the worker: pensioner ratio

	2008	2033	2063
Nil net migration	4.4	1.9	1.9
200 inward migration	4.4	2.1	2.3

Whilst the actual population numbers may differ from the population model, the worker: pensioner ratios will be fairly consistent and show the rather limited impact of migration on the relativities between the numbers of pensioners and workers.

If the only strategy to meet the ageing population challenge were unfettered inward migration, several thousand a year would need to come to live and work in Jersey. The impact of 200 people a year coming to live and work in Jersey does improve the worker: pensioner ratio in the short and long term compared to the net nil migration scenario, but on its own would not address the implications of the ageing of society.

Actuaries are, by their professional nature, very cautious. In projections nearly 60 years in the future, they are extremely guarded and point to the fact that when this work was done in 2003, people reaching pension age in 2063 may not have started primary school. On the other hand, projections to 2033 have a greater degree of certainty as the people reaching pension age in 2033, were in their mid to late thirties in 2003 and well into their working lives.

Changes in the composition of the population of Jersey are already happening and cannot be stopped. Regardless of inward migration, the population is ageing and

would age on average more quickly if there was no inward migration. On the other hand, inward migration is in itself not the solution to the challenges of ageing.

The Working Age Population

In Jersey (JASS and other surveys) the working age population is deemed to be men over school leaving age and under 65 (16-65) and women over school leaving age and under 60 (16-60). The difference in definitions around genders is due to different pension ages which are slowly being equalised, such that by about 2019 pension age in Jersey will be a standard 65 for men and women. Labour participation rates also use these age definitions and with participation rates, perhaps the highest anywhere, of an estimated 85% in 2008 (JASS), Jersey has a very active working age population which is very productive because of the high value sectors such as financial services.

If part of the strategy is to increase the work force from within Jersey, thereby limiting inward migration then with an 85% participation rate, there are about 10,000 people of working age to target. This number will include students, people with long term sickness or disability, some parents or simply people who do not wish to work and may have other means of support. There is no pool of unemployed which might provide the means to increase participation rates still further.

The number of people of working age can be increased by increasing the pension age. For the sake of argument, increasing the pension age to 68 would effectively increase the working age population by 3-4000 people. This cohort of people would increase the target group quite substantially who should be encouraged through a range of policies and initiatives to enable them to work longer.

The effective target group of non-working residents in the working population can be increased by 30 to 40% by changing pension ages. Increasing the working age population by increasing the pension age by 2 to 3 years and, if possible, maintaining the participation rate at 85% would add over 2,000 people to the work force.

The figure 2000 appears in the report Keeping Jersey Special as one of the impacts of the policies that might be pursued by increasing participation within a greater pool of resident workers (increasing pension age, non worker initiatives etc).

Keeping Jersey Special- the balance

The Council of Ministers published a report in July 2008, entitled "Keeping Jersey Special" which sought to demonstrate that Jersey could only protect its quality of life if it balanced social, environmental and economic issues whilst maintaining a strong international status and identity. The conclusion drawn was that both the financial and the policy balance were achievable and compatible with the comments and steer from the Imagine Jersey consultation.

Jersey's population is ageing and this is inevitable and cannot be changed. To achieve the necessary balance between environmental, economic and social policies and a sustainable population requires a range of initiatives. This is not planning for growth. This is planning to meet the challenge, and indeed the opportunities that living longer presents to the Island. A measured series of initiatives that make up this overall strategy include:

- Maintaining a working age population sufficient to help a strong economy, capable of funding future service requirements by increasing participation from groups traditionally less active in the labour market notably by

- Supporting people to return or enter work, including an emphasis on skills and health,
- Increasing pension age by say 3 to 4 years by 2035, supported by policies to keep people working longer, and
- Allowing a moderate amount of net inward migration per annum.
- Increasing the economic value generated by the working population by
 - 1% productivity growth per annum supported by skills initiatives and business development activities, and
 - Shifting the balance of workers towards the higher value sectors by, say 2,000 to 3,000 workers by 2035.
- Islanders paying more in taxes or contributions.

This paper addresses the migration and demographic issues. However the combination of all the factors suggests that not only is a moderate amount of inward migration desirable it is also a necessity as part of a range of initiatives that maintain a policy balance.

It cannot be stressed strongly enough that a population or inward migration figure should not be seen as the only and absolute strategy. Migration is only a part of an integrated strategy to handle the challenge of an ageing society and deliver the quality of life that Islanders desire in environmental, social and economic terms.

Increased productivity is another important part of the solution and a level of increasing productivity has been factored into the strategy, which along with all the other initiatives come together to provide an overall strategy to meet the challenge.

