



# GOVERNMENT PLAN 2022-25



GOVERNMENT PLAN  
2022-25

R.18/2022



Government of  
**JERSEY**

## Government Plan 2022-2025 (P.90/2021) as amended

On 17 December 2021 the States Assembly approved the Government Plan 2022-2025 (P.90/2021), as amended.

This document sets out:

- The P.90/2021 Proposition and Summary Tables, as amended by the States Assembly (see Appendix 2).
- The Government Plan 2022-25 as amended to include all amendments agreed by the States Assembly (see Appendix 7) together with any necessary consequential and minor factual changes.

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## Our purpose

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

In order to do this, we must:

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

## How to use the Government Plan 2022-2025

- Ensure the provision of modern and highly valued services for the public.

Part One sets out how the Government of Jersey has taken into account sustainable public finances and sustainable wellbeing, as required by the Public Finances (Jersey) Law 2019.

Parts Two and Three outline how the Government will invest in its five strategic priorities in 2022, and how we will continue our progress on modernising and driving efficiency across the Government.

Part Four includes appropriations for non-ministerial departments, including an explanation of how these are addressed by the Government Plan process.

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

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Senator  
John Le Fondré

Chief Minister

## Chief Minister's foreword

This is the final Government Plan to be produced by this Council of Ministers, and provides an opportunity to reflect on the challenges that we have faced, and what we have achieved, over the past three years.

### The impact of Covid-19

Let us be clear - Covid-19 has significantly impacted the ambitions we set out in our Common Strategic Policy in 2018, many of which were due to begin implementation during 2020. However, that only means that whilst we have not achieved everything we set out to do, we have still achieved a number of important goals, but further work remains.

Whilst some commentators will focus on the projects which still need to be delivered, taking all things into account - including the challenges we have faced as an Island, as a Community, and as a Government - I think we should all be proud of where the Island stands.

The pandemic has had a huge impact on our Island as a community, and on the Government and Public Sector in protecting Islanders. Many teams have worked literally day and night, tirelessly, to protect lives and livelihoods. I pay tribute to every one of them, whether in the Public Service, in healthcare, in the Parishes, in the community, in the third sector, in industry, or in my Ministerial team.

Our vaccination programme has been one of the best in Europe, and we have kept schools open more than the UK and many European countries. Whilst it has not been easy, teachers have adapted to online or blended learning and are providing additional teaching for those whose education has been disadvantaged by the pandemic. We also launched Learning at Home during Covid-19 to support children, young people and their families.

When I took office in 2018, it was apparent that the state of our Public Sector IT systems was woeful. Our investment into IT infrastructure in 2019, although controversial to some, set the foundation for a number of our successes; from enabling the States Assembly to be the first parliament in the Commonwealth to meet fully online, to developing a good working relationship with Microsoft for the delivery of our superb Covid-19 testing regime.

From a financial perspective, we are also in a far better position than we first anticipated. Our reserves at the beginning of 2021 were just under £300 million higher than at the end of 2019, even after all the measures we have taken in supporting Islanders through the pandemic. Our revenue forecasts are better for 2021, 2022 and onwards, and we have spent less on Covid-19 than originally envisaged. Accordingly, we will return to balanced budgets

sooner, during the period of this plan.

This does not mean there will not be things we could have done better. Neither does it mean that there will not be further challenges ahead. But it does mean that we have got to this point in as good a position as could realistically have been the case.

## Our ambitions for 2022

This Government Plan builds on and realises the ambitions that this Council of Ministers have successfully pursued across the past three years.

At its core, the plan retains a focus on the commitments that have underpinned the work of Government and were established in our Common Strategic Policy in 2018: putting children first; improving Islanders wellbeing and mental and physical health (made even more pressing by the impact of Covid); creating a sustainable, vibrant economy; reducing income inequality and improving the standard of living; and protecting and valuing our environment.

As well as focusing on these key matters, it addresses the other legacy issues that we inherited and have been the subject of significant focus and progress: the need for a new Hospital, the requirement to manage the Government estate and develop a new consolidated headquarters; the significant burden of historic pension debt; and long-overdue investment in IT and systems infrastructure.

It meets a commitment to sustainable public finances through continued efficiencies and financial rebalancing, that will enable a return to balanced budgets in the next three years.

And it begins to tackle the challenges of the changed world in which we are now living; one where Covid-19 is part of our daily lives and must be managed through an ongoing programme of vaccination and continued Public Health guidance. And one that requires us to proactively address the broader economic, healthcare and societal impacts on our community from the pandemic.

Whilst Covid-19 has caused direct harm through infection, we also recognise that the measures necessary to control its spread have themselves caused harm through disruption to people's lives, livelihoods, well-being as well as incomes.

We are committed to further developing our response to the broader harms of the pandemic on Islanders. From the beginning of 2022, a new health and social recovery fund will support targeted and timely recovery projects, strengthened through the leadership of a Political Oversight Group who will champion health, social recovery and wellbeing activity across all Government departments, and building on existing programmes.

We are also committed to continuing to put children first throughout our policy and legislative programme. Since the publication of the Independent Jersey Care Inquiry, the Government has been working hard to deliver on its commitment to modernise its children's policy and legislative framework. Given the complexity of this important work this programme will continue into the term of the next government, building on the legislative proposals scheduled for debate in 2021.



## Addressing legacy challenges and achieving efficiencies

During our time in office we have tackled a number of significant legacy issues and have taken some necessary long-term decisions.

When I first started in the role of Chief Minister, the then-CEO notified me that we faced a significant legal case, with potential liabilities of over £200 million, with other cases to follow. It was clear that inaction in the past had left a solution to this issue festering for quite some time. The decisions we took, subsequently approved by the Assembly, saved £45 million within the first 6 months.

The transition to independent taxation represents one of the biggest changes to our system of taxation for many years, and the change to the Current Year Basis of taxation (from Prior Year Basis) is forecast to achieve a one-off capital amount of approximately £345 million. The revised projections for the Covid-19 debt are significantly less than this, which means that any difference can be applied either to reserves, or to reducing other debt; for example in relation to the Our Hospital project.

It is the willingness to take these types of difficult decisions that has characterised this Council of Ministers.

Whilst it has not been easy, we have also made significant progress in Public Sector pay negotiations. When I took office, there was a backlog of two to three years of pay negotiations, as well as a significant potential liability in respect of an historic pay differential (where there were discrepancies in pay for work of the same type).

At the time of writing, all pay negotiations for 2021 are concluded, and the historic pay differential has been all but eliminated.

We also know that the culture in some parts of the public service has long needed addressing and significant effort and investment has been made in these areas. This work will need to continue to achieve the fit-for-purpose, modern public service Islanders deserve.

A long-term decision also included in this plan surrounds the historic pension liability. By refinancing past service employee pension liabilities, and paying them much sooner, we will achieve a long-term cash saving estimated at over £3.6 billion, or £700 million in real terms.

This Government Plan therefore establishes the basis for a strong financial legacy, built on prudence and careful management of our public finances, and sets out clear principles for our ongoing financial strategy. There are strict proposals surrounding borrowing, and it is the savings generated over the period of the Government Plan that are the primary source of funding for any new investment.

Despite the impact of Covid-19, during our time in office, we have also achieved recurring savings of just over £50 million out of a target of £60 million (85%). This compares favourably to the first year of the Efficiencies Programme, when approximately £25 million had been identified as recurring (67%). The remaining balances have been met through one-off savings, which have then been converted into recurring savings in a following year.

In total this plan (and its predecessor) commit to further measures of £20 million in each of the years 2022, 2023 and 2024.

## Revitalising our local economy

We have supported the economy significantly during the pandemic, protecting many businesses and jobs in some of the most economically challenging times this Island has seen. There have been responsive and innovative schemes, ranging from fiscal support packages, reductions in social security rates, economic recovery measures, as well as the innovative and internationally recognised Spend Local Card, where £100 was given to every Islander; injecting £11million into local businesses.

Our continued pursuit of sustainable economic recovery, diversity and growth is paramount. Since its establishment, the Fiscal Stimulus Fund has approved £29.6 million of funding for Island-wide projects. Whilst many funded projects have a construction focus, the variety of trades and organisations involved has ensured that there is a tangible and distributed benefit to multiple areas of the local economy.

Separately, Arts, Culture and Heritage will benefit from a significant uplift in funding as a result of previous States Assembly decisions, and our Island Identity project will continue to advance.

Beyond this, in 2022, we will focus on addressing long-term challenges and opportunities for our economy, with the delivery of the Island's first Economic Framework providing a common vision and strategic objectives for Jersey's future economy, and we continue to diversify by preparing for Jersey's future digital connectivity requirements and the introduction of the next generation of digital networks.

This will enable Jersey to embrace the opportunities offered by new digital innovations including the Internet of Things (IoT). A significant step in this work will be the creation of a Technology Fund, itself funded by part of the dividend received from the recent sale of JT's IoT arm.

Throughout this plan we also address the wider global and domestic challenges that our Island is facing, aside from those rooted in Covid-19.

Brexit has produced its own challenges, and may require additional investment. As well as having met on Sunday 27th December to approve the UK / EU Trade and Economic Co-Operation Agreement, the Assembly has also agreed 15 separate pieces of legislation in 2020 to ensure we were ready for this significant change in the way travel, work and trade with Europe and the rest of the CTA.

As we move towards a post pandemic world, we will be supporting the Island's preparation for the MONEYVAL assessment in 2023, which will be of great importance to our financial services industry, as well as responding to the outcomes of OECD deliberations. Our international engagement will continue, and as borders open globally, it is important that we continue to support and invest in our relations with our international partners and friends.

Separately we have maintained the increase in our contributions to Overseas Aid, and again, we should be proud of the impact we have on parts of the world which is far greater than what one might expect from an Island of our size.

## Meeting the challenges of population growth and climate change

2022 will also mark a major step forward in Jersey's response to the Climate Emergency. Following the work of Officers, Ministers and the Citizens Assembly to date, an ambitious Carbon Neutral Roadmap will be debated by the States Assembly. This sets out a detailed journey to carbon neutrality with the policies, initiatives, and fiscal strategy to achieve it.

The management of our growing population and the impact on our Island resources must also be addressed. By the end of 2021 we will have made significant progress on establishing the legislation and systems surrounding improved migration controls, and the first Common Population Policy will have been published. These actions represent a significant step in tackling population growth. In 2022 we will continue to develop and start to implement improved migration controls to support that new policy, mindful of the challenges that certain sectors of economy presently face.

We recognize the impact that population and other external factors have had on house prices and affordable housing supply for locals. We have previously taken steps to improve housing supply, through the delivery arms of Andium, Ports of Jersey and SOJDC. Between them, these organisations are scheduled to deliver over 900 homes in the construction pipeline between now and 2023, having already brought forward 800 in the last two years.

Directions have been given to limit the sales of homes to external investors, and sites for the future supply of housing have been identified through the draft Bridging Island Plan. Sites vacated as part of the Office Strategy, will also be released for other purposes, including housing.

The latter had lain stalled for over a decade, but the decisions we have taken mean that work has commenced on a site, and subject to planning permission, the project should be completed in 2024 achieving annual savings of approximately £7 million.

In addition, Ministers have worked proactively and speedily to release an action plan to tackle the issues that affect the supply and cost of housing. Having earmarked £10 million in a previous plan, we will be introducing a new affordable purchase product during 2022 to help more Islanders own their own homes.

## Prioritising mental and physical health and wellbeing

We will continue to build on the local community links that were strengthened by joint working during the pandemic and through the Closer to Home initiatives, to continue to support the delivery of our disability strategy and community-based services, as well as developing a poverty strategy.

The effects of the overarching priorities within our Common Strategic Policy will continue to be felt in practical ways by Islanders; and the physical, emotional, and mental health of the Island's children and young people remain the highest priority.

We have halved the turnover of social workers since 2018; put an extra 25 police on the beat; trained 70 nurses; and put in place measures for over 11,000 people that will make GP visits more affordable.

Separately we have increased the funding to uplift the Jersey Premium Funding in schools.

We have previously increased funding in education by putting an additional £5.5 million into schools to resolve system deficits through transitional grants; £455,000 to increase the support for children with Special Educational Needs, English as an Additional Language and Children identified as being in the Low Prior Attainment category allowing the right level of support to make sure they are not falling behind.

In addition, this plan proposes investment into Children's Dental Health in response to the closure of dental services during the pandemic which has increased the risk of childhood disease. Separately I have commissioned work into the impact of social media on young people, and those findings will feed further support and actions in the future.

Mental Health was a key issue when we were elected, and we have already made significant improvements, including the introduction of the Listening Lounge; the recruitment of additional staff; the refurbishment of acute care and outpatient facilities; and the launch of the Children and Families Hub to allow access to early help and support.

However, there is much more to do. Investment set out in this Government Plan will support the ongoing implementation of the new model of community-focused Child and Adolescent Mental Health Services (CAMHS), whilst appropriate on-Island in-patient care is currently being designed to support those experiencing both acute or long-term mental ill-health conditions.

In Health and Community Services, work will continue with our valued partners in the health and care sector to implement the Jersey Care Model. We recognise the need to support the increasing number of people suffering with long term conditions by reducing unnecessary dependency on secondary care services and expanding primary and community services.

We will be working closely with our partners in 2022 and beyond to ensure the right care is available to enable Islanders to continue living independently in their own homes.

Separately we have begun the development of the Jersey Care Record to integrate patient records in digital form in an accessible way for healthcare providers and patients.

Our environment will also benefit from a new blueprint for the sustainable transport system of the future, with plans to overhaul the public bus system and develop a new network of cycling and walking routes.

Various Sports are benefitting from investment into new facilities as part of the Fiscal Stimulus programme, and an extra £1 million per year has been added to the infrastructure rolling vote which will go towards some of the Regeneration Projects supported by the Regeneration Steering Group, and which represent further investment and improvements into the environment and fabric of St Helier.

## Investing in our Island's future

It is essential we continue our capital investment programme. I have previously referred to our investment into IT, and the benefits that our early decisions had for the Government and for Islanders. That investment continues in this Plan, accompanied by significant funding for Education and Home Affairs, as well as in equally important areas such as sea defences and sewage works. Elizabeth Castle receives funding, as do the Sea Cadets, skateboard parks and Fort Regent.

It is intended that work will commence on the garden ramparts of the Fort in the next few months, as the first step in the regeneration of this important location, which has not received proper investment for decades. I truly believe that the plans – which are now out for consultation - have the potential to attract Islanders, and will put the soul back into Fort Regent. The long-term plan for the site has attracted significant interest, will bring excitement and fun back to the site, and, importantly, is capable of being implemented at little cost to the taxpayer.

The biggest challenge that we face in terms of capital projects remains the Hospital, which has been subject to delays for the last decade.

Certain commentators may wish to delay matters even further for a number of reasons. However, it is absolutely clear that the present hospital cannot continue as it is. It has been extended and patched, without appropriate investment, for years. Our staff have coped with it admirably, but it is ironic that in the middle of a pandemic some individuals still counsel delay. If nothing is done, the poor facilities will begin to impact patient care, and the costs of maintenance will start to rise steeply from 2026.



To take a project of this complexity from concept to planning application costs tens of millions of pounds. Whilst we have sought to use as much work from the past as possible, a change to a different location, or a significant delay, will likely cost tens of millions more.

It is also clear that the previous plans for the Hospital would have been outdated within less than 10 years, and that they did not make adequate provision for technology or for mental health. We have engaged regularly and closely with clinicians to produce a facility that will last for many years, fulfilling the needs of patients and all hospital staff, and which Islanders can be proud of.

It is a fact that green space facilitates healing, and the Overdale site will achieve this well, and I am pleased the States Assembly has agreed this location. For those who say there is an even better site, I respond that there is no perfect solution – but Overdale is a good and workable location, and came through as the preferred site as a result of an evidenced based, transparent process.

The Our Hospital project is to be funded by debt issuance and financed through future gains on the Strategic Reserve. There may be alternative funding methods suggested, but at the time of writing, the ability to borrow at historically low rates of interest means that the funding strategy does work, it will support and retain our reserves, and in our opinion is the one best suited, in the longer term, to the interests of today's Islanders and generations to come.

## A legacy that benefits all of our community

Sometimes we, as Islanders, do not recognise the presence that Jersey has in the global market, nor how our international identity has evolved. What has been brought home to me, in my role as Chief Minister, is how lucky we are to live in Jersey, and how proud we should be of what we achieve when the community works together, in a positive way, and at its very best.

I am grateful to my colleagues within the Council of Ministers for their contributions to this plan, and for taking difficult decisions that will see meaningful investment in our Island as well as improvements to our long-term financial position.

The careful stewardship of public finances within this Plan will allow us to meet our commitment to leave a legacy of financial stability and meaningful investment; one which has started to address the significant challenges that have eluded previous administrations.

