



ANNEX TO THE MEDIUM TERM FINANCIAL PLAN ADDITION for 2017-2019 (as amended following debate at the States sitting 26-30 September 2016)

Council of Ministers

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A.J.H. Maclean	Senator	Treasury and Resources
L.J. Farnham	Senator	Economic Development, Tourism, Sport and Culture
R.G. Bryans	Deputy	Education
S.G. Luce	Deputy	Environment
Sir P.M. Bailhache	Senator	External Relations
A.K.F. Green M.B.E.	Senator	Health and Social Services and Deputy Chief Minister
K.L. Moore	Deputy	Home Affairs
A.E. Pryke	Deputy	Housing
E.J. Noel	Deputy	Infrastructure
S.J. Pinel	Deputy	Social Security
P.F.C. Ozouf	Senator	Assistant Chief Minister
P.F. Routier M.B.E.	Senator	Assistant Chief Minister
J.D. Richardson	Chief Executive	
R.W. Bell	Treasurer of the States	

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Addendum

Addendum – Medium Term Financial Plan Addition for 2017 – 2019

The States considered the Draft Medium Term Financial Plan Addition for 2017 – 2019 (“the draft MTFP Addition”) (P.68/2016) at the 5-day States Sitting commencing 26th September 2016, which included the update to the income forecasts following BREXIT and the Fiscal Policy Panel’s revised economic assumptions (August 2016). The update to the income forecasts is included in the main document of the draft MTFP Addition (as amended following debate).

At the conclusion of the States debate on the draft MTFP Addition on 30th September 2016, the States had considered 11 amendments to the original proposition of the Council of Ministers, with 2 amendments having been withdrawn.

The States approved 3 amendments, and the withdrawal of one of the amendments followed compensating proposals from the Chief Minister.

The changes required as a result of the agreed amendments are outlined in this Addendum. The relevant sections of the report within P.68/2016 and the Annex to the MTFP Addition (P.68/2016 Add.) have also been amended to reflect these agreed changes, and also to include the update to the States’ income forecasts in P.68/2016 Add.(4).

The Addendum will be available on the States Assembly website.

Amendments agreed:

P.68/2016 Amd.(4): the fourth amendment (lodged by Deputy J.A.N. Le Fondré of St. Lawrence) – relating to the Nursery Education Fund (“NEF”) means-testing for all service providers

The fourth amendment was adopted by the States, which agreed that the proposal for NEF means-testing should apply to all providers. This could marginally increase the savings, but may also require an additional member of staff. The Minister for Education will advise the Assembly of the new proposals in due course. The Amendment requires no change to Education Department expenditure limits.

P.68/2016 Amd.(5): paragraph 1 of the fifth amendment (lodged by Deputy J.A.N. Le Fondré of St. Lawrence and amended by the Council of Ministers) – relating to the definition of permissible work on the development of ‘user pays’ charges in relation to domestic liquid waste and domestic solid waste

Paragraph 1 of the amended fifth amendment was adopted by the States, which agreed to withhold consent to the application of resources for work on the development of ‘user pays’ charges in relation to domestic liquid waste and domestic solid waste, any such consent requiring separate authorisation by the Assembly; other than work necessarily connected to the development and implementation of commercial solid and liquid waste charges. The Amendment requires no change to Department for Infrastructure expenditure limits, and final proposals for commercial waste disposal charges will continue to be developed in the first half of 2017.

P.68/2016 Amd.(7): seventh amendment (lodged by Deputy M. Tadier of St. Brelade)

The seventh amendment was adopted by the States, along with proposals from the Chief Minister to commit to provide funding for 2 teachers who would be employed by the Education Department to teach Jèrriais. No net change to total expenditure, but additional funding for the Department to be provided from within the Chief Minister’s Department and Economic Development, Tourism, Sport and Culture Department (“EDTS&C”). It is now clear that the £30,000 transfer between Education and EDTS&C, agreed as part of the seventh amendment, was unnecessary and will be reversed during 2017 by Ministerial Decision.

Other changes:

P.68/2016 Amd.(2): second amendment (lodged by Deputy G.P. Southern of St. Helier) relating to Statistics Unit savings

The second amendment was withdrawn following a proposal from the Chief Minister which would reduce the proposed saving in the Statistics Unit and deliver the remaining savings by efficiencies from the merger with the Health Intelligence Unit. This would enable the Business Tendency Survey and other highlighted studies to continue. The Amendment requires no change to Chief Minister's Department expenditure limits.

P.68/2016 Amd.(9): ninth amendment (lodged by Senator S.C. Ferguson) relating to a review of the tax system

The ninth amendment was rejected. However, during the debate on the amendment, and as part of the Council of Ministers' formal Comments presented to the States, the Chief Minister committed to:

- a review of Jersey's personal income tax system,
- a Tax Gap Analysis, and
- a review of the model used to forecast personal income tax.

Paragraph (c) of P.68/2016 – the proposed Health charge for 2018 and 2019; and P.82/2016 (Draft Health Insurance Fund (Miscellaneous Provisions) (Amendment No. 2) (Jersey) Law 201-) relating to the proposed transfers from the Health Insurance Fund ("HIF") for 2017, 2018 and 2019

The States rejected paragraph (c) of P.68/2016, which sought to introduce an in principle income-based Health charge, with the effect of reducing States estimated income by £7.5 million in 2018 and £15 million in 2019. The Council of Ministers will consider future revenue-raising measures intended to replace the funding mechanism for Health in 2018 and 2019, with these measures to be brought forward in the States' Budget proposals for 2018. These measures are to be developed following the current tax review and subsequent engagement with States Members during the first half of 2017.

The draft MTFP Addition also approved the detailed net expenditure allocations for 2017 – 2019, which are included in the financial forecast update at **Figure 20**. The total States net expenditure limits for 2017 – 2020 are shown in **Figure 25**.

The Health and Social Services Department's net expenditure was dependent upon the approval of transfers from the HIF for 2017, 2018 and 2019. Furthermore, the proposed HIF transfers were dependent on the approval of the Health charge for 2018 and 2019. With the States' rejection of the Health charge, P.82/2016 from the Minister for Social Security has been withdrawn, which means that the Health and Social Services Department's gross expenditure and income are both reduced by £5 million in each of the years 2017 – 2019.

The Council of Ministers is proposing to earmark £5 million to replace the expenditure allocation for 2017 as a first call on 2016 underspends to be carried forward and applied to Health and Social Services. The Council of Ministers will explore sustainable expenditure measures with departments to identify £5 million on a recurring basis ahead of the Budget 2018. Alternatively, proposals for the allocation of Central Growth for 2018 and 2019 would also be considered as part of the Budget 2018, which currently include £9.7 million and £17.5 million of Health growth in 2018 and 2019 respectively.

The draft MTFP Addition Department Annex for 2017 – 2019 was published as an Addendum (P.68/2016 Add.) and an amended version incorporating the changes agreed in the debate will be published on the States Assembly website.

Introduction

Development of the Medium Term Financial Plan Addition for 2017-2019

The Medium Term Financial Plan process

The Medium Term Financial Plan (MTFP) sets out the States' overall tax and spending envelope for the period 2016 - 2019. The MTFP 2016 -2019 was split into two stages to allow more time to develop the detailed department expenditure proposals for 2017-2019, recognising the scale of the reform of public expenditure required to meet the expenditure proposed to meet the investment in Strategic Priorities proposed.

MTFP 2016-2019 (October 2015)

In the first stage of the process, the MTFP 2016 - 2019 (P72/2015) approved in October 2015, set the financial framework and limits within which the detailed income and expenditure proposals for 2016 - 2019 were to be developed and the States agreed:

- Total States income targets for 2016-2019 based upon estimates at the time;
- Total maximum expenditure allocations for each year 2016 – 2019;
- Total net capital expenditure allocations for each year 2016 – 2019;
- Department spending limits, central contingencies, savings and other measures for 2016 only.

The MTFP 2016 - 2019 also provided indicative capital expenditure programmes for 2016 - 2019 and the intended transfers to and from the Strategic Reserve for 2016 - 2019, the latter were subsequently approved by the States.

MTFP Addition 2017-2019 (June 2016)

The MTFP Addition 2017 - 2019 is the second stage of the process and provides the detailed revenue expenditure proposals for 2017 - 2019 representing:

- Individual Departmental spending limits, central contingencies, savings for 2017 – 2019;
- Central Growth allocation for 2018 and 2019;
- Total depreciation estimates for 2017 - 2019;
- Expenditure, income and minimum contributions, if any, from States Trading Operations for 2017-2019.

In addition the Council of Ministers proposed, in principle, a funding mechanisms for Health (although this was rejected by the States), which was to be finalised in the Budget 2017 and new “user pays” charges including for waste. In order to provide a more inclusive picture of States resources and following input from the Comptroller and Auditor General forecasts for the funds administered by Social Security are also provided in the Addition.

The structure of the Medium Term Financial Plan provides that it is traditionally split into two parts and the format for the MTFP 2017 -2019 Addition is no different:

- The formal lodged report and proposition which provides background to the States financial and economic position, the revenue and capital expenditure proposals and details of the

measures that are proposed to maintain a balance on the Consolidated Fund, supported by proposals to actively manage the balance sheet to deliver balanced budgets by 2019.

- This detailed Annex provides summary information and detailed financial information for each department, describing the department's purpose and responsibilities and the major changes planned to support the Council of Ministers' priorities and government's broader Strategic Goals for 2017 – 2019 including:
 - Detail of how the proposed department expenditure limits will be allocated to services in the years 2017-2019;
 - A summary service analysis for the department for 2017-2019, including manpower levels;
 - A reconciliation of the changes in expenditure allocations for 2017-2019; and
 - Details of the individual savings, efficiencies and user pays proposals by department for 2017-2019 which are also detailed at Appendix 2 to the main MTFP Addition Report (P.68/2016).

Introduction

Our Purpose

The Council of Ministers, as the government of Jersey, serves and represents the best interests of the Island and its citizens. In order to do this, it 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 and use of public funds;
- Ensure the provision of modern and highly valued services for the public.

Our Strategic Goals

The Council has a collective responsibility to deliver better lives for Islanders and a better future for Jersey by working to deliver a range of social, environmental and economic Strategic Goals:¹

SG1	Maintain a safe and just society.
SG2	Promote health and social wellbeing for the whole community, providing prompt services for all and protecting the interests of the frail and the vulnerable.
SG3	Help people in Jersey achieve and maintain financial independence and safeguard the most vulnerable in our community.
SG4	Champion a proper supply of housing of all types, promote affordability, improve housing standards and build strong communities.
SG5	Provide a first class education service, supporting the development of skills, creativity and lifelong learning.
SG6	Increase the performance of the local economy, encourage economic diversification and improve job opportunities for local people.
SG7	Promote sporting, leisure and cultural activities that enrich Islanders' lives.
SG8	Promote Jersey's positive international identity.
SG9	Protect and enhance the Island's natural and built environment.
SG10	Provide attractive and well maintained public spaces, protect the environment from the impact of waste products and develop public transport, road and cycle networks that meet the needs of the community.
SG11	Look after Jersey's finances and assets, ensuring responsible use of public funds.

¹ Reference numbers for the Strategic Goals are to assist with cross-referencing change projects listed in this Annex

Government's performance in delivering against these Strategic Goals helps determine quality of life in Jersey. The community therefore expects the Council of Ministers to ensure the provision of quality services and infrastructure in support of the Goals.

The Strategic Plan

Each new Council publishes a Strategic Plan for its term of office which –

- Identifies the Council's key priorities for its term of office, focusing on the key areas where significant change will make the biggest difference to Jersey's future;
- Sets the strategic direction for detailed delivery plans.

This process requires the Council to review Jersey's progress against the Strategic Goals and identify where priority focus is required in response to key pressures or opportunities. The 2015 Strategic Plan identified five Priorities where the Council believes such focus is required –

- Sustainable Public Finances;
- Improve Health and Wellbeing;
- Improve Education;
- Optimise Economic Growth;
- Improve St Helier.

Prioritisation does not automatically mean additional funding. Focussing people on what is expected helps create the incentive to innovate, collaborate and find new ways of working with existing resources.

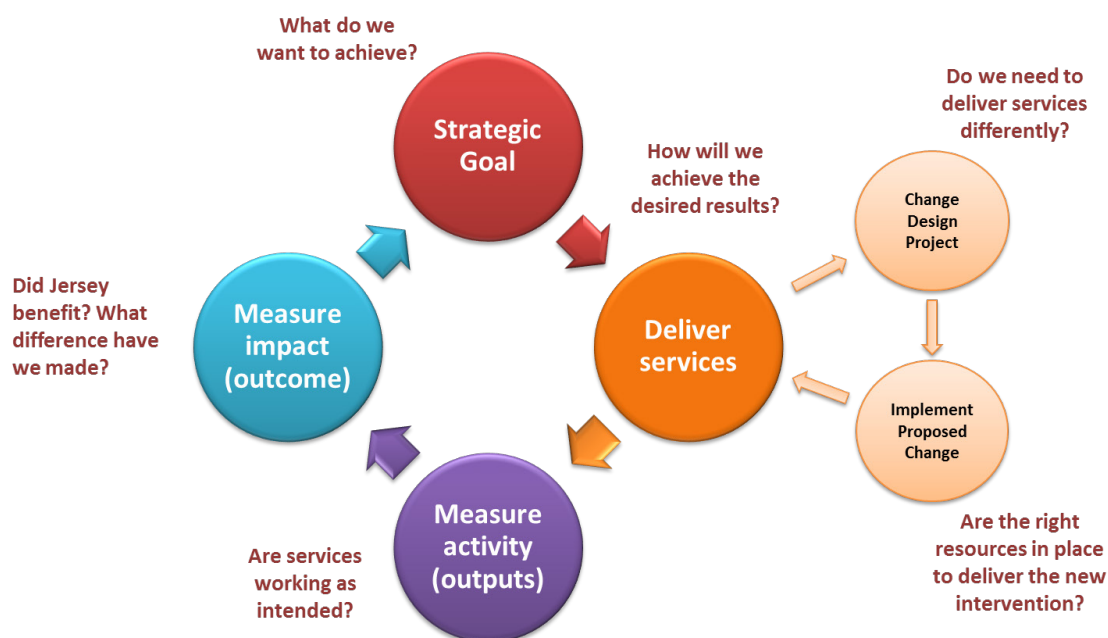
Measuring Performance

Governments must show that they make a difference in the lives of those they serve, not just that they are busy providing services which cannot be demonstrated to deliver proven results.

If we are to assess whether the Council is using public funds effectively to deliver tangible improvements against its Strategic Goals – and whether a focus on selected Priorities has the intended results - we need relevant and reliable information on what is being achieved. Sound management of public finances must be supported by effective performance management.

Performance against a Strategic Plan can be measured in three ways:

- Progress in delivering the specific strategy and policy changes (Projects) set out in the Plan.
- Delivery of services (Outputs) designed to help achieve our Strategic Goals.
- The impact on people’s lives (Outcomes).



Measuring Projects

Projects have clear end products – a new strategy is developed, for example. A clearly defined result can be delivered and people can be held to account for timescales, quality and cost. This Annex lists, by department, key projects that will be delivered during the lifetime of this MTFP to support the five Priorities in the Strategic Plan and government’s broader Strategic Goals.² These projects will be collated into a new Corporate Delivery Plan, which will become the single point of reference for all major change projects undertaken by the Council during its term of office. The Corporate Delivery Plan

² Delivery projects are not always solely owned by one department. Many initiatives, such as the 1,001 Days project, require cross-cutting contributions from different departments.

will provide the accountability mechanism by which the Council will monitor delivery of its Strategic Plan and report to the community on progress made.

Measuring Outcomes

The Council's ultimate purpose in developing new strategies, services or infrastructure is to deliver economic, social or environmental change that Islanders value. Such change, however, takes time. A single term of office is invariably too short a period in which to design and deliver strategic interventions such as the proposed regeneration of St Helier and demonstrate their true impact on people's lives.

Developing our capacity to measure progress against outcomes – the economic, social or environmental changes we are looking to achieve - will feature as a key element of the new long term vision currently being developed by the Council of Ministers. .

Internationally, much effort has been focussed on organising select sets of indicators into 'Comprehensive Key Indicator Systems' that benchmark progress over time and help guide strategy development. The Council intends to draw on this international experience in bringing together a select set of 'Island Indicators' that provide information conveniently in one place on a broad range of outcomes. These indicators will measure progress in areas such as health, housing, jobs, community safety, education and our environment. Where possible, the Island Indicators will:

- come from existing datasets to allow us to understand progress and trends over time;
- mirror indicators used internationally and/or in other key indicator systems.

Where appropriate, these indicators will also be used to set long term targets identifying the scale of change Jersey aspires to achieve over time.

Performance Accountability

The Outcomes represent the results that Jersey, as a community, aims to achieve over time. They are not the sole responsibility of individual Ministers or departments, or even government as a whole. They reflect the cumulative results of shared efforts by the whole community. They also reflect the impact of external economic and environmental contributory factors over which Jersey has little direct control.

Government will often play a leading role in providing or funding services and infrastructure designed to improve these Outcomes. It is accountable for the efficiency and effectiveness of these services and demonstrating that they are making a difference as intended. The ultimate aim of the new strategic planning and performance system is to clarify and evaluate the contribution made by different services to Outcomes. This will require a range of qualitative and quantitative evidence that provides a more complete picture of progress. This detailed information is essential to managing operational delivery and understanding what works and why.

Much good work is already done at departmental level to measure performance and work is underway to improve linkages to financial reporting and performance appraisal. The development of better integrated performance management as a key component of the reform agenda will also aim to collect, organise, and present this information in a more comprehensive, balanced way.

Managing Population Change

In developing our spending plans, the capacity of our services is carefully considered, and to ensure that services remain of a proper standard, the MTFP is delivering any necessary additional investment.

The initial MTFP used a base assumption of +325 per annum net migration for the planning of public services, however actual experience has been factored, and capacity and flexibility created where it is needed. This is done accounting for migration, but also recognising that more fundamental forces are at play, in particular, the ageing demographic, births, and social changes.

In education for example, the high number of births over the period 2010 – 2012 has meant that £3.9 million of growth monies are being provided to meet demographic changes in primary and secondary schools. This also accounts for actual experience over recent years. In 2015/2016, the numbers of children at school has remained stable, despite rises in population, and over the coming few years, modest increases are expected. Alongside this, £56 million of capital investment in new schools, and the necessary ongoing additional running costs, is also being provided for in this Medium Term Financial Plan. This will help ensure that we have the appropriate capacity, but more pressingly, the appropriate quality of schools. As in every other area, this will be closely monitored. At the same time, in the last few years the number of births, and the number of births per head of population, has been declining, which will then have an impact on the requirements for the next Medium Term Financial Plan.

If we also consider our health service, demand is not driven by net migration, but the ageing demographic. Typically, a person aged 65 or over uses four times as much health service resource as an average adult. This is important when we consider that our over 65 population will grow to approximately 28,000 over the next 20 years, whatever happens with migration (and net migration is overwhelming people of working age). In addition, the costs of our health services are also driven by advances in treatment, including new drugs. As well as facing increasing demands on services, we are also taking action to minimise costs – keeping people healthy for longer by promoting healthy lifestyles. All this is why we are investing in our health and social care services, which overall will receive almost £40 million of additional funding by 2019.

In other areas also, there is not a direct correlation between migration, population numbers, and demands placed on services and resources. Changes in behaviour, and how we deliver services, are much more fundamental drivers of cost. For example, crime is reducing, despite our growing population, and in other areas, the trends are stable, such as peak traffic volumes, water consumption, and the levels of waste we generate. As to our infrastructure, it does have sufficient capacity to manage the levels of population growth we have recently experienced. Indeed, the high levels of migration we experienced in 2015 has meant that our population now stands at a level we were expecting later in the decade, and which we are substantially prepared for.

In terms of our housing and benefits, we also have strict rules that limit the impact of migration, with Income Support not available until a person has been resident for 5 years, and the qualified housing market, including social housing, reserved for those who have completed 10 years residence. Of course, the migration we experience today will impact these areas in due course, which is why we need to prepare, and we also need to consider carefully the impact of registered migration on our registered housing market.

In 2015, we refused approximately half of the applications received for permanent registered staff, but we do need to increase efforts to focus migration where it delivers the greatest economic and

social value for Jersey. This must be done while supporting our economy and our businesses, which are so necessary in an uncertain economic world to generate jobs and wealth. But first and foremost, we must focus on our quality of life. Jersey is a great place to live, the Better Life survey tells us that we fare better than almost every OECD country on a range of official statistical measures. Our financial and strategic plans aim to keep it this way.

To do this, we do need to deliver more housing, as part of efforts to make St Helier a better place to live - while also protecting our countryside. Jersey is an overwhelmingly green place, and it will remain this way - over 70% of the Island is either under cultivation or natural environment, and this has not changed since 2012. We also need to support different forms of transport, helping to improve our everyday lives, and, through our spending plans, we need to make sure that public services have the investment they need. This is what this Council of Ministers is doing.

In recognition of the importance of this issue for our Island, we are also developing a long term plan for Jersey. This will focus on the type of Island we want for future generations. Alongside this, we will develop a sustainable population policy for the long term. We will do this in consultation with the public and working with States Members, with a view to a debate taking place in the spring 2017. This will inform the next Medium Term Financial Plan. In the meantime, our responsibility is to deliver public services that meet the needs of our resident population. Which is what this Medium Term Financial Plan does.

Summary Tables (as amended)

Department Cash Limits for 2017 (as amended)																	
	Revised Total 2016 Cash Limits	2017 Base Adjustment & Commitments ²	2017 MTEP Addition Amendments Agreed ¹	2017 Service Transfers	2017 Pay Awards	2017 Non Staff Inflation	2017 Provision for Benefits	2017 Total Growth	2017 Benefits Changes	2017 Savings	2017 Efficiency	2017 User Pays	2017 Grant Reduction	2017 Total Savings	Total Approved 2017 Cash Limits	2017 Indicative Pay Provision ³	Total 2017 Indicative Cash Limits ³
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Minister's	26,664.9	-	-	(88.1)	1,457	230.0	-	141.0	-	-	(806.6)	-	-	(806.6)	26,482.1	182.8	26,664.9
- Jersey Overseas Aid Commission	10,337.7	-	-	-	0.8	-	-	-	-	-	-	-	-	-	10,338.5	1.1	10,339.6
- External Relations	1,740.7	-	-	-	5.6	11.8	-	-	-	-	(11.8)	-	-	(11.8)	1,746.3	6.6	1,752.9
- Community and Constitutional Affairs	49,270.5	-	-	46.8	416.3	154.1	-	34.0	-	(463.0)	(677.0)	-	-	(1,139.0)	48,782.7	349.1	49,131.8
- Economic Development, Tourism, Sport and Culture	19,144.4	-	30.0	-	99.8	272.9	-	450.0	-	(814.5)	(814.5)	-	-	(814.5)	19,182.6	134.7	19,317.3
- Education	103,660.1	(263.2)	(30.0)	-	897.3	203.8	-	2,180.0	-	(444.0)	(444.0)	(260.0)	-	(704.0)	105,944.0	697.7	106,641.7
- Environment	5,205.4	-	-	809.1	79.8	(32.1)	-	-	-	(206.1)	(206.1)	-	-	(206.1)	5,856.1	97.0	5,953.1
- Health and Social Services	203,776.8	(5,000.0)	-	(912.0)	1,971.8	1,007.0	-	9,073.0	-	(100.0)	(1,677.0)	(225.0)	-	(2,002.0)	207,908.3	1,855.2	209,763.5
- Infrastructure	40,137.1	-	-	(54.3)	218.8	317.0	-	1,306.5	-	(1,942.0)	(1,942.0)	-	-	(1,942.0)	39,981.1	320.9	40,302.0
- Social Security	189,479.2	-	-	134.8	94.7	72.1	(423.0)	810.0	(3,000.0)	(942.1)	(942.1)	-	-	(942.1)	186,225.7	122.7	186,348.4
- Treasury and Resources	20,976.7	-	-	41.3	112.2	90.3	-	452.5	-	(225.6)	(225.6)	-	-	(225.6)	21,447.4	145.0	21,592.4
Non Ministerial States Funded Bodies																	
- Bailiff's Chamber	1,563.9	-	-	-	10.4	10.4	-	103.0	-	-	-	-	-	-	1,687.7	8.6	1,696.3
- Law Officers' Department	7,797.8	-	-	-	53.5	43.4	-	-	-	(338.8)	(338.8)	-	-	(338.8)	7,555.9	41.8	7,597.7
- Judicial Greffe	6,616.1	-	-	22.4	28.2	79.9	-	-	-	(188.5)	(188.5)	-	-	(188.5)	6,558.1	31.3	6,589.4
- Viscount's Department	1,320.6	-	-	-	12.7	10.6	-	-	-	(2.7)	(2.7)	-	-	(2.7)	1,341.2	15.6	1,356.8
- Official Analyst	604.8	-	-	-	4.3	3.9	-	-	-	(12.8)	(12.8)	-	-	(12.8)	600.2	5.8	606.0
- Office of the Lieutenant Governor	738.4	-	-	-	6.7	2.3	-	1.0	-	(13.9)	(13.9)	-	-	(13.9)	734.5	8.1	742.6
- Office of the Dean of Jersey	25.8	-	-	-	0.2	0.1	-	-	-	0.9	0.9	-	-	0.9	27.0	0.1	27.1
- Office of the Data Protection Commissioner	267.4	-	-	-	3.2	2.8	-	100.0	-	0.9	0.9	-	-	0.9	374.3	2.2	376.5
- Probation Department	1,990.5	-	-	-	19.9	7.3	-	-	-	(3.9)	(3.9)	-	-	(3.9)	2,013.8	26.2	2,040.0
- Comptroller and Auditor General	777.2	-	-	-	1.3	11.9	-	-	-	14.0	14.0	-	-	14.0	804.4	1.1	805.5
- States Assembly and its Services	5,086.2	-	-	-	39.2	25.5	-	-	-	(105.5)	(105.5)	-	-	(105.5)	5,045.4	30.8	5,076.2
Department Total	697,377.4	(5,263.2)	-	0.0	4,222.4	2,518.7	(423.0)	14,651.0	(3,000.0)	(562.0)	(8,399.0)	(485.0)	-	(9,446.0)	700,637.3	4,084.3	704,721.6
Central Contingency Allocations																	
- Central Allocation - AME Contingency	2,000.0	(2,000.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Central Allocation - DEL Contingency	4,736.8	263.2	-	-	-	-	-	-	-	-	-	-	-	-	5,000.0	-	5,000.0
- Central Allocation - Pay and Workforce Modernisation	4,203.1	-	-	-	6,086.6	-	-	1,185.0	-	(5,831.0)	(5,831.0)	-	-	(5,831.0)	5,643.7	(4,084.3)	1,559.4
- Central Allocation - Restructuring Provision and Redundancy Provision	23,000.0	(16,000.0)	-	-	-	-	-	-	-	-	-	-	-	-	7,000.0	-	7,000.0
- Central Allocation - Committee of Inquiry	4,000.0	(4,000.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Central Allocation - EPDP	5,000.0	219.0	-	-	-	-	-	-	-	(863.0)	(863.0)	-	-	-	4,356.0	-	4,356.0
- Central Allocation - Earmarked Child Protection/Policy Improvement	-	-	-	-	-	-	-	1,650.0	-	-	-	-	-	-	1,650.0	-	1,650.0
- Central Allocation - Growth Provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal of Central Contingencies	42,939.9	(21,517.8)	-	0.0	6,086.6	-	(423.0)	2,835.0	(3,000.0)	(863.0)	(5,831.0)	(485.0)	-	(6,694.0)	23,649.7	(4,084.3)	19,565.4
Total	740,317.3	(26,791.0)	-	0.0	10,309.0	2,518.7	(423.0)	17,486.0	(3,000.0)	(1,425.0)	(14,230.0)	(485.0)	-	(16,140.0)	724,287.0	-	724,287.0

Notes:

- Financial changes as a result of 7th Amendment are reflected in the financial tables as a decision of the States. However, it is now clear that the £30,000 transfer from Education to EDT&C is not required and will be reversed in 2017.
- With the States rejection of the Health Charge, P86/2016 from the Social Security Minister has been withdrawn, which means that the Health and Social Services gross expenditure and income are both reduced by £5 million in each of the years 2017-2019. The Council of Ministers is proposing that £5 million to replace the expenditure allocation for 2017 be earmarked as a first call on 2016 underspends to be carried forward and applied to Health and Social Services. The Council of Ministers will also explore sustainable expenditure measures with departments to identify £5 million on a recurring basis ahead of the Budget 2018.
- The indicative cash limits at the end of the table provide an indication of what the final cash limit by department would be after indicative pay provision and central growth allocation, which for Health and Education are more significant increases in line with strategic priorities.