In terms of social issues, the increased cost of ageing in health provision and the changes in pension provision and working longer, were calculated by Oxera and formed part of the financial balancing exercise. The other big social issue was the provision of housing in Jersey under different migration scenarios. In reality the issue was more about the environment with a passionate steer from the public that future demand for houses should not lead to building in the countryside.

The question that flows from the arguments on the levels of population and working population is simple. What is a reasonable level of inward migration to achieve an overall balance? It would be wrong to pick a figure that purely fits one policy area and disregards the rest. Choosing a figure that maintains the countryside without achieving the financial, social or economic balance is just as wrong as picking a figure that means building on green field sites.

The number of units of accommodation needed to house the population is determined by the number of households. In looking at housing need, and therefore migration it should be remembered that the following numbers relate to the number of heads of households not simply people. Table 1 (attached), which is taken from the Island Plan shows quite clearly that inward migration above 250 head of households would lead to predicted housing demand exceeding predicted supply unless building in the countryside was permitted. The principle behind the table is the limit placed by the desire to preserve Jersey's countryside. The figure of 250 heads of households can also be accommodated in other environmental areas such as energy, water and waste but does not mean that passive measures can be adopted around environmental issues. Policies outlined in Keeping Jersey Special-a vision for a greener Island will have to be pursued.

It is also important to recognise that population changes are gradual and not prone to rapid change. The migration policy also needs to be similarly “drip fed” and regularly monitored.

Would a figure of a 250 net inward migration achieve the balance financially and economically? Table 2 (attached) shows the financial balance that can be achieved by adopting net inward migration levels of 150 to 250 a year along with the financial impact of other economic and social policies. The total financial deficit by 2035 was estimated to be £140 million.

Estimates suggest that an inward migration level of between 150 and 250 head of households, coupled with other initiatives on productivity, pension and participation can indeed meet the financial burden of the ageing population in 2035. This level of inward migration year on year is also sustainable in terms of the environment, housing need and meets the balance that the Island needs.

An inward migration level of 150 -250 heads of households a year is not only sustainable but will allow the overall strategy to meet the challenge of an ageing population to balance social, economic and environmental policies whilst meeting the estimated cost associated with ageing

At recent meetings of States’ Members, the need for an agreed target figure for net inward migration has been discussed and this paper presents the Council of Ministers initial opinion. To avoid any confusion, the inward figures in this paper refer to heads of households which means that the estimated number of people will actually be higher. For example, 200 heads of households equates to 430 people.

A framework for managing and reviewing migration

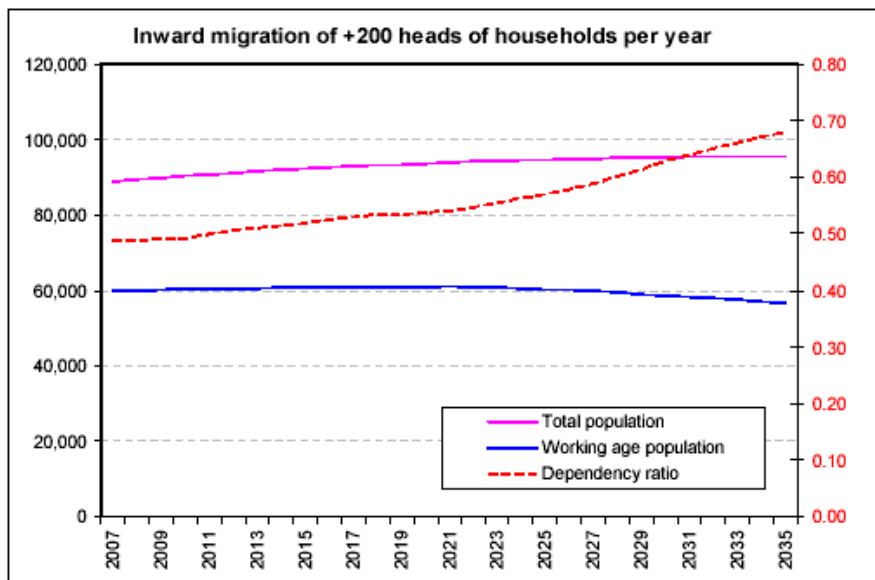
Looking at the fiscal impact of the different policies (Table 2), it is clear that some may be more certain, or at risk than others. For example savings made by increasing pension ages are more certain than participation increases from the non-working work force which may be more difficult to realise. A greater fiscal impact can be made with higher levels of migration but remembering the balance of policies, it would be prudent to consider a level of net inward migration that is in balance, provides a degree of flexibility throughout the economic cycle and is sustainable as the target figure. The Council of Ministers is suggesting a figure of up to 200 heads of households as the target figure. Using this figure also allows a margin of flexibility or contingency which would be wise to incorporate into the strategy bearing in mind that the ageing population might not be the only major challenge facing Jersey in the next 25 to 30 years. Should such a challenge materialise in say 10 to 15 years time, the clock cannot be turned back to increase or decrease the migration target.