As a Council of Ministers we are committed to long-term planning; building foundations that will benefit not only Islanders living and working now, but the generations that will follow them. I believe this Plan is a powerful step in achieving that end.



Deputy Susie Pinel

Minister for Treasury  
and Resources

## Minister for Treasury and Resources foreword

While we are still feeling the effects of the pandemic across our community, this year's Government Plan focuses on recovery and renewal for Islanders and our economy, by outlining a plan for the long-term sustainability of Government finances; thereby enabling us to build a better future together.

We know that after six years of growth, our economy, like others across the globe, declined sharply in 2020 as many sectors had to close or run reduced services for periods of time. However, the latest forecast from the International Monetary Fund is for global growth of 6% this year. We are also planning for a strong recovery for Jersey.

We will continue to support our business community through the range of measures that have been in place for some time now and we will respond to changing circumstances as required.

Earlier this year we confirmed nearly £30 million would be spent from our Fiscal Stimulus Fund on 47 projects across the Island. As we intended, the funding is providing a much needed, short-term boost to the economy. Many of the projects are starting and will be completed by the end of the year, or early in 2022. These projects cover a range of activities, and while many of them have a construction focus, they also involve a wide range of trades and organisations.

We continue to seek and act on the advice of the Fiscal Policy Panel (FPP) and our stable and well-established financial planning was recognised during the summer when the credit rating agency S&P confirmed that our strong credit rating was unchanged.

We will run our finances at a deficit until we begin to see recovery, with the intention of returning to balanced budgets over the period of this plan. We will also continue to invest in our public services and our Common Strategic Priorities through savings and efficiencies. Islanders can be assured that they will not see any severe cuts to spending or significant increases in taxes to cover the deficits.

As I have consistently reiterated over the last year, and in line with the recommendations of the FPP, we will also not be using the Strategic Reserve – or 'rainy day fund' as it is sometimes called – to meet the costs of the pandemic and other spending requirements. This remains the case. However, we will be using the strength of the Strategic Reserve and the investment returns on it to finance the borrowing for Our Hospital. The Strategic Reserve continues to grow and has reached £1 billion.

This Government Plan also clearly states that we should not undertake borrowing to fund base recurring expenditure and so, apart from Our Hospital, our only additional borrowing will be to meet the cost of the pandemic and refinance existing pension liabilities, which will allow them to be repaid sooner and generate substantial cash savings for taxpayers.

For all of these borrowings, we are outlining our strategy to ensure that we can afford the cost of the debt, and that we will be able to repay the debt without placing additional burdens on future generations.

Our financial strategy is framed around the following set of principles, which cover the measures outlined above:

- Government should be borrowing only for the impact of Covid-19 on the public finances (excluding Our Hospital)
- Savings generated over the Government Plan period are the primary source of funding for new investment
- Public finances should be balanced in 2024 to 2025 meaning expenditure should be equal to or less than income after depreciation
- Deficits to be run between 2021 and 2023/4 until the economy has recovered, in accordance with FPP advice
- There will be a refinancing of past service employee pension liabilities; and
- Our Hospital is to be funded by debt issuance and financed through future gains on the Strategic Reserve.

The Government will be held accountable to these in the coming years as we aim to deliver a vibrant and sustainable economic recovery.





**PART 1**  
**INTRODUCTION**



# Introduction

## Recovery and Renewal

This Government Plan looks forward, into 2022 and beyond, in the hope and expectation that the Island, and the rest of the world, will be on the path to recovery and renewal following the challenges of Covid-19 during 2020 and 2021.

Covid-19 has impacted every aspect of our Island life and our response to the pandemic has demonstrated the many strengths of our Island community both individually, and collectively. Every Islander has played a role in protecting themselves and each other. Our strong shared identity and the opportunities presented by being a small jurisdiction have allowed us to respond to the rapidly changing global outlook in an effective and agile way. This has helped us protect lives and livelihoods more effectively than many other countries across the world. We should take pride in this.

Improved joint working across the health and care sector has been key to protecting the Island's most vulnerable residents. This close working has enabled the Government to more clearly understand the challenges faced by the sector, and to use this insight to inform decision-making and keep people safe. We will work to maintain these improvements as we continue to implement the Jersey Care Model and other initiatives in the future.

Our recovery and renewal are underpinned by the strength of our economy, which has performed better than initially expected. Our solid economic and fiscal foundations, combined with the support given to industries during the pandemic, will provide us with the ability to adapt and grow into social recovery and renewal. And we will use data and insights from industry and expert advisers to make sure we plan efficient and effective use of our funds when we develop Jersey's future economy

Living with Covid-19 will not be the only challenge we face in the near future and we must continue to respond to the ongoing and long-term challenges of the Climate Emergency, the pressures of housing and population growth, and the societal uncertainty resulting from technological disruption, changes in the international economy, and the need to build a new Hospital for the Island.

## Community Recovery and Renewal

### Covid Health and Social Recovery Programme

In the Government Plan 2021, we established our commitment to our Island's recovery from Covid-19. We have continued our solid economic response and invested to ensure our essential services are able to catch up on lost activity. We will build on these priorities over this plan's period. In addition, we now need to provide holistic support and resources to address the wider impacts that the pandemic has had on Islanders, their health, and social wellbeing.

While Covid-19 has caused direct harm through infection and disease, the measures necessary to control its spread have themselves caused harm through disruption to people's lives and incomes. We know that before the

pandemic a number of health and socio-economic weakness already existed within our community, causing unequal life chances for some Islanders. The additional health and economic impacts of the pandemic have magnified and accelerated pre-existing social and economic challenges, highlighting more clearly the unequal impacts and inequality for certain groups.

Despite our improved understanding, there continues to be much we don't yet know about impacts on these groups, and how these will manifest. Part of our recovery programme will include the development of insights into Islanders' experiences of the pandemic, to support further and ongoing needs assessments. This will ensure our plans for recovery are shaped through informed insight of the real impacts and harms, within Jersey's unique context.

Over the 2022 period, we commit to further developing our response to the broader harms. A health and social recovery fund will support timely, targeted and temporary recovery projects, alongside continuous review and improvement of the strategic response. Investment priorities will be aligned to our Common Strategic Policy priorities and will be designed, not only to address the ongoing risks of harm, but to identify and build on the existing strengths and assets within those groups and communities where the impacts are greatest.

The journey to recovery in Jersey will be strengthened through a Political Oversight Group to champion health and social recovery activity across Government departments. This oversight will work in tandem with the existing mechanism for the Economic Recovery Fund, through overlapping membership, to ensure coordination and alignment. With the support of senior officers and lay members, Ministers will provide direction and challenge across the recovery programme; releasing funding to projects meeting investment criteria and ensuring the monitoring of outcomes so we learn and adapt over time for a sustainable recovery programme.

A successful recovery from the pandemic will be one which makes sure that we have regained the strengths and assets across the communities that support Islanders ability to manage and thrive in the face of threats and challenges.

We will ensure that our recovery projects and programme are underpinned by clear measurement of processes, impacts and outcomes that demonstrate we are achieving progress towards indicators of success within the Jersey Performance Framework.

In the context of recovery from the pandemic this will help demonstrate the benefits of action on Islanders' lives, including children's school readiness, enjoyment of positive mental health and life within a strong and inclusive community.

We are also further investing in aligned initiatives to support wider improvements to health and wellbeing. Investment into Covid-19 recovery will allow Health and Community Services to return to pre-Covid positions for waiting lists and service delivery. The funded recovery initiatives will address a variety of health service offerings including addressing the increased

waiting lists for cancer screening services, and supporting improved health outcomes for patients who have been referred into secondary care services for assessment and treatment.

The Inspiring Active Places strategy also provides the opportunity to see increased funding for sports from a range of sources alongside Government Plan capital investments to support sport, including a multi-million pound development of community and educational sports facilities at Le Rocquier school.

## Housing

Housing construction has not kept pace with population increases in Jersey, particularly in recent years. Coupled with persistently low interest rates that incentivise buy-to-let investments, and the same post-covid property surge seen in other jurisdictions, this means that housing costs are a growing problem for many Jersey families, are making life harder for young islanders, and risk threatening our economic progress in future years.

These market forces are expected to continue throughout 2022, which is why it's important that we are both open to appropriate intervention and have a clear plan of action, which is already underway and is set out in Creating Better Homes.

We will freeze Andium rents for 2022 to support tenants while the economy is still recovering from the impact of Covid-19.



2022 will also see the impact of action to end the development of share transfer dwelling units, to ban buy to let sales in the South Hill and Waterfront developments, and to increase support for any families that may find themselves in acute housing difficulty. At the same time we will deliver coordinated action across Government to enact improved migration controls and increase housebuilding, enhance tenant protection and address excessive rent rises.

We will introduce a new affordable purchase product - backed by £10 million of investment – that will help more Islanders own their homes. We will also take steps to ringfence the £13 million land value from the development of South Hill to support future assisted purchase schemes.

Clear and concerted action is underway, with strong political leadership through a new Political Oversight Group, and a new Strategic Housing Partnership which aims to bring together the whole housing sector to focus on this vital Island-wide challenge.

We are seeing new neighbourhoods emerge in the north of St Helier, and advanced plans for hundreds of new homes on the Waterfront. The draft Island Plan takes steps to support the development of affordable homes, including in Parish centres across the Island, and to ensure that the homes we build now create good places to live, using energy efficient and sustainable construction methods.

It will take some time to see the impact of the Creating Better Homes plan, but Islanders should have confidence that addressing this issue is a central priority of this Government Plan.

## Population

Islanders have been discussing the size of our population for many years, and plans have been put forward by successive Governments to keep the population at a certain level. Despite these plans, the Island has seen a steady growth in population, which today is over 100,000, and the local economy relies on external employees to supplement the Island workforce.

In 2022, this Government will continue to develop and start to implement improved migration controls to support a new population policy.

This policy will need to adapt to local influences, such as the evolution of the future Island economy and an ageing Island demographic. It will also need to consider external factors such as climate change and the impact of new technology on the world of work.

The population policy will be developed looking at all aspects of island life, education and skills, the economy, improved productivity, the level of public services and benefits, the protection of the environment, the provision of utilities such as power and water, housing and transport policies, the health service, and overall community and inclusion issues. A successful policy will look to balance these competing pressures.

We appreciate that there are strongly held views on this topic, there is no single answer to this problem and there are no easy solutions. We have put forward plans to extend the responsibility of the Council of Ministers to maintain a joint population policy, to be updated annually. The first population policy will be published before the end of 2021. Following the release of the results of the 2021 Jersey census, an updated and expanded population

policy will be developed during 2022. These policies will be informed by a wide-ranging public engagement campaign, including focus groups, online and printed surveys, and one-to-one discussions with key sectors and individuals.

## Responding to the Climate Emergency

2022 will mark a major step forward in Jersey's response to the Climate Emergency. An ambitious Carbon Neutral Roadmap will be debated by the States Assembly, setting out a detailed journey to carbon neutrality with the policies, initiatives, and fiscal strategy to achieve it.

The Climate Emergency Fund, established by the Government in 2019, will deploy £23 million of new investment to support the transition to lower carbon lifestyles, helping to fund changes in how we travel around the Island and how we heat and cool our buildings.

Taking meaningful and sustained action to address climate change is a big issue, and one that brings challenges but also the potential of significant benefits. The Carbon Neutral Roadmap will clearly set out the tough choices that will be required in future to fund and deliver changes across all sectors of our society and economy.

In making these decisions, the States Assembly will have the benefit of the considered insights of Islanders – from those in their late teens to those in the early nineties – who were drawn together to take part in Jersey's Citizens' Assembly on Climate Change. Their advice was clear, and our plans will reflect the ambition they, together with Ministers and States Members, have demonstrated.

## Island Identity

Through the Island Identity project, we shall take advantage of our unique constitution, heritage and culture to foster a stronger sense of what it means to be 'Jersey', both domestically and internationally. By engaging more fully with our varied communities and our rich and nuanced history, we can enjoy the economic and political benefits of a more coherent and positive international personality and a more cohesive and proud sense of national belonging.

With a consultation on how we see ourselves and how others see us now being widened to the Jersey public, the coming year will see us turn recommendations into practice. We will support departments, Arm's Length Organisations and the private sector to nurture and project Jersey's distinctive identity at home and abroad in the numerous ways already suggested by this initiative, whilst generating further engagement and ideas from across the Island's communities.

We will support measures that foster a shared understanding of citizenship and belonging, including the production of accessible resources for teaching and demonstrating our unique identity. We will also promote and coordinate the many organisations which project a positive image of the Island globally.

We will maintain the increase in our contribution to Jersey's Overseas Aid, investing in our Island's long-term future as a responsible, outward-looking global citizen. The tie to GVA and the annual basis-point increase brings us closer to international norms, and enables us to lift tens of thousands of people out of poverty while ensuring our contributions remain affordable.



We will also maintain our support to the arts, culture and heritage through our contribution of 1% of Government expenditure in order to deliver on the new strategies of Arts and Heritage, and through specific projects such as the redevelopment of Elizabeth Castle.

## Economic Recovery and Renewal

The Fiscal Stimulus Fund was established in November 2020 to provide funding for projects that would either create or protect local jobs and provide support for the economy in the short to medium term.

Since its establishment, £29.6m of funding for projects has been authorised by the Minister for Treasury and Resources. While many funded projects have a construction focus, the variety of trades and organisations involved should ensure that there is a tangible and distributed benefit to multiple areas of the local economy

Beyond this, we will focus on addressing long-term challenges and opportunities for our economy, with the delivery of the Island's first Economic Framework providing a common vision and strategic objectives for Jersey's future economy.

Our digital industries will be developed with continued investment in Digital Jersey, our world class digital infrastructure, the creation of the first Cyber Emergency Response Team in the Crown Dependencies, and the ongoing implementation of Jersey's Telecoms and Cyber Securities Strategies -



including the development of a new Telecoms Security Framework. We will continue to prepare for Jersey's future digital connectivity requirements and the introduction of the next generations of digital networks. This will enable Jersey to embrace the opportunities offered by new digital innovations including the Internet of Things (IoT) demonstrating our support through the establishment of a technology fund to support the development and strengthening of our digital and other technological industries.

The excellent connectivity available in Jersey, provides the ideal environment for technical innovation and entrepreneurship, where new product development and testing can be undertaken with a fast and flexible connectivity partner. We will back our digital industries supporting the development of sandbox environments, purpose built for innovation.

We will further support our economy by a comprehensive programme of international engagements that will protect Jersey's constitutional position and continue to enhance the Island's identity, profile, and reputation. We will work with the UK to ensure the Trade and Cooperation Agreement is implemented in line with our interests, and we will further grow our EU relationships, particularly with France, as we respond to the challenges and opportunities of the post-Brexit environment. We will ensure Jersey's position is represented in the UK's ongoing trade negotiations and continue to develop and implement our Global Markets programme. This strong international foundation will help in developing policies that support the long-term economic, social, and constitutional success of our Island.

## Government and Fiscal Renewal – Modernising Government

The Government's Integrated Technology Solution (ITS) and new Office HQ projects remain on track and set to bring significant benefits to public servants and Islanders alike. Subject to a States Assembly decision, the planning permission for Our Hospital will be sought and progress will continue to develop the Jersey Care Model.

We will build on active participation in these major projects wherever possible, and will listen to the views of Islanders, through the use of consultations, citizens' assemblies, panels, and juries; the work of advisory bodies and Scrutiny panels. We will continue to promote innovative public engagements that provide access to ministers and professional experts to audiences on digital platforms, through the radio, and in roadshows and pop-ups across the Island.

## Sustainable public finances

We must, as required by the Public Finances Law 2019, maintain long-term financial sustainability to ensure that Jersey continues to prosper and that we are able to protect the Island both now and for future generations.

Covid-19 has continued to have a global impact and there has been significant pressure on our financial position in Jersey. The last Government Plan reflected the cost pressures of the health emergency and economic impact which led to the forecasting of financial deficits in 2020 and 2021. The Government has continued with its range of business support measures to protect jobs in sectors severely impacted by the restrictions on economic activity and the loss of demand. There continues to be uncertainty in terms of the ongoing requirement for further support and the assumption in this Government Plan is that there will be a requirement to have Covid-19 related expenditure until 2024, with some subsequent ongoing costs.

The current Government Plan sets out the strategy of funding the impacts of the pandemic with plans to finance those costs, adjusted to the impact of income, to enable a return to balanced budgets in the medium term, in line with the advice from the Fiscal Policy Panel (FPP).

The latest economic forecasts are cautiously optimistic that Covid-19 related disruptions to the economy will begin to ease. The resulting improvement in assumptions has meant that income in this plan is less affected than previously forecast, and we will return to balanced budgets sooner, by 2023. This helps minimise the amount of debt incurred as a result of the pandemic.