Department Cash Limits for 2018 (as amended)																	
	Total Approved 2017 Cash Limits	2018 Base Adjustment & Commitments	2018 Service Transfers	2018 Pay Awards	2018 Non Staff Inflation	2018 Provision for Benefits	2018 Total Growth	2018 Benefits Changes	2018 Savings	2018 Efficiency	2018 User Pays	2018 Grant Reduction	2018 Total Savings	Total Approved 2018 Cash Limits ²	Proposed Central Growth Allocation ¹	2018 Indicative Pay Provision ¹	Total 2018 Indicative Cash Limits ¹
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Minister's	26,482.1	-	-	-	234.8	-	15.0	-	-	(321.8)	(200.0)	-	(521.8)	26,210.1	-	467.4	26,677.5
- Jersey Overseas Aid Commission	10,338.5	-	-	-	-	-	-	-	-	-	-	-	-	10,338.5	-	2.8	10,341.3
External Relations	1,746.3	-	-	-	11.9	-	-	-	(11.9)	(11.9)	-	-	(11.9)	1,746.3	-	16.8	1,763.1
Community and Constitutional Affairs	48,782.7	-	-	-	157.2	-	143.0	-	(55.0)	(762.0)	(24.0)	-	(841.0)	48,241.9	-	828.0	49,069.9
Economic Development, Tourism, Sport and Culture	19,182.6	-	-	-	278.4	-	-	(200.0)	(200.0)	(922.0)	-	-	(1,122.0)	18,339.0	-	347.8	18,686.8
Education	105,944.0	-	-	-	207.9	-	1,631.0	-	(45.0)	(1,021.0)	(500.0)	-	(1,566.0)	106,216.9	360.0	1,624.8	108,201.7
Environment	5,856.1	-	-	-	(82.7)	-	-	-	(230.0)	(230.0)	(200.0)	-	(430.0)	5,393.4	-	250.3	5,643.7
Health and Social Services	207,908.3	-	-	-	1,020.7	-	4,178.0	(100.0)	(100.0)	(2,020.0)	(200.0)	-	(2,320.0)	210,787.0	9,666.0	4,737.8	225,190.8
Infrastructure	39,981.1	-	-	-	323.3	-	101.0	-	(1,681.0)	(1,681.0)	(3,357.0)	-	(5,038.0)	35,367.4	340.0	837.3	36,544.7
Social Security	186,225.7	-	-	-	73.5	3,489.0	9.0	(1,300.0)	-	(945.9)	-	-	(945.9)	187,551.3	-	315.2	187,866.5
Treasury and Resources	21,447.4	-	-	-	92.1	-	(250.0)	-	(316.0)	(316.0)	-	-	(316.0)	20,973.5	-	372.1	21,345.6
Non Ministerial States Funded Bodies																	
- Bailiff's Chamber	1,687.7	-	-	-	12.0	-	-	-	-	-	-	-	-	1,699.7	-	20.2	1,719.9
- Law Officers' Department	7,555.9	-	-	-	40.4	-	-	-	(272.5)	(272.5)	-	-	(272.5)	7,323.8	-	97.0	7,420.8
- Judicial Greffe	6,558.1	-	-	-	81.0	-	-	-	(142.0)	(142.0)	-	-	(142.0)	6,497.1	-	77.8	6,574.9
- Viscount's Department	1,341.2	-	-	-	11.2	-	-	-	(2.5)	(2.5)	-	-	(2.5)	1,349.9	-	39.4	1,389.3
- Official Analyst	600.2	-	-	-	4.1	-	-	-	(3.0)	(3.0)	-	-	(3.0)	601.3	-	14.8	616.1
- Office of the Lieutenant Governor	734.5	-	-	-	2.4	-	1.0	-	(13.0)	(13.0)	-	-	(13.0)	724.9	-	20.4	745.3
- Office of the Dean of Jersey	27.0	-	-	-	0.2	-	-	-	-	-	-	-	-	27.2	-	0.2	27.4
- Office of the Data Protection Commissioner	374.3	-	-	-	4.4	-	60.0	-	-	1.0	-	-	1.0	439.7	-	5.1	444.8
- Probation Department	2,013.8	-	-	-	7.3	-	-	-	(3.5)	(3.5)	-	-	(3.5)	2,017.6	-	67.0	2,084.6
- Comptroller and Auditor General	804.4	-	-	-	13.0	-	-	-	-	-	-	-	-	817.4	-	2.6	820.0
States Assembly and its Services	5,045.4	-	-	-	26.0	-	-	-	(108.0)	(108.0)	-	-	(108.0)	4,963.4	58.0	71.6	5,093.0
Department Total	700,637.3	-	-	-	2,569.1	3,489.0	5,888.0	(1,300.0)	(400.0)	(8,775.1)	(4,481.0)	-	(13,656.4)	697,627.3	10,424.0	10,216.3	718,267.6
Central Contingency Allocations																	
Central Allocation - AME Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central Allocation - DEL Contingency	5,000.0	-	-	-	-	-	-	-	-	-	-	-	-	5,000.0	-	-	5,000.0
Central Allocation - Pay and Workforce																	
Modernisation	5,643.7	-	-	10,481.0	-	-	145.0	-	(3,976.0)	(3,976.0)	-	-	(3,976.0)	12,293.7	-	(10,216.3)	2,077.4
Central Allocation - Restructuring Provision and Redundancy Provision	7,000.0	(3,836.0)	-	-	-	-	-	-	-	-	-	-	-	3,164.0	-	-	3,164.0
Central Allocation - Committee of Inquiry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central Allocation - EPGDP	4,356.0	(219.0)	-	-	-	-	-	(341.0)	(341.0)	(341.0)	-	-	(341.0)	3,796.0	-	-	3,796.0
Central Allocation - Earmarked Child Protection/Policy Improvement	1,650.0	-	-	-	-	-	-	-	-	-	-	-	-	1,650.0	-	-	1,650.0
Central Allocation - Growth Provision	-	-	-	-	-	-	10,424.0	-	-	-	-	-	-	10,424.0	(10,424.0)	-	-
Subtotal of Central Contingencies	23,649.7	(4,055.0)	-	10,481.0	-	-	10,569.0	-	(341.0)	(3,976.0)	-	-	(4,317.0)	36,327.7	(10,424.0)	-	15,687.4
Total	724,287.0	(4,055.0)	-	10,481.0	2,569.1	3,489.0	16,457.0	(1,300.0)	(741.0)	(12,751.1)	(4,481.0)	-	(17,973.1)	733,955.0	-	-	733,955.0

Notes:

- The indicative cash limits at the end of the table provide an indication of what the final cash limit by department would be after indicative pay provision and central growth allocation, which for Health and Education are more significant increases in line with strategic priorities.
- Financial changes made in Department Cash Limits for 2017 for Education, EDTS&C and HSSD are also reflected in Department Cash Limits for 2018 and 2019.

Department Cash Limits for 2019 (as amended)																	
	Total Approved 2018 Cash Limits ² £'000	2019 Base Adjustment & Commitments £'000	2019 Service Transfers £'000	2019 Pay Awards £'000	2019 Non Staff Inflation £'000	2019 Provision for Benefits £'000	2019 Total Growth £'000	2019 Benefits Changes £'000	2019 Savings £'000	2019 Efficiency £'000	2019 User Pays £'000	2019 Grant Reduction £'000	2019 Total Savings £'000	Total Approved 2019 Cash Limits ² £'000	2019 Proposed Central Growth Allocation ¹ £'000	2019 Indicative Pay Provision ¹ £'000	Total Indicative 2019 Cash Limits ¹ £'000
Chief Minister's	26,210.1	-	-	-	239.6	-	68.0	-	(1,044.6)	(1,044.6)	-	-	(1,044.6)	25,473.1	-	661.6	26,134.7
- Jersey Overseas Aid Commission	10,338.5	-	-	-	-	-	-	-	-	-	-	-	-	10,338.5	-	3.9	10,342.4
External Relations	1,746.3	-	-	-	12.0	-	-	-	(12.0)	(12.0)	-	-	(12.0)	1,746.3	-	23.8	1,770.1
Community and Constitutional Affairs	48,241.9	-	-	-	160.3	-	2.0	(220.0)	(790.0)	(790.0)	(299.0)	-	(1,309.0)	47,095.2	-	1,192.8	48,288.0
Economic Development, Tourism, Sport and Culture	18,339.0	-	-	-	283.9	-	-	-	(827.0)	(827.0)	-	-	(827.0)	17,795.9	-	491.2	18,287.1
Education	106,216.9	-	-	-	212.0	-	1,508.0	-	(805.0)	(805.0)	(815.0)	-	(1,620.0)	106,316.9	400.0	2,351.5	109,068.4
Environment	5,393.4	-	-	-	(83.4)	-	-	-	(84.1)	(84.1)	(600.0)	-	(684.1)	4,675.9	-	353.5	5,029.4
Health and Social Services	210,787.0	-	-	-	1,041.1	-	-	-	(1,147.0)	(1,147.0)	(200.0)	-	(1,347.0)	210,481.1	17,537.0	6,704.5	234,722.6
Infrastructure	35,367.4	-	-	-	329.8	-	103.0	-	(1,351.0)	(1,351.0)	(8,000.0)	-	(9,351.0)	26,449.2	2,496.0	1,179.8	30,125.0
Social Security	187,551.3	-	-	-	75.0	3,240.0	10.0	(600.0)	(944.9)	(944.9)	-	-	(944.9)	189,331.4	-	445.7	189,777.1
Treasury and Resources	20,973.5	-	-	-	93.9	-	-	(110.0)	(690.0)	(690.0)	-	-	(800.0)	20,267.4	-	526.2	20,793.6
Non Ministerial States Funded Bodies																	
- Bailiff's Chamber	1,699.7	-	-	-	12.1	-	-	-	-	-	-	-	-	1,711.8	-	28.8	1,740.6
- Law Officers' Department	7,323.8	-	-	-	37.9	-	-	-	(274.6)	(274.6)	-	-	(274.6)	7,087.1	-	138.7	7,225.8
- Judicial Greffe	6,497.1	-	-	-	82.7	-	-	-	(150.0)	(150.0)	-	-	(150.0)	6,429.8	-	108.7	6,538.5
- Viscount's Department	1,349.9	-	-	-	12.1	-	-	-	(16.5)	(16.5)	-	-	(16.5)	1,345.5	-	54.8	1,400.3
- Official Analyst	601.3	-	-	-	4.2	-	-	-	(84.0)	(84.0)	-	-	(84.0)	571.5	-	20.5	592.0
- Office of the Lieutenant Governor	724.9	-	-	-	2.8	-	1.0	-	(14.0)	(14.0)	-	-	(14.0)	714.7	-	28.4	743.1
- Office of the Dean of Jersey	27.2	-	-	-	0.3	-	-	-	-	-	-	-	-	27.5	-	0.3	27.8
- Office of the Data Protection Commissioner	439.7	-	-	-	6.2	-	60.0	-	-	-	-	-	(3.5)	505.9	-	7.3	513.2
- Probation Department	2,017.6	-	-	-	7.6	-	-	-	(3.5)	(3.5)	-	-	(3.5)	2,021.7	-	92.8	2,114.5
- Comptroller and Auditor General	817.4	-	-	-	13.8	-	-	-	-	-	-	-	-	831.2	-	3.7	834.9
States Assembly and its Services	4,963.4	-	-	-	26.5	-	-	-	(107.5)	(107.5)	-	-	(107.5)	4,882.4	100.0	104.2	5,086.6
Department Total	697,627.3	-	-	-	2,620.4	3,240.0	1,752.0	(600.0)	(330.0)	(8,295.7)	(9,914.0)	-	(18,539.7)	686,100.0	20,533.0	14,522.9	721,155.8
Central Contingency Allocations																	
Central Allocation - AME Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central Allocation - DEL Contingency	5,000.0	-	-	-	-	-	-	-	-	-	-	-	-	5,000.0	-	-	5,000.0
Central Allocation - Pay and Workforce Modernisation	12,293.7	-	-	-	-	-	150.0	-	(4,125.0)	(4,125.0)	-	-	(4,125.0)	17,606.6	-	(14,522.9)	3,083.7
Central Allocation - Restructuring Provision and Redundancy Provision	3,164.0	(1,208.6)	-	9,287.9	-	-	-	-	-	-	-	-	-	1,955.4	-	-	1,955.4
Central Allocation - Committee of Inquiry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central Allocation - ERGDP	3,796.0	-	-	-	-	-	-	(1,796.0)	-	-	-	-	(1,796.0)	2,000.0	-	-	2,000.0
Central Allocation - Earmarked Child Protection/Policy Improvement	1,650.0	-	-	-	-	-	-	-	-	-	-	-	-	1,650.0	-	-	1,650.0
Central Allocation - Growth Provision	10,424.0	-	-	-	-	-	10,109.0	-	-	-	-	-	-	20,533.0	(20,533.0)	-	-
Subtotal of Central Contingencies	36,327.7	(1,208.6)	-	9,287.9	-	-	10,259.0	(600.0)	(1,796.0)	(4,125.0)	-	-	(5,921.0)	48,745.0	(20,533.0)	(14,522.9)	13,689.1
Total	733,955.0	(1,208.6)	-	9,287.9	2,620.4	3,240.0	12,011.0	(600.0)	(2,126.0)	(12,420.7)	(9,914.0)	-	(24,460.7)	734,845.0	-	-	734,845.0

Notes:

- The indicative cash limits at the end of the table provide an indication of what the final cash limit by department would be after indicative pay provision and central growth allocation, which for Health and Education are more significant increases in line with strategic priorities.
- The indicial changes made in Department Cash Limits for 2017 for Education, EDTS&C and HSSD are also reflected in Department Cash Limits for 2018 and 2019.

Summary of States Revenue Expenditure Allocations 2017 (as amended)

States Funded Bodies	Near Cash			2017 Net Revenue Expenditure	Non Cash 2017 Net Revenue Expenditure	Total 2017 Net Revenue Expenditure
	Income	DEL	AME			
£	£	£	£	£	£	£
Ministerial Departments						
Chief Minister's	(1,260,100)	27,742,200	-	26,482,100	1,550,500	28,032,600
- Jersey Overseas Aid Commission	-	10,338,500	-	10,338,500	-	10,338,500
External Relations	(105,000)	1,851,300	-	1,746,300	-	1,746,300
Community and Constitutional Affairs	(2,181,200)	50,963,900	-	48,782,700	800,000	49,582,700
Economic Development, Tourism, Sport and Culture ¹	(4,931,300)	24,113,900	-	19,182,600	272,400	19,455,000
Education ¹	(15,162,900)	121,106,900	-	105,944,000	310,000	106,254,000
Department of Environment	(4,481,900)	10,338,000	-	5,856,100	200,800	6,056,900
Health and Social Services ²	(24,125,600)	232,033,900	-	207,908,300	3,291,100	211,199,400
Infrastructure	(21,086,800)	61,067,900	-	39,981,100	32,855,000	72,836,100
Social Security	(9,221,100)	23,796,900	171,649,900	186,225,700	187,400	186,413,100
Treasury and Resources	(2,377,700)	23,825,100	-	21,447,400	68,600	21,516,000
Non Ministerial States Funded Bodies						
- Bailiff's Chamber	(86,800)	1,774,500	-	1,687,700	-	1,687,700
- Law Officers' Department	(112,000)	7,667,900	-	7,555,900	22,500	7,578,400
- Judicial Greffe	(958,300)	7,516,400	-	6,558,100	-	6,558,100
- Viscount's Department	(626,500)	1,967,700	-	1,341,200	59,900	1,401,100
- Official Analyst	(57,000)	657,200	-	600,200	97,500	697,700
- Office of the Lieutenant Governor	(107,100)	841,600	-	734,500	-	734,500
- Office of the Dean of Jersey	-	27,000	-	27,000	-	27,000
- Office of the Data Protection Commissioner	(200,000)	574,300	-	374,300	10,000	384,300
- Probation Department	(445,000)	2,458,800	-	2,013,800	64,900	2,078,700
- Comptroller and Auditor General	(58,100)	862,500	-	804,400	-	804,400
States Assembly and its Services	(79,500)	5,124,900	-	5,045,400	-	5,045,400
Allocations for Contingencies						
Central Allocation - AME Contingency	-	-	-	-	-	-
Central Allocation - DEL Contingency	-	5,000,000	-	5,000,000	-	5,000,000
Central Allocation - Pay and Workforce Modernisation	-	5,643,700	-	5,643,700	-	5,643,700
Central Allocation - Restructuring Provision and Redundancy Provision	-	7,000,000	-	7,000,000	-	7,000,000
Central Allocation - Committee of Inquiry	-	-	-	-	-	-
Central Allocation - EPGDP	-	4,356,000	-	4,356,000	-	4,356,000
Central Allocation - Earmarked Child Protection/Policy Improvement	-	1,650,000	-	1,650,000	-	1,650,000
Central Allocation - Growth Provision	-	-	-	-	-	-
Net Revenue Expenditure Allocation	(87,663,900)	640,301,000	171,649,900	724,287,000	39,790,600	764,077,600
Depreciation Revaluation Provision ³					809,400	809,400
Net Revenue Expenditure Allocation	(87,663,900)	640,301,000	171,649,900	724,287,000	40,600,000	764,887,000

Notes:

- Financial changes as a result of 7th Amendment are reflected in the financial tables as a decision of the States. However, it is now clear that the £30,000 transfer from Education to EDTS&C is not required and will be reversed in 2017.
- With the States rejection of the Health Charge, P86/2016 from the Social Security Minister has been withdrawn, which means that the Health and Social Services gross expenditure and income are both reduced by £5 million in each of the years 2017-2019. The Council of Ministers is proposing that £5 million to replace the expenditure allocation for 2017 be earmarked as a first call on 2016 underspends to be carried forward and applied to Health and Social Services. The Council of Ministers will also explore sustainable expenditure measures with departments to identify £5 million on a recurring basis ahead of the Budget 2018.
- See note for Depreciation Revaluation Provision under Consolidated Statement of Comprehensive Net Expenditure on page 29.

Summary of States Revenue Expenditure Allocations 2018 (as amended)

States Funded Bodies	Near Cash			2018 Net Revenue Expenditure	Non Cash 2018 Net Revenue Expenditure	Total 2018 Net Revenue Expenditure
	Income	DEL	AME			
£	£	£	£	£	£	£
Ministerial Departments						
Chief Minister's	(1,460,100)	27,670,200	-	26,210,100	2,221,500	28,431,600
- Jersey Overseas Aid Commission	-	10,338,500	-	10,338,500	-	10,338,500
External Relations	(105,000)	1,851,300	-	1,746,300	-	1,746,300
Community and Constitutional Affairs	(2,184,200)	50,426,100	-	48,241,900	750,000	48,991,900
Economic Development, Tourism, Sport and Culture ¹	(5,197,000)	23,536,000	-	18,339,000	272,400	18,611,400
Education ¹	(15,162,900)	121,379,800	-	106,216,900	200,000	106,416,900
Department of Environment	(4,813,900)	10,207,300	-	5,393,400	171,600	5,565,000
Health and Social Services ²	(24,325,600)	235,112,600	-	210,787,000	3,465,200	214,252,200
Infrastructure	(25,118,600)	60,486,000	-	35,367,400	35,181,600	70,549,000
Social Security	(8,990,800)	22,694,200	173,847,900	187,551,300	187,400	187,738,700
Treasury and Resources	(2,377,700)	23,351,200	-	20,973,500	68,600	21,042,100
Non Ministerial States Funded Bodies						
- Bailiff's Chamber	(86,800)	1,786,500	-	1,699,700	-	1,699,700
- Law Officers' Department	(112,000)	7,435,800	-	7,323,800	22,500	7,346,300
- Judicial Greffe	(958,300)	7,455,400	-	6,497,100	17,600	6,514,700
- Viscount's Department	(626,500)	1,976,400	-	1,349,900	84,900	1,434,800
- Official Analyst	(57,000)	658,300	-	601,300	98,300	699,600
- Office of the Lieutenant Governor	(107,100)	832,000	-	724,900	-	724,900
- Office of the Dean of Jersey	-	27,200	-	27,200	-	27,200
- Office of the Data Protection Commissioner	(200,000)	639,700	-	439,700	10,000	449,700
- Probation Department	(445,000)	2,462,600	-	2,017,600	64,900	2,082,500
- Comptroller and Auditor General	(58,100)	875,500	-	817,400	-	817,400
States Assembly and its Services	(79,500)	5,042,900	-	4,963,400	-	4,963,400
Allocations for Contingencies						
Central Allocation - AME Contingency	-	-	-	-	-	-
Central Allocation - DEL Contingency	-	5,000,000	-	5,000,000	-	5,000,000
Central Allocation - Pay and Workforce Modernisation	-	12,293,700	-	12,293,700	-	12,293,700
Central Allocation - Restructuring Provision and Redundancy Provision	-	3,164,000	-	3,164,000	-	3,164,000
Central Allocation - Committee of Inquiry	-	-	-	-	-	-
Central Allocation - EPGDP	-	3,796,000	-	3,796,000	-	3,796,000
Central Allocation - Earmarked Child Protection/Policy	-	1,650,000	-	1,650,000	-	1,650,000
Central Allocation - Growth Provision	-	10,424,000	-	10,424,000	-	10,424,000
Net Revenue Expenditure Allocation	(92,466,100)	652,573,200	173,847,900	733,955,000	42,816,500	776,771,500
Depreciation Revaluation Provision ³					2,683,500	2,683,500
Net Revenue Expenditure Allocation	(92,466,100)	652,573,200	173,847,900	733,955,000	45,500,000	779,455,000

Notes:

1. Financial changes as a result of 7th Amendment are reflected in the financial tables as a decision of the States. However, it is now clear that the £30,000 transfer from Education to EDTS&C is not required and will be reversed in 2017.
2. With the States rejection of the Health Charge, P86/2016 from the Social Security Minister has been withdrawn, which means that the Health and Social Services gross expenditure and income are both reduced by £5 million in each of the years 2017-2019. The Council of Ministers is proposing that £5 million to replace the expenditure allocation for 2017 be earmarked as a first call on 2016 underspends to be carried forward and applied to Health and Social Services. The Council of Ministers will also explore sustainable expenditure measures with departments to identify £5 million on a recurring basis ahead of the Budget 2018.
3. See note for Depreciation Revaluation Provision under Consolidated Statement of Comprehensive Net Expenditure on page 29.

Summary of States Revenue Expenditure Allocations 2019 (as amended)

States Funded Bodies	Near Cash			2019 Net Revenue Expenditure	Non Cash 2019 Net Revenue Expenditure	Total 2019 Net Revenue Expenditure
	Income	DEL	AME			
£	£	£	£	£	£	£
Ministerial Departments						
Chief Minister's	(1,460,100)	26,933,200	-	25,473,100	1,978,100	27,451,200
- Jersey Overseas Aid Commission	-	10,338,500	-	10,338,500	-	10,338,500
External Relations	(105,000)	1,851,300	-	1,746,300	-	1,746,300
Community and Constitutional Affairs	(2,497,700)	49,592,900	-	47,095,200	750,000	47,845,200
Economic Development, Tourism, Sport and Culture ¹	(5,238,400)	23,034,300	-	17,795,900	272,400	18,068,300
Education ¹	(15,462,900)	121,779,800	-	106,316,900	215,000	106,531,900
Department of Environment	(5,505,600)	10,181,500	-	4,675,900	170,900	4,846,800
Health and Social Services ²	(24,525,600)	235,006,700	-	210,481,100	3,354,000	213,835,100
Infrastructure	(33,593,100)	60,042,300	-	26,449,200	42,920,300	69,369,500
Social Security	(8,830,800)	21,664,300	176,497,900	189,331,400	-	189,331,400
Treasury and Resources	(2,377,700)	22,645,100	-	20,267,400	68,600	20,336,000
Non Ministerial States Funded Bodies						
- Bailiff's Chamber	(86,800)	1,798,600	-	1,711,800	-	1,711,800
- Law Officers' Department	(112,000)	7,199,100	-	7,087,100	-	7,087,100
- Judicial Greffe	(958,300)	7,388,100	-	6,429,800	17,600	6,447,400
- Viscount's Department	(626,500)	1,972,000	-	1,345,500	63,600	1,409,100
- Official Analyst	(57,000)	628,500	-	571,500	92,600	664,100
- Office of the Lieutenant Governor	(107,100)	821,800	-	714,700	-	714,700
- Office of the Dean of Jersey	-	27,500	-	27,500	-	27,500
- Office of the Data Protection Commissioner	(200,000)	705,900	-	505,900	10,000	515,900
- Probation Department	(445,000)	2,466,700	-	2,021,700	64,900	2,086,600
- Comptroller and Auditor General	(58,100)	889,300	-	831,200	-	831,200
States Assembly and its Services	(79,500)	4,961,900	-	4,882,400	-	4,882,400
Allocations for Contingencies						
Central Allocation - AME Contingency	-	-	-	-	-	-
Central Allocation - DEL Contingency	-	5,000,000	-	5,000,000	-	5,000,000
Central Allocation - Pay and Workforce Modernisation	-	17,606,600	-	17,606,600	-	17,606,600
Central Allocation - Restructuring Provision and Redundancy Provision	-	1,955,400	-	1,955,400	-	1,955,400
Central Allocation - Committee of Inquiry	-	-	-	-	-	-
Central Allocation - EPGDP	-	2,000,000	-	2,000,000	-	2,000,000
Central Allocation - Earmarked Child Protection/Policy Improvement	-	1,650,000	-	1,650,000	-	1,650,000
Central Allocation - Growth Provision	-	20,533,000	-	20,533,000	-	20,533,000
Net Revenue Expenditure Allocation	(102,327,200)	660,674,300	176,497,900	734,845,000	49,978,000	784,823,000
Depreciation Revaluation Provision ³					3,022,000	3,022,000
Net Revenue Expenditure Allocation	(102,327,200)	660,674,300	176,497,900	734,845,000	53,000,000	787,845,000

Notes:

- Financial changes as a result of 7th Amendment are reflected in the financial tables as a decision of the States. However, it is now clear that the £30,000 transfer from Education to EDTS&C is not required and will be reversed in 2017.
- With the States rejection of the Health Charge, P86/2016 from the Social Security Minister has been withdrawn, which means that the Health and Social Services gross expenditure and income are both reduced by £5 million in each of the years 2017-2019. The Council of Ministers is proposing that £5 million to replace the expenditure allocation for 2017 be earmarked as a first call on 2016 underspends to be carried forward and applied to Health and Social Services. The Council of Ministers will also explore sustainable expenditure measures with departments to identify £5 million on a recurring basis ahead of the Budget 2018.
- See note for Depreciation Revaluation Provision under Consolidated Statement of Comprehensive Net Expenditure on page 29.

Consolidated Statement of Comprehensive Net Expenditure (as amended)

Revised 2016 Net Revenue Expenditure		2017 Net Revenue Expenditure ^{2,3}	2018 Net Revenue Expenditure ^{2,3}	2019 Net Revenue Expenditure ^{2,3}
£		£	£	£
Income				
(8,252,800)	Duties, Fees, Fines & Penalties	(8,576,700)	(9,025,900)	(9,846,000)
(73,463,400)	Sales of Goods and Services	(75,466,900)	(78,938,460)	(87,499,160)
(2,100)	Investment Income	(2,300)	(2,300)	(2,300)
(2,986,300)	Other Income ³	(3,618,000)	(4,499,400)	(4,979,700)
(81,716,200)	Total Income	(87,663,900)	(92,466,060)	(102,327,160)
Expenditure				
183,733,700	Social Benefit Payments	181,809,200	184,640,800	187,774,400
363,469,900	Staff Costs	371,649,400	371,768,100	368,488,500
135,703,100	Supplies and Services	138,366,400	138,394,700	138,046,100
5,603,200	Administrative Expenses	5,966,760	5,884,260	5,797,660
42,777,600	Premises and Maintenance	43,711,840	43,376,500	43,027,400
1,529,300	Other Operating Expenses	1,355,900	1,257,500	1,190,500
40,989,300	Grants and Subsidies Payments	41,737,100	41,026,300	40,314,800
63,100	Impairment of Receivables	210,500	210,500	210,500
7,375,900	Finance Costs	7,480,600	7,480,700	7,480,800
-	Foreign Exchange (Gain)/Loss	-	-	-
43,776,800	Contingency Expenses ⁴	24,663,200	37,381,700	49,841,500
825,021,900	Total Expenditure	816,950,900	831,421,060	842,172,160
-	Reduction in HSSD Gross Expenditure ³	(5,000,000)	(5,000,000)	(5,000,000)
825,021,900	Total Expenditure	811,950,900	826,421,060	837,172,160
743,305,700	Net Revenue Near Cash Expenditure	724,287,000	733,955,000	734,845,000
44,800,000	Department Depreciation ¹	40,600,000	45,500,000	53,000,000
788,105,700	Net Revenue Non Cash Expenditure	764,887,000	779,455,000	787,845,000

Notes:

- Includes a depreciation revaluation reserve, which is a provision held centrally to recognise the possible impact of revaluations of infrastructure and land and building assets in the period. Valuations are required for accounting purposes and are conducted by independent external valuation specialists every 5 years with interim valuations in the intervening years. The valuers use a number of different methodologies to ascertain the most appropriate value and their assessments are influenced by multiple factors including asset condition, building costs, industry standards and market conditions. The provision has been calculated based on forecast economic assumptions for RPI and building cost indices as key drivers in a large proportion of the assets valued.
- Financial changes as a result of 7th Amendment are reflected in the financial tables as a decision of the States. However, it is now clear that the £30,000 transfer from Education to EDTS&C is not required and will be reversed in 2017.
- With the States rejection of the Health Charge, P86/2016 from the Social Security Minister has been withdrawn, which means that the Health and Social Services gross expenditure and income are both reduced by £5 million in each of the years 2017-2019. The Council of Ministers is proposing that £5 million to replace the expenditure allocation for 2017 be earmarked as a first call on 2016 underspends to be carried forward and applied to Health and Social Services. The Council of Ministers will also explore sustainable expenditure measures with departments to identify £5 million on a recurring basis ahead of the Budget 2018.
- This includes Central Growth Allocation - £10,424,000 in 2018 and £20,533,000 in 2019.

Chief Minister's Department
(as amended)

Chief Minister’s Department (as amended)

Purpose

The Chief Minister's Department provides direction and leadership to the public service by developing and coordinating strategy and policy; delivering corporate services to support the provision of an efficient, effective and fit for purpose public sector; and promoting Jersey’s international identity and reputation.

Responsibilities

Chief Minister’s Office

- Support to the Chief Minister, Council of Ministers and Corporate Management Board;
- Strategic and business planning, strategy and policy coordination, performance reporting and corporate governance;
- Development, analysis and advice across all aspects of economic policy;
- Communication and consultation on government policy;
- Conduct external relations in accordance with the Council of Ministers’ common policy, acting concurrently with the Minister for External Relations.

Corporate Services

- Programme management support and governance for Public Sector Reform;
- Delivery of digital services, IT change and corporate IT services and infrastructure;
- Deliver the organisation’s people strategy and transactional services;
- Draft legislation on behalf of the States and maintain the revised edition of the Laws of Jersey;
- Produce official statistics;
- Administer and develop the Freedom of Information (Jersey) Law 2011.

Financial Services, Technology, Competition and Innovation

- Develop and implement strategy, policy and legislation relating to the financial services and digital sectors, data protection, competition and innovation to support the jobs and growth agenda and delivery of proportionate international standards.

2017-19 Change Projects

In 2017-19, the Department will undertake a number of significant projects in support of the Priorities and Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Start Year	Council Priority	Strategic Goal
Deliver change initiatives in support of the Public Sector Reform Programme	Ongoing	Sustainable Public Finances	11

Implement and new Island Vision and aligned planning and performance system	2017	Improve Health & Wellbeing, Improve Education, Optimise Economic Growth, Improve St Helier, Sustainable Public Finances	1-11
Review Migration Policy in line with the strategic direction set by the Island Vision	2017	Improve Health & Wellbeing, Improve Education, Optimise Economic Growth, Improve St Helier, Sustainable Public Finances	1-11
Lead and coordinate delivery of Public Sector Reform workstreams: <ul style="list-style-type: none"> e-government workforce modernisation service redesign office modernisation 	Ongoing	Improve Health & Wellbeing, Improve Education, Optimise Economic Growth, Improve St Helier, Sustainable Public Finances	1-11
Transformation of the Information Services function to ensure it is fit for the future and drives enablement of a digital organisation	Ongoing	Sustainable Public Finances	11
Lead and co-ordinate the delivery of the Information Security Roadmap	Ongoing	Sustainable Public Finances	1-11
Lead and co-ordinate the delivery of the Records Management Programme to enable a consistent approach to electronic storage, retention and retrieval of States records	2017	Sustainable Public Finances	11
Develop and deliver Cyber Security Strategy	2016	Optimise Economic Growth	1,3,6,9,11
Implement a Digital Policy Framework to ensure Jersey can capitalise on the opportunities offered by digital technology	2016	Improve Education Optimise Economic Growth Sustainable Public Finances	1,5,6,11
Update Data Protection legislation and infrastructure to meet revised EU standards	2016	Optimise Economic Growth	6,8
Continued support of the Financial Services Policy Framework and McKinsey recommendations	Ongoing	Optimise Economic Growth	6,8

Financial Narrative

Introduction

The government agreed, in the States Strategic Plan, to prioritise investment in health, education, economic growth and infrastructure. This means funds are being reprioritised from other areas. Departments are looking for sustainable efficiencies, service redesign and cost reductions to reach a balanced budget by 2019.