Population management cannot be an exact science. It would be impossible to be precise about the number of heads of households flowing in and out of Jersey on an annual basis. The target migration figure of up to 200 should be assessed as an average figure over a five year rolling period, remembering that excessive swings around this figure should be avoided. However although annual numbers may not be precise, the monitoring and review of the figures needs to have both a robust mechanism and a formal timetable.

The Statistics Unit currently update population figures annually by measuring changes in the numbers of births and deaths (supplied by the Superintendent Registrar), changes in the labour force (through the annual Labour Market Survey) and changes in the number of school age and pre-school age children (supplied by the Education, Sport and Culture Department). This annual update will continue and will be better informed with figures from the Population Office emanating from the new Registration process when it is

implemented. With these estimates forming the basis of the rolling 5 year average, they will be reviewed formally every three years as part of the Strategic Planning process by a new Council of Ministers. The population and migration figures will also be recalibrated or rebased on the Census which is undertaken every 10 years.

The framework for net inward migration should be up to 200 heads of households a year, averaged over a rolling period of say 5 years. It would also provide the flexibility needed to meet the additional challenges that the island may face but have yet to be identified. However such a figure should be kept under regular review with a full assessment in the Strategic Plan every 3 years and rebased every 10 years through the Census. This would allow any necessary changes to be made gradually without major swings either inward or outward which could themselves be detrimental.



Compared to the graph for net nil migration, the graph above of 200 inward migration clearly shows that even with limited inward migration the working age population still declines, but not as much. The total population shows an initial slight growth that tapers off towards 2035. The dependency ratio shows some improvement on the net nil migration figure.

Conclusion of the Council of Ministers

The framework for net inward migration of an average up to 200 heads of households a year would appear to support a sustainable population provided it is accompanied by other measures including increasing the pension age, increasing labour participation, continued growth in economic productivity and the acceptance that all Islanders will have to contribute more to fund the services required by an ageing society.

- Changes in Jersey's population are inevitable;
- Jersey's local labour force will not be able to generate all the resources necessary to meet the ageing population;
- A figure of up to 200 heads of household net inward migration a year is sustainable and will with the other policy measures meet the cost of an ageing society;

Council of Ministers – Strategic Plan Aims and Priorities

- The figure of up to 200 net inward migration a year can be accommodated within existing environmental, economic and social policies;
- The figure of up to 200 net inward migration a year gives a prudent margin of flexibility and contingency which may be needed;
- The migration figure will be calculated annually as a 5 year rolling average, the target reassessed politically every three years as part of the Strategic Plan and re-based every 10 years through the Census.

This paper describes the initial views of the Council of Ministers and the figure for net inward migration that it has discussed and agreed. The Council of Ministers would welcome any comments on these initial views.

Table 1: Housing demand/supply and inward migration

	Population Scenarios 2007-2035				
	Nil Net Migration	Inward Migration +150 Heads H/H per Annum	Inward Migration +250 Heads H/H per Annum	Inward Migration +325 Heads H/H per Annum	Inward Migration +650 Heads H/H per Annum
Estimated Demand					
<i>Household Projection</i>	+400	-4,500	-7,800	-10,300	-21,000
<i>2007 Housing Needs Survey</i>	-1,000	-1,000	-1,000	-1,000	-1,000
<i>Adjusted Demand</i>	-600	-5,500	-8,800	-11,300	-22,000
Estimated Supply					
<i>Existing and likely sites for Category A Housing</i>	200	200	200	200	200
<i>Lifelong Homes Proposition</i>	300	300	300	300	300
<i>Town Capacity Opportunities</i>	2,000	2,000	2,000	2,000	2,000
<i>West of Albert Opportunities</i>	1000	1000	1000	1000	1000
<i>Windfall developments from the built-up area -outside town</i>	4000	4000	4000	4000	4000
<i>Brown field sites</i>	1000	1000	1000	1000	1000
<i>Move the Port</i>	800	800	800	800	800
<i>less outworn sites</i>	-300	-300	-300	-300	-300
<i>Adjusted Supply</i>	9,000	9,000	9,000	9,000	9,000
TOTAL (Supply less demand)	8,400	3,500	200	-2,300	-13,000