The financial strategy for 2022-2025 is framed around a set of principles:

- Government should be borrowing only for the impact of Covid-19 on the public finances (in addition to Our Hospital)
- Savings generated over the Government Plan period are the primary source of funding for new investment
- Public finances should be balanced in 2024 to 2025 meaning expenditure should be equal to or less than income after depreciation
- Deficits to be run between 2021 and 2023/4 until the economy has recovered, in accordance with FPP advice
- Refinancing of past service employee pension liabilities; and
- Our Hospital is funded by debt issuance and financed through future gains on the Strategic Reserve.

It continues to be the view that there should not be severe cuts to expenditure or a drawdown from the Strategic Reserve. This is in line with the FPP recommendations that Government should not be putting up taxes to cover deficits but instead needs to support the economy and aim to balance budgets by 2024. There needs to continue to be flexibility in adjustment to the changing and uncertain global financial environment which has not itself fully adjusted to the impact of the pandemic.

Financial Sustainability is covered in more detail in Part 5 of the plan.

## Financial and economic context

The IMF's latest forecast is for global growth of 6% this year, the fastest rate of expansion in over 80 years. However, this comes after a contraction in activity of 3.2% in 2020, as a result of the pandemic. The recovery is expected to be uneven, with advanced economies returning to pre-pandemic growth paths in 2022, but emerging economies recovering more slowly due to continued high infection rates and difficulties rolling out vaccines. There also remains a risk of further waves of infection, complicated by new variants.

After six years of growth, Jersey's economy declined sharply in 2020. While the official growth rate will not be confirmed until October, expectations are for a very significant fall, driven by a difficult year for sectors such as hospitality that were particularly affected by the pandemic, and by a significant fall in banking profits due to the cuts in interest rates in early 2020.

This Government Plan considers the short to medium-term measures that are required to support the management of Covid-19 in the Island as well as establishing funding for Covid-19 Recovery and Reserve. This funding, totaling £86 million, is in addition to the other growth requirements for the departmental management of the pandemic.

While the pandemic has created an adverse impact on our finances, this plan - based on economic advice - returns us to balanced budgets and minimises the need to draw on reserves, enabling longer-term sustainability to public finances.



## Borrowing and the Strategic Reserve

Borrowing should not generally be used to fund current expenditure and in this Government Plan the level of proposed borrowing is related to:

- Existing borrowing for Social Housing and Fiscal Stimulus
- Funding the impact of expenditure related to Covid-19<sup>1</sup>
- Financing of Our Hospital; and
- Repaying the debt arising from pension past-service liabilities.

Under our financial strategy, borrowing should only be considered for investments that support outcomes for Islanders and that deliver significant benefits. However, while public sector physical assets deliver government outputs and promote output in the market sector, they are generally not a key asset in fiscal sustainability. This consideration will be monitored by the FPP, who will be consulted on any significant borrowing or use of reserves.

If the Strategic Reserve is to be replenished in a way that also increases public sector net worth, this imposes a constraint on the annual budgetary position – that the primary structural current budget should not be in deficit. This Government Plan forecasts a position for a return to balance in 2023 which is in line with the FPP recommendations.

The annual financing costs of the debt have been included in this Government Plan to cover the borrowing for Covid-19 which is estimated at £208 million. In 2020, there was a prioritisation of unspent funds to lowering the required borrowing and this will continue in 2021 and beyond. Receipts from the change from Prior Year Basis to Current Year Basis personal income taxation will be used to create a sinking fund in the Strategic Reserve to repay this debt.

In terms of the financing of Our Hospital, interest costs of £19 million per annum are being met from the Strategic Reserve.

The pension scheme past-service debts are existing liabilities, and the proposal to refinance them using borrowing will result in their being repaid sooner, generating a £3.6 billion cash saving, and a £700 million saving after adjusting for inflation. This will obviously benefit the finances of the Government and the Island in the longer-term.

Recognising the need to eventually repay this borrowing is a key part of this plan, and we will use the Strategic Reserve to collect and build funds to enable this future repayment, protecting the Island's future finances.

More details on the borrowing strategy are included in Part 5 of the plan.

## Social security and health costs

The Social Security Fund receives contributions from employers and working-age adults and a grant from general tax revenues that supports the wellbeing of Islanders through old age pensions and a range of working age benefits. In line with the previous Government Plan it was decided to allow £65.3 million to be allocated to support Covid-19 activities.

<sup>1</sup> Following an approved amendment to the Government Plan, borrowing for the impact of Covid-19 will be of a short-term nature only. See Appendix 7: Amendment 25 - Revised Borrowing and Debt Repayment

In that Government Plan, Ministers also made a commitment to review the Social Security Fund to make sure that it will continue to serve future generations. They also committed to co-ordinating that review with a consideration of the need to support future health funding.

In this Government Plan, the States Grant to the Social Security Fund is restored from 2024 onwards. Together with an improved position on the Reserve Fund, current forecasts suggest that the Fund is well equipped to support the increasing cost of old age pensions in coming years and will retain a balance of four times annual spend by the 2070s.

While the Jersey Care Model is being designed to support more effective use of public funds, additional ongoing funding will be needed to maintain high quality health services for a growing older population, and to cover increasing costs due to advances in medical treatment and new medicines. Additional costs are also expected over the next decades to cover pandemic recovery and increasing public health, primary and preventative services. The Minister for Health and Social Services will undertake a wider health economic review during 2022 to inform funding options for increased health care costs and for any potential new health access schemes, to be brought forward in 2023 for the Government Plan 2024-27.

Work and engagement on financial wellbeing in older age and saving for retirement stopped in 2020 due to the redeployment of staff to tackle the pandemic. Work has recently restarted, and the Council of Ministers are keen that a detailed proposal is developed as soon as possible, with the ambition of implementing it from 2025. Ministers propose that the next government should implement a scheme to encourage all Islanders to save for their retirement, with employers playing an important role. This could be achieved by automatic enrolment into a workplace pension scheme, for example, that will help employees to save so that they will have extra income and savings on top of the foundation of the old age pension.

## Managing risk

The global risk landscape is complex and fast-moving. Jersey continues to position itself well in responding to internal and external risks as well as identifying new opportunities to ensure our continued resilience and future prosperity.

The compound nature and complexity of many of these risks - including the response to the global pandemic, post-Brexit trade agreements, and major change programmes within Government - emphasize the scale of the task we have in navigating these difficult times while protecting Islanders. Mitigating the potential impact of external as well as internal risks on our health services, our economy, our infrastructure, and key public services is crucial to providing for the current and future needs, and well-being of our community.

Risk is not solely the responsibility of Government. The role of our community, our business leaders and partner organisations is vital. The response to the pandemic highlighted the personal responsibility on each and every one of us to adhere to public health guidance to minimise the impact of the pandemic on our families, friends and wider community. Against this background of significant change and uncertainty we continue to develop our approach to risk management.

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

## Sustainable Wellbeing

Over time, we are able to assess our sustainable wellbeing by monitoring a wide range of Indicators that measure how Jersey is progressing towards the Island Outcomes. The Island Outcomes describe the population-level wellbeing conditions that Islanders would like to see in the future. The full set of metrics and data is available on [Jersey’s Performance Framework](#).

We have taken into account sustainable wellbeing while developing the Government Plan by using the structure of our Common Strategic Policy priorities, which have allowed us to focus on the contribution of additional funding to the challenges we face, as set out in the Business Cases (see Government Plan 2022-25 Annex), and by recognising and responding to longer-term macro-economic challenges such as climate change and changes in the international economy.

## Monitoring our progress

As part of the [Jersey Strategic Framework](#), we have developed and regularly publish detailed information on our progress since taking office in 2018. The table below sets out the progress reports we publish and what information they provide to Islanders:

Report	Progress Information
<p>Annual Report and Accounts:  <a href="#">Annual Report and Accounts 2018</a> (June 2018 onwards)  <a href="#">Annual Report and Accounts 2019</a>  <a href="#">Annual Report and Accounts 2020</a>                      Annual Report and Accounts for 2021 will be published in Q1 2022</p>	<p>End of year information on:</p> <ul style="list-style-type: none"> <li>• Service delivery and service performance</li> <li>• Rebalancing Programme</li> <li>• Government finances</li> </ul>
<p>Departmental Annual Reports:  <a href="#">Departmental Annual Reports 2020</a></p>	<p>End of year information on:</p> <ul style="list-style-type: none"> <li>• Government Plan Programmes and Projects</li> <li>• Departmental programmes and projects</li> </ul>
<p>Mid-Year Reviews:  <a href="#">6 Month Progress Review 2020</a>  <a href="#">Mid-Year Review 2021</a></p>	<p>Mid-year information on:</p> <ul style="list-style-type: none"> <li>• Government Plan Programmes and Projects</li> <li>• Rebalancing Programme</li> <li>• Government finances</li> </ul>
<p><a href="#">Jersey Performance Framework</a>:</p>	<p>Quarterly information on:</p> <ul style="list-style-type: none"> <li>• Island Outcomes and Indicators (as available)</li> <li>• Service Performance Measures</li> </ul>



PART 2  
**OUR PRIORITIES**





# Common Strategic Policy Priorities

In the [Common Strategic Policy 2018-22](#) (CSP18-22) we set out our 5 strategic priorities for this term of office, which were approved unanimously by the States Assembly.

## 5 Strategic Priorities



### We will put children first

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



### We will improve Islanders' wellbeing and mental and physical health

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



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

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



### We will reduce income inequality and improve the standard of living

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



### We will protect and value our environment

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

These strategic priorities have remained our focus for additional investment in services, programmes and projects since 2018, including additional investment in response to issues such as Covid-19 and the climate emergency that have arisen since the CSP18-22 was agreed by the States Assembly.

In the [Government Plan 2020-23](#), the [Government Plan 2021-24](#), and in this Government Plan, we have focused on the investment in the services, programmes and projects that will support our priorities.

These priorities are also supported through the Departmental initiatives and service improvements set out in the [Departmental Operational Business Plans 2020-23](#) and [Departmental Operational Business Plans 2021-24](#).

It will be for the next government, upon taking office, to consider or agree whether these or other strategic priorities should be their focus for the next term of office in the Common Strategic Policy 2023-26.

## How to use this Part

In this part, in respect of each strategic priority, we have set out the following:

- a brief overview of the opportunities and challenges we face in 2021 (see Introduction);
- a link to information at Appendix 4 on the projects approved in the Government Plan 2020-23 and Government Plan 2021-24 and that we will continue to invest in 2022 (see 'Our existing Investment');
- a summary of new projects we will invest in for the first time in 2022 that contribute to the CSP Priorities (see 'Our additional Investment in 2022'). Further information on these initiatives can be found at Appendix 3 and in the Government Plan Annex.
- the total revenue and capital investment in the identified CSP projects (see Funding this priority).

In addition, it should be noted that Departments also provide day-to-day public services which support the CSP priorities. As part of the Jersey Strategic Framework, Departments have published [Departmental Operational Business Plans 2020](#) and [Departmental Operational Business Plans 2021](#) which set out information on what Departments, and the services they provide, will deliver and improve.

Departmental Operational Business Plans for 2022-25 for each Department will be published in January 2022.





## We will put children first



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

## Introduction

The pandemic continues to have a profound impact on the lives of our children, young people and their families. The immediate challenges arising from lockdowns and the associated restrictions on freedoms are now translating into the emergence, in some instances rapidly, of longer-term impacts – on wellbeing, educational attainment, behaviour, safety and an overall sense of security. For example, there is now clear evidence of an increase in poor mental health, learning loss, and a need for more children and young people to be taken into the care of the Government.

As a consequence, now is the time to take stock of our earlier statements of intent - in the form of the Common Strategic Policy, the Children's Pledge and the United Nations Convention on the Rights of the Child.

The pandemic has brought into even sharper relief, and accentuated, the already significant challenges that too many of the Island's children, young people and families face. The Government continues to deliver on its commitment to put children first, recognising that this generation represents the Island's future; our children need to be supported to move forwards positively and fulfil their dreams.

## Education Reform Programme

Notwithstanding the challenges presented by the pandemic, 2020 laid the foundations for a significant programme of education reform and investment; and 2021 saw the delivery programme commence and build up momentum. The importance and impact of the programme will continue through 2022 as the funding already distributed has rebalanced school budgets. Further releases of new resources will enhance the drive to raise standards of teaching and learning across the entire Government-provided system. In conjunction with this, the recommendations of the 2020 Early Years Policy Development Board will continue to put in place new approaches to increasing access to and quality of provision for the youngest children, building on the increased hours secured for three-to-four year olds in 2021. The Government will also review the reform and funding requirements arising from the outcomes of the Inclusion Review.

Capital funding will be made available for pre-feasibility work to assess improvements both to a number of schools and as part of work on the development of further education in Jersey; and also to deliver improvements to schools, education sports facilities and the Jersey music service premises.

## Child and Adolescent Mental Health

The physical, emotional, and mental health of the Island's children and young people remain of the highest priority. In particular, planned investment will be available to support the ongoing implementation of the new model of community-focused Child and Adolescent Mental Health Services (CAMHS), while plans will be further advanced to make sure that, for those experiencing both acute and/or long-term mental ill-health episodes or conditions, there is appropriate on-Island in-patient care designed into the Jersey Care Model and Our Hospital.

## Targeted Youth Support

The pandemic has demonstrated that a number of underlying therapeutic needs, presented by a small but now growing group of young people, are in need of a new and long-term response. This Government Plan will see the rapid development and embedding of this new service into the existing range of integrated service provision. While still building on the relatively new investment in early help (via the Family and Community Support Service established formally in early 2021), the Targeted Youth Support Service will specifically address the needs of those adolescents who have experienced significant disruption in their lives and for whom a dedicated, multi-professional team - specialising in trauma-informed interventions across care, education and criminal justice - is essential.

Since July 2017, and the publication of the Independent Jersey Care Inquiry, the Government has been working hard to deliver on its commitment to modernise its children's policy and legislative framework. Given the complexity of this important work, highlighted by the Children's Rights Gap Analysis published by the Children's Commissioner in 2020, it is likely that this programme will continue into the term of the next government, building on the legislative proposals scheduled for debate in 2021. This includes further regulation of services for children, due regard of children's rights, safeguarding and welfare of vulnerable children including children in care, and corporate parenting.




## Our ongoing investment

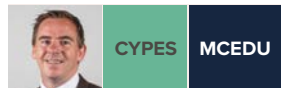
In addition to the ongoing services provided by our Departments, the Government Plan 2020-23 and Government Plan 2021-24 set out the investment in specific programmes and projects that support this priority.

Please see Appendix 4 for information on the existing investment in programmes and projects approved in the Government Plan 20-23, and Government Plan 21-24 that will continue in 2022.

## Our additional investment in 2022

### Protecting and supporting children

GP22-CSP1-1-09	Young People Intensive Support
<p>We will provide additional support services that are targeted at children who are most at risk, vulnerable and who may pose a risk to others. The funding will:</p> <ul style="list-style-type: none"> <li>• support positive change in young people’s behaviour and create conditions to improve positive outcomes for children</li> <li>• ensure that approaches are in place that provide alternatives to involvement in the criminal justice system or specialist placements off-Island</li> <li>• involve wrap-around support encompassing education, youth workers, social workers, psychological and therapeutic support. The team involves a total of 18-20 FTE: 12 FTE will be reprioritised within the department so this funding supports c.6-8 FTE.</li> </ul>	
	

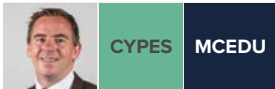
GP22-CSP1-CAPITAL	School sites review
<p>We will conduct a school site review.</p> <p>A States Debate held in July 2021 determined the need for a review of school sites to determine a suitable location of a North of St. Helier school. Funding is available in this Government Plan to progress the results of this review.</p>	
	

**GP22-CSP1-2-06**

**Education Demographic Pressures**

We will provide additional resource to mitigate increasing demographic pressures within the education system. This includes:

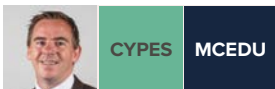
- The high number of pupils in primary school moving through the system into secondary education
- Addressing the increased costs in Jersey’s special schools due to higher numbers entering these provisions
- Supporting higher numbers of children with complex special educational needs
- Further demographic investment in early years is required to make sure the new provision of 30 hours at the updated Nursery Education Rate of £6.70 can be met in 2022
- Additional funding has also been requested through the Education Reform Programme, which seeks to transform the delivery of education in Jersey.



**CSP1-A-01**

**Inclusion Project**

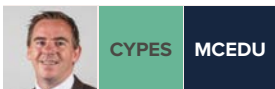
We will provide funding to allow the Youth Service to ensure the retention of a full-time assistant youth worker to support the inclusion project and to employ an additional part-time assistant youth worker to support a 2-year pilot Transition Programme within the Inclusion Project.