CMD is committed to total savings of £2.37 million over the MTFP 2017 to 2019. These savings will be achieved by restructuring the department to find staff, non-staff efficiencies and savings, and through user pays initiatives.

CMD will continue to support the Public Sector Reform programme by investigating ways to restructure the department and redesign the way services are provided. This will allow efficient and effective services to be maintained with reduced budgets and fewer staff.

One major re-structure the Department will undertake is the reform of the States Information Services Department. Reforming our services means we need to work in new ways, and that includes the way we use technology and information.

At the moment Information Services supports an increasingly complex selection of technology platforms, as well as supporting departments' demands for changing systems, services and business processes.

A better focus on business change through the appropriate use of technology will enable a radical change in the way infrastructure is maintained. This will have an impact on the current Information Services teams, their working practices and terms and conditions and on the resources required by the Department.

The Health Intelligence Unit, and its associated resources, will be transferred from the Medical Officer of Health's office to the Statistics Unit. This will separate the regulator from the service provider.

2017

2017 Recurring Savings

In addition to maintaining the £319,600 savings¹ implemented in 2016, the Department has committed to further recurring savings of £806,600 in 2017, all of which will be achieved through efficiencies:

- A reduction in administration support staff;
- Restructuring the way Human Resources works, managing vacancies and continuing the VR programme.

2017 Growth Funding

Total growth funding of £141,000 will be allocated to the Department in 2017. This includes:

¹ Includes the States Assembly decision to approve MTFP 2016 - 2019 P.72/2015: Sixth Amendment; the Chief Ministers Departmental cash limit was reduced by £90,000 in 2016 (Secretarial / Administrative Support)

- £10,000 for Financial Services to implement the recommendations made by McKinsey;
- £131,000 for Information Services to maintain software and licence support.

2017 Service Transfers

An Enterprise Resource Officer plus a budget of £41,300 will be transferred to Treasury and Resources. This returns the administrative and data management function to the most appropriate area. It also enables the Information Services team to focus on providing technology that underpins Public Sector Reform.

2018

2018 Recurring Savings

In addition to maintaining the £806,600 savings in 2017, the Department has committed to further recurring savings of £521,800 in 2018 bringing the total cumulative savings to £1,328,400. These will be met through efficiencies of £321,800 and £200,000 from user pays initiatives. These include the following:

- Restructuring the way Information Services works, managing vacancies and continuing the VR programme;
- A reduction in staff costs in the Statistics Unit;
- User pays charges to be generated by Professional Care and Regulation once the law is developed.

2018 Growth Funding

Total growth funding of £15,000 will be allocated to the Department in 2018. This includes:

- £11,000 for Financial Services to implement the recommendations made by McKinsey;
- £4,000 for Information Services to maintain software and licence support.

2019

2019 Recurring Savings

In addition to maintaining the cumulative savings of £1,328,400, the Department has committed to further recurring savings of £1,044,600 in 2019 bringing the total cumulative savings to £2,373,000. These will be all met through savings and include the following initiatives:

- Staff and non-staff savings through continued restructure of the Human Resources Department;
- Staff and non-staff efficiency savings from the reform of the Information Services Department while also delivering sustainable digital services to improve Island life;
- A reduction in PSR Portfolio Office staff costs;
- A further reduction in Statistics Unit staff costs.

2019 Growth Funding

Total growth funding of £68,000 will be allocated to the Department in 2019. This includes:

- £11,000 for Financial Services to implement recommendations made by McKinsey;

- £57,000 for Information Services to maintain software and licence support.

Staffing

From 2017 and 2019 staffing is expected to decrease by 8.5 FTE from 235.3 FTE to 226.8 FTE.

The reduction in staffing forms part of the Department's commitment to driving efficiencies through service rationalisation and achieving greater value for money through a combination of outsourcing and service re-design. There will be a requirement to temporarily increase technical posts to ensure successful implementation of large and complex projects such as the Taxes Computer System.

A full breakdown of FTE, including movements from 2016 (adjusted)² to 2017, and over the MTFP 2017 to 2019 is given in the table below:

Adjusted 2016 FTE	235.3
Enterprise Support Officer to Treasury and Resources	-1.0
Information Services Support Resource to Community and Constitutional Affairs	-0.5
ISD temporary posts (until 2019) funded from E-Gov for the implementation of Taxes Computer System	13.0
2017 FTE	246.8
2018 FTE	246.8
Reduction in Support Staff in Chief Executive's Office	-0.5
Reduction in Communications Unit	-1.0
Reduction in Statistics Unit	-0.5
Restructure of Service Delivery within ISD	-2.0
Reduction in PSR Portfolio Office	-1.0
Outsource of IS Service Desk	-15.0
2019 FTE	226.8

² Since the publication of the 2016 MTFP and Annex a reconciliation exercise was undertaken which updated the approved 2016 FTE's within the Chief Minister's Department after taking into consideration the transfer of functions within existing ministerial portfolios, approved Voluntary Redundancies / Voluntary Severance's in 2016 and the separation of the External Relations Ministry from 243.0 to 235.3 FTE's.

Changes following MTFP Addition debate

2nd Amendment – Deputy Southern – Statistics Unit savings

Following the withdrawal of the 2nd Amendment, the Chief Minister agreed to reduce the savings initially committed against the Statistics Unit from £84,000 in 2019 to £40,000 in 2019. In order for the Department to maintain its overall efficiency saving commitments, the £44,000 balance will be managed by increasing efficiency savings required in 2019 throughout the Department resulting from service reviews and vacancy management.

7th Amendment – Deputy Tadier – Jerriais

The Department will approve by Ministerial Decision to transfer budget of £52,000 to the Education Department each year 2017 - 2019, and this will be reflected in the MTFP Addition Annex Updates 2018 and 2019. The funding for 2017 to 2019 transfers will be met by reducing spend on supplies and services across the Department.

Chief Minister's Department excluding External Relations

Revised 2016		2017						2018						2019									
		Near Cash		Non Cash		Total		Near Cash		Non Cash		Total		Near Cash		Non Cash		Total					
Net Revenue Expenditure	Service Area	Income	DEL	Net Revenue Expenditure	Net Revenue Expenditure	FTE	Income	DEL	Net Revenue Expenditure	Net Revenue Expenditure	FTE	Income	DEL	Net Revenue Expenditure	Net Revenue Expenditure	FTE	Income	DEL	Net Revenue Expenditure	Net Revenue Expenditure	FTE		
£		£	£	£	£		£	£	£	£		£	£	£	£	£	£	£	£	£	£		
1,821,300	Chief Minister's Office	(40,000)	2,057,600	2,017,600	2,017,600	24.6	(240,000)	2,055,600	1,813,600	1,813,600	24.6	(240,000)	1,818,600	1,578,600	1,578,600	21.6							
7,578,500	Financial Services, Digital, Competition and Innovation	(303,300)	7,862,100	7,558,800	7,558,800	12.0	(303,300)	7,873,100	7,569,800	7,569,800	12.0	(303,300)	7,884,100	7,580,800	7,580,800	12.0							
979,200	Law Drafting Department		949,300	949,300	949,300	10.0		949,300	949,300	949,300	10.0		949,300	949,300	949,300	10.0							
11,223,900	Information Services	(782,800)	11,803,300	11,020,500	12,571,000	117.4	(782,800)	11,807,300	11,024,500	2,221,500	117.4	(782,800)	11,424,300	10,641,500	10,641,500	100.4							
5,110,700	Human Resources	(134,000)	5,022,000	4,888,000	4,888,000	76.8	(134,000)	4,899,000	4,805,000	4,805,000	76.8	(134,000)	4,809,000	4,675,000	4,675,000	76.8							
146,500	Public Sector Reform		47,900	47,900	47,900	6.0		47,900	47,900	47,900	6.0		47,900	47,900	47,900	6.0							
26,860,100	Net Revenue Expenditure	(1,260,100)	27,742,200	26,482,100	28,032,600	246.8	(1,460,100)	27,670,200	26,210,100	2,221,500	246.8	(1,460,100)	26,933,200	25,473,100	25,473,100	226.8							

Chief Minister's Department excluding External Relations

Statement of Comprehensive Net Expenditure

Revised 2016		2017	2018	2019
Net Revenue		Net Revenue	Net Revenue	Net Revenue
Expenditure		Expenditure	Expenditure	Expenditure
£		£	£	£
	Income			
	- Duties, Fees, Fines & Penalties	(303,300)	(503,300)	(503,300)
(1,188,700)	Sales of Goods and Services	(825,800)	(825,800)	(825,800)
	- Investment Income	-	-	-
(131,000)	Other Income	(131,000)	(131,000)	(131,000)
(1,319,700)	Total Income	(1,260,100)	(1,460,100)	(1,460,100)
	Expenditure			
	- Social Benefit Payments	-	-	-
14,568,300	Staff Costs	14,000,800	13,913,800	13,108,800
6,176,300	Supplies and Services	6,349,500	6,364,500	6,432,500
591,200	Administrative Expenses	573,100	573,100	573,100
594,600	Premises and Maintenance	569,600	569,600	569,600
	- Other Operating Expenses	-	-	-
6,249,400	Grants and Subsidies Payments	6,249,200	6,249,200	6,249,200
	- Impairment of Receivables	-	-	-
	- Finance Costs	-	-	-
	- Foreign Exchange (Gain)/Loss	-	-	-
	- Contingency Expenses	-	-	-
28,179,800	Total Expenditure	27,742,200	27,670,200	26,933,200
26,860,100	Net Revenue Near Cash Expenditure	26,482,100	26,210,100	25,473,100
1,387,100	Depreciation	1,550,500	2,221,500	1,978,100
28,247,200	Total Net Revenue Expenditure	28,032,600	28,431,600	27,451,200

Chief Minister's Department excluding External Relations

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	26,860,100	26,482,100	26,210,100
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	230,000	234,800	239,600
Price Inflation - Provision for General Pay Awards	145,700	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
Departmental Transfers	-	-	-
- Transfer of IS support for bespoke in-cell HM Prison to CCA (0.5 FTE)	(46,800)	-	-
- Transfer of 1.0 FTE Information Services to T&R	(41,300)	-	-
	(88,100)	-	-
Savings			
- Department Savings Programme Savings	-	-	-
Efficiency	(806,600)	(321,800)	(1,044,600)
User Pays	-	(200,000)	-
- Benefit Changes	-	-	-
	(806,600)	(521,800)	(1,044,600)
Additional MTFP 2 Growth	-	-	-
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	10,000	11,000	11,000
- Demographics	-	-	-
- New Funding	131,000	4,000	57,000
- Revenue implications of Capital Projects	-	-	-
	141,000	15,000	68,000
Other Variations			
Net Revenue Near Cash Expenditure	26,482,100	26,210,100	25,473,100
Depreciation	1,550,500	2,221,500	1,978,100
Total Net Revenue Expenditure	28,032,600	28,431,600	27,451,200

Jersey Overseas Aid Commission

Jersey Overseas Aid Commission

Purpose

To implement fully the Jersey Overseas Aid Commission (Jersey) Law 2005.

Responsibilities

To manage and administer the monies voted by the States of Jersey for overseas aid, so as to enable humanitarian aid to be provided to developing countries for the purpose of:

- Grant aid of development projects implemented through UK registered relief agencies and other recognised specialist aid agencies covering basic health care, medical care, effective education, safe drinking water and sanitation, projects to assist self-sufficiency and food security and ensuring environmental sustainability;
- Emergency and disaster relief through internationally recognised UK registered relief agencies;
- Community work projects, where teams of Jersey volunteers undertake specific development projects overseas;
- Supporting Jersey Charities in their work in overseas countries on a £ for £ basis;
- Assisting with corporate philanthropic projects;
- Providing sponsorship and bursaries to Jersey professionals and technicians offering specific services and training overseas.

Financial Narrative

The Jersey Overseas Aid Commission's (JOA) grant from the States of Jersey was reviewed in 2016 when it was proposed that no increase be awarded on the existing grant per annum for the period of the next Medium Term Financial Plan (2017-2019).

The largest part of the Commission's budget is allocated to grant aid with approximately 80% provided to the Commission's approved aid agencies submitting proposals for projects covering basic health care, medical care, effective education, safe drinking water and sanitation, projects to assist self-sufficiency and food security whilst ensuring environmental sustainability. In order to gain greater focus and better outcomes the Commission is concentrating its attention on projects being implemented in Bhutan, Bolivia, Colombia, Ethiopia, Ghana, Guatemala, Lesotho, Liberia, Malawi, Mozambique, Myanmar, Nepal, Rwanda, Sierra Leone, Tanzania and Zambia only.

£1,500,000 of its grant is available for disaster and emergency relief due to ever increasing demands for both natural disasters and the emergencies arising through human conflict.

Grants to local charities working overseas, community work projects and bursaries for voluntary services overseas are also available. JOA will give preference to projects located in countries which are within the bottom 50 countries ranked on HDI (Human Development Index www.hdr.undp.org/en/statistics).

2017 - 2019 Savings

The Commission has been excluded from delivering 2017-2019 savings.

Manpower

2017 – 2019 remains at 1.5 FTE.

Jersey Overseas Aid Commission

Net Revenue Expenditure - Service Analysis																
2016			2017				2018				2019					
Near Cash Net Revenue Expenditure £	Service Area	Income	Near Cash		Total Net Revenue Expenditure £	FTE	Non Cash Net Revenue Expenditure £	Near Cash		Total Net Revenue Expenditure £	FTE	Non Cash Net Revenue Expenditure £	Near Cash		Total Net Revenue Expenditure £	FTE
			DEL	Income				DEL	Income				DEL	Income		
10,337,700	Grant to Overseas Aid Commissio	£ -	£ 10,338,500	£ -	10,338,500	1.5	£ -	£ 10,338,500	£ -	10,338,500	1.5	£ -	£ 10,338,500	£ -	10,338,500	1.5
10,337,700	Net Revenue Expenditure	-	10,338,500	-	10,338,500	1.5	-	10,338,500	-	10,338,500	1.5	-	10,338,500	-	10,338,500	1.5

Jersey Overseas Aid Commission

Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
	- Duties, Fees, Fines & Penalties	-	-	-
	- Sales of Goods and Services	-	-	-
	- Investment Income	-	-	-
	- Other Income	-	-	-
	- Total Income	-	-	-
	Expenditure			
	- Social Benefit Payments			
78,600	Staff Costs	79,400	79,400	79,400
13,000	Supplies and Services	19,000	19,000	19,000
2,300	Administrative Expenses	140,100	140,100	140,100
	- Premises and Maintenance	-	-	-
	- Other Operating Expenses	-	-	-
10,243,800	Grants and Subsidies Payments	10,100,000	10,100,000	10,100,000
	- Impairment of Receivables	-	-	-
	- Finance Costs	-	-	-
	- Foreign Exchange (Gain)/Loss	-	-	-
	- Contingency Expenses	-	-	-
10,337,700	Total Expenditure	10,338,500	10,338,500	10,338,500
10,337,700	Net Revenue Near Cash Expenditure	10,338,500	10,338,500	10,338,500
	- Depreciation	-	-	-
10,337,700	Total Net Revenue Expenditure	10,338,500	10,338,500	10,338,500

Jersey Overseas Aid Commission

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	10,337,700	10,338,500	10,338,500
Base Adjustment & Commitments			
Price Inflation Department Net Expenditure	-	-	-
Price Inflation - Provision for General Pay Awards	800	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
Departmental Transfers	-	-	-
Savings			
- Department Savings Programme	-	-	-
Benefits Changes	-	-	-
Savings	-	-	-
Efficiency	-	-	-
User Pays	-	-	-
- Benefit Changes	-	-	-
	-	-	-
Additional MTFP 2 Growth	-	-	-
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	-	-	-
- Demographics	-	-	-
- New Funding	-	-	-
- Revenue implications of Capital Projects	-	-	-
	-	-	-
Other Variations			
Net Revenue Near Cash Expenditure	10,338,500	10,338,500	10,338,500
Depreciation	-	-	-
Total Net Revenue Expenditure	10,338,500	10,338,500	10,338,500

External Relations

External Relations

Purpose

In line with the Common Policy on External Relations, to promote, protect and enhance Jersey's international identity and reputation; to monitor and advise on international developments; to support departments in advancing their strategic and policy objectives through external engagement.

Responsibilities

- Managing the Island's external relationships to develop and strengthen Jersey's international standing;
- Using these external relationships to help government departments advance their strategic and policy objectives;
- Ensuring the Island's international obligations are fulfilled;
- Analysing international developments and advising Ministers and officials on all issues affecting or with the potential to affect - the Island;
- Developing and maintaining a network of diplomatic, political and industry contacts to support Jersey's trade, economic development and wider policy objectives;
- Promoting Jersey as a responsible, cooperative and well-managed jurisdiction for international financial services;
- Maintaining offices in three of Jersey's closest and most important neighbours – the UK, France and the EU (Brussels).

Project	Start Year	Council Priority	Strategic Goal
Deliver change initiatives in support of the Public Sector Reform Programme	Ongoing	Sustainable Public Finances	11
Extension to Jersey of the Paris Convention on Industrial Property Rights	2016	Optimise Economic Growth	6,8
Extension to Jersey of the Council of Europe Convention on Cybercrime (the Budapest Convention).	2016	Optimise Economic Growth	6,8
Extension to Jersey of the Convention on the Elimination of all forms of Discrimination Against Women	2016	Improve Health and Wellbeing	1,2,8

Report on Jersey's Compliance with the International Covenant on Economic Social and Cultural Rights	2016	Improve Health and Wellbeing Improve Education	1,2,8
Report on Jersey's Compliance with the Convention Against Torture	2017	Improve Health and Wellbeing	1,2,8
Protect and promote Jersey's interests in relation to the economic development of renewable energy projects in nearby territorial waters	2016	Optimise Economic Growth	6,8
Extension of the UK's World Trade Organisation membership to Jersey	2016	Optimise Economic Growth	6,8

Financial Narrative

The External Relations team plays a lead role in ensuring that Jersey's position is understood by decision-makers and commentators throughout the world; in defending the Island's interests and in assisting colleagues to attract inward investment.

Savings

External Relations will continue to deliver its recurring savings of £72,500 as agreed in 2016.

2017 - 2019

Inflationary increases for the period of the MTFP have been removed as part of the Department's commitment to efficiency savings. These represent a total annual reduction in budget of £37,500 by 2019. This will be offset by the Department receiving central funding for staff pay awards in 2017 worth £5,600. The Department's net position will therefore be a total annual budget reduction of £31,900 by 2019.

No further savings are required by the Department over the period 2017 – 2019, but External Relations will actively explore ways to adapt and redesign its services to continue to promote and protect Jersey's international interests efficiently and effectively.

Growth

There has been no growth funding approved in 2017, 2018 and 2019.

Service Transfers

There are no service transfers in 2017, 2018 and 2019.

Staffing

There is no change to staff numbers in 2017, 2018 and 2019 and they remain at 7.0 FTE's.

External Relations

Statement of Comprehensive Net Expenditure

Revised 2016 Net Revenue Expenditure	2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£	£	£	£
Income			
- Duties, Fees, Fines & Penalties	-	-	-
- Sales of Goods and Services	(105,000)	(105,000)	(105,000)
- Investment Income	-	-	-
- Other Income	-	-	-
- Total Income	(105,000)	(105,000)	(105,000)
Expenditure			
- Social Benefit Payments	-	-	-
560,500 Staff Costs	835,300	835,300	835,300
201,700 Supplies and Services	123,700	123,700	123,700
30,000 Administrative Expenses	7,000	7,000	7,000
1,000 Premises and Maintenance	1,000	1,000	1,000
1,500 Other Operating Expenses	1,000	1,000	1,000
946,000 Grants and Subsidies Payments	883,300	883,300	883,300
- Impairment of Receivables	-	-	-
- Finance Costs	-	-	-
- Foreign Exchange (Gain)/Loss	-	-	-
- Contingency Expenses	-	-	-
1,740,700 Total Expenditure	1,851,300	1,851,300	1,851,300
1,740,700 Net Revenue Near Cash Expenditure	1,746,300	1,746,300	1,746,300
- Depreciation			
1,740,700 Total Net Revenue Expenditure	1,746,300	1,746,300	1,746,300

External Relations

Reconciliation of Net Revenue Expenditure

	2017 £	2018 £	2019 £
Base Department Budget	1,740,700	1,746,300	1,746,300
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	11,800	11,900	12,000
Price Inflation - Provision for General Pay Awards	5,600	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
Departmental Transfers	-	-	-
	-	-	-
Savings			
- Department Savings Programme			
Savings	-	-	-
Efficiency	(11,800)	(11,900)	(12,000)
User Pays	-	-	-
- Benefit Changes	-	-	-
	(11,800)	(11,900)	(12,000)
Additional MTFP 2 Growth	-	-	-
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	-	-	-
- Demographics	-	-	-
- New Funding	-	-	-
- Revenue implications of Capital Projects	-	-	-
	-	-	-
Other Variations			
Net Revenue Near Cash Expenditure	1,746,300	1,746,300	1,746,300
Depreciation			
Total Net Revenue Expenditure	1,746,300	1,746,300	1,746,300

Community and Constitutional Affairs

Community and Constitutional Affairs

Purpose

Community and Constitutional Affairs aims to improve the quality of life of everyone living in Jersey by helping create a safe, just and fairer society.

Responsibilities

- Responsibility for the following services:
 - States of Jersey Police;
 - States of Jersey Prison Service (HM Prison La Moye);
 - Jersey Fire and Rescue Service;
 - Jersey Customs and Immigration Service;
 - Jersey Field Squadron (Jersey's Army Reserves Unit);
 - Office of the Superintendent Registrar;
 - Emergency Planning;
 - Safeguarding Partnership Boards;
- Criminal Justice Policy;
- Constitutional and Justice Policy (as detailed in P.92/2013);
- Housing Policy and the Strategic Housing Unit;
- Social Policy;
- Building a Safer Society Strategy;
- Registered authority for the Jersey Vetting Bureau;
- Legislation Advisory Panel.

2017-2019 Change Projects

In 2017-2019, the Department for Community and Constitutional Affairs (CCA) will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Projects	Start Year	Council Priority	Strategic Goal
Deliver savings and other initiatives in support of the Public Sector Reform programme	2017 ongoing	Sustainable Public Finances	11

Projects	Start Year	Council Priority	Strategic Goal
Implement new Building a Safer Society Strategy	2016	Improve Health & Wellbeing Improve St Helier	1,2
Develop gender based and domestic violence strategies, including extension of appropriate conventions.	2016	Improve Health & Wellbeing	1,2
Deliver the 2017 Policing Plan	2017		1
Develop and embed 1,001 Critical Days Agenda <i>(see note 1)</i>	2015	Improve Health & Wellbeing Improve Education Sustainable Public Finances	1,2,3,5,6,11
Co-ordinate delivery of Alcohol and Licensing Strategy, including new Licensing Law	2015	Improve Health & Wellbeing Improve St Helier Optimise Economic Growth	1
Deliver the new Housing Strategy Framework, including measures to improve supply, standards, occupation, and neighbourhoods	2015	Improve Health & Wellbeing Improve St Helier Optimise Economic Growth	1,3,4,9
Introduce regulatory law and housing charter for social housing	2015	Improve Health & Wellbeing Improve St Helier	2,4
Develop a Disability Strategy <i>(see note 1)</i>	2015	Improve Health & Wellbeing	1,2,3
Develop and introduce Charities Law, including an independent Charity Commissioner and enhancing the voluntary and community sector <i>(see note 1)</i>	2013		1,2,3

Projects	Start Year	Council Priority	Strategic Goal
Support development of Independent Care Commission <i>(see note 1)</i>	2012	Improve Health & Wellbeing	1,2
Develop agreed legislative changes regarding same sex marriage and divorce reform	2014		1
Implement Extension of Safeguarding Vulnerable Groups Act to Jersey	2016	Improve Health & Wellbeing	1
Develop legal framework to address parking on private land	2015	Improve St Helier	1,4,10
Develop Judicial and Legal Services Commission White Paper	2013		1
Deliver Final Report on Access to Justice Review <i>(see note 1)</i>	2014		1
Support the development of a new Criminal Procedures Law	2014		1
Implement Young Person's Placement Panel Regulations	2014	Improve Health & Wellbeing	2
Develop new Property Law Amendments to the Immoveable Property Law to allow for the registration of a mortgage of a percentage of its value, essentially to allow for shared-equity purchase schemes.	2015		3, 4
Implement States of Jersey Police Force Law 2012 subordinate legislation	2016		1
Sexual Offences Law update	2016		1, 2

Note 1

This project will not be delivered from within existing CCA resources

Financial Narrative

The Department is engaged actively with the Public Sector Reform Programme to modernise services and deliver efficiencies and savings in the second part of the Medium Term Financial Plan (MTFP Addition 2017-2019) in order to support investment in the Strategic Plan priorities; this includes the use of LEAN techniques, workforce modernisation and service redesign.

The priority is to maintain public safety and front line public services, having regard for the statutory basis for many of the services delivered by the Department. Officers have reviewed the services delivered by the Department in order to identify where efficiencies and savings can be achieved safely.

Departmental Transfers

Transfer required to reflect the transfer of Information Systems support to the Prison from the Chief Minister's Department agreed in 2015. (DD-CMD-2015-007).

Savings

In 2017 the Department will deliver further savings of £1,139,000, in addition to maintaining the savings implemented in 2015 and 2016. The Department has also identified compensating savings in order to manage payroll costs relating to incremental increases within the States of Jersey Police, Prison and Fire and Rescue Service.

Savings will be delivered across a range of CCA services; there are service redesigns in development for areas of the States of Jersey Police, Jersey Fire and Rescue Service and Jersey Customs and Immigration Service. This service redesign work includes investments in the increased use of mobile technology, new operating models, some investments in premises and closer collaborative working between the services and with other agencies.

The Department's savings proposals not only include safely reducing costs and increasing efficiency, they also include revising user pays charges to ensure that the clients of specific services meet the full cost of providing that service. New user pays charges will be introduced for explosives licencing and existing charges for fire and petroleum certification and services provided by the Superintendent Registrar will be increased in order to achieve cost recovery.

Ministerial Review

The Department agreed a savings target of £5.1 million over the period 2015 - 2019. However, as a result of a Ministerial review, it was agreed that funding should be maintained to ensure continuity of the Building a Safer Society (BaSS) Strategy seed funding. The Strategy provides the Island's strategic direction for reducing crime, anti-social behaviour and substance misuse. BaSS works through effective partnerships and promotes early intervention, diversion and interventions to reduce offending. Continuity of funding will enable time limited 'seed corn' investment in initiatives, which will be reviewed based upon evidence of their effectiveness.

External grants are now shown separately in the Service Analysis and the BaSS strategy and any internal seed corn grants within Home Affairs.

Compensating savings to allow for the maintenance of BaSS seed funding are not deliverable from within the CCA budget as Ministers are committed to maintaining public safety and front line public services, having regard for the statutory basis of many of the services delivered by the Department.

Additional MTFP2 Growth

Earmarked Contingency - Combined bid for investment in initiatives to support vulnerable children

Funding will be held in an earmarked central contingency for the investment in initiatives that support vulnerable children including: additional capacity in the Law Officers' Children's and Family division; continued development of family centres and early intervention initiatives; development of the Youth Enquiry Service, additional child protection officers and other enhancements to work on safeguarding, support towards a sexual assault referral centre, and continuing development of support for pre-school special needs and the 1001 days initiative. These initiatives include currently undelivered recommendations arising from previous reports/inspections and other unfunded commitments. The need for any additional future investment will be assessed once the Inquiry has made its final report and recommendations.

Original MTFP2 Growth

Commitments

Committed growth has been provided for Safeguarding following the transfer to CCA in 2016.

Revenue Implications of Capital Projects - New Police Station and Prison Phase 6

These requirements have been reviewed in the light of more detailed information and as a result the revenue implications of the New Police Headquarters have been reduced. The revenue implications of the next Phase of the Prison will not be required until 2020 due to the anticipated timing of the project.

Manpower

Staff numbers will reduce from 699.0 FTE in 2016 to 666.0 FTE by the end of 2019, a net change of 33.0 FTE mainly due to recurring staff savings in the States of Jersey Police, Jersey Fire and Rescue Service and Jersey Customs and Immigration Service over the period 2017 - 2019.

Overview for 2017 – 2019

The Department is continuing to explore a number of initiatives over the period 2017-2019 which will provide the opportunity for changes in structure and service redesign, which will be essential if the Department is to continue to deliver efficient and effective front line and emergency services with reduced resources.

The next phase of the Workforce Modernisation (WFM) Programme, due to commence by 2017, will include the Uniformed Services and will look to support further improvements to organisation design by adopting appropriate and leaner organisation structures and ensuring equal pay for work of equal value.

The Ministerial Team, Chief Officers and Service Heads will continue to progress the Public Sector Reform Programme in order to assist the delivery of balanced budgets by 2019 and are committed to the maintenance of core functions and provision of essential public services to islanders.