Source: The Island Plan : Planning and Environment/Statistics Unit

Table 2: The impact of the different policies

Measure	Fiscal Impact p.a. by 2035
1% p.a. productivity growth (at +150-250 levels of inward migration)	£40-70m
Shift 2-3,000 into high value (finance or equivalent)	£20-30m
Increased participation: 2,000-3,000 people (part-time and full time)*	£10-15m
States pension age increases by 3-4 years	£30-40m
Islanders pay more in taxes/contributions	£20-30m
Inward migration of +150-250 heads of household	£10-20m
Total	£130m – 205m

Appendix B

Economic Stimulus and the use of the Stabilisation Fund

Economic stimulus and the use of the stabilisation fund

Use of the Stabilisation Fund must only be considered on the basis of a sound and objective assessment of the economic outlook and following advice from the FPP. If economic conditions merit using the Stabilisation Fund the scope to implement discretionary policy (i.e. new initiatives) will be determined partly by the expected impact of the automatic stabilisers (i.e. how tax and spending adjusts automatically with the slowdown in the economy). It will also be important to consider how long and deep the downturn is expected to be.

In the event that stabilisation policy is required the combination of both the automatic stabilisers and new initiatives will work together to provide economic stimulus by adding to demand in the economy. The scale and nature of the overall economic stimulus will depend on a number of factors and is also something on which the advice of the FPP should be sought.

Work is already underway to determine what new initiatives might be appropriate if there is need to take such action. The FPP have advised that in the face of a significant economic slowdown the automatic stabilisers should be allowed to work first and that discretionary fiscal policy should then follow if required. The FPP have recommended that when considering uses of the Stabilisation Fund it is important to bear in mind the 3Ts. That is policy should be:

- **timely** (i.e. must take effect at the time of the economic downturn)
- **targeted** (i.e. must be targeted on those individuals and businesses that will deliver the biggest 'bang for the buck')
- **temporary** (i.e. must only have an impact in the short-term).

The IMF has also commented that *"in the current circumstances, spending increases, and targeted tax cuts and transfers, are likely to have the highest multipliers. General tax cuts or subsidies, either for consumers or for firms, are likely to have lower multipliers"*.

The work underway will draw up a list of potential policies that could be implemented in Jersey if conditions require and resources allow. A number of different alternatives will be explored so that there is a range of suitable policies from which actions could be drawn. The work will identify:

- i. What we can do to support the people most affected e.g. those on low incomes or facing mortgage arrears/repossession.
- ii. New programmes of maintenance/infrastructure spending.
- iii. New policies to help retrain those made unemployed and improve the skills base.
- iv. Options for business support including small business advisors, extending the Small Firms Loan Guarantee Scheme and additional marketing support for finance and tourism.
- v. Non-fiscal measures to help make the States more responsive in areas such as Planning, RUDL and other regulatory regimes.

Appendix C

Progress from the last States Strategic Plan

Progress from the last States Strategic Plan

A key element of developing the updated Strategic Plan is a review and update of the previous Plan. Policies agreed as part of the Plan will continue to be implemented and unless a change in direction has been proposed, policies not completed during the previous plan period will flow through into the updated Plan.

The following summarises the status of key policy areas and major incomplete initiatives from the last Strategic Plan. As many of the policies identified are long-term and are at different stages of completion their status has been assessed using coloured indicators showing the current position as follows:

Green	Completed and now part of Business As Usual
Amber	Substantially completed but some issues to flow through to the updated strategic plan
Red	Some progress under the previous Plan but still work to do. Will be brought forward into the updated Strategic Plan as a priority

Policy areas from the previous Strategic Plan		Comments
Fiscal Strategy – implement	Green	
Economic Growth Plan – update and implement	Green	
Income Support – implement	Green	Income Support is implemented, but will be subject to review
Migration Policy – implement	Amber	The Migration Policy was agreed by the States and is in the process of being implemented. Population will be a key issues in the new Strategic Plan
14-19 curriculum and higher education development – agree and implement	Green	
Rural Economy Strategy – implement	Green	
Criminal Justice Policy – update and implement	Green	The Policy has been approved by the States in November 2007 and is being implemented.
Solid Waste Strategy	Green	The States have approved the replacement of the incinerator and the contract for the new EFW has been signed. The next phases of the Solid Waste strategy will be brought forward in the new Strategic Plan.
Integrated Travel and Transport Plan – agree and implement	Amber	The report was presented to Council of Ministers, but deferred pending further discussions with the new Minister and Council of Ministers.
Cultural Strategy – implement	Amber	The Strategy has been approved by the States subject