**CSP1-A-02**

**Jersey Child Care Trust**

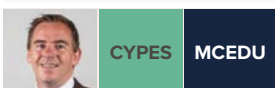
We will provide £30,000 to allow for additional resources to reinstate the Jersey Child Care Trust’s full grant for 2022.



**CSP1-A-03**

**Early Years Funding**

We will provide funding to support Early Years within the Covid Health and Social Recovery Project.





Please see the Government Plan Annex for more information on these projects.

## Funding this priority

This additional expenditure will total £7.7 million over the four-year period of the Government Plan, with additional expenditure in 2022 estimated to be £1.5 million, broken down as follows:

- Protecting and supporting children: additional expenditure in 2022 of £0.4m
- Improving educational outcomes: additional expenditure in 2022 of £0.7m

For further detail on the above additional expenditure, please see Appendix 3.

We will also invest £35million in programmes and projects included in last year's Government Plan.

We will be investing in infrastructure associated with this priority, with capital expenditure of £16.5 million in 2022 and totalling £106.3 million over the four-year period (for further detail, please see table 20).



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## We will improve islanders' wellbeing and mental and physical health



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

## Introduction

The Government acted quickly to change the profile of public services in response to the pandemic. For Health and Community Services (HCS) the focus has been on dealing with urgent rather than routine work, as capacity was restricted. However, in 2021, increased routine and elective care was re-established to ensure Islanders received the health and social care that they needed. As we move into 2022, the effect of Covid-19 will continue to impact the services that HCS deliver, but our commitment to review, shape and deliver improved health services and drive down waiting lists remains paramount.

Our Covid-19 recovery programme will focus on delivering key initiatives that allow services to return to pre-Covid positions for waiting lists and service delivery, and to support the provision of high-quality, effective services that achieve excellent outcomes.

The impact of Covid-19 on Islanders' mental health cannot be overlooked. We continue to commit to delivering services that will most effectively meet the needs of people with mental health conditions as well as those whose mental wellbeing has been adversely affected during the pandemic. Our Mental Health improvement plan is progressing well and will continue in 2022 with the aim to embed improvements to mental health services, ensuring we deliver the best care and support.

Implementing the Jersey Care Model (JCM) will reduce dependency on secondary care services by expanding primary and community services, and by working closely with all partners to deliver more care in the community and at home.

Work is underway to address gaps and coordinate services across all parts of the system ensuring an improved care experience for all those who access health and care services. This includes plans to co-design patient pathways with health and care providers, and Islanders, to deliver services more effectively and responsively in order to maximise patient outcomes and experience. This will inform how we deliver care in the future, and support outcome-focused commissioning of services across the Island.

We will maintain the role of the Health Insurance Fund in meeting the requirement to subsidise the cost of G.P. consultations and the cost of prescriptions and other primary care services shall be maintained during the review of future health costs<sup>2</sup>.

Subject to approval of funding for Our Hospital by the States Assembly, we will begin the next crucial stage in delivering the new Hospital.

We will also start the development of a new integrated Fire and Ambulance Headquarters, with the allocation of capital funds for pre-feasibility work and for the project build in subsequent years.


## Our ongoing investment


In addition to the ongoing services provided by our Departments, the Government Plan 2020-23 and Government Plan 2021-24 set out the investment in specific programmes and projects that support this priority.

Please see Appendix 4 for information on the existing investment in programmes and projects approved in the Government Plan 20-23, and Government Plan 21-24 that will continue in 2022.

### Our additional Investment in 2022

## Covid-19 Respond, Recover and Renew

<b>CSP2-A-1</b>	<b>Covid-19 Review</b>
<p>We will fund the undertaking of an independent review of the Island’s response to the Covid-19 pandemic, deliverable by 29th July 2022, and will, in conjunction with the Privileges and Procedures Committee, take such steps as are necessary to initiate a review that will deliver an objective and independent analysis of the actions undertaken in response to the Covid-19 pandemic and provide recommendations and guidelines for the management of any future pandemic or similarly disruptive event.</p>	
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<b>GP22-CSP2-C-11</b>	<b>Health and Social Recovery</b>
<p>A Health and Social Recovery Fund with political oversight will ensure we can continue to develop investment projects to support Islanders Covid-19 recovery such as:</p> <p>Children’s Dental Health: by providing preventative learning, assessment and treatments improving outcomes, particularly in low-income families in response to the closure of dental services due to Covid-19 which has increased the risk of childhood disease.</p> <p>Long COVID: by developing supported multidisciplinary pathways for improved recovery and productivity.</p> <p>Early Years: by providing additional free nursery places and building workforce capability to support language development in response to the impact of isolation has had on the normal development and language skills for vulnerable groups.</p> <p>Children and Young People’s Education and Health: by closing attainment gaps caused by Covid-19 disruption.</p> <p>ConnectMe - Local Area Coordination: by building on existing Island strengths and community assets and supporting development of reciprocal relationships for sustainable resilience.</p>	
	<div style="display: flex; gap: 5px;"> <div style="background-color: #28a745; color: white; padding: 2px 5px;">SPPP</div> <div style="background-color: #1a3d4d; color: white; padding: 2px 5px;">CM</div> </div>

**Fund as Required**

**Covid-19 Helpline**

We will continue to fund, as required, the ongoing operations of the Covid-19 Helpline.

The Covid-19 Helpline continues to experience high-levels of demand, relating mostly to the vaccination programme, PCR test booking, changes to travel and isolation requirements.

The Helpline also provides a key point of contact for Islanders requiring the most up-to-date information on public health restrictions.



CLS

MSS

**Fund as Required**

**Covid-19 Test and Trace Programme and Technology**

We will continue to fund, as required, the costs of the Test and Trace Programme into 2022.

Reducing the incidence of Covid-19 is achieved through testing, fast contact tracing and isolation, and supporting businesses to remain Covid safe. This will in turn minimise the pressure on Health and Community Services and support the removal of public health restrictions.

The Test and Trace Programme has developed several technology solutions that are bespoke to Government. This has enabled services to be tailored to meet local requirements, ensuring policy decisions are not constrained by technology.

We will continue to:

- fund and maintain existing systems, including the Covid-19 Alert App
- ensure that further development needs can continue to be met as the programme evolves
- support the team that provides business analytics to help informed decision making
- give on-going consideration to the future funding of the Test and Trace Programme, including the future potential for proportionate charges to be introduced.



JHA

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**GP22-CSP2-2-04****Children's Health Recovery Plan**

We will increase the access of children, young people and families to assessment, treatment, and support. This needs to include the capacity to manage the backlog of assessments, tests and support for our most vulnerable children and young people.

There has been a significant increase in caseload for more complex multi-agency support and statutory care services, as well as an increase in complexity following the start of the pandemic.

The health recovery plan will deliver:

- Increased access for children, young people and families to support, following the short and longer-term impacts of Covid-19 on their health and wellbeing
- Reductions in hospital admissions and length of stay, as a Specialist CAMHS Home Treatment/Psychiatric Liaison Team will work proactively with the CAMHS Duty & Assessment Team, operating in the hospital, Orchard House, community and children and young people's homes
- Reductions in the longer-term impact of perinatal mental health on the child and their parent
- A new neurodevelopmental and integrated therapy service supported by sufficient paediatrician input. This will lead to a measurable improved service experience for families
- A smooth, well supported Jersey transition offer with key working and navigation at its core, and sufficient capacity to manage the increase in need.



HCS

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**GP22-CSP2-C-08**

**Covid-19 Health Service Recovery**

We will:

- Improve health outcomes for groups at risk of cancer by addressing a backlog of preventative screening
- Improve health outcomes for patients who have been referred into therapy services (e.g., Physiotherapy, Children’s Speech & Language Therapy, etc.)
- Improve health and care outcomes for clients of social care service that have been hard to reach during Covid-19
- Improve health and care outcome for patients requiring diagnosis and assessment of dementia
- Improve health and care outcome for clients of the Autism assessment.



**GP22-CSP2-C-07**

**Covid-19 Vaccine**

We will fund the anticipated costs of a Covid-19 booster vaccination programme.

The pandemic continues to be a global health emergency and a danger to the health and wellbeing of Islanders. A booster programme is expected to be required for September 2021 and to continue into Q1 2022.

A largely vaccinated population will increase the level of safety the public has from the virus and allow the return to social and economic activities.



**GP22-CSP2-C-10**

**Personal Protective Equipment (PPE) Warehousing**

We will continue the implementation of a warehousing and logistics solution for both the Government’s Personal Protective Equipment (PPE) stock and for the decant and storage of the medical equipment.

This funding provides the means to continue to store and distribute PPE needed to support public health measures and the operation of government services through 2022.

Warehousing PPE is essential to provide the Government with the ability to respond rapidly and flexibly to public health needs.





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

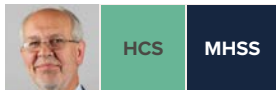
**GP22-CSP2-C-09**

**Personal Protective Equipment (PPE) Provision and Supply**

We will continue to support public health and operational responses to Covid-19 for the foreseeable future, by providing the appropriate PPE and ensuring that there is a sufficient stock to meet the challenges.

PPE is essential for:

- the continuing safe working practices of staff providing and working in social and health care for both government and non-Government services.
- reductions in sickness absences
- the economic and social wellbeing of the Island.

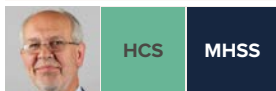


**GP22-CSP2-3-07**

**Obstetric and Gynecological (O&G) Services**

We will enhance the standard of patient care by implementing changes to the O&G services provided at the General Hospital.

This funding will address the gap between the increasing demand on O&G services and the current capacity to deliver high-quality, effective care at the point of need. Increasing consultant presence on the labour ward, and for acute obstetrics and gynaecology services, is a major step in achieving these objectives, by ensuring the senior level medical staffing resource is available.

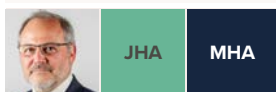


**GP22-CSP2-3-08**

**Emergency and Urgent Care Vehicle Replacement**

We will replace vehicles for the Ambulance Service and the Fire & Rescue Service.

Replacement vehicles were previously met through the capital programme but in line with a corporate decision to move fleet assets from capital purchasing to leasing through Jersey Fleet Management, the lease costs now need to be met with revenue funding.



**GP22-CSP2-3-09****Specialist Paramedic Team**

We will develop a proof of concept for a specialist paramedic team that is capable of responding to less critical calls and trained to treat patients on-site. This funding would help improve waiting time performance and reduce the number of patients transported to hospital.



JHA

MHA

**CSP2-2-02****Mental Health Services**

We will increase the 2022 allocation for Mental Health. This funding will be purposed to address the impacts of the pandemic on adult mental health services, in order to address the identified backlogs and target the particular areas of need including support of its partnerships with the third sector, such as the Listening Lounge.



HCS

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Please see the Government Plan Annex for more information on these initiatives.

## Funding this priority

This additional expenditure will total £40.2 million over the four-year period of the Government Plan, with additional expenditure in 2022 estimated to be £16.3 million. This includes:

- Put patients, families and carers at the heart of Jersey's health and care system: additional expenditure in 2022 of £0.9 million
- Covid-19 Respond, Recover and Renew: additional expenditure in 2022 of £13.4 million
- Improve the quality of and access to mental health services: additional expenditure in 2022 of £2 million

For further detail on the above additional expenditure, please see Appendix 3.

We will also invest £35.3 million in initiatives included in last year's Government Plan.

We will be investing in infrastructure associated with this priority, with capital expenditure of £102.7 million in 2022 and totalling £778 million over the four-year period, including Our Hospital (for further detail, please see table 20).







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



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

## Introduction

For decades, Jersey's economic prosperity has been aligned to the Island's ability to trade internationally. A key component of our plan for 2022 and beyond includes taking action to adapt effectively to global challenges so that we are able to continue trading.

Post-Brexit, we will continue the development and implementation of new export and inward investment strategies, as well as the continued cross-Government alignment of trade, investment and growth activity through the Trade, Investment and Growth Framework.

In the last two years, we have had to respond to rapidly changing circumstances which have come from many sources and affected areas from fishing to financial services, the most significant of which have been Brexit, Covid-19, the G7, and the OECD.

We have sought to protect those sectors that have been most directly affected by these changes, through a wide range of economic support measures. In 2022 we will continue to provide support to those that have been affected, and to help the Island to adapt and prosper.

## Economic Productivity

The next year will not be solely focused on recovery, but also on investment in projects that increase productivity within the economy and on ensuring that the changes we have made in the way we work and trade, in response to external forces, do not disappear but instead become established as part of our new way of doing business.

With the majority of Jersey businesses employing fewer than 20 staff, we will enable small and medium-sized businesses to access the support and advice they need to improve their productivity and flourish, by investing in an expansion of Jersey Business's support services.

Tourism and hospitality have been particularly hard-hit by the pandemic. Businesses operating in that sector need support as they renew their efforts to encourage visitors to our Island and to give residents a diverse range of quality leisure and entertainment opportunities. We will produce a roadmap for the recovery, reinvigoration, and improved productivity of this vital sector of our economy.

Both our high street and our broader retail and wholesale sector will be supported and reinvigorated through the development of the retail strategy, which will enable greater sector engagement in policy decisions, and secure better data on which to base those decisions.

Our arts, heritage and culture will be promoted through deployment of the agreed 1% investment, and the development and implementation of culture and heritage strategies.

We will work with other Government departments and external agencies to help inspire a more active population by ensuring our investment in Jersey's sporting and transport infrastructures help the fitness sector flourish, commuter traffic to decline, and the wider workforce improve their work/life balance without negatively affecting Jersey's productivity.

Jersey offers world class connectivity, with a full-fibre broadband network, making the Island the first jurisdiction in the world to have 100% full-fibre connectivity to all premises, delivering the third fastest broadband speeds globally. The Island has an award winning 4G mobile network with speeds equivalent to that of many early 5G implementations. We will ensure that Jersey's telecoms infrastructure remains world-class by developing a plan to deliver a 5G network solution, and a policy on high-risk telecom vendors. We will continue to maintain the free flow of data, which is essential for all sectors of the economy, and build on Jersey's reputation as safe and responsible place to do business with a best-in-class data protection legislative and regulatory framework.

Our investment into arms-length organisations will drive specialist support, promotion and direction to specific sectors, such as finance, hospitality, digital, and small businesses.

The Government Plan 2021-24 set aside funds in each of 2021 (£15.5m), 2022 (£12m) and 2023 (£12m) to support economic recovery. During 2021 this funding was predominantly used to provide financial support schemes to island businesses including the Visitor Accommodation Support Scheme, Visitor Attraction and Events Scheme and Fixed Costs Support Scheme. Should it be necessary to continue these schemes into 2022 funds will be drawn from this same economic recovery allocation.

In December 2020 the independent members of the Economic Council published a series of recommendations in their report titled 'New Perspectives: Critical considerations for sustainable economic growth'. In 2021, a review, evaluations and prioritization of the report recommendations was completed in collaboration with other Government departments and arm's length organisations. Recommendations were aligned to meet the key objectives set out in the Future Economy Programme and prioritization of investment in the Economic Recovery Fund. With this ground work completed, an number of funding bids will be tabled and considered in 2022.

Funding bids will be considered by the Economic Recovery Political Oversight Group and cross-referenced against ongoing and planned work within departments and arm's length organisations, to ensure efficient and effective use of funds.

We will support Jersey's rural economy through the diversification of high-yield crops such as cannabis, and support the marine industry through the protection of the natural environment and financial support for those working in it.

We will ensure that the best interests of the consumer are protected by supporting the Jersey Competition Regulatory Authority.

And through organisations such as the Financial Stability Board, which we will invest in for the first time in 2022, we will identify the economic risks of the future, and recommend how Jersey might best mitigate them. We will also consider how we can both recover and renew Island industries in order to become a more prosperous and inclusive economy.

## Financial Services

The regulatory environment has changed and is changing, and many sectors, notably financial services, will need to adapt. There are also technological changes that will improve productivity, and we will support businesses to embrace innovation in order to increase the output they achieve from the same or less resources.

Our financial services industry will be supported through a range of measures including a refreshed financial services policy framework, which will reset the vision for the industry; preparation for the MONEYVAL assessment which will demonstrate that Jersey meets evolving global standards; and by ensuring that Jersey's tax policy remains effective.

We will ensure that Jersey is properly equipped to resist any malicious online attacks by providing the investment needed to ensure that the Cyber Emergency Response Team (CERT) becomes properly established and can act as an independent critical observer.

## International Profile

The changing international landscape requires Jersey to adapt and cultivate strong global relationships. We will support those changes through the development of meaningful trade and cultural relationships.

We will establish a separate Ministry of External Relations which will continue to play a key role in supporting the Island's economic recovery following the pandemic, and in responding to the ongoing implications of the UK's exit from the European Union (EU)<sup>3</sup>.

We will build on Jersey's relationships with governments in other jurisdictions, particularly in the UK and EU, to enhance their understanding of our constitutional position, economy, reputation and international profile.