Community and Constitutional Affairs

Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
(1,353,600)	Duties, Fees, Fines & Penalties	(1,400,300)	(1,400,300)	(1,584,800)
(722,700)	Sales of Goods and Services	(740,000)	(743,000)	(874,300)
-	Investment Income			
(40,900)	Other Income	(40,900)	(40,900)	(38,600)
(2,117,200)	Total Income	(2,181,200)	(2,184,200)	(2,497,700)
	Expenditure			
-	Social Benefit Payments			
41,871,300	Staff Costs	42,067,900	41,497,600	40,789,400
5,482,300	Supplies and Services	4,929,900	4,990,700	4,974,500
922,200	Administrative Expenses	969,600	963,000	935,600
2,630,100	Premises and Maintenance	2,524,200	2,502,500	2,421,100
305,800	Other Operating Expenses	283,800	283,800	283,800
164,000	Grants and Subsidies Payments	162,500	162,500	162,500
-	Impairment of Receivables			
12,000	Finance Costs	26,000	26,000	26,000
-	Foreign Exchange (Gain)/Loss			
-	Contingency Expenses			
51,387,700	Total Expenditure	50,963,900	50,426,100	49,592,900
49,270,500	Net Revenue Near Cash Expenditure	48,782,700	48,241,900	47,095,200
735,000	Depreciation	800,000	750,000	750,000
50,005,500	Total Net Revenue Expenditure	49,582,700	48,991,900	47,845,200

Community and Constitutional Affairs

Reconciliation of Net Revenue Expenditure

	2017 £	2018 £	2019 £
Base Department Budget	49,270,500	48,782,700	48,241,900
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	154,100	157,200	160,300
Price Inflation - Provision for General Pay Awards	416,300	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
Departmental Transfers			
- Transfer of IS support to the Prison from CMD	46,800	-	-
	<u>46,800</u>	-	-
Savings			
- Department Savings Programme			
Savings	(462,000)	(55,000)	(220,000)
Efficiency	(677,000)	(762,000)	(790,000)
User Pays	-	(24,000)	(299,000)
- Benefit Changes	-	-	-
	<u>(1,139,000)</u>	<u>(841,000)</u>	<u>(1,309,000)</u>
Additional MTFP 2 Growth	-	-	-
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	3,000	3,000	2,000
- Demographics	-	-	-
- New Funding	-	-	-
- Revenue implications of Capital Projects	31,000	140,000	-
	<u>34,000</u>	<u>143,000</u>	<u>2,000</u>
Other Variations			
Net Revenue Near Cash Expenditure	48,782,700	48,241,900	47,095,200
Depreciation	800,000	750,000	750,000
Total Net Revenue Expenditure	49,582,700	48,991,900	47,845,200

Economic Development
Tourism, Sports and Culture
(as amended)

Economic Development, Tourism, Sport & Culture

(as amended)

Purpose

To deliver economic growth, improve competitiveness, diversify the economy and create new employment opportunities across all sectors.

To encourage, support and promote sport as an important and valued part of Jersey life.

To encourage, promote and support creative industries, the arts, heritage and culture for the benefit of all.

Responsibilities

- Development of policy, strategy and legislation in support of our purpose, where possible reducing red-tape;
- Work closely with partners across all sectors of Jersey's economy to support their development and diversification;
- Support new and established businesses through Jersey Business;
- Encourage inward investment and developing international trade through Locate Jersey;
- Encourage high-wealth individuals, who will contribute economically and socially, to take up residency in Jersey;
- The promotion of Jersey as a visitor destination through Visit Jersey;
- Operate and support a range of cultural and performance facilities to host a comprehensive events programme;
- Provide funding and advocacy for the creative industries, the arts, heritage and culture;
- Air and Sea Transport policy;
- The registration of pleasure boats and commercial vessels through the British Registrar of Ships in Jersey;
- The Channel Islands Lottery;
- Protect the consumers through the provision of a comprehensive advisory service and funding of the Jersey Consumer Council;
- Provision of high quality sports facilities and programmes accessible to all;
- Provision of sports development and physical literacy opportunities;
- Support the rural economy to grow and diversify;
- Oversight of regulatory functions across different sectors of the economy including retail and gambling.

2017-19 Change Projects

Over the plan period, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver efficiencies across the entire EDTSC portfolio	Sustainable Public Finances	11
Implement the new Enterprise Strategy	Optimise Economic Growth	6
Support the implementation of a new Innovation Strategy and Competition Policy	Optimise Economic Growth	6
Implement the Rural Economy Strategy	Optimise Economic Growth	6
	Protect and enhance the Island's natural and built environment	9
Achieve financial sustainability for the sports and culture estate	Sustainable Public Finances	11
	Promote sporting, leisure and cultural activities that enrich Islanders' lives	7
	Promote health and social wellbeing	2
Develop a creative industries, culture, heritage and arts strategy	Sustainable Public Finances	11
	Optimise Economic Growth	6
	Promote sporting, leisure and cultural activities that enrich Islanders' lives	7

Financial Narrative

Introduction

As highlighted in the States Strategic Plan, Ministers are reducing spending in some areas to invest in the priority areas of health, education, infrastructure and economic growth.

The Economic Development, Tourism, Sport and Culture Department (EDTSC) was formed by the integration of some areas of the Economic Development Department with the sports and culture functions of the Education Department. It is working to support the economy to become increasingly competitive, innovative and technology-driven, so it can provide the extra revenue that will help balance budgets by 2019.

The Department is committed to save £2.76 million over the MTFP 2017 to 2019. These savings will be achieved by a combination of staff and non-staff efficiencies, reductions in grant funding, continued restructuring across the Department and, as a last resort, income generated through increased charges.

The Department was restructured during the last MTFP period and it will continue to explore further restructuring and service delivery initiatives over the period 2017-2019 to provide even more efficient and effective services within reduced budgets and staffing.

The integration of Sports and Culture provides the opportunity for a “root and branch” review of infrastructure and operations in these areas of the portfolio.

Culture - In the previous MTFP period, Education, Sports and Culture (ESC) commissioned two pieces of work exploring the potential for greater efficiencies or savings from the Jersey Arts Trust, Jersey Arts Centre and the Opera House either working more closely together or having their delivery areas combined into a single organisation. Building on, but not duplicating this work, a Cultural, Heritage, Arts and Creative Industries Strategy will be developed to define how the States can fund successful outcomes within constrained budgets. In addition, current and future States investment in cultural facilities will be analysed to produce a Cultural and Heritage Investment Plan.

Sport – EDTSC is committed to the ongoing delivery of the ‘Fit for the Future’ strategy and the transfer of Sport Development activity to a properly constituted, grant-funded, arms-length body, Jersey Sport, independent of the States of Jersey. A critical evaluation of sports facilities provision will be undertaken to evaluate future service delivery, more efficient working practices and development of a Long Term Sports Facility Investment Strategy.

2017 Recurring Savings

In addition to maintaining the £1.148 million savings implemented in 2016, EDTSC has committed to further recurring savings of £814,500 in 2017, to be achieved through efficiencies comprising of the following initiatives:

- Continued restructuring of EDTSC and delivery of the Public Sector Reform Programme;
- A reduction in budgets consistent with the removal of non-staff inflation;
- Reduction in funding for some directly delivered services;
- Reduction in budgets for some grant funded organisations;
- Reductions in cost of playing fields maintenance resulting from Department of Infrastructure transformation programme.

Following a Council of Ministers Review, it was agreed that the recurring savings target for 2017 would be reduced by £200,000 from £958,000 to £758,000¹.

This will enable the Department to allocate £160,000 to the Jersey Heritage Trust to maintain the service provided by Jersey Archive. In 2014 and 2015 a team of 5.6 FTE was employed in the Jersey Archive as part of the Freedom of Information implementation programme. The work undertaken included, but was not limited to, the accessing, cataloguing, storage, and conservation of documents. The additional temporary resource allocated in 2014 and 2015 reduced the cataloguing backlog from 27.2 years at the end of 2013 to 6.8 years at the end of 2015. The removal of this resource at the end of 2015 has resulted in the backlog increasing to 25.2 years. Left unaddressed, it is anticipated that by 2025 the backlog would increase to 45 years. The requirement for permanent staff to continue providing this service has been clearly identified by the Chairman of the Records Advisory Panel.

£40,000 will be allocated to the Jersey Arts Trust to fund a permanent base for the Jersey Arts Trust that encompasses additional facilities for creative industries development.

2017 Growth Funding

Total growth funding of £450,000 will be allocated each year from 2017-2019 to maintain funding for the “Fit for Future” sports strategy. It should be noted that this growth allocation is £300,000 less than that allocated in the previous MTFP

2018 Recurring Savings

In addition to maintaining the £814,500 savings in 2017, the Department has committed to further recurring savings of £923,000 together with an additional £200,000 income target (total £1.12 million) in 2018. As in 2017, savings will be delivered through:

- Continued restructuring of EDTSC and delivery of Public Sector Reform Programme;
- further reduction in budgets across the department consistent with the removal of non-staff inflation in the period 2017-19;
- Reduction in funding for some directly delivered services;
- Reduction in budgets for some grant funded organisations.

2018 Growth Funding

- Over and above the £450,000 allocated in each year of the MTFP Addition, no additional growth funding will be allocated to EDTSC in 2018.

2019 Recurring Savings

In addition to maintaining the £814,500 savings in 2017 and £1.12 million savings in 2018, the Department has committed to savings of £827,000 in 2019. As in 2017 and 2018, savings will be met by a combination of:

- Continued restructuring of EDTSC and delivery of Public Sector Reform Programme;
- Further reduction in budgets across the department consistent with the removal of non-staff inflation in the period 2017-19;
- Further reduction for some directly delivered services;

¹ Including VR, total savings the department will make in 2017 is £814,500.

- Further reduction in budgets for some grant funded organisations.

2019 Growth Funding

- Over and above the £450,000 allocated in each year of the MTFP Addition, no additional growth funding will be allocated to EDTSC in 2019.

Staffing

As a consequence of the transfer of functions agreed by the States in (P.46/2015), 106.5 staff were transferred from the Education Department and 4 FTE to the Chief Minister’s Department in 2016. A reduction of another 1.4 FTE and 13 vacant posts in the Sports area was made during 2016 that EDTSC will not replace.

The number of staff employed by the Department from 1st January 2017 will be 123.3 FTE. There will be a further reduction of 5.0 FTE through approved Voluntary Redundancies / Voluntary Severances and other efficiencies as part of ongoing savings in 2018 and 2019.

A full breakdown of FTE, including movements from 2016 to 2017, and over the MTFP 2017 to 2019 is given in the table below:

Adjusted 2016 FTE	137.7
Economic Growth....	-1.5
Tourism, Destination & Marketing...	-1.5
Policy & Regulation....	1.5
Rural Support....	0.1
Sport...	-13.0
2017 FTE	123.3
Policy & Regulation....	-4.0
2018 FTE	119.3
Policy & Regulation....	-1.0
2019 FTE	118.3

Changes following MTFP Addition debate

7th Amendment – Deputy Tadier – Jerriais

Prior to the 7th Amendment to transfer £30,000 from Education to Economic Development, Sport and Culture to fund the teaching of Jerriais, the Assistant Minister for Economic Development, Sport and Culture had agreed² to provide the Education Department with annual funding up to £61,431 for the period 2016 – 2019 on the basis that Education were best placed to deliver the service.

Following the Chief Minister's commitment to fund Jerriais, the £30,000 budget within Culture's cash limit for 2017 - 2019 will no longer be needed and therefore transferred back to Education. In addition the Department will now agree by Ministerial Decision to transfer specific budgets of £54,121 in 2017, £56,812 in 2018 and £59,380 in 2019 and this will be reflected in the MTFP Addition Annex Updates 2018 and 2019. At the end of this period there will be a review of the situation around the administration of Jerriais to decide on the best course of action and source of funding going forward.

The annual transfers of £54,121, £56,812 and £59,380 are to be funded from grant budget originally established to help promote and protect Jerriais now it is to be administered by the Education Department.

² MD-E-2016-0027

Economic Development, Tourism, Sport and Culture

Statement of Comprehensive Net Expenditure

Revised 2016		2017	2018	2019
Net Revenue		Net Revenue	Net Revenue	Net Revenue
Expenditure		Expenditure	Expenditure	Expenditure
£		£	£	£
	Income			
(521,900)	Duties, Fees, Fines & Penalties	(467,100)	(467,100)	(467,200)
(4,564,500)	Sales of Goods and Services	(4,285,500)	(4,344,560)	(4,378,360)
-	Investment Income	-	-	-
(187,200)	Other Income	(178,700)	(385,300)	(392,800)
(5,273,600)	Total Income	(4,931,300)	(5,196,960)	(5,238,360)
	Expenditure			
-	Social Benefit Payments	-	-	-
6,552,500	Staff Costs	5,610,400	5,509,600	5,353,900
2,409,300	Supplies and Services	2,132,800	1,928,000	1,861,400
39,000	Administrative Expenses	59,460	59,060	58,460
2,677,100	Premises and Maintenance	2,410,840	2,348,900	2,238,100
19,200	Other Operating Expenses	18,800	18,800	18,800
12,706,000	Grants and Subsidies Payments	13,836,500	13,626,500	13,458,500
-	Impairment of Receivables	-	-	-
14,900	Finance Costs	15,100	15,100	15,100
-	Foreign Exchange (Gain)/Loss	-	-	-
-	Contingency Expenses	-	-	-
24,418,000	Total Expenditure	24,083,900	23,505,960	23,004,260
	7th Amendment - Transfer of £30,000 from Education for teaching of Jerriais	30,000	30,000	30,000
24,418,000	Revised Total Expenditure (as amended)	24,113,900	23,535,960	23,034,260
19,144,400	Net Revenue Near Cash Expenditure	19,182,600	18,339,000	17,795,900
111,800	Depreciation	272,400	272,400	272,400
19,256,200	Total Net Revenue Expenditure	19,455,000	18,611,400	18,068,300

Notes:

Financial changes as a result of 7th Amendment are reflected in the financial tables as a decision of the States. However, it is now clear that the £30,000 transfer from Education is not required and will be reversed in 2017.

Economic Development, Tourism, Sport and Culture

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	19,144,400	19,182,600	18,339,000
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	272,900	278,400	283,900
Price Inflation - Provision for General Pay Awards	99,800	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
MTFP Addition Amendments			
- 7th Amendment			
- Transfer from Education department	30,000		
Departmental Transfers	-	-	-
Savings			
- Department Savings Programme			
Savings	-	(200,000)	-
Efficiency	(814,500)	(922,000)	(827,000)
User Pays	-	-	-
- Benefit Changes	-	-	-
	(814,500)	(1,122,000)	(827,000)
Additional MTFP 2 Growth	450,000	-	-
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	-	-	-
- Demographics	-	-	-
- New Funding	-	-	-
- Revenue implications of Capital Projects	-	-	-
	-	-	-
Other Variations			
Net Revenue Near Cash Expenditure	19,182,600	18,339,000	17,795,900
Depreciation	272,400	272,400	272,400
Total Net Revenue Expenditure	19,455,000	18,611,400	18,068,300

Notes:

Financial changes as a result of 7th Amendment are reflected in the financial tables as a decision of the States. However, it is now clear that the £30,000 transfer from Education is not required and will be reversed in 2017.

Education (as amended)

Education (as amended)

Purpose

The Education Department provides educational opportunities that begin at nursery and continue into retirement. This supports our commitment to encourage lifelong learning to enable everyone to realise their potential.

Responsibilities

- Children are taught to a high standard in a safe learning environment;
- The provision of an effective curriculum for 3 to 19 year olds including the monitoring of the curriculum and teaching and learning;
- The registration of schools;
- The provision of early years education plus liaison with and support for external organisations that promote early years;
- Professional development and training of all teaching staff;
- Supporting and providing advice to head teachers;
- Making educational provisions for the special needs of all children;
- The provision of specialist and general careers advice;
- Providing financial assistance for higher education courses;
- The delivery of the island's youth service;
- The registration of out-of-home childcare settings;
- The delivery of library services across the island;
- The provision of an island wide music service;

2017-2019 Change Projects

In 2017-2019, the Department will continue to deliver a number of significant projects in support of the priorities and/or strategic goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from existing resources.

Project	Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable public finances	11
Delivery of the Jersey Premium (Raising Achievement Funding - growth)	Improve education	3,5,6
Improve data quality and data use in schools and the department (growth)	Improve education	3,5,6
Raise standards and deliver school accountability (Extending Professional Partnering - growth)	Improve education	3,5,6
Provide anytime / anywhere learning (ICT skills strategy-growth)	Improve education	3,5,6

The department's day-to-day business activity will also support and deliver the priorities set out in the Council of Ministers' Strategic Plan, specifically the goal to 'Improve Education'. In addition to the initiatives already highlighted, the department will continue to deliver the change programme outlined in the Education Business Plan 2015 which centres on four key priorities: raising standards; reshaping the curriculum; effective working with families; and providing autonomy to schools. This will support the Council of Ministers' Strategic Goal SG5 (Provide a first-class education service, supporting the development of skills, creativity and lifelong learning).

Financial Narrative

Introduction – key themes for 2017-2019

Changes in Ministerial Government

The States Strategic Plan highlights Education as one of the priorities over the period of this Medium Term Financial Plan.

As a result of a restructure of Ministerial portfolios, the Education, Sport and Culture Department became the Education Department from 1 January 2016, when the responsibility for sport and culture was transferred to another Ministry.

This has enabled the Education Department to place a greater focus on its main strategic priorities and means it can invest in tackling the two most significant challenges it is facing; rising pupil numbers and the need to raise educational standards.

Investment in educational outcomes

The Department's drive to improve standards is its key priority and work is focused on achieving the best possible outcomes for all our young people. As part of this, there will be investment in the modern data systems required to accurately monitor performance and give schools the information they need to target their improvement plans. This will take place alongside investment in specific students who are vulnerable to low attainment through the Jersey Premium, which will provide additional support to maximise their individual attainment and achievement.

The standards agenda is supported by the three other priorities identified in the Education Business Plan, namely a review of the Jersey Curriculum (which has now been updated), family focus and school autonomy.

In addition to raising standards, the Department will continue to provide a broad and balanced education for every child entitled to go to school here. There was an increase in the number of births in 2012 and this will lead to a rise in the number of pupils in our schools. The Department has been planning for this demographic change both through increased financial investment and by meeting the need for additional facilities, including building additional classrooms in the States primary sector to ensure there are enough school places for our children.

Savings programme

The Education Department, in line with the rest of the public sector, is committed to ensuring that services are delivered efficiently and effectively. The Department is constantly reviewing expenditure and priorities in order to address the additional demand for services from a growing population while investing in improving standards. As a result, the level of user pays charges may be reviewed, particularly for non-core services, to ensure that spending is focused on our priorities.

Public Sector Reform

Education is committed to public sector reform and continues to drive forward change through increased partnership working with the voluntary and community sector and with other States departments such as Health and Social Services and Community and Constitutional Affairs in order to achieve the best outcomes for the young people. In addition, the Department will continue to use Lean techniques to streamline services and work with the E-Gov team to use technology to improve the customer experience whilst minimising costs.

Review of Spending Priorities

Education is one of the priority areas identified by the Council of Ministers in the States Strategic Plan and as such, is receiving £10.6 million of additional annual funding by 2019. The Department has a clear plan for managing its four key priorities - standards, curriculum, families and autonomy - which were set out in the Education Business Plan 2015-2018.

The Department is delivering savings of £2.8m in 2016. In the MTFP period of 2017-2019, the Department has committed to delivering a further £3.9m reduction in the cash limit.

Taken together with £10.6 million growth in funding, this means the Department's annual funding will increase by £3.9 million. This is in line with strategic priorities as it protects Education's funding in comparison to most other departments.

The Department has a strategy in place to prioritise funding so that it can deliver its objectives in the most effective and efficient way. The underlying principles are:

- Statutory – those services the Department has a legal duty to deliver;
- Raising standards – initiatives and services that will improve the educational outcomes for children;
- Family / child focus – services that will ensure all children have the support needed to access the education they are entitled to.

The Department has reviewed all services, challenging the traditional delivery mechanisms, reviewing cost benefit of each area and embedding new ways of working within the service. The Department has used corporate initiatives such as Lean and E-Government to ensure that services are streamlined and making the most of investment in technology.

Effect of growth and savings proposals

The Department has two broad categories of growth:

- Increase in number of young people accessing our services
- Improvement in standards and outcomes for our young people

An increase in the number of children going to school requires an investment in additional classes, particularly in primary. The Department has invested in both the revenue costs of running these new classes but also in additional capital resources to build new classrooms across the Island to meet this increasing demand. In addition, there is a £40 million capital project to build a new Les Quennevais school in the west of the island to ensure that all students have access to high quality teaching environments but also to increase capacity in the secondary education in anticipation of the increased numbers from primary feeding into secondary.

A further £15 million has been allocated to improve Grainville and St Mary school buildings.

Investment in standards will be achieved through a combination of improved data provision; an enhanced professional partner team; investment in vulnerable young people and their families to ensure individual learning needs are addressed, and through alignment of the curriculum to the needs of the Jersey economy.

As noted above, all services are continually reviewed to ensure that they deliver value for money and are appropriately prioritised against the government's strategic aims and the Department's objectives. The savings programme began in 2016 with a reduction in the central senior management team and will be delivered across all areas of the Department. An analysis of growth and savings is set out per service area below.

Early year's services

The Department recognises that early intervention is key to ensuring that our young people have the best start to their education. Funding is prioritised to address the needs of our most vulnerable children to give them the best possible start and to reduce future adverse consequences. As a result, the 20 free hours of pre-school education has been reviewed and a decision made to implement a means-testing system that will reduce free access for families on higher incomes.

Non fee-paying provided schools

The Department is investing in all States schools by providing education for the increased numbers of young people of compulsory school age. In addition, the Jersey Premium is an investment in the young people who are most likely to under-achieve. As part of the savings programme, the efficiency of all aspects of the education system will be reviewed to continue to improve the collaboration between schools, ensure that staff are appropriately rewarded, services are procured effectively and to drive maximum efficiencies within the service.

Fee-paying provided and non-provided schools

The Department will review the fee-paying sector to ensure that full benefit is gained from every pound invested in the services and that the level of investment is consistent with the priorities of the Department and pressures on budgets.

Further and higher education

The Department will continue to work with partnership organisations in the UK and further afield to maintain access to apprenticeships, further education and higher education. In May 2016 the Department released a report on Higher Education funding and is committed to exploring options to ensure that future generations continue to have access to appropriate education so they can fulfil their potential.

Youth, Careers and Library

These areas are also subject to continued programme of efficiency savings.

Additional MTFP Growth agreed by Council of Ministers

As education is one of the Council of Ministers' strategic priorities they have decided that supplementing the funding for higher education would deliver a more progressive package of spending measures. The proposals from Education include investing £2 million in higher education so more students can access university through more financial support.

The household income threshold for receiving a full student grant will be raised and the maximum amount paid for living expenses through the maintenance grant will increase, helping people on lower incomes. Other higher education initiatives will also be investigated.

Staffing

Staff employed by the Department over the period 2017–2019 will increase by 31.2 FTE. This is due to the increase in student numbers and the extra teachers needed to educate them. This is offset by a reduction of 26.6 FTE in staff through our savings programmes so there will be a net increase of 4.6 FTE over the MTFP period.

Changes following MTFP Addition debate

4th Amendment - Nursery Education Fund (NEF) means testing for all service providers

The Amendment was accepted, which agreed that the proposal for Nursery Education Fund means testing should apply to all providers. This could marginally increase the savings but may also require an additional member of staff. The Education Minister will advise the Assembly of the new proposals in due course. No net change to total expenditure limits.

7th Amendment – Deputy Tadier – Jèrriais

The Amendment required £30,000 to be transferred to Economic Development, Tourism, Sport and Culture Department and is reflected in financial tables as a decision of the States.

However, subsequently it is now clear that this transfer is not required and £30,000 needs to be returned to Education in 2017.

This correction and the additional funding to reflect the commitment made by the Minister for Economic Development, Tourism, Sport and Culture and the Chief Minister during the debate of the 7th Amendment to provide funding each year from 2017-2019 for the teaching of Jèrriais will be processed as Ministerial budget transfer from 1.1.2017.

The changes for 2018 and 2019 will be incorporated in MTFP Addition Annex Updates for 2018 and 2019 in due course.

Education Department

Statement of Comprehensive Net Expenditure

Revised 2016		2017	2018	2019
Net Revenue		Net Revenue	Net Revenue	Net Revenue
Expenditure		Expenditure	Expenditure	Expenditure
£		£	£	£
	Income			
(17,900)	Duties, Fees, Fines & Penalties	(14,000)	(14,000)	(14,000)
(15,022,300)	Sales of Goods and Services	(14,968,600)	(14,968,600)	(15,268,600)
-	Investment Income	-	-	-
(131,900)	Other Income	(180,300)	(180,300)	(180,300)
(15,172,100)	Total Income	(15,162,900)	(15,162,900)	(15,462,900)
	Expenditure			
9,343,500	Social Benefit Payments	9,675,600	10,349,700	10,875,800
86,072,300	Staff Costs	89,084,600	89,278,100	89,628,900
10,654,100	Supplies and Services	10,466,000	10,393,400	10,184,800
1,033,200	Administrative Expenses	645,800	618,500	632,100
5,080,100	Premises and Maintenance	4,922,000	4,706,200	4,731,300
26,200	Other Operating Expenses	48,600	48,600	48,600
6,612,600	Grants and Subsidies Payments	6,222,000	5,943,000	5,636,000
-	Impairment of Receivables	60,000	60,000	60,000
10,200	Finance Costs	12,300	12,300	12,300
-	Foreign Exchange (Gain)/Loss	-	-	-
-	Contingency Expenses	-	-	-
118,832,200	Total Expenditure	121,136,900	121,409,800	121,809,800
	7th Amendment - Transfer of £30,000 to EDTS&C for teaching of Jerriais	(30,000)	(30,000)	(30,000)
118,832,200	Revised Total Expenditure (as amended)	121,106,900	121,379,800	121,779,800
103,660,100	Net Revenue Near Cash Expenditure	105,944,000	106,216,900	106,316,900
310,300	Depreciation	310,000	200,000	215,000
103,970,400	Total Net Revenue Expenditure	106,254,000	106,416,900	106,531,900

Notes:

Financial changes as a result of 7th Amendment are reflected in the financial tables as a decision of the States. However, it is now clear that the £30,000 transfer to EDTS&C is not required and will be reversed in 2017.

Education Department

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	103,660,100	105,944,000	106,216,900
Base Adjustment & Commitments			
Removal of additional one-off funding	(263,200)	-	-
Price Inflation Department Net Expenditure	203,800	207,900	212,000
Price Inflation - Provision for General Pay Awards	897,300	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
MTFP Addition Amendments			
- 7th Amendment			
- Transfer to EDTS&C department	(30,000)		
Departmental Transfers	-	-	-
Savings			
- Department Savings Programme			
Savings	-	(45,000)	-
Efficiency	(444,000)	(1,021,000)	(805,000)
User Pays	(260,000)	(500,000)	(815,000)
- Benefit Changes	-	-	-
	(704,000)	(1,566,000)	(1,620,000)
Additional MTFP 2 Growth	600,000	874,000	526,000
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	-	-	-
- Demographics	462,000	471,000	610,000
- New Funding	1,074,000	267,000	352,000
- Revenue implications of Capital Projects	44,000	19,000	20,000
	1,580,000	757,000	982,000
Other Variations			
Net Revenue Near Cash Expenditure	105,944,000	106,216,900	106,316,900
Depreciation	310,000	200,000	215,000
Total Net Revenue Expenditure	106,254,000	106,416,900	106,531,900

Notes:

Financial changes as a result of 7th Amendment are reflected in the financial tables as a decision of the States. However, it is now clear that the £30,000 transfer to EDTS&C is not required and will be reversed in 2017.

Environment

Department of Environment

Purpose

- To protect and enhance the natural and built environment, including our sea, water, air, land and buildings;
- To assess and control environmental factors that can potentially affect human health;
- To achieve secure, affordable and sustainable energy for Jersey, recognising the impact on our community and economy.

Recognising the impact of these aims on our community and economy

Responsibilities

- Developing and implementing legislation, policies, plans and guidance to protect and enhance the natural and built environment;
- Regulation of the natural and built environment;
- Promoting and encouraging the sustainable decision-making and best use of natural resources;
- Ensuring secure, affordable and sustainable energy;
- Provide advice and increase awareness and understanding of environmental issues;
- Making sure development is designed and constructed to safe and environmentally appropriate standards;
- Monitor health-related environmental issues and promote the prevention and control of infectious diseases;
- Monitoring plant health risks and providing a protective framework;
- Monitoring and enforcement of animal health and welfare and exercising controls to prevent or eradicate animal diseases;
- Management and conservation of the countryside, access network and biodiversity;
- Management and regulation of the marine environment and associated industries;
- Provision of meteorological and climate recording services;
- Collect, analyse, monitor and publish environmental information;
- Provide environmental grants and incentives.

2016-2019 Change Projects

During the MTFP period, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan.

Project	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2016	Sustainable Public Finances	11
Implement Pathway 2050: An Energy Plan for Jersey	2015	Sustainable Public Finances	2,3,4,6,9
Implement the Rural Economy Strategy 2016-2020	2015	Optimise Economic Growth	6,9

Lead the development and implementation of the Future St Helier project	2015	Improve St Helier	4,6,9,10
Lead the development and implementation of legislation, policies, plans and guidance to support the Future St Helier project	2015	Improve St Helier	4,6,7,9,10
Develop and implement a new Water Management Plan	2016	Improve Health & Wellbeing	2,9
Further streamline of planning process	2016	Sustainable Public Finances	9
Develop a Climate Change Adaptation Plan	2016	Improve St Helier	1,2,4,6,8,9,10,11
Commence the revision of the Island Plan	2018	Improve St Helier	4,6,9,10
Introduce a Landlord Accreditation scheme and maintain and develop the Eat Safe scheme	2016	Improve Health and Wellbeing	1,2,4,

Financial Narrative

The Department of the Environment (DoE) is reviewing what services it continues to offer and how these are best delivered, to support public sector reform and to help balance the financial position over the period of this MTFP.

The Development Control section (Planning) has already reviewed its operations and implemented a number of changes to improve the efficiency of the team and deliver a better service to the customer. A single planning officer team now exists and the applications and customer support team have been combined and relocated to the South Hill reception area. Following a public consultation a number of changes were made to what people can do to their home, garden or business without applying for planning permission.

2017-2019 Savings

In total, 8 posts have been identified that could cut costs as part of service redesign. It is expected that staff will need to adopt broader responsibilities, with some expert research or advisory work being outsourced if required.

The department work in the rural economy and countryside and the advice offered to the industry will see some re-design. This is likely to result in changes to the level of services provided by the environment division. Environmental grant payments will be reviewed and re-prioritised.

Planning and building officers will have wider responsibilities for administering advice, applications and appeals. The new online planning applications process, expected Q1 2017, will provide efficiencies and improve the customer experience. A further review of what people can do without planning permission, known as Permitted Development, will be undertaken, including work to listed buildings and places.

Further opportunities to achieve efficiencies by combining similar services across the States will also be explored.

2017-2019 User Pays

To move towards self-funding of the Environmental Health Service the department will continue the work started by Health and Social Service and plans to introduce a landlord accreditation scheme (Rent Safe) and develop the existing Eat Safe scheme to regulate food sale outlets. It is estimated that these two user pay schemes could generate income of approximately £800k per annum. The introduction of these charges is dependent on law changes and approval by the States Assembly.

Service Transfers

Environmental Health Team from Health and Social Services (HSS) to DoE

As part of the review of regulation the Environmental Health team (EH) was transferred to the DoE during 2016. The review is expected to deliver further opportunities to streamline regulatory activities and provide efficiencies

There are many synergies at both strategic and operational levels between the work of the DoE and EH. The wide ranging nature of the work of the DoE spans eight operational directorates, many of whose work streams interlink with the specialist work of EH. By bringing EH closer teams can work together more effectively and efficiently and this will help to deliver services differently as part of the reform programme.