Council of Ministers – Strategic Plan Aims and Priorities

		to funding being made available. Those items that do not require additional funding are being implemented
States modernisation programme "Better, simpler, cheaper"	Amber	Significant efficiency savings have already been made, along with the reorganisation of some services. This will continue to be a key issue in the updated Plan
"The State of Jersey – a report on the condition of Jersey's environment (January 2005)" – implement the 5 Environmental Priorities in the Executive Summary	Amber	Environmental issues are included as a priority in the updated Plan
Biodiversity Strategy for Jersey	Green	
"Jersey into the Millennium – A Sustainable Future" – update, agree and implement	Green	
Balance the States income and expenditure within the financial constraints/ cash limits agreed in the Annual Business Plan	Green	
Update the Island Plan with a new emphasis on forward planning, including: <ul style="list-style-type: none"> ▪ Regeneration of St Helier and its Waterfront ▪ Planning for the next generation of inert waste sites ▪ Delivering the new Town Park 	Amber	This is largely complete and will be brought forward to the States for debate as part of the updated Plan
Develop an integrated Social inclusion strategy to include: <ul style="list-style-type: none"> ▪ Early years childcare ▪ Access to high quality affordable Housing ▪ Anti-discrimination policies ▪ Policies to address social inequity 	Amber	The funding of early years childcare has been approved by the States. Housing and social inequity are priorities in the updated Plan.
Develop and implement a Health and Social Care Strategy	Amber	The Policy is developed and will be brought forward for the States to debate as a priority in the updated Plan.
Plan for demographic change, including: <ul style="list-style-type: none"> ▪ Integrated Strategy for an Ageing Society ▪ Security and sustainability of pensions – both public and private 	Red	Dealing with ageing population issues will be a priority in the new Plan
Maintain and improve infrastructure, including: <ul style="list-style-type: none"> ▪ The road network ▪ Public transport ▪ Main drains and sewers ▪ Public housing stock and buildings 	Red	Work has commenced. Infrastructure issues will continue to be a priority in the updated Plan.
Secure air and sea transport links	Amber	Much has been done under and will continue as business as usual.

Council of Ministers – Strategic Plan Aims and Priorities

Develop and implement an Energy Strategy that addresses: <ul style="list-style-type: none"> ▪ Economic efficiency ▪ Social equity ▪ Security of supply ▪ Environmental impacts 	Amber	The Energy Policy will be brought forward for debate by the States. Energy issues are included as a priority in the updated Plan.
Pursue improved protection for Jersey in respect of the various nuclear activities being carried out on the Cotentin peninsular	Green	
Strengthen Jersey's international personality and review our constitutional relationship	Green	
Balance the States income and expenditure, to include <ul style="list-style-type: none"> ▪ Staying within agreed financial constraints/limits; ▪ Further improve the delivery and efficiency of public services. 	Green	Agreed efficiency savings have been developed. Focus on Public Sector efficiency will be a key priority in the updated Plan.
Assist the Privileges and Procedures Committee in reviewing the composition of the States & electoral reform	Green	This was completed but some issues remain outstanding. Government Reform is included as a priority in the updated Plan.
Major Initiatives not yet dealt with		
Introduce new information and disclosure powers with draft Law approved by the States Assembly by December 2006	Red	This will depend on the approval of any Freedom of Information Law.
Develop a new strategy for sport in 2006 for the period 2007 – 2011 (ESC)	Red	
Agree a plan by the end 2006 to secure the future of sports and leisure facilities currently provided at Fort Regent (ESC)	Red	This will be included in the consideration of the States Property portfolio
By 2007 bring forward a package of environmental tax and spend measures that will replace Vehicle Registration Duty by 2008 and fund key deliverables as outlined in a sustainable travel and transport plan (P&E)	Red	This was deferred due to the implementation of GST. Decision on future taxes will be carried forward to the updated Plan.
In 2007; consult on, then debate and implement, a Contaminated Land Strategy (P&E)	Red	
In 2007; debate and implement an Air Quality Strategy for Jersey, including proposals for monitoring and publishing levels of local air pollution, and targets, policies and timescales for reductions in air pollution levels that reflect best practice globally (HSS)	Red	
Undertake a scoping study for the future of the harbour areas at St. Aubin and Gorey, having regard to their unique character and setting. This will include a technical and financial appraisal for any proposed schemes as well as a conservation plan and an environmental impact assessment covering both land and marine habitats. (P&E/T&R)	Red	