We will work to ensure the Trade and Cooperation Agreement (TCA) is implemented in line with Jersey's interests, and that we are represented, as appropriate, in the oversight and governance structures critical to the delivery and protection of our concerns. We will represent Jersey's interests in the UK's Free Trade negotiations.

We will advance our Global Markets programme, building on opportunities provided through increased in-person engagement, to progress our relationships with key partners outside the UK and EU. We will continue to represent Jersey's interests in strategic multilateral fora, such as the OECD, the Commonwealth Heads of Government meeting, the Commonwealth Enterprise and Investment Council, IMF, and World Bank, and in the initiatives arising from the UN Climate Change Conference.

In safeguarding Jersey's reputation as a well-regulated, transparent jurisdiction, we will also continue to help ensure the Island fulfils its obligations in respect of international treaties, such as the UNCRC and CEDAW, and that we implement UK and UN sanctions in a timely and efficient manner.



## Island Identity

Through the Island Identity project, we will take advantage of our unique constitution, heritage and culture to foster a stronger sense of what it means to be 'Jersey', both domestically and internationally, by supporting departments, arm's length organisations and the private sector to nurture and project Jersey's distinctive identity at home and abroad.

We will support measures that foster a shared understanding of citizenship and belonging, including the production of accessible resources for teaching and demonstrating our identity.

We will help to develop and promote an Island identity as a jurisdiction with proud traditions, an ancient history, and a vibrant, diverse and responsive modern-day economy.

We will continue to increase Jersey's Overseas Aid contributions, investing in our Island's long-term future as a responsible, outward-looking global citizen. The tie to GVA and the annual basis-point increase brings us closer to international norms and enables us to lift tens of thousands of people out of poverty while ensuring our contributions remain affordable.

## Improving Islanders' Skills to reduce reliance on inward migration

We will build on the decisions made in 2021 to develop and implement new migration controls. These controls will be vital in supporting a new population policy which will require an all-of-Government approach to balance the environmental, community and economic challenges that we face in light of an ageing population.

We will develop a strategy for ensuring that training and development is available to Islanders of all ages, to enable our workforce with the skills needed for the future, and that the employment practices of all businesses consider diversity and inclusion

The Government will develop a clear vision and strategy for the future of further and higher education provision in the Island. Building on the 2021 Skills and Productivity White Paper, the next stage will link the ambitions set out in that document with the Economic Framework's ambition to develop a Skills Expander to ensure a future-proofed workforce. This develops the aspiration of the Jersey Employers Group Strategic Workforce Plan and the Education Reform Programme which will together inform a feasibility study prior to the physical re-provisioning of Highlands College through the capital programme.

In 2021 the development of the Retraining Strategy was paused due to the re-prioritisation of resources to support the pandemic response. However, the Government will learn from the outcomes of the Fiscal Stimulus Retraining initiative in order to bring forward this strategy early in 2022.

In 2022, the Government will also develop the detailed implementation for the new Student Finance Scheme that comes into effect from the autumn term 2023.

## Our ongoing investment

In addition to the ongoing services provided by our Departments, the Government Plan 2020-23 and Government Plan 2021-24 set out the investment in specific programmes and projects that support this priority.

Please see Appendix 4 for information on the existing investment in programmes and projects approved in the Government Plan 20-23, and Government Plan 21-24 that will continue in 2022.

### Improving productivity and nurturing and strengthening our financial services industry

**GP22-CSP3-1-10**

**International Tax**

We will provide additional investment in order to ensure that our corporate tax system that is fair, provides for the Island’s needs, aligns with international standards, and supports the Island’s long-term prosperity. International tax standards are always evolving. This means Jersey’s corporate tax regime needs to evolve over time too. Jersey has a proven track record of successfully adapting to such changes by remaining agile and flexible.

The Organisation for Economic Co-operation and Development (OECD) is carrying out work on international tax reform. Pillar 2 is of most direct relevance for Jersey and includes proposals for ensuring that large multinational enterprises pay agreed minimum effective taxation on cross-border profits (Pillar 2). The OECD is therefore examining how cross border profits within large multinational enterprises (MNEs) are taxed and what global effective corporate tax rates they pay.



T&E

MTR

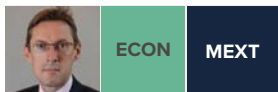
**GP22-CSP3-1-09**

**Financial Crime Prevention**

We will provide additional investment in order to ensure that our financial crime regulatory regime is fully in line with the international standards set by the Financial Action Task Force (the FATF), in advance of Jersey’s review by MONEYVAL (the FATF regional body) in 2023/2024. This investment is designed to support the Island’s long-term prosperity as a responsible international financial centre and focusses on preventing financial crime by the co-ordination and operation of a robust mitigation regime in Jersey.

Investment will be made in a number of critical areas:

- Further national work on risk understanding and co-ordination of the Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) regime across numerous agencies
- A revised operational structure and significant resource investment in the Island’s Financial Intelligence Unit (FIU)
- Significant further investment in operational law enforcement capacity to detect and investigate financial crime
- Further investment in the Economic Crime and Confiscation Unit (ECCU) to enhance Jersey’s ability to investigate and prosecute complex, cross-border financial crime cases and enhance international co-operation.



**Delivering the best outcomes from Brexit**

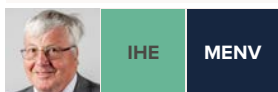
**Fund as Required**

**UK/EU TCA Biosecurity Border Controls and Vienna Convention Vehicle Testing**

We will provide additional funding as required to:

- support the adoption of new border control requirements in line with the TCA and the practical steps DEFRA requires the Island to implement.
- enable the periodic technical inspection of all vehicles that will ensure the Island is fully compliant with the articles of the Vienna Convention for Road Traffic, which guaranteed the rights of Jersey motorists to circulate freely in Europe following Brexit.

The operational and administrative changes and ongoing workstreams that result from Jersey agreeing to become party to the EU-UK TCA will be significant for Regulation and Natural Environment and will require additional resources and investment so that Jersey can ensure it meets all the obligations set out under the new agreement.



**GP22-CSP3-CAPITAL****Elizabeth Castle**

We will provide funding to enable the completion of development work at Elizabeth Castle. This delivers on an amendment to Government Plan 2021-2024.



ECON

MEDTCS

## Our additional Investment in 2022

Please see the Government Plan Annex for more information on these projects.

### Funding this priority

This additional expenditure will total £8.6 million over the four-year period of the Government Plan, with additional expenditure in 2022 estimated to be £2.3 million. This includes:

- Enhancing our international profile and promoting our Island identity - additional expenditure of £2.3 million

For further detail on the above additional expenditure, please see Appendix 3.

We will also invest £29 million in initiatives included in last year's Government Plan.

We will be investing in infrastructure associated with this priority, with capital expenditure of £3.3 million in 2022 and totalling £9.1 million over the four-year period (for further detail, please see table 20).

# ÇEDAW

THE CONVENTION ON THE ELIMINATION OF ALL  
FORMS OF DISCRIMINATION AGAINST WOMEN







## **We will reduce income inequality and improve the standard of living**



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

## Introduction

We will build on the local community links that were strengthened by joint working during the pandemic and through the Closer to Home initiatives, to continue to support the delivery of our disability strategy and community-based services.

We will also continue to develop and implement proposals to better support disabled adults living at home, and their informal carers.

As Jersey recovers from the impacts of Covid-19 we have been using fiscal stimulus funding to provide extra help to support Islanders get back to work. We will continue to support jobseekers in 2022 and we will work towards the implementation of a new approach to supporting workers with long-term health conditions to return to or remain in employment.

For those in work, we will review the rights of workers under different types of contract to make sure that our employment law protects workers in light of modern working practices, including the use of zero-hour contracts. We will also review the implementation of recent family friendly changes and consider whether further changes are needed to extend the employment rights or the parental benefits that have been introduced.

Low wage earners will start to see the benefit of the improved minimum wage rate which will be set at 45% of mean earnings from the start of 2022 and we will undertake a review to set the 2023 rate.

We recognise the critical importance of addressing the cost of housing. We have a clear plan of action, set out in Creating Better Homes, that is underway. Our Fair Rents Plan will be published by the end of 2021, but we are taking action now to freeze Andium rents for 2022. This will support tenants while they, and our economy, are still recovering from the impact of Covid-19.

2022 will also see the impact of action to end the development of share transfer dwelling units, to ban buy to let sales in the South Hill and Waterfront developments and to increase support for any families that may find themselves in acute housing difficulty. At the same time we will deliver coordinated action across Government to enact improved migration controls and increase housebuilding, enhance tenant protection and address excessive rent rises.

Our Fair Rents Plan will be published by the end of 2021, but we are taking action now to freeze Andium rents for 2022. This will support tenants while they, and our economy, are still recovering from the impact of Covid-19.

We will introduce a new affordable purchase product - backed by £10 million of investment – that will help more Islanders own their homes. We will also take steps to ringfence the £13 million land value from the development of South Hill to support future assisted purchase schemes.

We are seeing new neighbourhoods emerge in the north of St Helier, and advanced plans for hundreds of new homes on the Waterfront. We will continue to take steps to increase the supply of new homes and to improve how the housing market works in Jersey, with a focus on the following five priority areas:



- Stronger system leadership
- Increase supply, manage demand
- Rental choices for all
- Help to own a home; and
- Building sustainable communities, putting children first.

We will continue developing the poverty strategy whilst making progress on the Living Costs and Household Income Survey.

We will finalise changes to the Island’s personal income tax system, in particular to modernise the tax treatment of married women and people in same-sex relationships.

We will make progress on plans to help people to maintain their financial independence as they get older. This will include investigating a workplace pension scheme, which could give every worker access to a second pension on top of their Social Security pension.


We will consider the need to make changes to the State Pension Age, in light of the emerging Population Policy.

### Our ongoing investment

In addition to the ongoing services provided by our Departments, the Government Plan 2020-23 and Government Plan 2021-24 set out the investment in specific programmes and projects that support this priority.

Please see Appendix 4 for information on the existing investment in programmes and projects approved in the Government Plan 20-23, and Government Plan 21-24 that will continue in 2022.

## Improving the quality and affordability of housing

GP22-CSP4-1-06	Housing and Food Licensing
<p>We will provide funding to meet the costs of existing staff involved in the regulation of housing and food legislation.</p>	
<p>The Government Plan 2021-24 was set on the assumption that £1m in fees would be raised to enable food safety and housing legislation to be regulated on a cost neutral basis. However, the then States Assembly did not support fees in relation to housing licensing at the time, nor the subsequent regulations, leaving the cost of activities surrounding the enforcement of the existing primary laws unfunded.</p>	
<p>An updated food safety law is now in draft to reflect modern practices which include provisions to introduce licensing of food operators, but will not deliver fees in 2022. More work needs to be undertaken to consider what level of fees it can deliver in future years.</p>	
<p>This measure therefore ensures that regulation and inspections in relation to the above activities continue to be in place over the course of the Government Plan 2022-25.</p>	
	<p>IHE    MENV</p>

**GP22-CSP4-3-03**

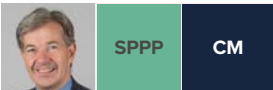
**Income and Expenditure Survey**

We will restart the Living Cost and Household Income Survey from September 2021. The last published survey results are for 2014/15, published in 2016. The 2019-20 survey started in July 2019 and, due to Covid-19 restrictions on carrying out surveys in people’s homes, had to be cancelled in March 2020. Only half the required sample was achieved. Statistics Jersey aim to publish analyses of this incomplete data in Quarter 1 2022.

This LCHIS survey measures household income and expenditure over a 12-month period. It will enable:

- Production of income distribution analyses for the first time since 2016. Information on income distribution/income inequality will allow Government to develop policies to support those living on relative low incomes, leading to better life outcomes.
- Updating of the ‘basket of goods’ weights for the RPI – which are currently based on 2014/15 data -will provide a more accurate measure of retail price change.

Interim analyses from the 2021-22 LCHIS will be available in time for the new Council of Minister’s Common Strategic Policy process. The full income distribution analyses will be available after the survey completes in Autumn 2022.



**GP22-CSP4-3-04**

**Review of Workers’ Employment Rights**

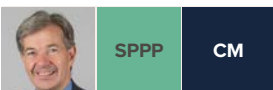
We will provide funding to support to support a review of workers’ rights and to provide a publicity campaign to employers and employees.

The review will make sure that our employment law protects workers in light of modern working practices, including the use of zero-hour contracts.

The States Assembly (P.32/2021) agreed an allocation of funding in 2022.

This project will benefit Islanders:

- By making sure that workers are well protected in respect of modern employment practices
- By providing an inclusive and fair labour market
- By improving knowledge amongst businesses and workers of workers’ rights under different types of contract.



## Our additional Investment in 2022

Please see the Government Plan Annex for more information on these initiatives.

### Funding this priority

This additional expenditure will total £4.2 million over the four-year period of the Government Plan, with additional expenditure in 2022 estimated to be £1.2 million. This includes:

- Improving the quality and affordability of housing: additional expenditure in 2022 of £1 million.
- Improving social Inclusion: additional expenditure in 2022 of £0.2 million.

For further detail on the above additional expenditure, please see Appendix 4.

We will also invest £6 million in initiatives included in last year's Government Plan.





## **We will protect and value our environment**



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

## Introduction

In 2022 Council of Ministers will publish their ambitious Carbon Neutral Roadmap. The Roadmap sits at the heart of a strengthened policy agenda – with progress on the protection of wildlife, tree and our urban, rural, historic and marine environments – that that will mark a year of significant progress in the way we look after Jersey for future generations.

The Climate Emergency Fund, established by the Government in 2019, will deploy £23 million of new investment in the coming years, with £4.5 million to support new policies in 2022 that promote a faster transition to low carbon travel and the introduction of more energy efficient heating and cooling systems.

A new blueprint for the sustainable transport system of the future will be set out, with plans to overhaul the public bus system and develop a new network of cycling and walking routes. We are also taking steps to evolve, over time, our reliance on private cars and town centre parking, with the introduction of a programme of measures, informed by the Sustainable Transport Policy, that will recognise the social and environment costs of commuting and other parking choices.

The new Island Plan will put in place a modernised planning policy framework that makes a major contribution to protecting and valuing Jersey's unique environment. The Plan makes progress on several key objectives, including setting out a Plan for Town that will guide urban regeneration and protect townscape character.

The Plan for Town builds on work already underway to improve the urban environment, with investment in new traffic calming measures and the development of new cycle lines in Hill Street and planned for Don Street and Midvale Road as part of the first phase of the North of Town Masterplan improvements.

This Government Plan provides additional funding for investment in public realm throughout the plan period. The programme of works will complement our investment in major projects across St Helier, including the planned re-development of Fort Regent, where first phase access improvements are intended to begin in 2022.

We will also take sustained action to address the biodiversity crisis, supporting sustainable land use and agricultural improvements, and tackling invasive and non-native species. A new Trees Strategy will strengthen the protection for rural and urban trees.

Changes in behaviour over the pandemic and the economic recovery presented opportunities to change unsustainable behaviours and lifestyles and build back better. Responding to this changed paradigm and harnessing the opportunities it presents remains a priority for this Government, which recognises and is acting in response to the public drive for increased environmental standards, with ambitious action to tackle the climate emergency and protect our countryside and biodiversity.


## Our ongoing investment


In addition to the ongoing services provided by our Departments, the Government Plan 2020-23 and Government Plan 2021-24 set out the investment in specific programmes and projects that support this priority.

Please see Appendix 4 for information on the existing investment in programmes and projects approved in the Government Plan 20-23, and Government Plan 21-24 that will continue in 2022.

## Our additional Investment in 2022

### Protect the natural environment

Fund as Required	Climate Emergency Fund and Sustainable Transport
<p>The Climate Emergency Fund, established in 2020, will make a range of initial investments to kick-start the Island’s transition to carbon neutrality.</p> <p>Additional funding will support new policies and schemes to tackle the main sources of pollution, and to support the Island and Government to decarbonise.</p> <p>The Fund will have a particular focus on policies to support decarbonisation and climate change adaptation, based on the detailed policies developed in the Carbon Neutral Roadmap and Sustainable Transport Policy.</p>	
 <span data-bbox="525 1122 608 1202">SPPP</span> <span data-bbox="612 1122 695 1202">MINF</span>	

GP22-CSP5-2-07	Increased Liquid Waste Processing
<p>We will increase funding to improve the long-term resilience of the pumping station network and protect against spills or pollution events in order to better protect the environment. Specifically, this additional funding will:</p> <ul style="list-style-type: none"> <li>• Support increased requirement for additional foul water to be transported via tankers over the life of the Government Plan</li> <li>• Ensure that pumping stations operate to the required regulatory standard</li> <li>• Provide sufficient foul water processing capability to ensure that natural water supplies remain safe.</li> </ul>	
 <span data-bbox="525 1783 608 1863">IHE</span> <span data-bbox="612 1783 695 1863">MINF</span>	

**GP22-CSP5-2-10**

**Hazardous Waste Disposal**

We support the effective disposal and processing of all hazardous waste while adhering to waste management regulations.