The public often confuse the work of the two departments and with some areas already closely aligned it is sometimes easy to see why. By bringing together the work of the two bodies there is the opportunity to be more efficient and also to clarify the work being done to protect the natural and built environment from wider influences, and the public from environmental factors.

Department of the Environment

Net Revenue Expenditure - Service Analysis																			
2016			2017				2018				2019								
Near Cash Net Revenue Expenditure	Service Area	£	Near Cash		Total	Near Cash		Total	Near Cash		Total	FTE							
			Income	DEL		Income	DEL		Income	DEL									
			£	£	£	£	£	£	£	£	£	£	£						
654,000	Planning and Building		(3,241,000)	3,767,600	526,600	33,000	559,600	52.4	(3,370,400)	3,715,300	344,900	3,700	348,600	49.4	(3,411,600)	3,691,500	280,300	284,000	48.4
4,551,400	Environment		(1,240,900)	6,570,400	5,329,500	167,800	5,497,300	74.5	(1,443,500)	6,492,000	5,048,500	167,900	5,216,400	72.5	(2,094,000)	6,489,600	4,395,600	4,562,800	72.5
5,205,400	Net Revenue Expenditure		(4,481,900)	10,338,000	5,856,100	200,800	6,056,900	126.9	(4,813,900)	10,207,300	5,393,400	171,600	5,565,000	121.9	(5,505,600)	10,181,500	4,675,900	4,846,800	120.9

Department of the Environment

Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
(3,527,000)	Duties, Fees, Fines & Penalties	(3,463,500)	(3,793,000)	(4,438,500)
(861,000)	Sales of Goods and Services	(880,200)	(880,200)	(926,300)
(100)	Investment Income	-	-	-
(60,800)	Other Income	(138,200)	(140,700)	(140,800)
(4,448,900)	Total Income	(4,481,900)	(4,813,900)	(5,505,600)
	Expenditure			
-	Social Benefit Payments	-	-	-
7,225,200	Staff Costs	7,611,000	7,531,500	7,528,200
1,734,200	Supplies and Services	1,966,500	1,916,900	1,893,900
95,300	Administrative Expenses	98,700	98,100	98,600
383,300	Premises and Maintenance	380,100	379,100	379,100
-	Other Operating Expenses	-	-	-
216,000	Grants and Subsidies Payments	281,700	281,700	281,700
-	Impairment of Receivables	-	-	-
300	Finance Costs	-	-	-
-	Foreign Exchange (Gain)/Loss	-	-	-
-	Contingency Expenses	-	-	-
9,654,300	Total Expenditure	10,338,000	10,207,300	10,181,500
5,205,400	Net Revenue Near Cash Expenditure	5,856,100	5,393,400	4,675,900
159,980	Depreciation	200,800	171,600	170,900
5,365,380	Total Net Revenue Expenditure	6,056,900	5,565,000	4,846,800

Department of the Environment

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	5,205,400	5,856,100	5,393,400
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	(32,100)	(32,700)	(33,400)
Price Inflation - Provision for General Pay Awards	79,800	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
Departmental Transfers	-	-	-
- Transfer of Environmental Health Service from HSSD (11.0 FTE)	680,200	-	-
Transfer of Countryside Rangers from Dfl (3.0 FTE)	128,900	-	-
	<u>809,100</u>	-	-
Savings			
- Department Savings Programme			
Efficiency	(206,100)	(230,000)	(84,100)
User Pays	-	(200,000)	(600,000)
- Benefit Changes	-	-	-
	<u>(206,100)</u>	<u>(430,000)</u>	<u>(684,100)</u>
Additional MTFP 2 Growth	-	-	-
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	-	-	-
- Demographics	-	-	-
- New Funding	-	-	-
- Revenue implications of Capital Projects	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Other Variations			
Net Revenue Near Cash Expenditure	5,856,100	5,393,400	4,675,900
Depreciation	200,800	171,600	170,900
Total Net Revenue Expenditure	6,056,900	5,565,000	4,846,800

Health and Social Services
(as amended)

Health and Social Services (as amended)

Introduction

Purpose

Health and Social Services aims to enable Islanders to live longer, healthier and more productive lives by ensuring the provision of safe, sustainable, affordable and integrated services that are delivered in partnership with others.

Responsibilities

- Leading the health and social care strategy, working closely with partners, providing the long-term vision;
- Provision of a wide array of hospital services, including emergency and elective care and the associated services such as theatres, pathology, radiology, estates;
- Provision of ambulance services;
- Discharging statutory duties and responsibilities to children in need and at risk along with other groups of vulnerable people such as those detained under mental health legislation;
- Provision of social care and support in the community;
- Provision of drug and alcohol services;
- Provision of mental health care for all age groups, including psychiatry, psychology and ‘talking therapies’;
- Provision of therapies e.g. physiotherapy, occupational therapy, speech & language therapy;
- Education and development of health and social care professionals;
- Delivering screening in order to identify health issues;
- Prevention and control of infectious diseases;
- Supporting, funding and partnering with voluntary and community sector organisations;
- Monitoring and improving the quality and value for money of all services;
- Providing governance for General Practitioners.

“The transformation of our health and social care services is already underway as Jersey prepares to meet the demographic challenge. System redesign on the required scale requires significant investment but trying to prolong the current system would cost far more in the long term.

It is vital that we see this change programme through, not only to keep pace with growing demand and ensure that services are safe and fit for the future, but also to deliver a health and social care model that is financially sustainable.

Our focus on increasing the health and wellbeing of our community, and ensuring that people can access quality health care if they need it, will help reduce social exclusion.

It will also keep more people healthy and in the workforce and helping mitigate the rising costs of health care.”

Source: Strategic Plan 2015-2018

Change Projects to support Strategic Plan Priorities

Projects	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2016	Sustainable Public Finances	11
Improve value from contracts with on and off-Island service providers and suppliers	2013	Sustainable Public Finances	11

Continue delivery of the priority investments for Phase 2 of P82/2012	2016	Improve Health & Wellbeing	2
Continue to develop the health and social care system, as agreed in P82/2012, including continuing to develop, test and deliver integrated 'out of hospital' (community) services	2013	Improve Health & Wellbeing	2
Deliver the service changes from the Mental Health Strategy	2016	Improve Health & Wellbeing	2
Develop and implement an autism strategy	2016	Improve Health & Wellbeing	2
Develop a plan to improve access to services by developing a 'Care Hub'	2016	Improve Health & Wellbeing	2
Working with the 1001 Days programme and under the auspices of the Children And Vulnerable Adults policy group (CAVA), develop and deliver a multi-agency Children's services strategy, which incorporates Children in Care, disabled children, transition into adulthood, Child and Adolescent Mental Health services	2017	Improve Health & Wellbeing	2
Implement the Sustainable Primary Care Strategy	2016	Improve Health & Wellbeing	2
Review and update the Carers' Strategy	2016	Improve Health & Wellbeing	2
Agree the Future Hospital site	2016	Improve Health & Wellbeing Improve St Helier	2, 9
Agree and then introduce as many of the new models of working in the Hospital as practical and feasible – including new models for emergency and ambulatory care, reduced lengths of stay and new theatres	2018	Improve Health & Wellbeing	2
Engage the contractor and commence the first elements of the build of the Future Hospital	2018	Improve Health & Wellbeing Improve St Helier	2, 9
Continued development of a Nursing degree course delivered on-island	2013	Improve Health & Wellbeing Improve Education	2, 6
Agree a workforce and development plan	2016	Improve Health & Wellbeing	2
Implement the workforce plan and Workforce modernisation	2017	Improve Health & Wellbeing	2
Develop and implement policy for low level long-term care needs	2016	Improve Health & Wellbeing, Sustainable Public Finances	

Financial Narratives

Introduction – key themes for 2017 - 2019

All departments' proposals were subject to consideration as part of the Distributional Impact Assessment and also subject to Ministerial reviews. The outcome of these reviews has been that a number of adjustments to the package of draft proposals have been made by the Council of Ministers. These adjustments have been incorporated into departments' final submissions and are intended to recognise and improve the overall impact of the package of proposals by making them more progressive and also to better reflect the States Strategic Priorities.

Investment in the health transformation programme – P82/2012

The Council of Ministers continues to support the decision made in 2012 (P82 'Health and Social Services: A New Way Forward') to invest in transforming health and social care services in order to meet the challenge of the ageing demographic in Jersey. Health and Social Services (HSS) will continue to focus on:

- Developing new models of care that are preventive rather than reactive;
- Keeping people out of (inappropriate) hospital care by providing care in community settings, which also improves safety, outcomes and experience;
- Developing proactive, integrated care which improves independence and a person's ability to stay in their own home for longer.

Maintaining standards of healthcare

In addition to the programme of change, HSS is committed to continuing to respond to changes in standards of care recommended by the Royal Colleges and other professional bodies; to maintain services at a comparable standard to neighbouring jurisdictions; to provide for increases in demand for specific care; and to meet healthcare specific inflation costs (e.g. drugs) and make new drugs, treatments and therapies available to islanders where appropriate.

Savings programme

HSS continues to work hard to deliver efficiencies and savings in order to deliver the savings targets agreed by the Council of Ministers. In 2015, HSS launched the Safely Removing Costs (SRC) programme through which the department's savings commitments are being managed.

LEAN

Health and Social Services has successfully embedded Lean methodology in the department. A number of benefits continue to be achieved, incorporating improvements in quality, safety and value. As part of the sustainability plan departmental staff are now delivering training in house. One of the key objectives is to empower front line staff to use the skills they have acquired to improve the services they deliver and enhance efficiency and effectiveness.

Public Sector Reform

Health and Social Services continues to drive forward the reform of health and social care across Jersey, working with partners in the voluntary and community sector, in Primary Care and with other States Departments such as Education and Social Security. The vision is to ensure services are safe, sustainable and affordable, integrated and delivered in partnership. The system and service changes

are consistent with the States Reform themes, particularly in regard to 'Making Islanders' lives better', 'Easier access to services' and 'Services provided effectively'.

Review of Spending Priorities

The department made £4.6 million of savings in 2015 as part of the agreed 2015 budget measures. These were achieved through one-off savings in 2015. In 2016 the department is delivering a further £3 million of savings (£7.6 million in total) and in 2017-2019 HSS has committed to deliver a further £5.7 million reduction in the cash limit. This is in addition to the existing annual departmental target of improved productivity and efficiencies of 0.5% (approximately £1 million per annum).

The department has a clear approach to managing spending priorities which has been in place since 2014. Under the department's financial planning policy, HSS runs a comprehensive prioritisation process on an annual basis to review spend and allocate funding to priority areas. The three principles underpinning the department's prioritisation policy are

- Quality and Safety – considering for example the effectiveness of the treatment or activity, the feasibility of delivering it and the risk of not doing so;
- Value – reviewing the cost effectiveness, affordability and potential improvements in productivity;
- Customer focus – focusing on the likelihood of an improved outcome for those affected and identifying how many people are impacted and how effective the proposal is to address inequalities.

The department has taken the same approach in developing its savings programme. To ensure that saving costs will not compromise safety, HSS has developed a Safely Removing Costs (SRC) programme. Senior managers, clinicians and staff across HSSD have identified key projects to deliver savings across the department. The programme is designed to:

- Challenge traditional thinking around service provision and delivery;
- Look at what we can do to realise major savings on a continuous basis;
- Embed new approaches as "business as usual" within the department.

Senior Responsible Officers (SROs) are the accountable senior managers for the projects. Delivery of workstreams is monitored by the dedicated Project Management Office and the SRC steering group.

The financial position of the department and health and social care providers across the world is under increasing pressure, and the department therefore continues to actively monitor risks and impacts as part of both the financial planning process and the SRC programme. In 2015 the need to deliver within the cash limit was challenging, as shown by the outturn underspend of only 0.3% of the HSS budget (£618,000). 2016 to 2019 are expected to continue to be challenging years and therefore the SRC programme will play a key role in enabling the department to make change safely and to manage the impact on patients and clients of HSS-funded services.

Effect of growth and savings proposals

In the coming years HSS will continue to face the growing challenge of meeting the health and social care needs of the island's ageing population. In order to do this effectively, both growth and savings proposals are focused on delivering the right services, to the right people, in the right place, at the right time.

HSS will focus on delivery of the Acute Service strategy to ensure that hospital productivity is maximised to meet the needs of the demographic change and to prepare for the building of a new

hospital. The period 2017 – 2019 will also see an increased focus on improving mental health services through the introduction of new legislation and the implementation of the Mental Health Strategy.

Children's services are also an area of high priority for the department in the light of recent challenges. HSS has planned to invest significant additional levels of funding in increasing and improving children's services to ensure that those most vulnerable and at risk are properly supported.

In the light of these challenges and developments, the savings programme will include:

- Reviewing what services HSS should provide and which should be commissioned;
- Reviewing existing charges and subsidies;
- Continuing to prioritise services through a robust internal process to ensure that resources are directed and targeted as effectively as possible.

Part of the programme therefore includes an intention to review long-term care services provided and / or funded by the department. HSS will work jointly with the Social Security department to review the funding arrangements for all levels of long-term care in order to ensure a consistent approach that protects the most vulnerable in the community.

Charges and subsidies currently in place will be reviewed.

The department continues to work hard on delivering efficiencies that will enable reductions in costs while retaining the full range of services delivered. In this regard, HSS is working closely with the E-gov team and Digital Jersey to identify ways to streamline services through the use of technology, which will improve patient experience and also allow costs to be reduced.

The department has also agreed to reduce the request for P82/2012 funding by £1 million (by 2019) as part of the contribution to the savings requirements. This is shown net in the growth figures and does not appear in the savings for the department. This reduction will be delivered through a focus on additional efficiency in the implementation of services.

As part of the delivery of this challenging programme of savings in this MTFP period, the department may also further phase the implementation of new P82/2012 services in 2018 and 2019. This is shown in the list of savings proposals in the main report. Delivery of the savings programme is essential to enable the allocation of resources to areas of investment.

A table of growth proposals is shown in the main MTFP report with a brief description of the planned changes. As set out in the MTFP published in 2016, in the period 2017 – 2019, there will be a focus on:

- Children's Services - to support the delivery of safe and sustainable services for the future, providing appropriate care to those children who require it. Investment will enhance the department's ability to safeguard and promote the welfare of children, improving outcomes for the most vulnerable and at risk and delivering timely and high quality child protection services and services to looked after children. In particular there will be a focus on improving the identification of children at risk to ensure a proportionate and sufficiently urgent response to promote and ensure the protection of vulnerable children.
- Mental Health services - implementing the Mental Health Strategy, including investment priorities relating to crisis, recovery, early intervention and criminal justice, for example introducing a Recovery College, working to reduce stigma and improve workplace mental health and mental wellbeing support, improving services for individuals in crisis and improving prison mental health.
- Primary Care - implementing the Sustainable Primary Care strategy, which was published in 2015.

- 'Out of hospital care' - providing more care in individuals' homes, to ensure Islanders remain independent for as long as possible, through 'reablement', co-ordinated care which is designed around the individual and support for carers. Examples of service improvements include expanding the Rapid Response, Reablement and Crisis team.
- Acute service – implementing the Acute Service Strategy whilst the Future Hospital is being developed, making changes in the way we provide the services now in order to continue improving quality and reducing cost and to ensure services are appropriate for the newly designed Hospital. Work will continue on the development of IT systems and integration. Acute service developments will also include new theatres, 'ambulatory emergency services' and redesigning patient pathways to reduce hospital length of stay and ensure only those needing an inpatient stay are admitted
- Healthy lifestyles - building on phase 1 where investment has been made into education and prevention of alcohol and smoking, the department will continue to raise awareness and encourage Islanders to take care of their own health and wellbeing in key areas such as obesity and sexual health.
- Continual improvement - completing a series of service reviews in order to improve value (improving quality and reducing cost), for example, in redesigning transfers of care from hospital to other settings
- Legislation changes - including the Regulation of Care Law, Mental Health Law and Mental Capacity Law and Food Safety Law
- Health and wellbeing strategies - a new, overarching Health and Wellbeing Framework, connecting existing health improvement and preventative strategies including the Food and Nutrition Strategy and the Tobacco Control Strategy
- Regulations - including those governing care homes, care provided in individuals' own homes, dental practitioners, and dwellings in the rented sector

In June 2014, the Ministerial Oversight Group Expert Panel noted the progress made and confirmed that plans were appropriate: *"The Panel was clear that the case for change was made and the selection of a new model for health and social care was the right one"*. They recommended *"That the States continue with a new model of health and social care"*.

Service Transfers

Service transfers for 2017 relate to transfers of FTE and functions to other departments to more appropriately align budgets and service delivery. The transfers are:

- Transfer of Jersey Employment Trust budget to SSD – to bring responsibility for all payments to JET under one department;
- Transfer of 0.5 FTE to the Judicial Greffe to support the introduction of new Mental Health laws;
- Transfer of budget to the Department for Infrastructure (Property Holdings) to reflect the transfer of the management of HSS properties;
- Transfer of 11.0 FTE and all budgets relating to the Environmental Health service to the Department of the Environment. This transfer represents the first stage in the transfer of some Public Health services. The next stage of the transfer, to be completed in 2016, will be to transfer functions to the Chief Minister's department and to Community & Constitutional Affairs. A further report will be made to the Assembly in due course.

These transfers have all taken place in 2016 and are made permanent in this MTFP addition.

In addition to these service transfers, additional income of £5 million per annum from the Health Insurance Fund is proposed. This would be for each of the years 2017 to 2019. This income, as in

previous years, is subject to approval by the States Assembly and will be used to fund Primary Care services delivered or commissioned by the department.

Manpower changes

In 2017 HSS's number of approved full time equivalent employees (FTE) will increase from 2,748 to 2,791. This is made up of:

- 11.5 FTE reduction for service transfers to other departments;
- 5 FTE reduction to reflect initiatives in the 2017 savings programme;
- 46.5 FTE increase for P82/ 2012 service initiatives;
- 13 FTE increase for other changes related to the 2% investment in healthcare inflation and maintaining standards.

Changes following MTFP Addition debate

The Health and Social Services Department net expenditure was dependent upon the approval of transfers from the Health Insurance Fund ("HIF") for 2017, 2018 and 2019. Furthermore, the proposed HIF transfers were dependent on the approval of the Health Charge for 2018 and 2019. With the States rejection of the Health Charge, P86/2016 from the Social Security Minister has been withdrawn, which means that the Health and Social Services gross expenditure and income are both reduced by £5 million in each of the years 2017-2019.

The Council of Ministers is proposing that funding of £5 million to replace the expenditure allocation for 2017 be earmarked as a first call on 2016 underspends to be carried forward and applied to Health and Social Services 2017 Cash Limit. Expenditure against this funding will be recurrent in nature, therefore, the Council of Ministers will explore sustainable expenditure measures with departments to identify £5 million of funding on a recurring basis ahead of the Budget 2018. Alternatively, proposals for the allocation of Central Growth for 2018 and 2019 would also be considered as part of the Budget 2018, which currently include £9.7 million and £17.5 million of Health growth in 2018 and 2019 respectively.

Health and Social Services

Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
(4,100)	Duties, Fees, Fines & Penalties	(4,100)	(4,100)	(4,100)
(24,753,000)	Sales of Goods and Services	(23,125,700)	(23,325,700)	(23,525,700)
-	Investment Income	-	-	-
(1,136,900)	Other Income ¹	(995,800)	(995,800)	(995,800)
(25,894,000)	Total Income	(24,125,600)	(24,325,600)	(24,525,600)
	Expenditure			
964,200	Social Benefit Payments	1,497,200	1,497,200	1,497,200
141,934,800	Staff Costs	148,272,500	149,967,200	149,267,200
77,861,500	Supplies and Services	77,416,300	78,800,300	79,394,400
1,278,500	Administrative Expenses	1,616,500	1,616,500	1,616,500
7,164,800	Premises and Maintenance	7,764,400	7,764,400	7,764,400
124,800	Other Operating Expenses	37,400	37,400	37,400
324,700	Grants and Subsidies Payments	324,700	324,700	324,700
-	Impairment of Receivables	87,400	87,400	87,400
17,500	Finance Costs	17,500	17,500	17,500
-	Foreign Exchange (Gain)/Loss	-	-	-
-	Contingency Expenses	-	-	-
229,670,800	Total Expenditure	237,033,900	240,112,600	240,006,700
-	Reduction in Gross Expenditure - Removal of HIF transfer ¹	(5,000,000)	(5,000,000)	(5,000,000)
229,670,800	Revised Total Expenditure	232,033,900	235,112,600	235,006,700
203,776,800	Net Revenue Near Cash Expenditure	207,908,300	210,787,000	210,481,100
3,556,900	Depreciation	3,291,100	3,465,200	3,354,000
207,333,700	Total Net Revenue Expenditure	211,199,400	214,252,200	213,835,100

Notes:

¹ With the States rejection of the Health Charge, P86/2016 from the Social Security Minister has been withdrawn, which means that the Health and Social Services gross expenditure and income are both reduced by £5 million in each of the years 2017-2019. The Council of Ministers is proposing that £5 million to replace the expenditure allocation for 2017 be earmarked as a first call on 2016 underspends to be carried forward and applied to Health and Social Services. The Council of Ministers will also explore sustainable expenditure measures with departments to identify £5 million on a recurring basis ahead of the Budget 2018.

Health and Social Services

Reconciliation of Net Revenue Expenditure

	2017 £	2018 £	2019 £
Base Department Budget	203,776,800	207,908,300	210,787,000
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	1,000,700	1,020,700	1,041,100
Price Inflation - Provision for General Pay Awards (2016 award)	1,275,800		
Price Inflation - Provision for Specific Pay Awards (Doctors' pay award 2016)	696,000		
Provision for Re-forecast of benefit levels	-	-	-
Transfer of funding from Health Insurance Fund (HIF)	(5,000,000)		
Changes following MTFP Addition debate¹			
- reduction in Gross Expenditure - removal of HIF transfer	(5,000,000)		
- reduction in Income - removal of HIF transfer	5,000,000		
Departmental Transfers			
- Transfer of Jersey Employment Trust budget to SSD	(134,800)		
- Transfer recurring budget to JG (0.5 FTE)	(22,400)		
- Transfer of budget to DfI to support the management of HSSD properties	(74,600)		
- Transfer of Environmental Health Service to DoE (11.0 FTE)	(680,200)		
	(912,000)	-	-
Savings			
- Department Savings Programme			
Savings	(100,000)	(100,000)	-
Efficiency	(1,677,000)	(2,020,000)	(1,147,000)
User Pays	(225,000)	(200,000)	(200,000)
	(2,002,000)	(2,320,000)	(1,347,000)
Additional MTFP 2 Growth	200,000	-	-
Original MTFP 2 Growth²			
- Funding Pressures : 2% Investment in Service Standards and Healthcare	4,615,000	250,000	-
Inflation			
- Commitments	-	-	-
- Demographics	-	-	-
- New Funding : P.82/2012 - Health Transformation (White Paper)	4,258,000	3,928,000	-
	8,873,000	4,178,000	-
Other Variations			
Net Revenue Near Cash Expenditure	207,908,300	210,787,000	210,481,100
Depreciation	3,291,100	3,465,200	3,354,000
Total Net Revenue Expenditure	211,199,400	214,252,200	213,835,100

Notes:

¹ With the States rejection of the Health Charge, P86/2016 from the Social Security Minister has been withdrawn, which means that the Health and Social Services gross expenditure and income are both reduced by £5 million in each of the years 2017-2019. The Council of Ministers is proposing that £5 million to replace the expenditure allocation for 2017 be earmarked as a first call on 2016 underspends to be carried forward and applied to Health and Social Services. The Council of Ministers will also explore sustainable expenditure measures with departments to identify £5 million on a recurring basis ahead of the Budget 2018.

² Additional growth for funding pressures and P82/2012 investment for 2018 and 2019 has been held in a Central Growth Provision (£9.7m and £7.9m respectively).

Infrastructure

Department for Infrastructure

Purpose

Ensure the impact of waste is minimised on the environment, that on-Island travel networks which meet the needs of the community are developed and that Jersey has attractive and well maintained public amenities and infrastructure. Provide and maintain fit for purpose States accommodation, optimise the efficiency of the States property portfolio and generate appropriate rental income from States properties.

Responsibilities

- The provision of sustainable and efficient waste management facilities;
- The development and operation of schemes for waste minimisation and recycling;
- The provision, management and maintenance of the foul and surface water sewerage system;
- The treatment and disposal of the Island's liquid waste;
- The management of the main road network;
- The monitoring and management of public transport;
- The management of traffic systems;
- The provision and management of parking facilities;
- Ensuring motor vehicles are roadworthy and drivers competent;
- The maintenance and cleaning of public spaces, amenities, structures and sea defences;
- The provision and maintenance of formal parks, gardens, open spaces and amenity areas;
- The provision and maintenance of States accommodation;
- The management of the States property portfolio;
- The generation of income from the Public Estate;
- The planning and delivery of new building assets.

2017-19 Change Projects

Projects	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2017-19	Sustainable Public Finances	11
Departmental Reorganisation	2017-19	Sustainable Public Finances	11
If funding source agreed introduce disability concessionary bus passes	2017	Improve health and wellbeing	2, 3
Scrapyard relocation	2017		10
Introduce Vehicle Operator Licences	2017-19	Improve health and wellbeing	1

Taxi reform	2016-19		7
Complete St Peter's Valley Path	2016-19	Improve health and wellbeing	2, 7, 9, 10
Sustainable transport projects	2017-19	Improve health and wellbeing	2, 7, 9, 10
Highway resurfacing programme	2017-19	Sustainable public finances	9, 10
Development of proposals for Future Hospital	2017-25	Improve health and wellbeing	2, 9, 11
Replacement Les Quennevais School	2017-19	Improving education	5, 7,9,11
Office Modernisation Programme	2017-21	Sustainable public finances	4, 8, 9, 11
Replacement Sewage Treatment Works	2017-21	Improve health and wellbeing	2, 10
Replacement Clinical Waste Incinerator	2017-18	Improve health and wellbeing	2, 10
Waste organisational transformation	2016-19	Sustainable public finances	11

Financial Narrative

The 2016-2019 Medium Term Financial Plan (MTFP2) and the States Strategic Plan set out the priorities of the Council of Ministers for the period, concentrating on the need to invest in the critical areas of Health, Education, Economic Growth and the Island's Infrastructure.

In order to redirect funding into these areas, the Department for Infrastructure has embarked on a comprehensive programme of Service Reviews, giving consideration to the appropriateness of current service delivery structures, and has embarked on savings programmes to ensure that services appropriate to need are delivered efficiently and effectively.

Operational Service

Service Reviews of the Parks and Gardens and Cleaning Services sections ("Municipal Services") are mostly complete. The Department is in the process of staff consultation and tendering for provision of services. It is still not clear which services will be outsourced, which will be retained "in-house" and which may be retained, albeit in a streamlined format.

The savings detailed in the summary of financial information are in the form of net targets only. It is not currently possible to identify the exact impact on staff, although a range of potential FTE savings have been identified which depend on the outcomes of the reviews for the services under consideration.

A "Waste Transformation" project, aided by external consultants, began after the MTFP2 was approved in October 2015. This project is ongoing and supports both the operational review of the Solid and Liquid Waste functions and the proposed introduction of "user pays" for commercial customers.

- **Solid Waste** includes all waste generated, including refuse delivered to the EFW plant, green waste, recycling, construction and demolition waste, clinical waste and abattoir and knackers yard services.
- **Liquid Waste** covers the sewage treatment works, pumping station and sewer networks, storm and surface water drainage and road drainage networks.

The Department intends to review all of the services it provides between 2016 and 2020. During this period the Service Level Agreements (SLA) with Andium Homes and Ports of Jersey are due to reach the end of their initial 10 year periods of operation. Those in relation to Andium Homes are largely covered by the Service Reviews of Municipal Services outlined above and have been extended to 2019.

The Ports of Jersey SLA is due for renegotiation in 2017 and largely covers mechanical, electrical and property maintenance of the Ports estate, although an element of the SLA concerns cleaning services.

Service Reviews of the maintenance functions of the Department are due to start this year in preparation for any potential changes that may flow from the need to re-negotiate the SLA for these services.

Transport and Highways

Transport, Highways and Engineering have been amalgamated into one service area covering all of the functions of the previous two divisions and also absorbing some elements of Highways cleaning services. There will also be a comprehensive review of the services offered, method of delivery and service structure, for the new Transport division. This review may also include the Jersey Car Parking trading operation, to start in the latter part of 2016.

After considering the potential costs of the proposed Disabled Person's Travel scheme, it is proposed to pass an increasing proportion of the Financial Return from the Jersey Car Parking trading operation to the revenue budget of the Department for Infrastructure. This would fund the proposed travel scheme, and also the impact of non-staff inflation on contracts like the bus service and Sustainable Transport Initiatives. It is envisaged that in the first year of operation of the new scheme, up to £600,000 will be transferred in this way.

The MTFP Addition has now been agreed and it is envisaged that the concessionary travel pilot scheme will be introduced in early 2017 and will be valid until the end of 2019, to coincide with the end of the period covered by the current MTFP. In early 2019, there will be a review of the pass in order to assess the extent to which it is meeting the transport needs of Jersey residents with a disability. Continuation of the scheme will be dependent upon the States agreeing on the benefits of the scheme for 2020 and beyond.

Jersey Property Holdings

Jersey Property Holdings (JPH) was brought into the newly formed Department of Infrastructure in 2015. Many of the cleaning and gardening services provided by the former Transport and Technical Services (TTS) department related to properties managed by JPH. The amalgamation with TTS to form Dfl has enabled further consideration of efficiencies, savings and opportunities for delivering services in a different way. The revised service structure on the attached pages represents the three service areas of the Dfl from 2016.

The Strategic Plan 2015-18 (as amended) proposed that the States pay rates on all States property from 2017. A growth bid of £900,000 is included in the budget of Jersey Property Holdings from 2017 to make provision for this once the details of the final agreement and rate assessments are known.

User-pays charges

The MTFP2 agreed targets for the introduction of charges for solid and liquid waste treatment. The targets set for the Department were £3 million in 2018 and a further £8 million in 2019.

Detailed proposals for the introduction of charges will be debated by the States in the coming year. It is proposed initially to introduce charges for commercial operators, as it has been identified in the early stages of the transformation project that taxpayers are subsidising the commercial sector who are able to dispose of their waste at substantially reduced or nil cost.

The Department for Infrastructure has already undergone a significant period of change and review. This will continue over the period of this MTFP and beyond, seeking to maximise the efficient use of States resources, minimise the cost to the public purse and enhance the infrastructure of the Island by ensuring that those who have the most impact make an appropriate contribution to the cost of those services, whether by tax contribution or "polluter pays" principles.

Department for Infrastructure

Statement of Comprehensive Net Expenditure

Revised 2016 Net Revenue Expenditure	2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£	£	£	£
Income			
(885,800) Duties, Fees, Fines & Penalties	(935,000)	(925,000)	(915,000)
(19,272,800) Sales of Goods and Services	(19,222,900)	(22,592,400)	(30,601,900)
(1,000) Investment Income	(1,300)	(1,300)	(1,300)
(272,100) Other Income	(927,600)	(1,599,900)	(2,074,900)
(20,431,700) Total Income	(21,086,800)	(25,118,600)	(33,593,100)
Expenditure			
- Social Benefit Payments	-	-	-
21,915,600 Staff Costs	21,395,600	20,923,200	20,743,400
19,104,500 Supplies and Services	19,661,200	19,666,800	19,617,400
335,300 Administrative Expenses	323,900	324,000	324,000
18,473,400 Premises and Maintenance	19,068,500	19,054,200	18,909,300
648,700 Other Operating Expenses	560,800	459,900	390,300
- Grants and Subsidies Payments	-	-	-
49,100 Impairment of Receivables	49,100	49,100	49,100
42,200 Finance Costs	8,800	8,800	8,800
- Foreign Exchange (Gain)/Loss	-	-	-
- Contingency Expenses	-	-	-
60,568,800 Total Expenditure	61,067,900	60,486,000	60,042,300
40,137,100 Net Revenue Near Cash Expenditure	39,981,100	35,367,400	26,449,200
37,002,300 Depreciation	32,855,000	35,181,600	42,920,300
77,139,400 Total Net Revenue Expenditure	72,836,100	70,549,000	69,369,500

Department for Infrastructure

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	40,137,100	39,981,100	35,367,400
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	317,000	323,300	329,800
Price Inflation - Provision for General Pay Awards	218,800	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
Departmental Transfers	-	-	-
- Transfer of budget to DfI to support the management of HSSD properties	74,600	-	-
- Transfer of Countryside Rangers team to DoE	(128,900)	-	-
	(54,300)	-	-
Savings			
- Department Savings Programme Savings			
Efficiency	(1,944,000)	(1,681,000)	(1,351,000)
User Pays	-	(3,357,000)	(8,000,000)
- Benefit Changes	-	-	-
	(1,944,000)	(5,038,000)	(9,351,000)
Additional MTFP 2 Growth	317,500	10,000	10,000
Original MTFP 2 Growth			
- Funding Pressures	79,000	79,000	82,000
- Commitments	-	-	-
- Demographics	-	-	-
- New Funding	910,000	12,000	11,000
- Revenue implications of Capital Projects	-	-	-
	989,000	91,000	93,000
Other Variations			
Net Revenue Near Cash Expenditure	39,981,100	35,367,400	26,449,200
Depreciation	32,855,000	35,181,600	42,920,300
Total Net Revenue Expenditure	72,836,100	70,549,000	69,369,500

Social Security

Social Security

Purpose

- To help people to achieve and maintain financial independence;
- To provide well-targeted social benefits and support to those unable to fully support themselves;
- To deliver excellent customer services.

Responsibilities

- A compulsory, contributory Social Security Insurance Scheme that receives contributions from employers, employees and general tax revenues. The scheme provides old age pensions and a range of working age benefits;
- Back to Work services which provide targeted support to help people to obtain and maintain employment;
- Discrimination legislation, which protects people from unfair or unequal treatment ;
- Employment legislation, which sets out minimum standards for good employment relations and protection in the workplace;
- Health and Safety legislation, as well as the Health and Safety Inspectorate to protect people in the workplace and others affected by working activities;
- Non-contributory means-tested benefits including Income Support;
- A compulsory, contributory Health Insurance Fund that receives contributions from employers and employees. The HIF supports the cost of GP visits and prescription drugs;
- A compulsory, contributory Long Term Care scheme that receives contributions and provides a range of benefits for adults with long-term care needs;
- Provision of advice and guidance on benefits and contributions;
- Administration of the Names and Addresses Register and the registration of individuals and businesses under the Control of Housing and Work Law.

2017-19 Change Projects

In 2017-19, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Department Initiative	Council Priority	Strategic Goal
Support and implement: <ul style="list-style-type: none">• Public Sector Reform initiatives, including SoJ customer services development and associated organisational changes,	Sustainable Public Finances	11

<ul style="list-style-type: none"> • A programme of customer-focussed and waste-reducing Lean initiatives, and • Initiatives to ensure the delivery of savings under the 2016-19 Medium Term Financial Plan. 		
Extend and evolve the range of Back To Work initiatives as economic demands require, including ongoing development of in-work support for those with long-term health conditions.	Economic Growth (4.6)	3, 6
Extend the Discrimination Law to cover disability.		1, 2, 3
Continue the major review of the Social Security Fund.	Sustainable Public Finances	2, 3, 11
Address the impact of a growing older population in terms of both support to encourage independence and targeted financial help where needed.	Economic Growth (4.6) Sustainable Public Finances	4,11
Review the processing of benefits and contributions to encourage channel shift as part of the E-gov programme.	Sustainable Public Finances	11
Continue to develop employment and health and safety legislation, as needed to protect people in the workplace.	Improve Health & Wellbeing	1, 2, 3
Support the Taxes Office in the implementation of a combined tax and contributions collections system.	Sustainable Public Finances	11
Support Treasury & Resources in the development of a health charge.	Sustainable Public Finances	11
Support Health and Social Services in Primary Health Care reforms & development.	Sustainable Public Finances	2, 11

Financial Narrative

Benefit rate and volume changes

Income Support and Other Benefit budgets have been forecast for the period using the latest information on expected claims levels and economic assumptions. It is expected that benefits would increase due to inflation and demographic trends over time.

In 2015 and 2016, the Department saw lower volumes of Income Support benefit claimants, which has resulted in lower expenditure on benefits than predicted in the MTFP. This has been adjusted for in the 2017 budget, with a return to trend expected in 2018 and 2019.

The level of the States Grant paid to the Social Security Fund and Long Term Care Fund has also been forecast using the appropriate certainty calculation and economic assumptions.

Changes to Benefits

The Resources Statement accompanying the Strategic Plan (P.27/2015(Add)) identified that changes to benefits would be included in the package to support the funding of the strategic priorities approved by the States Assembly and to achieve balanced budgets by 2019. SSD reduced its anticipated spend on tax funded benefits by £10.0 million by 2019.

Benefit changes were considered using the following criteria:

- Promote financial independence – use changes in benefit to promote activities that will support the financial independence of claimants, and protect benefits which are supporting the financial independence of claimants;
- Improve targeting of benefits – change benefits in areas where public money is not specifically targeted to vulnerable groups; and
- Minimise individual impact – spread changes over larger groups of claimants, rather than a few individuals.

A package of benefit changes to deliver £9.8 million of savings was agreed in the MTFP 2016 – 2019, with £157,000 being allocated to allow for the continued provision of free television licences to some pensioners aged 75+. Details of the changes are given in the MTFP 2016 – 2019, and the department will continue to implement this package of benefit changes in 2017-2019.

Efficiency Savings

The department is continuing to drive improvements in the efficiency of its services through the application of the LEAN methodology, which, in addition to improving customer service, will generate additional capacity within the department. This in turn can be translated into savings, for example by not replacing staff who leave. We will also work with the Grant Aided Bodies supported by the department to deliver similar efficiencies.

To support the Council of Ministers' Strategic Priorities, the department is committed to helping more people into employment through Back to Work schemes, including helping more individuals with long term health conditions back into work. The ongoing level of Back to Work investment will depend on the progress against this priority, the success of reducing mainstream unemployment and economic conditions. It is expected that reductions in the overall level of investment in Back to Work will be possible without reducing the quality of the service.

These efficiencies are also expected to allow a reduction in the number of Full Time Equivalent (FTE) employees over the period.

Service Transfers

The Health & Social Services Department has historically supported the Jersey Employment Trust (JET) by providing a grant. In 2016 it was agreed that the funding of JET is more properly within the remit of the Social Security Department and that the budget should be transferred.

Growth

The Christmas Bonus (Jersey) Law 2011 has been annulled as part of the benefit changes approved under the MTFP 2016-2019. However, the Council of Ministers has agreed that a targeted bonus should continue to be provided to support vulnerable income support claimants and lower income pensioners.

In addition, the Regulations for the Food Cost Bonus are set to expire at the end of 2016. The Food Cost Bonus was originally established as one of the transitional measures provided with the introduction of GST. It provides a cash payment to households with incomes above the level to qualify for income support but below that to have an income tax liability. The Council of Ministers has agreed that the Bonus Regulations should be renewed.

Financial provision has been made for both a new Christmas Bonus scheme and the renewal of the Food Cost Bonus Scheme.

During the States debate on Deputy J A Martin of St Helier's amendment to the draft Income Support Regulations (P.90/2014) in respect of components payable to children with disabilities and long term health conditions, the States strongly supported a move to make payments to children with severe or very severe disabilities irrespective of the income or means of the family. A growth commitment was made in the MTFP 2016-2019 to allow for expected increases in spending on this benefit.

Other Changes

From 2016, the department has simplified the way in which it charges its Funds for the cost of their administration. Under the new methodology, the majority of the administrative costs is recorded in the tax funded Department and a consolidated management charge for both staff and administrative costs is raised to each of the Funds to reflect the operational and management costs.

The key benefits of this change in methodology are:

- A consistent approach for both Staff and Non-staff expenditure by the department;
- Simplified accounting, reducing administration, reducing the risk of error and facilitating the move to a modern Procure to Pay system;
- Increased transparency of expenditure, with the majority of expenditure approved through the tax funded department in the MTFP;
- Simplified reporting, supporting strong financial decision making and strengthening financial management and budgeting processes.

The Funds will continue to pay for benefits directly and certain costs where they are incurred under the legislation relating to the fund in question or are specific expenditure of the funds rather than administration. These costs include audit, actuarial and investment management fees, the contribution from the HIF to meet the cost of the Primary Care Governance Team and the cost of medical services provided under the Health Insurance Fund, including JQIF.

The management charge has been set for the period of the MTFP (2016-19) agreed in advance of the first year of its operation (2016), and incorporating a 2% reduction per year to reflect anticipated efficiency savings. The first year's charge will be £5.18m to the Social Security Fund (SSF), £1.54m to the Health Insurance Fund (HIF) and £1.42m to the Long Term Care Fund (LTCF).

The level of Management Charge will be fully reviewed in 2019 to establish the levels for the next MTFP reporting period, or sooner if there are substantial changes to the operations of the department.

In addition, the 2017 – 2019 figures assume fee adjustments and efficiency measures to ensure that the Control of Housing and Work Law is properly funded, helping to ensure that we can effectively target migration where it is needed most. The fee increases are expected to include uprating in line with inflation the fee payable for a registration card, and increases for businesses employing licenced staff and for businesses visiting the Island. This work is also considering whether fees should be reinstated for companies acquiring land, and charging employment agencies for the registered permissions they hold. These changes will bring fees in Jersey closer into line with other jurisdictions, and will aim to support objectives around the targeting of migration.

The Department has also reviewed the previous allocation of its budget, and made minor adjustments to ensure that it is allocated to support the delivery of the department's strategic objectives.

Social Security

Net Revenue Expenditure - Service Analysis														
2016	2017				2018				2019				Total	
	Near Cash Net Revenue Expenditure	Service Area	Income	FTE	Near Cash DEL	AME	Net Revenue Expenditure	Total Net Revenue Expenditure	Income	FTE	Near Cash DEL	AME		Net Revenue Expenditure
£		£		£		£		£		£		£		£
65,300,000	States Grant to Social Security Fund	65,300,000	-	65,300,000	-	65,300,000	65,300,000	-	-	65,300,000	65,300,000	65,300,000	65,300,000	65,300,000
28,212,900	States Grant to Long Term Care Fund	28,382,200	-	28,382,200	-	28,552,500	28,552,500	-	-	28,723,800	28,723,800	28,723,800	28,723,800	28,723,800
77,971,000	Income Support	74,797,500	-	74,797,500	-	76,720,600	76,720,600	-	-	79,085,100	79,085,100	79,085,100	79,085,100	79,085,100
1,942,100	Other Benefits	2,156,700	-	2,156,700	-	2,220,800	2,220,800	-	-	2,292,500	2,292,500	2,292,500	2,292,500	2,292,500
836,900	Contingency	1,013,500	-	1,013,500	-	1,054,000	1,054,000	-	-	1,096,500	1,096,500	1,096,500	1,096,500	1,096,500
12,477,400	Staff Costs and Administration	20,901,700	(9,221,100)	11,680,600	244.6	19,805,600	10,814,800	187,400	238.6	18,856,000	10,025,200	10,025,200	10,025,200	232.6
452,100	Health and Safety at Work	472,200	-	472,200	5.4	476,400	476,400	-	-	480,700	480,700	480,700	480,700	5.4
2,286,800	Grant Aided Bodies	2,423,000	-	2,423,000	-	2,412,200	2,412,200	-	-	2,327,600	2,327,600	2,327,600	2,327,600	-
189,479,200	Net Revenue Expenditure	23,796,900	(9,221,100)	186,225,700	250.0	22,694,200	187,551,300	187,400	244.0	21,664,300	176,497,900	189,331,400	189,331,400	238.0

Social Security

Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
(885,600)	Duties, Fees, Fines & Penalties	(1,235,800)	(1,165,500)	(1,165,500)
(4,083,500)	Sales of Goods and Services	(7,985,300)	(7,825,300)	(7,665,300)
-	Investment Income	-	-	-
-	Other Income	-	-	-
(4,969,100)	Total Income	(9,221,100)	(8,990,800)	(8,830,800)
	Expenditure			
173,426,000	Social Benefit Payments	170,636,400	172,793,900	175,401,400
13,500,200	Staff Costs	13,395,000	13,099,300	12,711,900
2,377,600	Supplies and Services	5,530,400	4,946,700	4,527,500
295,100	Administrative Expenses	573,300	573,300	573,300
446,300	Premises and Maintenance	446,100	446,100	446,100
120,000	Other Operating Expenses	120,200	120,200	120,200
3,426,800	Grants and Subsidies Payments	3,590,500	3,367,200	3,143,900
-	Impairment of Receivables	-	-	-
19,400	Finance Costs	141,400	141,400	141,400
-	Foreign Exchange (Gain)/Loss	-	-	-
836,900	Contingency Expenses	1,013,500	1,054,000	1,096,500
194,448,300	Total Expenditure	195,446,800	196,542,100	198,162,200
189,479,200	Net Revenue Near Cash Expenditure	186,225,700	187,551,300	189,331,400
187,400	Depreciation	187,400	187,400	-
189,666,600	Total Net Revenue Expenditure	186,413,100	187,738,700	189,331,400

Social Security

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	189,479,200	186,225,700	187,551,300
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	72,100	73,500	75,000
Price Inflation - Provision for General Pay Awards	94,700	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Benefit rate and volume changes	(423,000)	3,489,000	3,240,000
Departmental Transfers			
- Transfer of Jersey Employment Trust budget from HSSD	134,800	-	-
	134,800	-	-
Savings			
- Department Savings Programme			
Savings	-	-	-
Efficiency	(942,100)	(945,900)	(944,900)
User Pays	-	-	-
- Benefit Changes	(3,000,000)	(1,300,000)	(600,000)
	(3,942,100)	(2,245,900)	(1,544,900)
Additional MTFP 2 Growth	800,000	-	-
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	10,000	9,000	10,000
- Demographics	-	-	-
- New Funding	-	-	-
- Revenue implications of Capital Projects	-	-	-
	10,000	9,000	10,000
Other Variations			
Net Revenue Near Cash Expenditure	186,225,700	187,551,300	189,331,400
Depreciation	187,400	187,400	-
Total Net Revenue Expenditure	186,413,100	187,738,700	189,331,400

Treasury and Resources (as amended)

Treasury and Resources (as amended)

Purpose

The Treasury and Resources Department looks after the Island's finances and financial assets, ensuring the protection and good use of public funds.

Responsibilities

- The States fiscal and financial strategy;
- Prepare and provide advice to the Council of Ministers with regards the Medium Term Financial Plan;
- Develop and implement changes to tax policies;
- Prepare and publish the States' Accounts in accordance with the Jersey Financial Reporting Manual;
- Provide an efficient and accurate payroll service to the States of Jersey and third parties including but not limited to: Andium Homes, Ports of Jersey, Jersey Overseas Aid Commission, States of Jersey off island offices and Family Nursing & Homecare;
- Administer the Public Employees Contributory Retirement Scheme (PECRS) and Jersey Teachers Superannuation Fund (JTSF) for the States of Jersey and 25 Admitted Bodies in accordance with Scheme Regulations;
- Deliver changes to the public service pension schemes that ensure they are sustainable, affordable and fair for the long term;
- Provide an efficient and accurate accounts receivable, accounts payable and income collection services to Departments;
- Manage the currency of the Island;
- Assess and collect tax revenues arising from:
 - Personal and corporate income taxpayers;
 - GST;
 - Land transactions tax;
- Comply with the international tax obligations arising under Tax Information Exchange Agreements, Double Taxation Agreements, European Savings Directive, FATCA and similar agreements;
- Provide an independent and objective internal audit service;
- Investment management of £3.5 billion of States funds;
- Integrate longer term financial planning with the strategic vision to inform the appropriate allocation of resources;
- Monitor and report financial performance across States departments;
- Manage the States of Jersey shareholdings in Utility Companies;
- Provide an efficient and effective corporate procurement Service, including Supply Jersey.

2017-19 Change Projects

In 2017-19, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Start Year	Council Priority	Strategic Goal
Support and implement: <ul style="list-style-type: none"> Public Sector Reform initiatives, a programme of customer-focussed and waste-reducing Lean initiatives, and initiatives to ensure the delivery of organisational change under the 2016-19 Medium Term Financial Plan. 	2017-2019	Sustainable Public Finances	11
Deliver Taxes and Social Security Contributions Programme, funded by MTFP, to replace Taxes Office computer systems and provide capability to delivery Online Filing and Assessment for personal taxpayers, potentially integrating collection of Social Security contributions into the collection of taxes.	2016	Sustainable Public Finances	11
Deliver Taxes Office Modernisation Programme, funded from within existing resources with potential inputs from Public-Sector Reform and E-Gov funds, to modernise key aspects of tax law and the way the Taxes Office administers and enforces the tax laws.	2016	Sustainable Public Finances	11
Personal Income Tax Review, Tax Gap Analysis and Review of Personal Income Tax Forecasting Model to be carried out by end of March 2017 following the commitment given by the Minister for Treasury and Resources during the MTFP Addition debate (September 2016).	2016-2017	Sustainable Public Finances	11
Review the Jersey Teachers Superannuation Fund (JTSF)	2017-2019	Sustainable Public Finances	11
Phased implementation, consolidation and change management of Supply Jersey to ensure delivery of business benefits	2016	Sustainable Public Finances	11
Sustainable funding mechanism for health and social care. Following the States rejection of the income based charge proposals to provide sustainable funding for the health and social care requirements as set out in P.82/2012, a sustainable funding mechanism will still be required and work will continue on further options to be considered for the next MTFP covering 2020-2023.	2016-2017	Sustainable Public Finances, Improve Health and Wellbeing	11

Funding options for the new hospital. The future hospital project is a multi-disciplinary project where Jersey Property Holdings are delivering a solution on behalf of the Health and Social Services Department and Treasury and Resources are required to present funding options once a decision is made on the scheme.	2016-2017	Sustainable Public Finances, Improve Health and Wellbeing	11
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The department's day-to-day business activity will also support and deliver the Priorities set out in the Council of Ministers' Strategic Plan (Sustainable Public Finances).

Financial Narrative

Introduction

Treasury and Resources is transforming the way it provides services to support investment in the priorities of health, education, economic growth and infrastructure agreed in the States Strategic Plan. The department is using technological solutions and modernised legislation to achieve its objectives with fewer resources. As such the majority of its savings will be achieved through replacement of the Income Tax computer system, the Payroll system, and the completion of the rollout programme of Supply Jersey.

Funding for these initiatives is expected to come from a combination of existing resources, Public Sector Reform and E-Gov.

A total of £9 million is allocated to the Chief Minister's capital programme between 2016 and 2019 to replace the Taxes system. Supported by modernising key aspects of the Law the replacement will:

- Improve stability and usability of the system;
- Improve data analytics and management information to allow for better risk assessment;
- Reduce reliance on manual assessing and saving on administration costs by moving to online filing and assessment for personal taxpayers by 2019;
- Improve debt recovery;
- Improve the ability to share data with other departments to support the 'tell us once' approach;
- Allow integration of the collection of Social Security contributions into the collection of taxes.

While this is expected to reduce levels of resource required, it is envisaged that some staff will be redeployed to work on risk based assessment programmes, debt recovery and improving the Taxes Office's capability to handle information received from overseas. All this will drive greater efficiencies and help to improve Jersey's tax revenues.

The Payroll system will be replaced with a modern system that supports Public Sector Reform Programme. It is expected the system will:

- Accurately calculate pay, social security and tax for all staff including those with multiple employments;
- Provide integrated data transfer between HR and Payroll removing the need for duplicate entry of data;
- Enable employees to own their variable payment claims such as mileage, overtime and shift payments following the implementation of consistent and simplified terms and conditions;
- Facilitate line manager approval through self-service;
- Support the efficient administration of Career Average Revalued Earnings (CARE) pension scheme as well as accrued rights in a Final Salary pension scheme;
- Support a LEAN way of working reducing the costs of administering the States Payroll.

Finally, the full rollout of Supply Jersey across all States departments will meet the need to provide an efficient and effective corporate procurement Service.

2017

2017 Recurring Savings

In addition to maintaining the £237,300 savings implemented in 2016, the Department has committed to further recurring efficiency savings of £225,600 in 2017 representing cumulative savings of £462,900. These include the following initiatives:

States Treasury:

- Staff cost reductions - through VR in Shared Services and Audit;
- Re-design of income collection to deliver services more efficiently. Customer needs and trends have been reviewed and peak times identified.

Taxes Office:

- Staff cost efficiency - two senior directorial posts amalgamated in 2016.

2017 Growth Funding

Growth funding of £452,500, of which £250,000 is for one year only, has been approved in 2017 to:

- Fund PECRS pre-1987 debt repayments in accordance with the Public Employees (Pension Scheme) (Funding and Valuation) Regulations 2015;
- Fund full valuation of all of States land and buildings every fifth year in accordance with GAAP.

2017 Service Transfers

There will be a budget transfer of £41,300 from Chief Minister's Department for Enterprise Support resource to return the administrative and data management to the most appropriate area. This also enables the Information Services team to focus on its strategic goal of supporting Public Sector Reform.

2018

2018 Recurring Savings

In addition to maintaining the cumulative savings of £462,900, the Department is committed to a further £316,000 of recurring efficiency savings in 2018. This brings the total cumulative savings to £778,900. These include the following initiatives:

States Treasury:

- Moving most publications, such as the States Accounts, to online access only, significantly reducing printing and publication costs;
- Audit function will limit spend on professional services providing advisory work. Core Internal Audit work will continue;
- Completion of the rollout of Supply Jersey will enable staff cost savings in Shared Services.

Taxes Office:

- Efficiency savings from sharing business continuity site across States of Jersey;
- Efficiency savings by reducing printing and postage and moving to online publications and notifications;
- Reduction in contract posts; one senior post and three administration posts achieved through switching to digital solutions.

2018 Growth Funding – Removal

The £250,000 required in 2017 to fund the full valuation of the States land and buildings will be completed and no further funding required for the remainder of this MTFP. Therefore the £250,000 will be removed from the 2018 cash limit.

2019

2019 Recurring Savings

In addition to maintaining the cumulative savings of £778,900, the Department is committed to a further £800,000 of recurring savings in 2019 bringing total cumulative savings to £1,578,900 by the end of 2019. Most of the 2019 savings will be achieved in the Taxes Office through efficiencies. These include the following initiatives:

States Treasury:

- The roll out of the new Payroll System in 2018 will lead to efficiency savings from 2019 by reducing administration and staff costs.

Taxes Office:

All 2019 savings within Taxes Office will be achieved through implementation of the final stages of the new Taxes computer system to allow:

- Further reduced printing and postage costs through providing online publications, administration and assessing;
- A reduction in costs following channel shifting and moving staff into value added work.

Staffing Requirements 2017 - 2019

Between 2017 and 2019 Treasury and Resources staffing is expected to decrease by 20.0 FTE from 200.9 FTE (adjusted)¹ to 180.9 FTE.

The Department's aim is to drive savings and efficiencies through service rationalisation and re-design, much of which relies on technology funded from the E-Gov programme.

The implementation of large and complex systems requires changes to existing legislation, service review and re-design, and project management skills. Some temporary resources will be needed during implementation.

¹ Since the publication of the 2016 MTFP and Annex a reconciliation exercise was undertaken which updated the approved 2016 FTEs within the Treasury and Resources Department after taking into consideration the transfer of functions within existing ministerial portfolios and approved Voluntary Redundancies / Voluntary Severances in 2016 from 260.8 to 200.9 FTEs.

A full breakdown of FTE movements over the MTFP is given in the table below:

Adjusted 2016 FTE	200.9
Transfer of function from Chief Minister's Department for Enterprise Support resource	1.0
Temporary posts to support Taxes E-Gov programme to deliver efficiency savings	4.0
Re-design of Treasury Income Collection function	-2.0
2017 FTE	203.9
Reduction in temporary posts to support Taxes E-Gov programme	-4.0
Treasury efficiency savings programme - restructuring of corporate sections	-2.0
2018 FTE	197.9
Treasury efficiency savings programme - restructuring of corporate sections	-2.0
Taxes Office efficiency savings following E-Gov implementation	-15.0
2019 FTE	180.9

Changes following MTFP Addition debate

9th Amendment – Senator by Senator Ferguson – Tax Review

Although the Amendment was rejected, during the debate of the Amendment, and as part of the Council of Ministers formal comment, the Chief Minister committed to:

- A review of Jersey's Personal Income Tax system
- A Tax Gap Analysis; and
- A review into the Model used to forecast Personal Income Tax.

Part c) – Rejection of the Proposed Health Charge

As a result of the States rejection of the proposed Health charge a sustainable funding mechanism for Health will not be brought forward by this Council of Ministers. However, work will continue to identify possible options for consideration for the next MTFP period 2020-2023. In the meantime other revenue raising measures will be considered to identify proposals ahead of the Budget 2018 to replace the £7.5 million in 2018 and £15 million in 2019.

Treasury and Resources

Revised 2016		2017						2018						2019								
		Near Cash		Non Cash		Total		Near Cash		Non Cash		Total		Near Cash		Non Cash		Total				
Net Revenue Expenditure	Service Area	Income	DEL	Net Revenue Expenditure	Net Revenue Expenditure	FTE	Income	DEL	Net Revenue Expenditure	Net Revenue Expenditure	FTE	Income	DEL	Net Revenue Expenditure	Net Revenue Expenditure	FTE	Income	DEL	Net Revenue Expenditure	Net Revenue Expenditure	FTE	
		£	£	£	£		£	£	£	£		£	£	£	£	£		£	£	£	£	
5,502,100	States Treasury	(2,228,200)	7,647,800	5,419,600	5,419,600	95.8	(2,228,200)	7,266,100	5,037,900	5,037,900	93.8	(2,228,200)	7,220,700	4,992,500	4,992,500	91.8						
4,981,700	Taxes Office	(106,000)	5,428,900	5,322,900	5,323,800	96.1	(106,000)	5,336,700	5,230,700	5,231,600	92.1	(106,000)	4,676,000	4,570,000	4,570,000	77.1						
539,700	Corporate Procurement	(43,500)	588,300	544,800	612,500	12.0	(43,500)	588,300	544,800	612,500	12.0	(43,500)	588,300	544,800	612,500	12.0						
2,310,100	Insurance		2,512,600	2,512,600	2,512,600	-		2,512,600	2,512,600	2,512,600	-		2,512,600	2,512,600	2,512,600	-						
7,643,100	Pensions		7,647,500	7,647,500	7,647,500	-		7,647,500	7,647,500	7,647,500	-		7,647,500	7,647,500	7,647,500	-						
20,976,700	Net Revenue Expenditure	(2,377,700)	23,825,100	21,447,400	21,516,000	203.9	(2,377,700)	23,351,200	20,973,500	21,042,100	197.9	(2,377,700)	22,645,100	20,267,400	20,336,000	180.9						

Treasury and Resources

Statement of Comprehensive Net Expenditure

Revised 2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
	- Duties, Fees, Fines & Penalties	-	-	-
(2,225,300)	Sales of Goods and Services	(2,266,000)	(2,266,000)	(2,266,000)
	- Investment Income	-	-	-
(111,700)	Other Income	(111,700)	(111,700)	(111,700)
(2,337,000)	Total Income	(2,377,700)	(2,377,700)	(2,377,700)
	Expenditure			
	- Social Benefit Payments	-	-	-
11,233,700	Staff Costs	11,241,800	11,102,100	10,458,100
1,426,800	Supplies and Services	1,733,500	1,439,300	1,419,600
366,400	Administrative Expenses	360,600	320,600	278,200
2,874,600	Premises and Maintenance	3,077,100	3,077,100	3,077,100
144,800	Other Operating Expenses	144,700	144,700	144,700
	- Grants and Subsidies Payments	-	-	-
14,000	Impairment of Receivables	14,000	14,000	14,000
7,253,400	Finance Costs	7,253,400	7,253,400	7,253,400
	- Foreign Exchange (Gain)/Loss	-	-	-
	- Contingency Expenses	-	-	-
23,313,700	Total Expenditure	23,825,100	23,351,200	22,645,100
20,976,700	Net Revenue Near Cash Expenditure	21,447,400	20,973,500	20,267,400
1,100	Depreciation	68,600	68,600	68,600
20,977,800	Total Net Revenue Expenditure	21,516,000	21,042,100	20,336,000

Treasury and Resources

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	20,976,700	21,447,400	20,973,500
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	90,300	92,100	93,900
Price Inflation - Provision for General Pay Awards	112,200	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
Departmental Transfers			
- Transfer of 1.0 FTE Information Services from CMD	41,300	-	-
	<u>41,300</u>	-	-
Savings			
- Department Savings Programme			
Savings	-	-	(110,000)
Efficiency	(225,600)	(316,000)	(690,000)
User Pays	-	-	-
- Benefit Changes	-	-	-
	<u>(225,600)</u>	<u>(316,000)</u>	<u>(800,000)</u>
Additional MTFP 2 Growth	202,500	-	-
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	-	-	-
- Demographics	-	-	-
- New Funding	250,000	(250,000)	-
- Revenue implications of Capital Projects	-	-	-
	<u>250,000</u>	<u>(250,000)</u>	-
Other Variations	-	-	-
Net Revenue Near Cash Expenditure	21,447,400	20,973,500	20,267,400
Depreciation	68,600	68,600	68,600
Total Net Revenue Expenditure	21,516,000	21,042,100	20,336,000

Non-Ministerial States Funded Bodies

Bailiff's Chambers

Purpose

To support the role of the Bailiff as President of the Royal Court and the States Assembly, and in his other customary and statutory duties as Civic Head of the Island.