We will also ensure that the construction industry has a route to dispose of their hazardous waste.



**Fund as Required**

**Future Fisheries and Marine Resources Management**

We will fund as required the revision of the international framework for the management of the Island's fisheries and marine resources.

Fisheries and marine resources are managed under a combination of international obligations and agreements together with local legislation and policy.

The future fisheries and marine resources management regime will now be more complex, requiring additional policy development and legislation, science delivery, data acquisition and analysis, licensing (both fishing and export requirements) and compliance at sea and on shore.






**Fund as Required**




**Disposal of Recycling Materials**




We will fund, as required, the cost pressures associated with the combination of increased levels of recycling and the reduction in prices being paid for recyclates.





Fund as Required	Glass Contract
<p>We will support the development of an alternative method of disposal for glass. During this period of trialing and testing, we will need to export our glass off Island until we can recycle 100% of it on-Island.</p> <p>The key benefits to this change in disposal mechanism for glass are:</p> <ul style="list-style-type: none"> <li>• No pollution of the sea and waterways</li> <li>• More environmentally friendly disposal</li> <li>• Contribution to the zero carbon emissions target</li> <li>• Removal of the backlog of glass awaiting processing.</li> </ul>	
  	

CSP5-C-01	Bus Pass
<p>We will make available funding for the Minister for Infrastructure, to provide for the establishment from 1st January 2022, or as soon as possible thereafter in 1st quarter of 2022, of a bus pass scheme (for which a charge of £20 per annum should be levied on the individual) for all people eligible to pay fares aged 18 years or under; with the overall cost of, take-up of, and customer satisfaction with the scheme, to be subsequently reviewed by the Minister and the outcome of the review to be published by the end of the third quarter of 2022.</p>	
  	

Climate Emergency Fund	Air Quality Monitoring
<p>We will fund and implement an air quality monitoring policy to include provision of all necessary equipment.</p>	
  	

Please see the Government Plan Annex for more information on these initiatives.

## Funding this priority

This additional expenditure will total £2.3 million over the four-year period of the Government Plan, with additional expenditure in 2022 estimated to be £1.5 million. This includes:

- Protecting the natural environment: additional expenditure in 2022 of £1.5 million

For further detail on the above additional expenditure, please see Appendix 3.

We will also invest £2.1 million in initiatives included in last year's Government Plan, and £4.5 million from the Climate Emergency Fund

We will be investing in infrastructure associated with this priority, with capital expenditure of £31.1 million in 2022 and totalling £106.4 million over the four-year period (for further detail, please see table 20).



PART 3  
**MODERNISING GOVERNMENT**



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## We will improve the way in which government and the public service function,



so they deliver modern, efficient, effective and value-for-money services and infrastructure, sound long-term strategic and financial planning, and encourage closer working and engagement among politicians and islanders.

# 5

ongoing  
initiatives

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

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

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

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

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

## Introduction

As the Government continues to modernise services to improve outcomes for Islanders, embedding the One Government culture means that colleagues are working more effectively across departments, despite the operational strains of the pandemic response. For example, the pandemic has highlighted the flexibility that has been created in the organisation, with teams reacting rapidly to ensure continuity of services alongside the need for a significant public health response and the introduction of new services, such as Testing and Track and Trace.

In 2022, we will continue this journey of improvement to support the Government's ongoing commitment to deliver a modern and innovative public sector which meets the needs of Islanders.

We will build on the significant progress we have made in digital technology projects, such as the Integrated Technology Solution and Cyber Security. These programmes of work will address the legacy of historic under-investment in our technical infrastructure and protect our systems and data, enabling us to be more efficient and agile in meeting Islanders' needs.

The Integrated Technology Solution will also support the ongoing transformation of our Finance and Commercial functions to continue our journey from being reactive and transactional to being a proactive and strategic public service:

- Implementing modern systems will enable new approaches to analysis of our financial and operational information, deliver improvements to our internal and external financial reports, improve commercial acumen, and enhance long-term financial insight
- Implementing zero-based budgeting techniques across Government will allow budgets to be built on the best possible information and ensure expenditure provides the best value for money to deliver quality outcomes for Islanders
- Rebalancing our finances will deliver cumulative and sustainable efficiencies and enable continued investment in our services
- Promoting better social value when the Government looks to procure services will mean that our suppliers will also be investing in the community, to support social outcomes.

In 2022, many Islanders will notice that work will start to demolish Cyril Le Marquand House and construct new Government offices on the site at Union Street. Once complete, the offices will bring together over 1,600 public servants in one building and create a central hub for Islanders to access Government services. This will make our services more accessible and convenient for Islanders, and our estates usage across Government more efficient.

To facilitate a smooth transition to our new offices, we will adopt more flexible and agile working styles, building on the culture shift to different ways of working during the Covid-19 response. To support this, we have launched a new initiative called Flex Positive to learn from our experiences, which will also contribute to the continued success of the Team Jersey culture programme.

Over the past years we have placed a greater emphasis on investing in our people, which we will continue in 2022. The Integrated Technology Solution will allow us to release capacity within our workforce to focus on improving services, and we will continue to update our policies to make the Government of Jersey an employer of choice. We will also provide training opportunities for all colleagues and identify and nurture talent to grow our own on-Island skills.

To further develop our people and improve our services, we will place a continued focus on performance. We will use better metrics to understand how well we are doing and use this information – as well as feedback received from Islanders, Scrutiny, the Public Accounts Committee, and the Comptroller and Auditor General – to drive improvement.

These key workstreams will enable us to be a forward-thinking organisation, which offers high-quality public services, values our people and grows our talent for the future.

In March 2021, the Island Public Estate Strategy 2021-35 was published marking a first of its kind for Jersey. This long-term strategy sets the framework for the management of all government operational land and buildings (the Estate) under a single Corporate Landlord Model. It provides an assessment of our existing assets and defines the vision, aims and objectives for the Estates Strategy in the context of the current economic and financial environment, while balancing future needs and aspirations of the Island. The strategy promotes short, medium-term and long-term Government planning for Estate and will remain applicable for time that transcends political cycles.

In 2022, we will continue to implement the Island Public Estate Strategy, whilst coordinating with the new Island Plan. The certainty that is starting to be seen in the Office Accommodation Project and anticipated for the Our Hospital Project will allow better understanding of the possibilities for further rationalisation of the Estate and allow development of a more sophisticated decision making process to balance potential sales against the competing requirements for sites to address the needs for social housing, education, youth services, victim support, sports facilities and amenity space.

We will also work with all departments to develop Asset Management Plans (AMP) which in turn follow the next Common Strategic Policy. These plans will provide the necessary understanding of each department's needs and will drive an overarching coordination of acquisition, disposal and repurposing of property via the Corporate Asset Management Board (CAMB). These AMPs will also benefit from annual report into the state of the Estate which will enable officers to drive efficiencies and ensure that they meet the necessary environmental performance requirements.

We will continue to work with Treasury on how to determine the value of estate when used for social projects vs capital benefit. We will continue to invest in this transformational change of bringing together a One Government Property Estate by acquiring the necessary resources and developing the tools to maintain sustainable long term gains.



## Our existing investment


In addition to the ongoing services provided by our Departments, the Government Plan 2020-23 and Government Plan 2021-24 set out the investment in specific programmes and projects that support this priority.

Please see Appendix 4 for information on the existing investment in programmes and projects approved in the Government Plan 20-23, and Government Plan 21-24 that will continue in 2022.


## Our additional Investment in 2022

A range of new steps are set out below that address issues linked to medium- to long-term funding arrangements, assets or regulations. By addressing these now, we are creating a stable foundation for future government plans.

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

<b>OI3-A-01</b>	<b>Women's Safety</b>
We will provide funding to facilitate and support the creation of a task force in relation to improving women's safety, such body to collect views from Islanders and to develop and propose direct and achievable action points, to achieve that objective, to the new government for inclusion in the next government plan.	
	<b>SPPP MHA</b>

**Sustainable long-term fiscal framework and public finances that make better use of our public assets**

<b>GP22-OI4-4</b>	<b>Import GST Resource Requirement</b>
We will align Jersey policy on the treatment of low value consignments with national and international standard practice which will establish a more level playing field in terms of GST between goods sold on the high street in Jersey and those imported via online sources.	
	<b>CLS JHA T&amp;E MTR</b>

**GP22-OI4-5**

**Insurance Premiums Increase and Inflation**

We will ensure that:

- the Government has adequate medical malpractice insurance and other resources in place to cover the risks it is facing with regard to its activities.
- sufficient budget is in place to provide insurance for the public work undertaken by the medical consultants to reduce the likelihood for potential uninsured losses;
- the Insurance Fund has sufficient resources to cover current and potential claims insurance claims in line with the recommendations of a recent actuarial review.



T&E

MTR

**GP22-OI3-22**

**Defence Funding**

We will ensure the Jersey Field Squadron is financially sustainable over the life of the Government Plan 2022-25 and allow for the continued stewardship of Jersey Field Squadron’s historically significant built heritage assets. This will enable the Jersey Field Squadron to maintain a core complement of a minimum of 68 people and capacity to train 12 recruits annually in line with the Intergovernmental Agreement (IGA) that was established in 1981 between the then States of Jersey and the UK Home Office, over the life of the plan.



JHA

MHA

**Fund as Required**

**Brexit Transition - Legal and Policy Support**

We will fund as required a two-year Grade 11 Customs and Immigration Legal and Policy Principal within JCIS with primary responsibility for Immigration matters, and a 2-year fixed term contract position for an Immigration Legal Adviser, within Law Officers’ Department (LOD).

At the end of 2023, it is anticipated that the necessary legal and policy work to implement the revised framework will have been delivered.



JHA

MHA

**GP22-OI3-28**

**Jersey Police Authority (JPA)**

We will support JPA's request for additional funding to increase resources to fulfil their legislative functions efficiently and effectively over the life of the Government Plan 2022-25.



JHA

MHA

**GP22-OI3-29**

**TETRA Service User Agreement**

We will fund the maintenance of Jersey's communications network – the TETRA Service User Agreement – until the end of the contract in 2025.

This communication network provides Pan-Island critical communication coverage to all emergency services as well as any handheld radio communication devices used by other infrastructure partners.



JHA

MHA

**GP22-OI3-35**

**Revenue Jersey Resources**

We will improve and maintain customer service standards to first meet and then exceed sector-standard response times by March 2024.

Additional temporary resources will be hired to clear the backlog arising from the Revenue Transformation Programme, the change to Current Years Basis (CYB) and the Covid-19 Pandemic (including lockdown) by March 2024.



T&E

MTR

**GP22-OI3-34**

**Regulatory Improvement**

We will provide the Regulation Directorate teams funding to support additional resources to deliver a stronger, more resilient, and agile regulatory function for the benefit of the Island and our community.

Additional resources in the Environment and Consumer Protection team will support officers in designated roles within Public Health, Housing and Nuisance which have historically been dealt with by multi-disciplinary officers.



IHE

MENV

**GP22-OI4-6**

**Hospital Financing Costs**

We will provide a financing solution to enable the building of Our Hospital.

The Government’s financing strategy includes the intention to issue debt in order to fund the construction of Our Hospital. The costs of servicing the debt will be met through future gains made on the Strategic Reserve.



T&E

MTR

**GP22-OI3-CAPITAL**

**Integrated Technology Solution**

We will continue to invest in the Integrated Technology Solution project.

The previous Government Plan identified that we will be critically dependent on technology to achieve our future aims and must deal with a substantial ‘technology debt’, which has come about from a historic shortage of investment in technological capabilities, and a shortfall in capacity to meet the current and ever-increasing demands.

The Integrated Technology Solution is the largest IT project the Government has funded. The project is split into two Phases for effective delivery management.



COO

CM

### Funding this priority

This additional expenditure will total £94.1 million over the four-year period of the Government Plan, with additional expenditure in 2022 estimated to be £25.4 million. This includes:

- A modern, innovative public sector that meets the needs of islanders effectively and efficiently: additional expenditure in 2022 of £2.8 million
- A sustainable long-term fiscal framework and public finances that make better use of our public assets: additional expenditure in 2022 of £1.4 million .

For further detail on the above additional expenditure, please see Appendix 3.

We will also invest £39.8 million in initiatives included in last year’s Government Plan.

# Rebalancing Government Finances 2022

## Introduction

In 2019 the States Assembly agreed that the Council of Ministers “bring forward detailed proposals each year, to be included as a separate paragraph within the Government Plan proposition, seeking the Assembly’s specific endorsement of each of the efficiencies contained in the Government Plan”<sup>4</sup>.

The Government Plan 2020-2023 set out the ambition to achieve £100 million of efficiencies, with the first £40 million to be achieved in 2020. The plan for £40 million in 2020 was published<sup>5</sup> in October 2019 with a performance update published as part of the Government Plan Six Monthly Report<sup>6</sup> in August 2020. The plan for £20 million in 2021 was published in October 2020 within the Government Plan 2021-24<sup>7</sup>. Within that Plan, the Council of Ministers also added a further £20 million objective in 2024, totalling £120 million of efficiencies to be delivered across 2020 to 2024.

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

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

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

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

This plan sets out the detail of the 2022 plan to deliver £20 million of efficiencies and other rebalancing measures, and trails some of the activities and programmes of work that will support the rebalancing of finances over the remainder of the Government Plan 2022-25.

<sup>4</sup>P88/2019 as amended

<sup>5</sup><https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/20191021%20Efficiencies%20Plan%202020-23.pdf>

<sup>6</sup><https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/ID%20Government%20Plan%20Review%20010920.pdf>

<sup>7</sup><https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/ID%20Government%20Plan%202021%20to%202024%20CB.pdf>

## Delivery Plans

It is important to restate the approach to the delivery of the efficiencies and other rebalancing measures agreed by the Council of Ministers as set out in the original Efficiencies Plan:

‘Ministers [also] agreed that if any of the efficiencies are not subsequently approved [or delivered], they will seek alternative departmental efficiencies to the same value to replace them and/or reduce or reprofile some of the planned spending by the equivalent amount, in order to ensure that income and spending remain in balance.’

This approach can be described as:

- Plan A: The efficiency has been delivered or is on track for delivery
- Plan B: An alternative efficiency has been/will be developed to cover any shortfall
- Plan C: Typically, Government Plan growth will be deferred to cover any shortfall although other one-off approaches can be used where appropriate.
- Plan D: Non-pay inflation available to departments is reduced to the same value as undelivered targets. Departments (CYPES and IHE) will continue to work with the Treasury & Exchequer to determine the extent to which they can implement saving measures to achieve their targets, one off or recurring i.e. Plan B or C. Plan D should be considered as the last option

This combination of approaches maintains a sustained focus on the delivery of efficiencies and other rebalancing measures while implementing a backstop which, in the event of non-delivery, ensures that expenditure is delivered within cash limits.

## Governance

As in 2020 and 2021, the plan for 2022 was developed by Accountable Officers (AOs) and reviewed by relevant Ministers before formal approval by the Council of Ministers.

Progress against the 2022 plan will be reported in the Mid-Year Review, due to be published in August 2022. This will include more information on how each department is achieving the rebalancing measures outlined within this plan.

## Sustainable Wellbeing Impact Assessment

A critical aspect of assessing each proposal is understanding the potential impact of its delivery on sustainable wellbeing. Further detail is provided within the annex and, where relevant, existing governance forums will be utilised to discuss any specific impacts of the delivery of departmental rebalancing activity.

## Delivery Plans

It is important to restate the approach to the delivery of the efficiencies and other rebalancing measures agreed by the Council of Ministers as set out in the original Efficiencies Plan:

Minister	2022 Value £000
Assistant Chief Minister	490
Chief Minister	592
Council of Ministers	5,343
Minister for Children and Education	496
Minister for EDTSC	184
Minister for External Relations and Financial Services	151
Minister for Health and Social Services	6,250
Minister for Home Affairs	1,741
Minister for Infrastructure	500
Minister for Social Security	575
Minister for Treasury and Resources	4,856
Non-Mins	500
<b>Total</b>	<b>21,678</b>

Table 1: Efficiencies and other rebalancing measures 2022 - allocation by Minister

‘Ministers [also] agreed that if any of the efficiencies are not subsequently approved [or delivered], they will seek alternative departmental efficiencies to the same value to replace them and/or reduce or reprofile some of the planned spending by the equivalent amount, in order to ensure that income and spending remain in balance.’

This approach can be described as:

- Plan A: The efficiency has been delivered or is on track for delivery

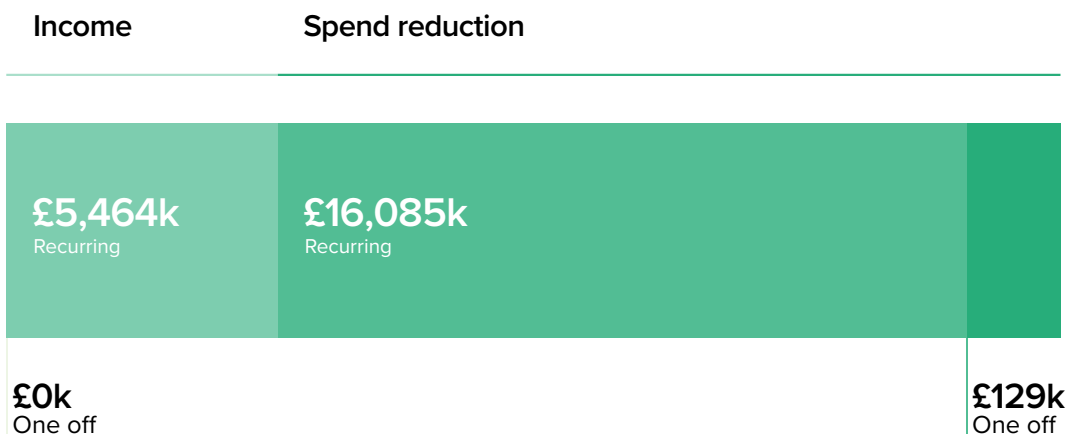


Figure 1: Efficiencies and other rebalancing measures  
Infographic presents income and spend reduction only and has been rounded

- Plan B: An alternative efficiency has been/will be developed to cover any shortfall
- Plan C: Typically, Government Plan growth will be deferred to cover any shortfall although other one-off approaches can be used where appropriate.
- Plan D: Non-pay inflation available to departments is reduced to the same value as undelivered targets. Departments (CYPES and IHE) will continue to work with the Treasury & Exchequer to determine the extent to which

Minister	Department	Title	Recurring/ One off	Budget impact	2022 £000
Assistant Chief Minister	COO	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	415
Assistant Chief Minister	OCE	General staffing productivity increase	Recurring	Spend reduction: Staff	75
Chief Minister	COO	General staffing productivity increase	Recurring	Spend reduction: Staff	258
Chief Minister	OCE	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	87
Chief Minister	SPPP	General reductions in non-staff budget	One off	Spend reduction: Non-Staff	20
Chief Minister	SPPP	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	188
Chief Minister	SPPP	General staffing productivity increase	Recurring	Spend reduction: Staff	39
Minister for Children and Education	CYPES	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	56
Minister for Children and Education	CYPES	General staffing productivity increase	Recurring	Spend reduction: Staff	440
Minister for EDTSC	ECON	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	100
Minister for EDTSC	ECON	General staffing productivity increase	Recurring	Spend reduction: Staff	84
Minister for External Relations and Financial Services	ECON	General reductions in non-staff budget	One off	Spend reduction: Non-Staff	52
Minister for External Relations and Financial Services	EXT	General staffing productivity increase	One off	Spend reduction: Staff	57
Minister for External Relations and Financial Services	EXT	General staffing productivity increase	Recurring	Spend reduction: Staff	42
Minister for Health and Social Services	HCS	Fees and charges	Recurring	Income	700
Minister for Health and Social Services	HCS	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	3,750
Minister for Health and Social Services	HCS	General staffing productivity increase	Recurring	Spend reduction: Staff	1,800
Minister for Home Affairs	JHA	Fees and charges	Recurring	Income	184
Minister for Home Affairs	JHA	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	406
Minister for Home Affairs	JHA	General staffing productivity increase	Recurring	Spend reduction: Staff	315
Minister for Home Affairs	JHA: SoJP	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	459
Minister for Home Affairs	JHA: SoJP	General staffing productivity increase	Recurring	Spend reduction: Staff	377
Minister for Infrastructure	IHE	FM centralisation	Recurring	Spend reduction: Non-Staff	200
Minister for Infrastructure	IHE	Property Maintenance	Recurring	Spend reduction: Non-Staff	300
Minister for Social Security	CLS	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	371
Minister for Social Security	CLS	General staffing productivity increase	Recurring	Spend reduction: Staff	204
Minister for Treasury and Resources	COO	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	125
Minister for Treasury and Resources	T&E	Fees and charges	Recurring	Income	14
Minister for Treasury and Resources	T&E	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	31
Minister for Treasury and Resources Non-Mins	T&E Non-Mins	General staffing productivity increase	Recurring	Spend reduction: Staff	386
Non-Mins	Non-Mins	Fees and charges	Recurring	Income	266
Non-Mins	Non-Mins	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	230
Non-Mins	SA	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	4
<b>Departments total</b>					<b>12,035</b>
Minister for Treasury and Resources	T&E: Revenue Jersey	Domestic tax compliance	Recurring	Income	4,300
Council of Ministers	Central	Non-pay inflation budget	Recurring	Spend reduction: Non-Staff	5,343
<b>Total</b>					<b>21,678</b>

Table 2: Efficiencies and other rebalancing measures 2022 – summary proposals



they can implement saving measures to achieve their targets, one off or recurring i.e. Plan B or C. Plan D should be considered as the last option

This combination of approaches maintains a sustained focus on the delivery of efficiencies and other rebalancing measures while implementing a backstop which, in the event of non-delivery, ensures that expenditure is delivered within cash limits.

	2022 Value £000
<b>Recurring</b>	
Income	5,464
Spend reduction	16,085
<b>One off</b>	
Spend reduction	129
<b>Total</b>	<b>21,678</b>

Table 3: Recurring vs one off efficiencies and other rebalancing measures

## Governance

As in 2020 and 2021, the plan for 2022 was developed by Accountable Officers (AOs) and reviewed by relevant Ministers before formal approval by the Council of Ministers.

Progress against the 2022 plan will be reported in the Mid-Year Review, due to be published in August 2022. This will include more information on how each department is achieving the rebalancing measures outlined within this plan.

## Sustainable Wellbeing Impact Assessment

A critical aspect of assessing each proposal is understanding the potential impact of its delivery on sustainable wellbeing. Further detail is provided within the annex and, where relevant, existing governance forums will be utilised to discuss any specific impacts of the delivery of departmental rebalancing activity.

## Summary Plan for 2022 by Minister

The budget impact of the plan to deliver £21.7 million of efficiencies and rebalancing measures in 2022 is set out below and sub-totalled against each Minister or the Council of Ministers. This plan includes £1.7 million from the 2021 plan which will need to be found on a recurring basis from 2022.

CYPES and IHE have undertaken reviews of all service areas and are unable to identify efficiency saving measures or proposals to deliver the full value of the targets requested for 2022. The proposals were not seen as deliverable/ agreeable and therefore alternative measures have been identified for the Government Plan. As suitable measures were not identified and agreed with Ministers, the default position, reflected in the table above, is that the proportion of non-pay inflation efficiency will increase by the same value as these undelivered targets.

## Summary Plan for 2022 by proposal

Efficiencies and other rebalancing proposals will result, in the majority of cases, in either a reduction in cash limit and/or an increase in income forecast.

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

## Recurring versus one-off measures

In 2022, the majority of efficiencies and other rebalancing measures are recurring (£21.5 million) and the remaining value are one-off measures impacting on the 2022 budget only (£129,000). Over the course of the year, recurring proposals to this value will be developed through further Target Operating Model review processes and/or the ZBB programme.

## 2022 measures

The £21.7million of 2022 measures equate to 3.5% of the income and expenditure budgets for 2021 and this is seen to be achievable based on the investment into the Government of Jersey over previous years.

As in 2021, the annex includes further detail on each of the rebalancing measures. However, there are some significant thematic measures for 2022 that span multiple departments and are included below.

## General staffing productivity measure

Over 2020 and 2021 £123 million of investment has been injected into the Government of Jersey across many initiatives and projects, including significant investment in capabilities (technology and people). It has been assumed that these investments should drive increases in productivity and enable certain reduction of staffing costs, for example, the Technology Transformation Programme will increase staff productivity including, but not limited to, increasing automation, streamlining processes and improving the quality of data and information provision/compilation.

In addition to this, departments can utilise several levers to achieve the general staffing productivity measure, including:

- The implementation of Zero-Based Budgeting (ZBB)
- Reductions in avoidable overtime
- Reduction in fixed term contracting (FTC) and agency staff
- Effective management of sickness
- Voluntary release and early retirement
- Vacancy management
- Introduction of career-linked grades to recruit entry-level employees at a lower grade

Each department is at a different stage of transformation and improvement and have worked with their Ministers to determine how this saving is delivered within their department. Therefore, the allocation across the levers above varies across departments.

## Fees and Charges framework

Fees and charges are not only an important source of income – providing vital funds to deliver essential public services and assist in achieving our objectives for better outcomes for Islanders – but are also an important driver of the rebalancing of government finances.

In 2021, Ministers agreed a Fees and Charges Framework which provides guidance on:

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

The framework is intended to enable departments to have a properly considered, consistent and informed approach to all charges for their discretionary services in support of the delivery of strategic objectives and the protection of statutory services.

As in 2021, departments will continue to utilise the framework in order to review existing charges and increased cost recovery of charged services and where new charges can and should be introduced to establish an appropriate level of charging.

## General reductions in non-staff budget

The global pandemic changed the way in which the Government operates and resulted in a number of spend reductions as priorities changed. In 2022, departments will continue the best practice of reviewing and securing recurring reductions in non-staff budget including locking-in some of the spend reductions evidenced during Covid-19.

## Management of inflationary pressures

This continues the approach to the management of inflation as set out in 2020; namely i.e. to manage inflationary pressures within departmental service budgets.

CYPES and IHE have undertaken reviews of all service areas and are unable to identify efficiency saving measures or proposals to deliver the full value of their targets. As suitable measures were not identified and agreed with Ministers, the default position, reflected in this plan, is that the proportion of non-pay inflation efficiency will increase by the same value as these undelivered targets. They will continue to work with the Treasury and Exchequer to identify alternative, agreeable, measures.

## Efficiencies and other re-balancing measures in 2022-24

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

- Our workforce
- Processes and systems
- Commerciality
- Organisational structures
- Shaping demand for services.

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

### Technology Transformation Programme (TTP)

The Technology Transformation Programme continues to progress over this period, thereby providing a solid foundation for future initiatives.

The programme includes:

- Implementation of the Integrated Technology Solution (ITS)
- Deployment of the full Microsoft 365 suite
- Continued implementation of the Cyber Security programme to improve the security risk position and maturity of the organisation in relation to a number of industry standard people, process and technology controls

These will continue to present opportunities for rebalancing measures in several areas including:

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

### One government property estate and strategic property functions

We will create a single government property estate, whereby ownership, estate management and maintenance are consolidated from across Government into a property structure within Infrastructure, Housing and Environment as envisaged when Jersey Property Holdings (JPH) was established. This consolidation will derive efficiencies from rationalising the estate and ensuring that the same standards of density and fit out are applied.

## Shaping Demand

Shaping Demand is all about prevention and care. Intervention at the right time and from the appropriate professional is widely acknowledged to have benefits for both the customers receiving the service and the function providing it. Existing preventative approaches, for example the health screening programme in Health and Community Services (HCS), are well founded and the opportunity exists to develop a wider and more consistent approach to preventative strategies.

Developing a strategy of early intervention at a Government policy level, whether universal or targeted, provides an opportunity to prevent poor outcomes for Islanders. There is also a potential economic benefit, based on evidence that it costs less to implement preventative policies than reactive policies.

This approach has potential application across many Government services, including criminal justice, school inclusion and in reconfiguring customer journeys to reduce high cost provision across a number of departments, notably HCS, Children, Young People, Education and Skills (CYPES), Customer and Local Services (CLS) and Justice and Home Affairs (JHA).

In addition to considering what services are delivered to whom and when, this theme also considers who is providing the services and within what structure; whether the services are better delivered by Government, or the private or voluntary and community sectors.

## Enhanced Commercial Services

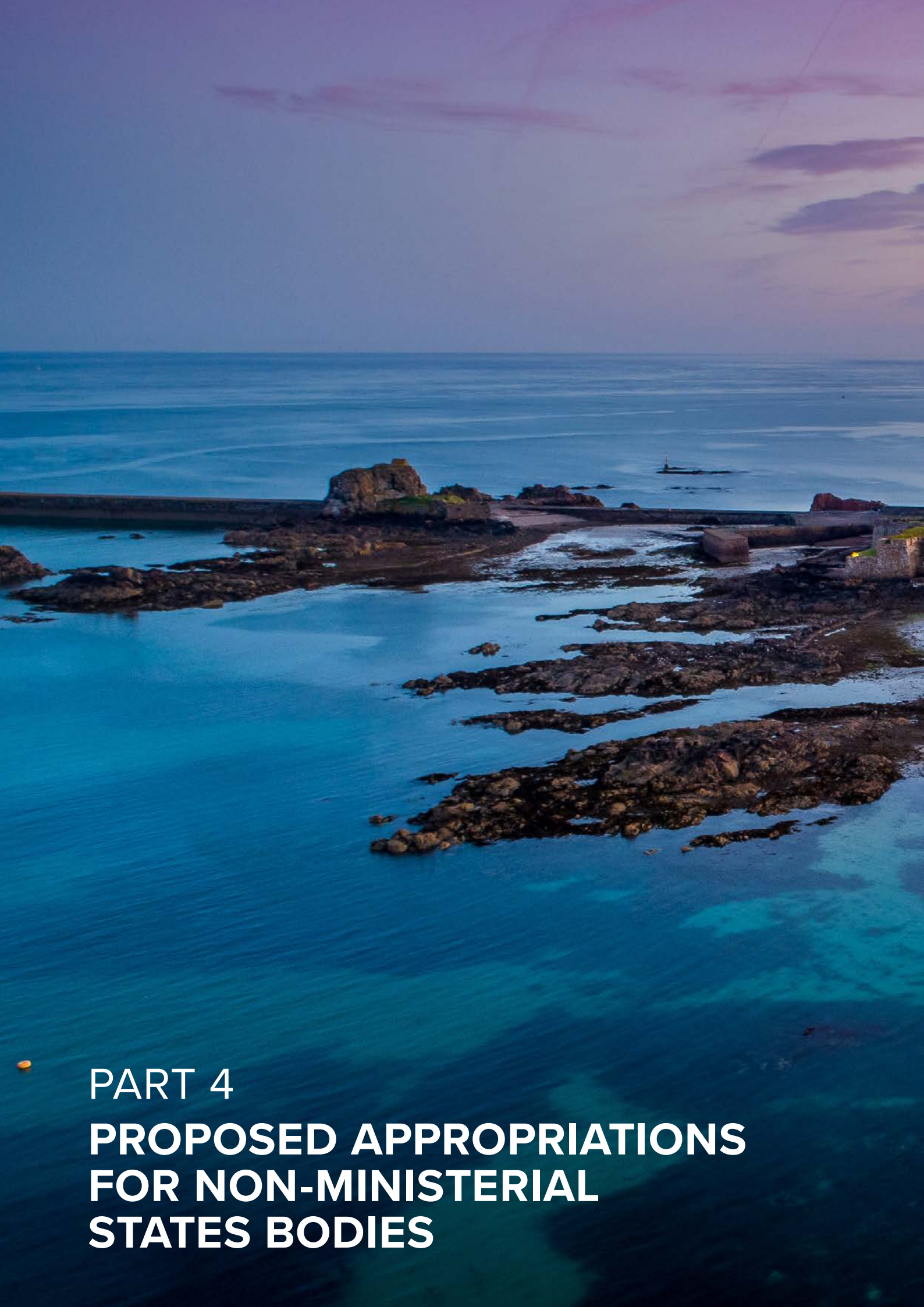
The establishment of a new commercial function is a key priority for the Government, providing capability and capacity to deliver improved commercial and procurement outcomes, enhanced governance, robust supplier and contract management and drive better value for money.

Whilst the Transformation programme of work continues at pace, the growth in commercial maturity needs time to take it to a level where it becomes a fully proactive service that can meet the needs of the Island. However, during 2021 Commercial Services have been able to show the true value that it can add across all sectors: be that through improved processes, extended governance and better risk management, major project support, and savings delivery.

The Team has developed and trialed processes of “cross-cutting” government procurement initiatives to take advantage of aggregated and common spend to deliver a more efficient and strategic outcome. This leads to improved supplier engagement, improved supplier and programme management, better value for money and a more efficient internal customer service.

In addition, improved data management will enable future development of the category-spend approach and contribute towards saving across major projects. This, added to direct support to various major projects, will ensure improved commercial processes and procedures, and quality assurance.

Recent examples of improved outcomes from the support provided by Commercial Services for Covid measures, included establishing contracts that have allowed us to expand on-island testing and PPE requirements; provide free LFD testing to support the education sector and key business requirement, equivalent to £3.7m; move PCR testing in-house to establish savings of over £3m; and ensure the warehouse and distribution facilities needed to maintain a PPE supply.