Responsibilities

- Support the Island's judiciary in the delivery of civil and criminal justice;
- Assist in facilitating the democratic process of the States Assembly;
- Encourage awareness of the Island's constitutional position and ensure that the position is not compromised;
- Provide the appropriate frameworks to enable the Bailiff to discharge his customary and statutory responsibilities.

2017 - 2019 Change Projects

Project	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2017-2019	Sustainable Public Finances	11

Law Officers' Department

Purpose

To provide legal advice to the Crown and to the States of Jersey and provide a public prosecution service for the Island.

Responsibilities

- Providing legal advice to the Crown, the States of Jersey and others;
- Providing a public prosecution service for the Island;
- Protecting the interests of the Crown and the States of Jersey in civil proceedings;
- Performing the functions and duties of the Attorney General;
- Assisting overseas law enforcement agencies;
- Carrying out conveyancing work for the Crown and States of Jersey.

2017 - 2019 Change Projects

Project	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2017-2019	Sustainable Public Finances	11

Judicial Greffe and Viscount's Department

Purpose

To provide an efficient and effective Court Service.

Responsibilities

- An efficient and effective administrative service provided to the Royal Court, the Court of Appeal and the Tribunals Service;
- Provide a Public Registry, Intellectual Property Register and Probate Register;
- Provide an administrative service to the Magistrate's, Youth and Petty Debt Courts;
- The efficient enforcement of all Court Orders;
- Efficient and effective Désastre proceedings;
- Effective management of the financial affairs of impecunious interdicts;
- Effective investigation of sudden deaths to establish cause and reason;
- Compile and manage the jury selection procedure and manage the jury during assize trials.

2017 - 2019 Change Projects

Project	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2017-2019	Sustainable Public Finances	11

Official Analyst

Purpose

To providing authoritative and impartial scientific analysis and advice for the States of Jersey and Island community.

Responsibilities

- Providing proficient and effective forensic analysis of samples and evidence in criminal investigations and unexplained deaths;
- Providing proficient and effective environmental and consumer protection analysis services.

2017 -219 Change Projects

Project	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2017-2019	Sustainable Public Finances	11

Office of the Lieutenant Governor

Purpose

The Lieutenant-Governor is the representative of Her Majesty The Queen, by whose Royal Warrant he is appointed “Lieutenant-Governor and Commander-in-Chief”. As such, he is the formal, official channel of communication between the States of Jersey and the UK Government through the Ministry of Justice.

2017 - 2019 Change Projects

Project	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2017-2019	Sustainable Public Finances	11

Office of the Dean of Jersey

Purpose

The Dean of Jersey is appointed by the Crown under Letters Patent. He is a member of the States and speaks on behalf of all the churches and faith communities especially on the ethical and moral dimension of issues that come before the Assembly.

Responsibilities

The Dean is Chaplain to the States and is responsible for Services to mark the great occasions of Island life.

Office of the Data Protection Commissioner

Purpose

Independent Regulator for the Data Protection (Jersey) Law 2005 and Freedom of Information (Jersey) Law 2011.

Responsibilities

Data Protection

- Promote observance of the Law and the following of good practice by data controllers;
- Disseminate information about the Law and developments of new EU Regulation, aimed at both organisations and individuals;
- Publish Codes of Practice necessary to establish good practice;
- Produce an Annual Report;
- Maintain a public register of data controllers which includes details of the nature of the personal data they process and the purposes and methods of such processing;
- Provide a fair and effective mechanism to assess the lawfulness of processing and take enforcement action as necessary;
- Co-operate internationally as the designated Authority for the purposes of Article 13 of the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data.

Freedom of Information

- Encourage public authorities to follow good practice;
- Supply members of the public with information about the Law and their rights within it;
- Produce an Annual Report;
- Publish a Code of Practice to supplement the Law and provide a mechanism for issuing practice recommendations where necessary;
- Provide a mechanism for appeals against decisions by public authorities not to disclose and issue decision notices where necessary.

2017 – 2019 Change Projects

In consultation with agencies and with the support of the Commissioner, Ministers intend to focus on the development of the new regulatory framework for consideration and implementation during 2018. This will support the Island's strategic objectives and future prosperity, in light of technological developments and international regulatory changes. Discussions are ongoing with Guernsey colleagues in order to ensure the continuation of the existing pan-Island approach and co-ordination of the development of this enhanced regulatory framework. Any such change would also include a move towards more of a self-funding model, again in line with other independent regulatory bodies, and consideration of the existing fee structure and any modest adjustments that may be necessary. This would enable the Commission to have sustainable finances, and demonstrate the necessary levels of operational and financial independence.

Probation and After Care Service

Purpose

An effective and efficient social work service that supports the criminal justice system and the family division of the Jersey Royal Court.

Responsibilities

- Provide information and assessment to the Parish Halls, Criminal and Family Courts, Lt Governor and prisons which are accurate, timely and aid decision making;
- Provide supervision services to the Parish Halls, Courts and prisons which are effective in assisting people to make positive changes in their lives which reduce re offending;
- Provide monitoring and where necessary timely enforcement action to assist in the protection of the public from further offending.

2017-19 Change Projects

Project	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2017-2019	Sustainable Public Finances	11

Comptroller and Auditor General

Purpose

To provide the States with independent assurance that the public finances of Jersey are being regulated, controlled and supervised and accounted for in accordance with the relevant legislation.

Responsibilities

The appointment of auditors to audit the financial statements of the States of Jersey (which include the accounts of the Social Security, Social Security (Reserve), Health Insurance and Long Term Care Funds) and certain other entities.

Considering and reporting on:

- General corporate governance arrangements;
- Effectiveness of internal controls;
- Economy, efficiency and effectiveness in the use of resources.

2017-19 Change Projects

The Comptroller and Auditor General (C&AG) acts independently in the discharge of his/her functions and in determining the work of his/her Office does not seek to reflect the Strategic Plan Priorities. The independence of the C&AG from the executive arm of government is secured by:

- A statutory duty on the States to provide the C&AG with sufficient resources to carry out his/her functions (Article 9, Comptroller and Auditor General (Jersey) Law 2014);
- A requirement that estimates of revenue expenditure for the office of the C&AG shall be the amounts provided by the Chairman of the Public Accounts Committee (Articles 8 and 24C of the Public Finance (Jersey) Law 2005).

However, elements of the work of her Office are directly relevant to one Strategic Plan Priority.

Project	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2017-2019	Sustainable Public Finances	11

Non Ministerial States Funded Bodies

Financial Narrative

2017 – 2019 Recurring Savings

The States Strategic Plan has prioritised investment in health, education, economic growth and infrastructure. This means funding from other areas is being reprioritised and all departments have been considering how to transform their services.

The Non Ministerial Departments are continuing to support the Public Sector Reform programme by exploring a number of opportunities for changes in structure and service redesign to continue to deliver efficient and effective services alongside reduced budgets and staffing.

In addition to maintaining the £723,200 savings implemented in 2016, the Non Ministerial Departments have committed to further recurring savings of £544,800 in 2017, £435,500 in 2018 and £492,600 in 2019. These have been allocated between each of the departments and include the following initiatives:

Bailiff's Chambers	The Bailiff's Chambers have committed to various 2016 savings initiatives. No further savings required from 2017 – 2019. The Bailiff's Chambers will continue to explore opportunities to deliver efficiencies where possible.
Law Officers' Department	Delivering efficiencies through introducing new policies and a review of Court and Case Costs. Efficiencies will also be made across the department through a review of both staff and non-staff expenditure.
Judicial Greffe	Delivering efficiencies through review of Court and Case Costs fixed fees and review of both staffing and professional fees.
Viscounts Department	Delivering efficiencies through greater control of legal fees in Court and Case Costs and a review of vacancy management.
Official Analyst	Review of staffing by service redesign and reduction of staff working hours.
Office of the Lieutenant Governor	Review of staffing alongside delivering efficiency savings of ongoing maintenance of the house, grounds and equipment.
Office of Data Protection Commissioner	No further savings requirement in the period 2017 – 2019.

	<p>Significant changes will be required to Data protection by 2018, in light of the EU General Data Protection Regulation. These form part of ongoing discussions with CMD to establish resulting resource implications. For Jersey to retain its adequacy status in respect of EU data protection regulation, its funding model needs to be reviewed.</p>
<p>Probation and After Care</p>	<p>The Probation and After Care Service delivered 2016-2019 savings in 2016 by “insourcing” Public Law Guardian work.</p> <p>The Department for Community and Constitutional Affairs (CCA) indicated in May that £120k per annum of direct grant payments and £33.4k of indirect grant payments to the Service from the Building a Safer Society (BaSS) fund were at risk from the end of 2017, however, discussions have commenced with the Treasury and CCA to consider alternative long-term funding arrangements, and it is also understood that the Council of Ministers are intending that a BaSS seed corn fund should be maintained as part of the overall CCA budget.</p>
<p>Comptroller and Auditor General (C&AG)</p>	<p>No further savings required from 2016 to 2019. Nearly half the expenditure for this period is fixed as it relates to a long-term contract for the external audit of the States’ accounts.</p> <p>The work programme for the C&AG Office will be developed to increase the focus on value for money, including potential efficiency savings, and enhanced follow up of previous audit recommendations. The C&AG will continue to ensure the responsibilities of his/her office are met and risks addressed. Cost pressures will be addressed by programming work to avoid the summer months, minimising the cost of travel and accommodation.</p>

2017 - 2019 Growth

Growth funding has been approved in 2017 - 2019 to support a number of initiatives and pressures within the Non Ministerial Departments:

- Office of the Data Protection Commissioner – to support the additional legal costs from the Freedom of Information (Jersey) Law 2011 and new EU Directions which created the statutory role of Information Commissioner, whose department is charged with regulatory oversight. Due to risks of conflict the Law Officers’ Department is unable to provide this legal support to the OIC.
- Bailiff’s Chambers – Security and Health and Safety issues. The Criminal Justice Board agreed, following a report, for additional security be installed in the Court Building. Due to daily health and safety risks this additional security is now urgently required, this includes updating the entrance area and additional equipment which will result in additional recurring annual costs.
- Office of the Lieutenant Governor – annual inflation for the post of Cadet and Military Support Officer

Service Transfers

In 2016 a recurring Departmental transfer was made from the Health and Social Services Department to the Judicial Greffe for the increased workload arising from work on the Deprivation of Liberty Safeguarding within the Mental Health Tribunal.

Staffing

Since the publication of the 2016 MTFP and Annex a reconciliation exercise has been undertaken which updated the approved 2016 FTE’s in the Non Ministerial Departments. This took into consideration any minor changes and the approved Voluntary Redundancies / Voluntary Severances from 206.9 to 206.0 FTE’s.

2016 FTE per 2016 MTFP Annex	206.9
EA Paygroup within Data Protection	-0.5
2016 VR/VS approvals	-0.5
Minor Correction within Office of the Lieutenant Governor	0.1
Adjusted 2016 FTE	206.0

A further breakdown of FTE movements in the years 2017 – 2019 is given in the table below:

Adjusted 2016 FTE	206.0
Transfer from H&SS for Mental Health Tribunal to Judicial Greffe	0.5
2017 FTE	206.5
2018 FTE	206.5
Official Analyst - Staff reduction in hours	-0.8
2019 FTE	205.7

Non-Ministerial Departments

Net Revenue Expenditure - Service Analysis																
2016				2017				2018				2019				
Near Cash Net Revenue Expenditure	Near Cash DEL	Income	Total FTE	Non Cash Net Revenue Expenditure	Net Revenue Expenditure	Total FTE	Income	Near Cash DEL	Net Revenue Expenditure	Non Cash Net Revenue Expenditure	Total FTE	Income	Near Cash DEL	Net Revenue Expenditure	Non Cash Net Revenue Expenditure	Total FTE
£	£	£		£	£		£	£	£	£		£	£	£	£	
Bailiff's Chambers																
1,284,400	1,495,000	(86,800)	10.0	1,408,200	1,408,200	10.0	(86,800)	1,507,000	1,420,200	-	10.0	(86,800)	1,519,100	1,432,300	-	10.0
279,500	279,500			279,500	279,500			279,500	279,500				279,500	279,500		
1,563,900	1,774,500	(86,800)	10.0	1,687,700	1,687,700	10.0	(86,800)	1,786,500	1,699,700	-	10.0	(86,800)	1,798,600	1,711,800	-	10.0
Law Officers' Department																
6,029,100	6,157,200	(112,000)	72.0	6,067,700	6,067,700	72.0	(112,000)	6,116,600	6,004,600	22,500	72.0	(112,000)	6,074,800	5,962,800	-	72.0
1,768,700	1,510,700			1,510,700	1,510,700			1,319,200	1,319,200	-			1,124,300	1,124,300	-	
7,797,800	7,667,900	(112,000)	72.0	7,578,400	7,578,400	72.0	(112,000)	7,435,800	7,323,800	22,500	72.0	(112,000)	7,199,100	7,087,100	-	72.0
Judicial Greffe																
2,705,400	3,646,100	(958,300)	45.7	2,687,800	2,687,800	45.7	(958,300)	3,579,000	2,620,700	17,600	45.7	(958,300)	3,507,500	2,549,200	17,600	45.7
3,910,700	3,870,300			3,870,300	3,870,300			3,876,400	3,876,400	-			3,880,600	3,880,600	-	
6,616,100	7,516,400	(958,300)	45.7	6,558,100	6,558,100	45.7	(958,300)	7,455,400	6,497,100	17,600	45.7	(958,300)	7,388,100	6,429,800	17,600	45.7
Viscount's Department																
1,093,100	1,736,500	(626,500)	21.9	1,169,900	1,169,900	21.9	(626,500)	1,741,300	1,114,800	84,900	21.9	(626,500)	1,732,600	1,106,100	63,600	21.9
227,500	231,200			231,200	231,200			235,100	235,100	-			239,400	239,400	-	
1,320,600	1,967,700	(626,500)	21.9	1,401,100	1,401,100	21.9	(626,500)	1,976,400	1,349,900	84,900	21.9	(626,500)	1,972,000	1,345,500	63,600	21.9
604,800	657,200	(57,000)	9.4	697,700	697,700	9.4	(57,000)	658,300	601,300	98,300	9.4	(57,000)	628,500	571,500	92,600	8.6
604,800	657,200	(57,000)	9.4	697,700	697,700	9.4	(57,000)	658,300	601,300	98,300	9.4	(57,000)	628,500	571,500	92,600	8.6
738,400	841,600	(107,100)	13.7	734,500	734,500	13.7	(107,100)	832,000	724,900	-	13.7	(107,100)	821,800	714,700	-	13.7
738,400	841,600	(107,100)	13.7	734,500	734,500	13.7	(107,100)	832,000	724,900	-	13.7	(107,100)	821,800	714,700	-	13.7
25,800	27,000			27,000	27,000			27,200	27,200	-			27,500	27,500	-	
25,800	27,000			27,000	27,000			27,200	27,200	-			27,500	27,500	-	
Office of the Data Protection Commissioner																
267,400	574,300	(200,000)	-	384,300	384,300	-	(200,000)	639,700	439,700	10,000	-	(200,000)	705,900	505,900	10,000	-
267,400	574,300	(200,000)	-	384,300	384,300	-	(200,000)	639,700	439,700	10,000	-	(200,000)	705,900	505,900	10,000	-
Probation																
1,896,100	2,362,800	(445,000)	32.3	1,982,700	1,982,700	32.3	(445,000)	2,364,900	1,919,900	64,900	32.3	(445,000)	2,367,200	1,922,200	64,900	32.3
94,400	96,000			96,000	96,000			97,700	97,700	-			99,500	99,500	-	
1,990,500	2,458,800	(445,000)	32.3	2,078,700	2,078,700	32.3	(445,000)	2,462,600	2,017,600	64,900	32.3	(445,000)	2,466,700	2,021,700	64,900	32.3
777,200	862,500	(58,100)	1.5	804,400	804,400	1.5	(58,100)	875,500	817,400	-	1.5	(58,100)	889,300	831,200	-	1.5
777,200	862,500	(58,100)	1.5	804,400	804,400	1.5	(58,100)	875,500	817,400	-	1.5	(58,100)	889,300	831,200	-	1.5
21,702,500	24,347,900	(2,650,800)	206.5	21,951,900	21,951,900	206.5	(2,650,800)	24,149,400	21,498,600	298,200	206.5	(2,650,800)	23,897,500	21,246,700	248,700	205.7
21,702,500	24,347,900	(2,650,800)	206.5	21,951,900	21,951,900	206.5	(2,650,800)	24,149,400	21,498,600	298,200	206.5	(2,650,800)	23,897,500	21,246,700	248,700	205.7

Non Ministerial Departments

Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
(753,600)	Duties, Fees, Fines & Penalties	(753,600)	(753,600)	(753,600)
(982,400)	Sales of Goods and Services	(982,400)	(982,400)	(982,400)
(1,000)	Investment Income	(1,000)	(1,000)	(1,000)
(913,800)	Other Income	(913,800)	(913,800)	(913,800)
(2,650,800)	Total Income	(2,650,800)	(2,650,800)	(2,650,800)
	Expenditure			
-	Social Benefit Payments			
14,040,400	Staff Costs	14,166,500	14,165,000	14,122,000
7,754,200	Supplies and Services	7,547,000	7,364,100	7,206,100
473,600	Administrative Expenses	481,200	473,500	455,100
1,840,800	Premises and Maintenance	1,919,800	1,909,300	1,887,300
138,300	Other Operating Expenses	140,600	143,100	145,700
100,000	Grants and Subsidies Payments	86,700	88,200	75,000
-	Impairment of Receivables			
6,000	Finance Costs	6,100	6,200	6,300
-	Foreign Exchange (Gain)/Loss			
-	Contingency Expenses			
24,353,300	Total Expenditure	24,347,900	24,149,400	23,897,500
21,702,500	Net Revenue Near Cash Expenditure	21,697,100	21,498,600	21,246,700
161,100	Depreciation	254,800	298,200	248,700
21,863,600	Total Net Revenue Expenditure	21,951,900	21,796,800	21,495,400

Non Ministerial Departments

Reconciliation of Net Revenue Expenditure

	2017 £	2018 £	2019 £
Base Department Budget	21,702,500	21,697,100	21,498,600
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	172,600	176,000	179,700
Price Inflation - Provision for General Pay Awards	140,400	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
Departmental Transfers			
- Transfer of 0.5FTE and recurring budget to JG from HSSD	22,400	-	-
	<u>22,400</u>	-	-
Savings			
- Department Savings Programme Savings	-	-	-
Efficiency	(544,800)	(435,500)	(492,600)
User Pays	-	-	-
- Benefit Changes	-	-	-
	<u>(544,800)</u>	<u>(435,500)</u>	<u>(492,600)</u>
Additional MTFP 2 Growth	203,000	60,000	60,000
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	1,000	1,000	1,000
- Demographics	-	-	-
- New Funding	-	-	-
- Revenue implications of Capital Projects	-	-	-
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Other Variations	-	-	-
Net Revenue Near Cash Expenditure	21,697,100	21,498,600	21,246,700
Depreciation	254,800	298,200	248,700
Total Net Revenue Expenditure	21,951,900	21,796,800	21,495,400

States Assembly and its Services

States Assembly

Purpose

The budget of the States Assembly is proposed by the Privileges and Procedures Committee under Article 24B of the Public Finances (Jersey) Law 2005 which allows PPC to put forward estimates in the MTPF without interference from the Council of Ministers to ensure the independence of the legislature from the Government is maintained.

The purpose of the budget of the Assembly is to enable it to operate effectively as Jersey's legislature, to facilitate the work of all panels and committees of the Assembly and to fund members' remuneration, inter-parliamentary exchanges and the support services provided by the States Greffe.

Responsibilities

- States Assembly able to operate effectively;
- Effective and efficient scrutiny function;
- Reform of the composition of the Assembly and electoral reform progressed;
- Public kept well-informed about the work of the Assembly;
- Effective and efficient administrative support provided to the Assembly, its members, its committees and panels and a number of other bodies by the States Greffe.

Ongoing Change Projects

- Web-streaming and online archive of film of all States meetings introduced (likely to be implemented in September 2016);
- Introduction of information display screens in the Assembly, primarily to show timing information;
- Re-design of the States Assembly and Scrutiny websites. This is likely to lead to further projects in the 2017-19 period to enhance the digital information and services provided by the Greffe;
- Modernisation and enhancement of the Greffe Registry's cataloguing and indexing system.

Financial Narrative

Background

The budget for the States Assembly and its services is governed by special provisions in the Public Finances (Jersey) Law 2005 in order to preserve the independence of the legislature from the Government of Jersey. As a result the Privileges and Procedures Committee (PPC) is able to put forward the estimates it wishes without interference from the Council of Ministers.

For the period 2016 to 2019 PPC has, by a majority, agreed to make savings in order to assist the States balance its budget by 2019 so that the Assembly is seen to play its part in making budget and staffing reductions.

2017 Estimate

The 2017 estimate carries forward recurring savings made in 2015 and 2016 as a result of the reduction in the membership of the Assembly from 51 to 49 in November 2014 and decisions not to fill two posts on the retirement of the postholders. The cost of initiating the filming and webcasting of the proceedings of the Assembly was absorbed within the existing 2016 budget. Although there are some modest ongoing costs associated with this new endeavour, funding the bulk of the project up-front has enabled further savings to be made in the States Greffe budget for 2017 alongside the saving of an administrative post.

Costs attributable to the States Greffe in the change projects mentioned above are currently being met from within existing resources.

Staffing

Restructuring of services to combine the requirements in the States Chamber of video-streaming and lognoting with the provision of administrative support to other areas of the Greffe will result in the loss of half a post in 2017. A breakdown is given in the following table:

2016 FTE	27.00
Loss of an administrative post	-0.50
2017 FTE	26.50

Overview for 2018 – 2019

PPC has committed to make a further total of £215,500 recurring savings in the years 2018 to 2019 and has received an indication from the Chairmen's Committee that a proportion of this sum can come from the scrutiny part of the Assembly's budget. Further discussions will take place with the relevant committees during 2016-17 on how those savings will be achieved. In addition, proposals will be brought forward to enable more information and services to be provided by the Greffe digitally. This is likely to have implications for the department's resourcing during the 2018-19 period and beyond.

States Assembly

Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
	- Duties, Fees, Fines & Penalties	-	-	-
(90,500)	Sales of Goods and Services	(79,500)	(79,500)	(79,500)
	- Investment Income	-	-	-
	- Other Income	-	-	-
(90,500)	Total Income	(79,500)	(79,500)	(79,500)
	Expenditure			
	- Social Benefit Payments	-	-	-
3,916,600	Staff Costs	3,888,600	3,866,000	3,862,000
507,700	Supplies and Services	490,600	441,300	391,300
141,000	Administrative Expenses	117,500	117,500	105,600
611,400	Premises and Maintenance	628,200	618,100	603,000
	- Other Operating Expenses	-	-	-
	- Grants and Subsidies Payments	-	-	-
	- Impairment of Receivables	-	-	-
	- Finance Costs	-	-	-
	- Foreign Exchange (Gain)/Loss	-	-	-
	- Contingency Expenses	-	-	-
5,176,700	Total Expenditure	5,124,900	5,042,900	4,961,900
5,086,200	Net Revenue Near Cash Expenditure	5,045,400	4,963,400	4,882,400
	- Depreciation	-	-	-
5,086,200	Total Net Revenue Expenditure	5,045,400	4,963,400	4,882,400

States Assembly

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	5,086,200	5,045,400	4,963,400
Base Adjustment & Commitments	-	-	-
Price Inflation Department Net Expenditure	25,500	26,000	26,500
Price Inflation - Provision for General Pay Awards	39,200	-	-
Price Inflation - Provision for Specific Pay Awards	-	-	-
Provision for Re-forecast of benefit levels	-	-	-
Departmental Transfers	-	-	-
Savings			
- Department Savings Programme			
Savings	-	-	-
Efficiency	(105,500)	(108,000)	(107,500)
User Pays	-	-	-
- Benefit Changes	-	-	-
	(105,500)	(108,000)	(107,500)
Additional MTFP 2 Growth	-	-	-
Original MTFP 2 Growth			
- Funding Pressures	-	-	-
- Commitments	-	-	-
- Demographics	-	-	-
- New Funding	-	-	-
- Revenue implications of Capital Projects	-	-	-
	-	-	-
Other Variations	-	-	-
Net Revenue Near Cash Expenditure	5,045,400	4,963,400	4,882,400
Depreciation	-	-	-
Total Net Revenue Expenditure	5,045,400	4,963,400	4,882,400

Central Contingency Allocation and Central Growth

Central Contingency Allocation and Central Growth 2017 – 2019

Purpose

Central contingencies are a fundamental part of the Medium Term Financial Plan as it gives the States a degree of flexibility to manage its finances over a longer time period. The main contingency for DEL is for urgent and unforeseen items of expenditure and for AME is to provide provision for unpredicted fluctuations in benefits expenditure which are difficult to forecast.

The States have also established contingency provisions to support one-off expenditure for specific programmes like Public Sector Reform, Pay, Pensions, Workforce Modernisation and the Economic and Productivity Growth Provision. The Council of Ministers is also proposing a new provision for initiatives to support vulnerable children.

The States allocate funding to these contingency provisions for the period of the MTFP but this funding by its very nature may remain unspent and can be returned to the Consolidated Fund depending on the financial position. If contingency is unspent it can also be carried forward to provide greater flexibility in the following year. The Council of Ministers has provided carry forwards from 2015 to enable funds to be provided for certain commitments and emerging pressures. This funding and that currently uncommitted in 2016 will enable resources to be set aside quickly to respond to the BREXIT decision. In the event this proves necessary, the Council of Ministers is also proposing that current underspending on Social Security benefits is earmarked to be carried forward, to help manage within expenditure limits in future years and minimise the impact of the required expenditure measures on the economy, allowing efficiencies to be delivered over a longer timeframe.

Types of Central Contingency Allocation

Central Allocation - DEL Contingency

Departmental Expenditure Limit (DEL) Contingency is provided for urgent and unforeseen items of expenditure. A DEL Contingency of £5 million is proposed for each of 2017-2019 which represents 1% of DEL expenditure across the various departments.

The intention is that contingencies would not be spent unless there are more urgent and unforeseen pressures than could be met from existing department cash limits.

In the MTFP 2013-2015, the intention was to provide within the total Departmental Expenditure Limit (DEL) Contingency for one-off unforeseen and unexpected items. In practice, a number of recurring pressures emerged in the first two years of the MTFP which the Council of Ministers agreed to provide from Contingency. Several of these pressures have now been prioritised within the additional funding for 2016-2019 and are proposed as part of departments' cash limits in 2016.

The principle is that the first call on any emerging pressure or priority is from within the department itself. The DEL Contingency must only provide a short-term funding solution in order to allow a department some time, generally during the remainder of a financial year, to adjust its spending plans accordingly. The intention is that it should not provide a recurring source of funding for the remainder of the MTFP period.

The Minister for Treasury and Resources, along with all other Ministers, is determined to ensure discipline and adherence to these principles is achieved, particularly when significant savings and efficiencies are being delivered across the States.

P.72/2015.Amd(11), approved by the States Assembly during the MTFP debate on 6th – 8th October 2015, resulted in an increase to the net revenue expenditure limit for Education of £263,200 which is funded by a decrease in Central Contingency Allocations of an identical amount. The DEL Contingency

was therefore reduced by £263,200 in 2016. This adjustment to DEL Contingency has been reversed in 2017 and a DEL Contingency of £5 million is proposed for each of the years 2017-2019.

Central Allocation - AME Contingency

Annually Managed Expenditure (AME) is defined as expenditure which cannot be controlled by the department and where the influences on the level of expenditure are not predictable and typically significant demand-led spending such as welfare, benefits and pensions.

Within the States of Jersey, the AME Contingency is set aside to provide a 2% contingency for unforecast variations in Income Support and other tax funded benefits which are in excess of the 1% contingency provided for by the Social Security Department within its annual cash limit. The level of Income Support and benefits is difficult to forecast and significantly influenced by the performance of the economy. Variations in economic forecasts lead to different levels of benefit spending. At a level of £2 million the central AME contingency provides a further 2% cover for this area of expenditure and or alternatively provides some contingency for higher education grants. This is another budget where there could be significant uncertainty over the period of the MTFP 2016-2019 and is dependent on the policies adopted by the UK government and UK universities.

Any AME contingency budget unspent at the end of a year would normally be expected to be carried forward to provide further contingency against variations in future years. Conversely, if forecasts were suggesting an overspend that would exceed the AME contingencies the Council of Ministers would need to consider funding from other available contingencies or, if necessary, consider a re-allocation of existing expenditure budgets.

Use of 2016 underspend to be earmarked and carried forward

The principle of unspent AME contingency being carried forward is being applied in 2016 where the Social Security department at Q1 are reporting a significant forecast underspend. This means that as well as an underspend on the AME budgets in Social Security of almost £5 million the AME Contingency in 2016 will not be required. The Council of Ministers is proposing to earmark these sums amounting to £6 million to fund the required provisions for AME Contingency in 2017-2019.

Central Allocation - Restructuring and Redundancy Provision

The Council of Ministers proposes to combine the Restructuring and Redundancy provisions which will provide greater flexibility across Public Sector Reform initiatives. The Council of Ministers is also proposing to carry forward the unspent and uncommitted balance of redundancy provision from 2016 to reduce the level of allocation required from expenditure limits for the new joint provision in 2017 to 2019. It is currently estimated that an element of the £22 million originally provided for Redundancy will be uncommitted at the end of 2016 due to reduced levels of staff savings.

Restructuring

In the MTFP 2013-2015, the Restructuring Provision supported the final year of the Comprehensive Spending Review (CSR) programme and Phase 1 – the ‘enabling’ stage - of the Public Sector Reform (PSR) programme which commenced in 2012. In this first phase, the funds were used predominately to support the individual workstreams of Workforce Modernisation, e-Government, LEAN and “Culture” which incorporated leadership, training and engagement.

In the MTFP 2016-2019, the Restructuring Provision is required to maintain support for PSR in the second phase – the ‘implementation’ stage – and is required for the following projects:

- To complete the Workforce Modernisation project;

- To continue funding for e-Government initiatives – the project is currently funded up to 2015, further allocations will be required in 2016 and future years to deliver the full capability;
- To provide programme support for PSR; and
- To provide a funding route for future Voluntary Release Schemes and Compulsory Redundancies if required.

Redundancy

The voluntary release scheme provides a mechanism for employees who wish to volunteer to leave the organisation through redundancy or early retirement to receive a redundancy payment or immediate pension. The scheme has been made available to all employees in 2015 and 2016.

It is anticipated that future use of such schemes would be more targeted throughout 2016 to 2019 focusing on areas where re-design of services are identified that will add value to the services provided by the public sector. This focused approach in partnership with our Unions should reduce the need for compulsory redundancy and facilitate the achievement of the people saving targets for the period.

The Council of Ministers identified £2 million in 2015 and the States agreed a further £4 million to be allocated in 2015 and £16 million in 2016 to the central redundancy provision as part of the amendments to MTFP 2016-2019.

All redundancy applications received are being considered firstly by department Chief Officers and authorised where the business case demonstrates financial viability. The current terms of the scheme and any future alterations require approval of the States' Employment Board. Release of central funding for redundancy payments requires authority of the Chief Executive, Treasurer of the States and the Director of Human Resources.

At the time of lodging the MTFP Addition £6 million had been allocated from the provision with further sums to be committed in 2016. Departments have also identified further commitments for 2017-2019 as part of their savings returns but at this stage the committed and estimated sums fall short of the £22 million set aside.

Carry forward of uncommitted sums

The Council of Minister is proposing to earmark the uncommitted redundancy funding at the end of 2016 and carry this forward to reduce the required expenditure allocation for the Restructuring and Redundancy Provision in future years.

Central Allocation – Pay, PECS and Workforce Modernisation Provision

As part of the Public Sector Reform programme, the Workforce Modernisation project continues to be developed in partnership with Trade Unions. It will deliver an improved, more productive and sustainable public service by unifying at least 11 pay groups (75% of the workforce) onto a single reward framework with the same employee terms, conditions and policies that are fair, transparent, and fit for the future, thus providing equal pay for work of equal value and enabling well designed jobs to be managed through an improved performance culture that provides organisational flexibility and supports continual service redesign.

The introduction of modern reward structures require funding in order to facilitate employees moving onto their new terms and conditions whilst maintaining services and redesigning the organisation.

Provision is made for pay for 2017-2019 in addition to the awards agreed for 2016 but we need to continue the policy of pay restraint, to help keep the public sector pay bill within the agreed limits and support investment in our strategic priorities. This policy will need to be maintained for the period of this plan and will contribute significantly to the spending targets. Pay restraint is an important element

of the total savings delivery required to balance the books and provide funding required for the essential investment in health and education.

The new PECS CARE scheme was open to new starters from 1 January 2016 and to existing staff from 2019. The increased employer contributions for new starters are included from 2016 and the full employer costs of the new scheme will be phased in at £2 million p.a. over 3 years from 2019. Provision is also proposed for the increases in the cost of the PECS pre-1987 debt over the period 2017-2019.

Central Allocation - Economic and Productivity Growth Drawdown Provision

The MTFP 2016-2019 established the Economic and Productivity Growth Drawdown Provision (EPGDP), which is designed to support new initiatives that will have a positive impact on economic and productivity growth but cannot be funded from within existing budgets.

To qualify for funding from the EPGDP, proposals must be capable of offering cost effective demonstrable impacts in terms of economic growth and/or increases in productivity alongside a strong rationale for government intervention.

Financial management of the allocations is through the Minister for Treasury and Resources subject to oversight and recommendations from the Economic Policy Political Oversight Group (EPPOG) – a sub-group of the Council of Ministers. Further details of the Provision were made available to States members in MTFP 2016-2019.

Work to begin supporting economic and productivity growth has commenced in 2016, robust governance procedures have been established and a project manager has been appointed to manage the allocation process and work with departments who are preparing applications for the Provision. So far 6 applications are in varying stages of development and 2 are currently being reviewed by the EPPOG. The 2 proposals being reviewed by Ministers entail digital skills courses to respond to an identified shortage of locally qualified workers in the digital sector, measures to enhance the capacity of the Digital Jersey Hub to provide co-working facilities and a proposal to enable the Island to respond to the threats and opportunities presented by changes to European data protection legislation. Pending bids include funds to implement the outcomes of a review of the Competition and Regulatory Framework in Jersey and the view of Professor Sir John Vickers conducting the review is that "Conducting competition and regulatory policy well is hard, but the economic benefits can be substantial. I hope this review will help Jersey continue to improve what its institutions do so that residents and businesses can benefit from a more efficient and effective economy".

MTFP 2016-2019 set funding levels for the EPGDP at £5m in 2016 and envisaged similar levels of funding for 2017-2019. Whilst a number of worthwhile proposals are being developed, the volume and quantum of applications has been lower than initially anticipated when the EPGDP was first proposed. At this stage it appears unlikely that the £5m available in 2016 will be fully allocated during the year. It has also been recognised that the best economic outcomes may be achieved by preserving capacity to fund existing economic initiatives

Proposals to use this funding to mitigate the economic impacts of the UK's withdrawal from the EU would potentially fit the scope for this funding.

The Council of Ministers concluded that a proposal to protect from an element of savings the base budgets of the External Relations Department and the Digital, Innovation, Financial Services and Competition Team within Chief Minister's Department was likely to offer better support for the economy than likely new initiatives from these areas. It was similarly recognised that the growth bid in respect of the implementation of the McKinsey recommendations was well aligned with the criteria of the EPGDP and should be prioritised over any new bids.

As a result of this exercise, the current experience of volume of bids and the pressures on expenditure limits the Council of Ministers is proposing that the EPGDP Provision be used to fund the items described.

The remit of the EPGDP already extends to assist initiatives that arise in response to BREXIT and if required funding can be transferred from other contingencies to support these initiatives as well as from EPGDP.

Central Allocation – Earmarked Provision for initiatives to support vulnerable children

As part of the overall review of growth requirements by departments a number of pressures were identified in respect of investment in initiatives that support vulnerable children including:

- Additional capacity in the Law Officers' Department, Children's and Family division;
- Continued development of family centres and early intervention initiatives;
- Development of the Youth Enquiry Service;
- Additional child protection officers and other enhancements to work on safeguarding;
- Support towards a sexual assault referral centre;
- Continuing development of support for pre-school special needs children, and
- Fulfilling the commitment to the 1001 critical days agenda - a twenty point action plan has been drawn up which includes initiatives to improve antenatal preparation, perinatal mental health care and early literacy. There are also plans to promote breastfeeding and a public health campaign to focus on avoiding alcohol during pregnancy.

These initiatives include currently undelivered recommendations arising from previous reports/inspections. The need for any additional future investment will be assessed once the Independent Jersey Care Inquiry has made its final report and recommendations.

Use of Carry Forwards

The planned carry forward of funding of contingencies for AME, Redundancy and Restructuring and reducing the sum available for EPGDP over the period, contribute to enabling expenditure to be met within the limits set by the States Assembly, and for growth allocations to be increased for 2017-2019 above previous plans.

Annual AME Contingency would have to be re-instated in 2020 however EPGDP funding was always intended to be limited to the current period and it is anticipated that lesser sums would be provided for future reform programmes, given what will be delivered by the end of this MTFP period.

Rules of Operation

The operation and management of central contingencies is covered by Financial Directions which require all departments, in the first instance, to demonstrate that contingency requests cannot be funded from within existing cash limits.

A business case is then submitted, with the support of the Accounting Officer, for consideration by the Treasurer of the States. The Treasurer will advise the Minister for Treasury and Resources who in turn will consult the Council of Ministers before making a decision on the allocation of funds.

All central contingency allocations are recorded in a formal and public Ministerial Decision. Central contingency allocations are reported to the Council of Ministers as part of quarterly financial monitoring reports and to the States as part of the half-yearly Budget Management Report.

Central Growth Allocation for 2018-2019

Although growth for 2016 and 2017 is allocated to departments, the intention is to use a central growth allocation for 2018 and 2019 as part of the proposals for the MTFP Addition. This would be consistent with provisions in the "Finance Law" and the principles adopted in MTFP 2013-2015. Central Growth is separately proposed within the MTFP Addition Proposition.

Central growth will provide an important part of the Council of Ministers contingency planning and allow the level of additional funding and growth envisaged for 2018 and 2019 to be agreed in the annual Budgets for 2018 and 2019.

The Central Growth will be proposed on the basis that the savings targets and/or projected income levels are achieved. If either savings or income forecasts fail to reach the proposed targets the level of additional funding will need to be revisited. The total spending limits for the four years cannot be exceeded, other than in exceptional economic or environmental circumstances, and the financial position needs to be broadly balanced by 2019.

A certain element of the 2018 additional funding is the recurrent full year effect of proposals from 2017 and these amounts are proposed to be incorporated into 2018 and 2019 base cash limits. This is particularly the case with the Education proposals and an element of the Health P.82/2012 funding. After adjusting for these amounts the proposed level of additional funding to be held as central growth would be £10.4 million in 2018 and a further £10.1 million in 2019.

Dept	Proposals to be held in Central Growth Provision	2017	2018	2019
		Proposed	Proposed	Proposed
		£'000	£'000	£'000
HSS	2% Investment in Service Standards and Healthcare Inflation		4,714	5,253
	<u>P82/2012 - Health Transformation (White Paper)</u>			
HSS	Acute Service Strategy		2,705	703
HSS	Healthy Lifestyles		324	37
HSS	Mental Health		540	-60
HSS	Out of Hospital		768	1,561
HSS	Services for Children (Early Interventions)		615	378
HSS	Proposed Central Growth Allocation for Health	-	9,666	7,871
Edu	Revenue consequences of capital schemes - New schools		360	40
Edu	Proposed Central Growth Allocation for Education	-	360	40
SA	States Members' Pensions (as amended)	-	58	42
SA	Proposed Central Growth Allocation for States Assembly	-	58	42
DFI	Tipping Fees Shortfall*	-	340	456
DFI	Revenue consequences of capital schemes - new Sewage Treatment Works	-	-	1,700
DFI	Proposed Central Growth Allocation for Infrastructure	-	340	2,156
Total	Total Proposed Central Growth Allocation for 2018 and 2019		10,424	10,109

Changes agreed in MTFP Addition debate

The States rejected the proposed Health charge which resulted in the withdrawal of the proposed HIF transfers and reductions in Health expenditure of £5 million for 2017 to 2019. The Council of Ministers has committed 2016 underspends to be carried forward for 2017 Health expenditure and intends to work with departments to identify sustainable expenditure measures to replace the £5 million p.a. expenditure which was dependent on the HIF transfers in 2018 and 2019. The levels of health central growth in 2018 and 2019 would be reviewed alongside the proposals for the £5 million sustainable expenditure measures ahead of the draft Budget 2018.

Central Contingency Allocations

Net Revenue Allocations - Service Analysis														
2016			2017			2018			2019					
Near Cash Net Revenue Expenditure	Service Area	Income	Near Cash DEL	AME	Net Revenue Expenditure	Total Net Revenue Expenditure	Non Cash Net Revenue Expenditure	Income	Near Cash DEL	AME	Net Revenue Expenditure	Total Net Revenue Expenditure	Non Cash Net Revenue Expenditure	Total Net Revenue Expenditure
2,000,000	Central Allocation for AME Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-
4,736,800	Central Allocation for DEL Contingency	-	5,000,000	-	5,000,000	5,000,000	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
4,203,100	Central Allocation - Pav and Workforce	-	5,643,700	-	5,643,700	5,643,700	-	-	12,293,700	-	12,293,700	12,293,700	-	17,606,600
23,000,000	Central Allocation - Restructuring Provision and Redundancy Provision	-	7,000,000	-	7,000,000	7,000,000	-	-	3,164,000	-	3,164,000	3,164,000	-	1,955,400
4,000,000	Central Allocation - Committee of Inquiry	-	-	-	-	-	-	-	-	-	-	-	-	-
5,000,000	Central Allocation - EPGDP	-	4,356,000	-	4,356,000	4,356,000	-	-	3,796,000	-	3,796,000	3,796,000	-	2,000,000
-	Central Allocation - Earmarked Child	-	1,650,000	-	1,650,000	1,650,000	-	-	1,650,000	-	1,650,000	1,650,000	-	1,650,000
42,939,900	Net Revenue Expenditure	-	23,649,700	-	23,649,700	23,649,700	-	-	25,903,700	-	25,903,700	25,903,700	-	28,212,000

Central Growth

Net Revenue Allocations - Service Analysis														
2016			2017			2018			2019					
Near Cash Net Revenue Expenditure	Service Area	Income	Near Cash DEL	AME	Net Revenue Expenditure	Total Net Revenue Expenditure	Non Cash Net Revenue Expenditure	Income	Near Cash DEL	AME	Net Revenue Expenditure	Total Net Revenue Expenditure	Non Cash Net Revenue Expenditure	Total Net Revenue Expenditure
-	Central Growth Provision	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Net Revenue Expenditure	-	-	-	-	-	-	-	10,424,000	-	10,424,000	10,424,000	-	20,533,000
-	Net Revenue Expenditure	-	-	-	-	-	-	-	10,424,000	-	10,424,000	10,424,000	-	20,533,000

Central Contingency Allocations

Net Allocations - Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
-	Duties, Fees, Fines & Penalties	-	-	-
-	Sales of Goods and Services	-	-	-
-	Investment Income	-	-	-
-	Other Income	-	-	-
-	Total Income	-	-	-
	Expenditure			
-	Social Benefit Payments	-	-	-
-	Staff Costs	-	-	-
-	Supplies and Services	-	-	-
-	Administrative Expenses	-	-	-
-	Premises and Maintenance	-	-	-
-	Other Operating Expenses	-	-	-
-	Grants and Subsidies Payments	-	-	-
-	Impairment of Receivables	-	-	-
-	Finance Costs	-	-	-
-	Foreign Exchange (Gain)/Loss	-	-	-
42,939,900	Contingency Expenses	23,649,700	25,903,700	28,212,000
42,939,900	Total Expenditure (as amended)	23,649,700	25,903,700	28,212,000
42,939,900	Net Revenue Near Cash Expenditure	23,649,700	25,903,700	28,212,000

Central Growth

Net Allocations - Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
-	Duties, Fees, Fines & Penalties	-	-	-
-	Sales of Goods and Services	-	-	-
-	Investment Income	-	-	-
-	Other Income	-	-	-
-	Total Income	-	-	-
	Expenditure			
-	Social Benefit Payments	-	-	-
-	Staff Costs	-	-	-
-	Supplies and Services	-	-	-
-	Administrative Expenses	-	-	-
-	Premises and Maintenance	-	-	-
-	Other Operating Expenses	-	-	-
-	Grants and Subsidies Payments	-	-	-
-	Impairment of Receivables	-	-	-
-	Finance Costs	-	-	-
-	Foreign Exchange (Gain)/Loss	-	-	-
-	Contingency Expenses (Central Growth)	-	10,424,000	20,533,000
-	Total Expenditure (as amended)	-	10,424,000	20,533,000
-	Net Revenue Near Cash Expenditure	-	10,424,000	20,533,000

States Trading Operations

Summary of States Trading Operations 2017

States Trading Operations	Near Cash		2017 Net Revenue Expenditure	Non Cash		Total		Financial Return 2017
	Income	DEL		AME	2017 Net Revenue Expenditure	2017 Net Revenue Expenditure	2017 FTE	
	£	£		£	£	£		
Jersey Car Parking	(6,764,100)	5,377,200	(1,386,900)	1,100,900	(286,000)	24.0	1,072,000	
Jersey Fleet Management	(4,375,700)	3,071,900	(1,303,800)	1,174,700	(129,100)	29.0	-	
Net Revenue Expenditure Allocation	(11,139,800)	8,449,100	(2,690,700)	2,275,600	(415,100)	53.0	1,072,000	

Summary of States Trading Operations 2018

States Trading Operations	Near Cash		2018 Net Revenue Expenditure	Non Cash		Total		Financial Return 2018
	Income	DEL		AME	2018 Net Revenue Expenditure	2018 Net Revenue Expenditure	2018 FTE	
	£	£		£	£	£		
Jersey Car Parking	(6,824,700)	5,346,400	(1,478,300)	1,111,300	(367,000)	24.0	472,000	
Jersey Fleet Management	(4,376,700)	3,078,800	(1,297,900)	1,174,700	(123,200)	29.0	-	
Net Revenue Expenditure Allocation	(11,201,400)	8,425,200	(2,776,200)	2,286,000	(490,200)	53.0	472,000	

Summary of States Trading Operations 2019

States Trading Operations	Near Cash		2019 Net Revenue Expenditure	Non Cash		Total		Financial Return 2019
	Income	DEL		AME	2019 Net Revenue Expenditure	2019 Net Revenue Expenditure	2019 FTE	
	£	£		£	£	£		
Jersey Car Parking	(6,886,000)	5,341,100	(1,544,900)	1,121,900	(423,000)	24.0	-	
Jersey Fleet Management	(4,377,700)	3,086,400	(1,291,300)	1,174,700	(116,600)	29.0	-	
Net Revenue Expenditure Allocation	(11,263,700)	8,427,500	(2,836,200)	2,296,600	(539,600)	53.0	-	

Summary of States Trading Funds 2017 - 2019

States Trading Operations	2017			2017			2017			2018			2018			2019		
	Opening Balance	Surplus/ (Deficit)	Add Back: Depreciation	Additional funding for other States Departments Expenditure	Less: Capital Expenditure	Plus: Capital Receipts	Closing Balance	Surplus/ (Deficit)	Add Back: Depreciation	Additional funding for other States Departments Expenditure	Less: Capital Expenditure	Plus: Capital Receipts	Closing Balance	Surplus/ (Deficit)	Add Back: Depreciation	Additional funding for other States Departments Expenditure	Less: Capital Expenditure	Plus: Capital Receipts
Jersey Car Parking	12,631,900	286,000	1,100,900	(4,188,500)	-	-	9,830,300	367,000	1,111,300	(9,722,500)	-	1,586,100	423,000	1,121,900	(3,024,500)	-	-	106,500
Jersey Fleet Management	4,098,500	129,100	1,204,700	-	(1,600,000)	140,000	3,972,300	123,200	1,204,700	(1,721,700)	140,000	3,718,500	116,600	1,204,700	-	(1,885,000)	140,000	3,294,800
Total	16,730,400	415,100	2,305,600	-	(5,788,500)	140,000	13,802,600	490,200	2,316,000	(11,444,200)	140,000	5,304,600	539,600	2,326,600	-	(4,909,500)	140,000	3,401,300

Department for Infrastructure
Jersey Car Parking

Jersey Car Parking

Purpose

Responsible for the administration, management, financing, development and maintenance of public parking places.

Responsibilities

- Provision of public parking facilities;
- Policing of public parking areas.

2017-19 Change Projects

Projects	Start Year	Council Priority	Strategic Goal
Deliver the refurbishment of Sand St Car Park to improve the amenity and extend the life of the structure	2016-17	Sustainable Public Finances, Improve St Helier	10, 11
Deliver the refurbishment of Green St Car Park to improve the amenity and extend the life of the structure	2017	Sustainable Public Finances, Improve St Helier	10, 11
Deliver the refurbishment of Minden St Car Park to improve the amenity and extend the life of the structure	2017	Sustainable Public Finances, Improve St Helier	10, 11
Implement lift replacement programme in multi-storey car parks	2017-18	Sustainable Public Finances, Improve St Helier	10, 11
Work with Andium Homes to deliver Ann Court Car Park	2018-19	Sustainable Public Finances, Improve St Helier	10, 11
Deliver the refurbishment of Patriotic St Car Park to improve the amenity and extend the life of the structure	2018	Sustainable Public Finances, Improve St Helier	10, 11

Financial Narrative

Following the amalgamation of the Transport and Highways and Engineering divisions, the Jersey Car Parking trading operation will form closer links with the newly expanded "Transport" directorate. Subject to negotiations with the Minister for Treasury and Resources it is proposed that the Financial Return currently remitted to the States Consolidated Fund will over time be reduced with any additional income being used by the Department for Infrastructure to fund sustainable transport projects and initiatives, continuing the remit previously agreed by the States in 2004 (P.147/2004 refers) and 2010 (P.104/2010 refers).

Following the unanimous adoption of P140/2015 ("Concessionary Bus Fares for the Disabled discussions with Liberty Bus") in February 2016 the department has been investigating the potential introduction of a scheme to assist disabled persons with their transport needs. The proposition requests the Minister for Infrastructure to present a report to the States by September 2016 and this will be lodged separately from the MTFP2 Addition document. However, as the proposed funding mechanism for such a scheme is from excess income generated by Jersey Car Parking trading operation, this element of the proposal is included within this document to permit the scheme to be adopted and funded.

The MTFP Addition has now been agreed and it is envisaged that the concessionary travel pilot scheme will be introduced in early 2017 and will be valid until the end of 2019, to coincide with the end of the period covered by the current MTFP. In early 2019, there will be a review of the pass in order to assess the extent to which it is meeting the transport needs of Jersey residents with a disability. Continuation of the scheme will be dependent upon the States agreeing on the benefits of the scheme for 2020 and beyond.

In addition to the above, and to secure appropriate funding for sustainable transport initiatives and unavoidable non-staff inflationary pressures such as the Bus contract and other transport related issues, it is proposed, subject to negotiation with the Minister for Treasury and Resources, to phase out the financial return credited to the consolidated fund over the period 2017 – 2019. As these requirements are the responsibility of the Department for Infrastructure and the States have previously given their approval that excess income from car parking can be used to fund transport initiatives, it is proposed that funding from the Trading Fund is allocated to the department and reflected as income of the transport division.

Department for Infrastructure
Jersey Car Parking

Net Revenue Expenditure - Service Analysis															
2016				2017				2018				2019			
Near Cash Net Revenue Expenditure £	Service Area	Income £	Near Cash DEL £	Net Revenue Expenditure £	Non Cash Net Revenue Expenditure £	Total Net Revenue Expenditure £	FTE	Income £	Near Cash DEL £	Net Revenue Expenditure £	Non Cash Net Revenue Expenditure £	Total Net Revenue Expenditure £	FTE		
														Net Revenue Expenditure £	Non Cash Net Revenue Expenditure £
(1,295,800)	Jersey Car Parking	(6,764,100)	5,377,200	(1,386,900)	1,100,900	(286,000)	24.0	(6,824,700)	5,346,400	(1,478,300)	1,111,300	(367,000)	24.0		
(1,295,800)	Net Revenue Expenditure	(6,764,100)	5,377,200	(1,386,900)	1,100,900	(286,000)	24.0	(6,824,700)	5,346,400	(1,478,300)	1,111,300	(367,000)	24.0		
								(6,886,000)	5,341,100	(1,544,900)	1,121,900	(423,000)	24.0		
								(6,886,000)	5,341,100	(1,544,900)	1,121,900	(423,000)	24.0		

Department for Infrastructure

Jersey Car Parking

Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
(480,000)	Duties, Fees, Fines & Penalties	(480,000)	(480,000)	(480,000)
(6,111,300)	Sales of Goods and Services	(6,134,100)	(6,194,600)	(6,255,900)
(100,000)	Investment Income	(100,000)	(100,000)	(100,000)
(52,500)	Other Income	(50,000)	(50,100)	(50,100)
(6,743,800)	Total Income	(6,764,100)	(6,824,700)	(6,886,000)
	Expenditure			
	- Social Benefit Payments			
823,800	Staff Costs	795,900	799,000	800,900
962,800	Supplies and Services	941,700	904,200	911,000
29,000	Administrative Expenses	33,000	33,700	34,500
1,862,400	Premises and Maintenance	1,843,600	1,845,500	1,849,700
	- Other Operating Expenses	-	-	-
	- Grants and Subsidies Payments	600,000	1,200,000	1,672,000
20,000	Impairment of Receivables	22,000	22,000	23,000
78,000	Finance Costs	69,000	70,000	50,000
1,672,000	Financial Returns (see note)	1,072,000	472,000	-
	- Foreign Exchange (Gain)/Loss	-	-	-
	- Contingency Expenses	-	-	-
5,448,000	Total Expenditure	5,377,200	5,346,400	5,341,100
(1,295,800)	Net Revenue Near Cash Expenditure	(1,386,900)	(1,478,300)	(1,544,900)
972,300	Depreciation	1,100,900	1,111,300	1,121,900
(323,500)	Total Net Revenue Expenditure	(286,000)	(367,000)	(423,000)

Note : as identified in the Department for Infrastructure pages, the financial return to the States will from 2017 start to be allocated to the income of the DfI, as identified below:

Grant to the Department for Infrastructure	600,000	1,200,000	1,672,000
Financial Return to the Consolidated Fund	1,072,000	472,000	-
	1,672,000	1,672,000	1,672,000

Department for Infrastructure

Jersey Car Parking

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	(1,295,800)	(1,386,900)	(1,478,300)
Non-Staff Inflation - Dept Income			
Non-Staff Inflation - Dept Expenditure	(91,100)	(91,400)	(66,600)
Staff Inflation - Provision for Pay Award			
Departmental Transfers	-	-	-
Department Savings	-	-	-
Additional Funding	-	-	-
Other Variations	-	-	-
Net Revenue Near Cash Expenditure	(1,386,900)	(1,478,300)	(1,544,900)
Depreciation	1,100,900	1,111,300	1,121,900
Total Net Revenue Expenditure	(286,000)	(367,000)	(423,000)

Department for Infrastructure

Jersey Car Parking

Trading Fund Balance

	2017	2018	2019
	£	£	£
Estimated Trading Fund Opening Balance	12,631,900	9,830,300	1,586,100
Surplus/(Deficit) for the year	286,000	367,000	423,000
Add back: Depreciation	1,100,900	1,111,300	1,121,900
Less: Capital Expenditure			
Ann Court Car Park	-	(6,066,000)	-
Car Park Maintenance and Refurbishment	(2,897,000)	(2,104,000)	(1,492,000)
Automated charging system	(41,500)	(52,500)	(32,500)
Sustainable Transport and Road Safety Schemes	(1,250,000)	(1,500,000)	(1,500,000)
Plus: Capital Receipts	-	-	-
Estimated Trading Fund Closing Balance	9,830,300	1,586,100	106,500

Department for Infrastructure
Jersey Fleet Management

Jersey Fleet Management

Purpose

Responsible for the acquisition, maintenance, servicing, fuelling, garaging and disposal of vehicles and mobile plant on behalf of the States.

Responsibilities

- Provide the States with a fleet of vehicles fit for purpose at the best possible whole life costs;
- Provide cost effective fuel and workshop services for States fleet vehicles;
- Provide all States departments with fleet accident claims administration.

2017-19 Change Projects

Projects	Start Year	Council Priority	Strategic Goal
Manage significant vehicle asset disposals resulting from Departments' actions in support of reduced budgets in MTFP 2	2017-19	Sustainable Public Finances	11

Financial Narrative

The service reviews being undertaken across the States of Jersey result in a period of uncertainty for Jersey Fleet Management (JFM). In 2012 it was agreed that JFM would be responsible for managing the fleet across the public sector. However, uncertainty over whether services will continue, be outsourced, reconfigured or cease has meant that in the last year fewer replacement vehicles have been bought.

It is possible that over the coming period more vehicles and equipment will become surplus to requirements, or may be incorporated in outsourcing arrangements. While this could result in savings for the Trading Operation, in the longer term consideration of appropriate levels of resource required to maintain the States fleet could result in a change of direction for JFM. It may be restructured or it may adopt alternative business models. Increased workshop capacity could see services being offered to other public entities, such as parishes, or even some of the commercial operators undertaking significant contracts on behalf of the States.

JFM is also reviewing the functions it operates, the efficiency of the workshop and procurement operations and the management of the trading operation. As the future requirements of the States become clear this review will continue to evolve to meet service needs.

Department for Infrastructure

Jersey Fleet Management

Statement of Comprehensive Net Expenditure

2016 Net Revenue Expenditure		2017 Net Revenue Expenditure	2018 Net Revenue Expenditure	2019 Net Revenue Expenditure
£		£	£	£
	Income			
	- Duties, Fees, Fines & Penalties			
(4,371,200)	Sales of Goods and Services ¹	(4,364,700)	(4,364,700)	(4,364,700)
(10,000)	Investment Income	(11,000)	(12,000)	(13,000)
	- Other Income	-	-	-
(4,381,200)	Total Income	(4,375,700)	(4,376,700)	(4,377,700)
	Expenditure			
	- Social Benefit Payments	-	-	-
1,071,700	Staff Costs	1,119,400	1,119,400	1,119,400
1,046,500	Supplies and Services	991,500	995,700	1,000,800
2,800	Administrative Expenses	1,100	1,200	1,100
971,300	Premises and Maintenance ¹	969,900	972,500	975,100
	- Other Operating Expenses	(10,000)	(10,000)	(10,000)
	- Grants and Subsidies Payments	-	-	-
	- Impairment of Receivables	-	-	-
	- Finance Costs	-	-	-
	- Financial Returns	-	-	-
	- Foreign Exchange (Gain)/Loss	-	-	-
	- Contingency Expenses	-	-	-
3,092,300	Total Expenditure	3,071,900	3,078,800	3,086,400
(1,288,900)	Net Revenue Near Cash Expenditure	(1,303,800)	(1,297,900)	(1,291,300)
1,204,700	Depreciation	1,204,700	1,204,700	1,204,700
(55,000)	Asset Disposal (Gain)/Loss	(30,000)	(30,000)	(30,000)
1,149,700	Net Revenue Non Cash Expenditure	1,174,700	1,174,700	1,174,700
(139,200)	Total Net Revenue Expenditure	(129,100)	(123,200)	(116,600)

Department for Infrastructure Jersey Fleet Management

Reconciliation of Net Revenue Expenditure

	2017	2018	2019
	£	£	£
Base Department Budget	(1,288,900)	(1,303,800)	(1,297,900)
Non-Staff Inflation - Dept Income	-	-	-
Non-Staff Inflation - Dept Expenditure	(14,900)	5,900	6,600
Staff Inflation - Provision for Pay Award	-	-	-
Departmental Transfers	-	-	-
Department Savings	-	-	-
Additional Funding	-	-	-
Other Variations	-	-	-
Net Revenue Near Cash Expenditure	(1,303,800)	(1,297,900)	(1,291,300)
Depreciation	1,204,700	1,204,700	1,204,700
Asset disposal gain	(30,000)	(30,000)	(30,000)
Total Net Revenue Expenditure	(129,100)	(123,200)	(116,600)

Department for Infrastructure Jersey Fleet Management

Trading Fund Balance

	2017	2018	2019
	£	£	£
Estimated Trading Fund Opening Balance	4,098,500	3,972,300	3,718,500
Surplus/(Deficit) for the year	129,100	123,200	116,600
Additional funding for other States Departments			
Add back: Depreciation	1,204,700	1,204,700	1,204,700
Less: Capital Expenditure			
Vehicle and Plant Replacement	(1,600,000)	(1,721,700)	(1,885,000)
Plus: Capital Receipts	140,000	140,000	140,000
Estimated Trading Fund Closing Balance	3,972,300	3,718,500	3,294,800