**PART 4**  
**PROPOSED APPROPRIATIONS**  
**FOR NON-MINISTERIAL**  
**STATES BODIES**





## Introduction

The non-Ministerial States bodies are the Bailiff’s Department; Office of the Lieutenant Governor; States Greffe; Viscount’s Department; Judicial Greffe; Law Officers’ Department; Office of the Comptroller and Auditor General; Office of the Official Analyst; and Jersey Probation Service.

A Government Plan lodged by the Council of Ministers must set out the proposed amount to be appropriated from the Consolidated Fund for the next financial year, per head of expenditure, to be appropriated in relation to the operations of a non-Ministerial States body. The amount is submitted to the Council of Ministers by: the chairman of the States’ Public Accounts Committee, in the case of the office of the Comptroller and Auditor General; the chairman of the States’ Privileges and Procedures Committee, in the case of the States Greffe; and the non-Ministerial States body, in the case of any other non-Ministerial States body.

The Council of Ministers may include, in the Government Plan, a statement indicating whether or not the Council supports any of the amounts submitted by the non-Ministerial States bodies.

The additional investments set out below have been submitted by the non-Ministerial States bodies, as part of their proposed heads of expenditure in this plan. These investments are additional to existing allocation and investments already set out in the Government Plan 20-23 and Government Plan 21-24.

## Our ongoing investment

In addition to the ongoing services provided by our Departments, the Government Plan 2020-23 and Government Plan 2021-24 set out the investment in specific programmes and projects that support non-Ministerial States bodies.

Please see Appendix 3 for information on the existing investment in programmes and projects approved in the Government Plan 20-23, and Government Plan 21-24 that will continue in 2022.

### Bailiff’s Department

GP22-OI-Non-15	Her Majesty’s Platinum Jubilee 2022
<p>The Bailiff’s Chambers requests funding in order to mark Her Majesty the Queen’s 70th year on the throne. Celebrations to commemorate the Platinum Jubilee are being planned across the Crown Dependencies, United Kingdom and Commonwealth.</p>	
<p>NM</p>	<p>BC</p>

**States Greffe**

<b>GP22-OI-Non-14</b>	<b>Liberation 77-80</b>
<p>The Bailiff’s Chambers requests funding in order to celebrate the 77th Anniversary of Liberation Day, an important annual celebration and for many a time to remember and reflect on loved ones who lived through the second world war.</p>	
<p>NM</p>	<p>BC</p>
<b>GP22-OI3-Non-33</b>	<b>Crown Officer Remuneration</b>
<p>The Bailiff’s Chambers is requesting additional funding to implement the States Employment Board’s decision to align Crown Officers’ (Bailiff and Deputy Bailiff) remuneration with UK standards.</p>	
<p>NM</p>	<p>BC</p>
<b>GP22-OI-Non-22</b>	<b>Additional Staffing Resources</b>
<p>The States Greffe is requesting four new posts and changes to the structure of the Greffe’s Digital and Public Engagement team. This request is in the light of a review of the department’s 2020 reorganisation and operational pressures arising from additional corporate responsibilities and a request for additional resourcing from the Scrutiny Liaison Committee.</p>	
<p>NM</p>	<p>SG</p>
<b>GP22-OI-Non-23</b>	<b>Members Pensions</b>
<p>The States Greffe is requesting additional funding for the Members’ pension scheme.</p> <p>The Members’ pension scheme was set up in 2020, following a recommendation by the States Members’ Remuneration Review Body. The Review Body recognised that the absence of a pension scheme was a factor in deterring people from standing for election. Take-up of the scheme in 2020 was higher than forecast and additional funding is therefore required.</p>	
<p>NM</p>	<p>SG</p>

<b>GP22-OI-Non-24</b>	<b>Web Development</b>
<p>The States Greffe is requesting funding for a significant web development project. The current State Assembly website has many limitations and requires full redevelopment.</p> <p>This project aligns with the Privileges and Procedures Committee’s adoption of a new digital and public engagement strategy.</p>	
<b>NM</b>	<b>SG</b>
<b>GP22-OI-Non-25</b>	<b>British-Irish Parliamentary Assembly (BIPA)</b>
<p>The States Greffe is requesting funding to host a BIPA plenary session. This will be the first time that this conference will have taken place outside the UK and the Republic of Ireland.</p>	
<b>NM</b>	<b>SG</b>
<b>GP22-OI-Non-30</b>	<b>Additional Senior Leadership Team (SLT) Support</b>
<p>The States Greffe is requesting funding for a temporary post. Due to extraordinary work pressures in 2022, particularly in relation to the election, it is proposed to add a temporary post to the States Greffe’s senior leadership team for 12 months from Autumn 2021.</p>	
<b>NM</b>	<b>SG</b>
<b>GP22-OI5-Non-02</b>	<b>Elections 2022</b>
<p>The Judicial Greffe requests funding in order to cover the cost of the 2022 Elections.</p>	
<b>NM</b>	<b>JG</b>

## Judicial Greffe

**GP22-OI-Non-11**

**Family Court Premises Expenses**

The Judicial Greffe requests funding for annual rental costs and service charges to support the creation of a new Family Court Centre, which will better meet the needs of children and families involved in Family Law proceedings.

NM

JG

**GP22-OI3-Non-22**

**Knowledge Management and Cyber Security Staffing**

The Judicial Greffe request funding to implement processes for efficient and effective management of information held electronically.

This change project will help address the increase in the number of requests for Freedom of Information (Jersey) Law 2011, and the increase in the number of subject data access requests under the Data Protection (Jersey) Law 2018 and the lack of resources to deal with these increases.

NM

JG

**GP22-OI3-Non-24**

**Magistrate Court Restructuring**

The Magistrate’s Court Greffe is a department within the Judicial Greffe and is responsible for supporting the Magistrates in the Magistrate’s Court, Petty Debts Court and Youth Court.

The Judicial Greffe request funding for additional staff budget in support of a job review and Strategic Workforce Planning.

NM

JG

**GP22-OI3-Non-25**

**Magistrates’ Remuneration**

The Judicial Greffe request funding for an increase in remuneration of the Magistrates. The increase was awarded in September 2020, but the total increase has yet to be finalised.

NM

JG

<b>GP22-OI3-Non-26</b>	<b>Public Registry Staffing Resources</b>
<p>The Public Registry (a department within the Judicial Greffe) is responsible for the management and protection of all land deeds and associated documents enrolled for the purpose of evidencing title to, or charges against, land. As such, the Public Registry oversees and manages the collection of Stamp Duty in accordance with the Stamp Duties and Fees (Jersey) Law 1998.</p>	
NM	JG

<b>GP22-OI3-Non-23</b>	<b>Legal Aid Scheme</b>
<p>The Judicial Greffe is requesting additional funds to operate the new Legal Aid scheme in accordance with Article 5 of the Access to Justice (Jersey) Law 2019, which states that: “The States shall ensure that the Judicial Greffier is provided with sufficient resources for the purpose of meeting payments under the Legal Aid Scheme.”</p>	
NM	JG

## Law Officers’ Department

<b>GP22-OI-Non-13</b>	<b>ECCU Funding of Additional Resource</b>
<p>The Law Officers’ Department is requesting funding to enhance the capacity of the Economic Crime and Confiscation Unit (ECCU) as effective law enforcement and prosecution body.</p> <p>It is critical to the success of the finance industry in Jersey that greater emphasis be placed on the investigation and prosecution of financial crime.</p>	
NM	LOD

<b>GP22-OI3-Non-30</b>	<b>Staff Remuneration</b>
<p>The Law Officers’ Department is requesting additional funding to bring the Department’s budget in line with Treasury requirements and to ensure there is adequate funding to cover the Department’s staffing needs.</p>	
NM	LOD

## Comptroller and Auditor-General

<b>GP22-OI4-Non-3</b>	<b>Increased External Audit Costs</b>
<p>The Comptroller and Auditor General requests increase in funding to ensure that their budget is increased to cover additional cost pressures and contractual inflation.</p>	
<b>NM</b>	<b>C&amp;AG</b>

## Jersey Probation Service

<b>GP22-OI-Non-12</b>	<b>Probation Service Inspection</b>
<p>The Probation Service is a department of the Royal Court that provides assessments for the courts and supervision services for offenders within the community and custody. Its work also extends to working with children in the court system and those who have been sanctioned via the Parish Hall Enquiry system.</p> <p>Probation Service is requesting funding to be inspected by Her Majesty’s Inspectorate of Probation (HMIP). As a key agency in the island’s criminal justice system, it is important that the work of the Service is inspected to receive assurances it is effective, efficient and provides value for money.</p>	
<b>NM</b>	<b>JPS</b>

### Our additional Investment in 2022

Please see the Government Plan Annex for more information on these initiatives

### Funding this priority

This additional expenditure will total £12.3 million over the four-year period of the Government Plan, with additional expenditure in 2022 estimated to be £3.3 million.

For further detail on the above additional expenditure, please see Appendix 3.

We will also invest £2.3 million in initiatives included in last year’s Government Plan.



**PART 5**  
**GOVERNMENT FINANCES**





# Protecting our island's future by:



Achieving long-term sustainability of public finances



Investing in health and education



Responding to Covid-19

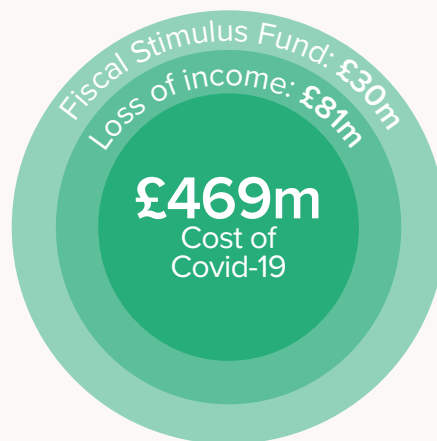


Investing in our economic recovery

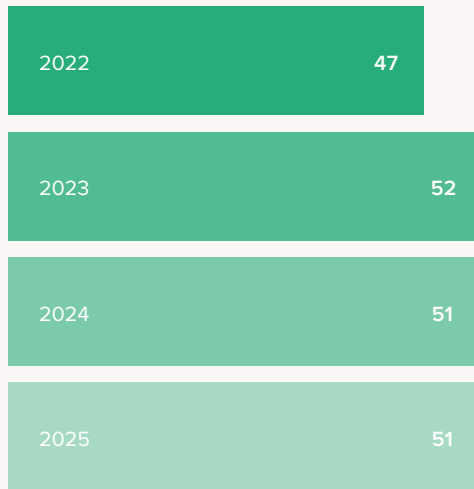
Peak borrowing to fund the costs of Covid-19



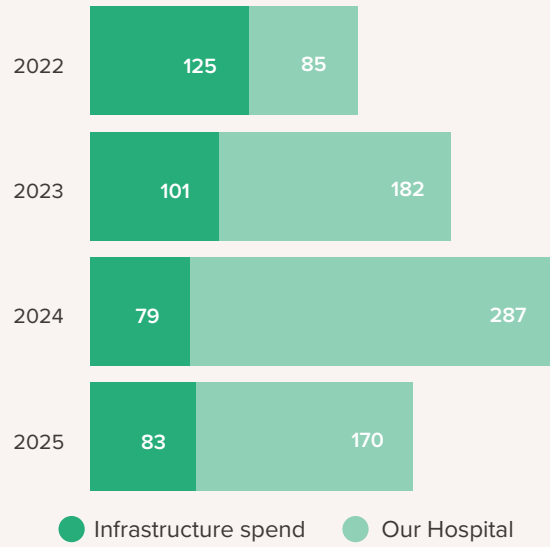
Costs of Covid-19 response and recovery (2020-24)



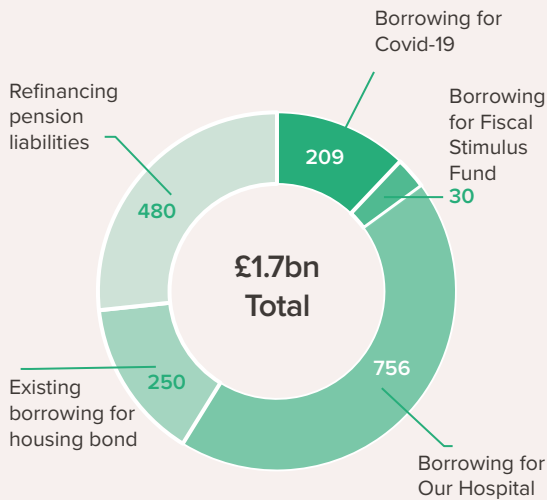
### Investing in our priorities (£m)



### Investing in our infrastructure and Our Hospital



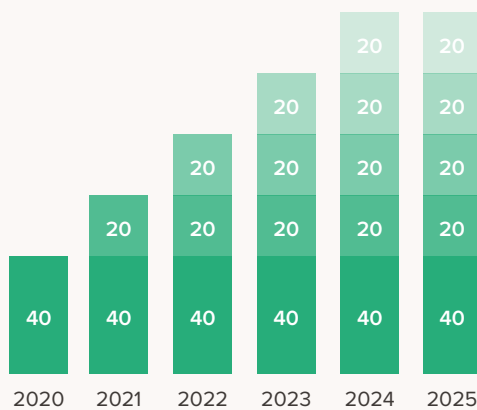
### Debt strategy designed to deliver long-term sustainability (2022, £m)



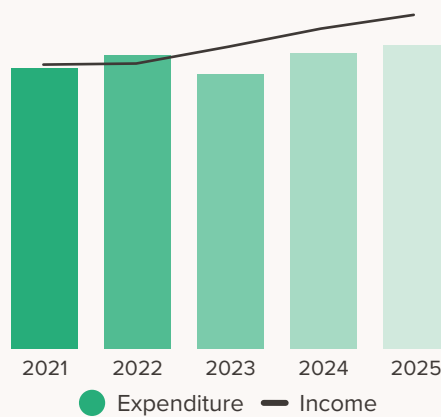
### Maintaining the strength of our Reserves (2025)



### Delivering efficiencies by rebalancing our expenditure (£m)



### Returning to surplus, to minimise Covid-19 debt



# Budget measures for 2022

⌄ +2.5% ⌄



Beer/cider

**+1p**

per pint

⌄ +2.5% ⌄



wine

**+4p**

per 750ml bottle of wine



Spirits

**+42p**

per litre

## Tobacco



20 king size cigarettes



**+65p**

RPI + 6% increase in standard tobacco duty



50g tobacco pouch



**+£3.55**

RPI + 10% increase in hand-rolling tobacco duty

## Fuel



Per litre

**+5p**

Per litre increase in road fuel duty (3p goes into Climate Emergency Fund)



**Income  
Tax  
allowances**

£550

increase in  
single person's  
standard income  
tax exemption  
threshold

£850

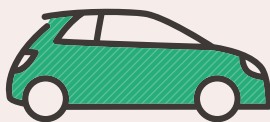
increase in  
married couple's  
standard income  
tax exemption  
threshold

£250

increase in  
second earner's  
allowance

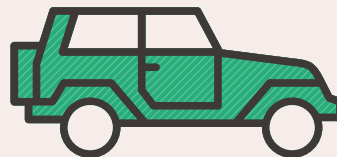


**Vehicle  
Emissions Duty**



**+2.5%**

51-75g CO<sub>2</sub>



**+70.8%**

201g + CO<sub>2</sub>

# Executive summary

This section of the Government Plan presents the finances of the wider Government including the impact of Covid-19 on Government finances, both in terms of the borrowing requirements and the ongoing commitment during the life of the plan. The Government Plan also sets out the impact of the latest income forecasts and service expenditure on the overall finances of Government including the Consolidated Fund, Reserves, other States funds and the Balance Sheet.

The overall direction of this plan is to work towards economic recovery in the light of the pandemic and to set the way for continued long term sustainability of Government finances. The most recent Fiscal Policy Panel economic assumptions set out a cautious optimism that Covid-19 related disruptions to the economy will begin to ease.

The resulting improvement in assumptions has meant that income in this plan is less affected than previously forecast, and we will return to balanced budgets over the period of the plan. Returning to surpluses in this plan allows us to minimise the amount of debt incurred as a result of Covid. The plan also includes a strategy to manage this debt in the longer term and the repayment of that debt in a measured and achievable way.

This plan also addresses the long-term past-service liabilities from public sector pension schemes. These are existing liabilities, and with interest rates at all-time lows, the proposal to refinance them using borrowing will result in them being repaid sooner, and generates a £3.6 billion cash saving in the long term, (a £700 million saving after adjusting for inflation). This will obviously benefit the finances of the Government and the Island in the longer-term.

The issue of funding a new hospital has featured prominently in public debate and in the considerations of the Council of Ministers. The expenditure cap already proposed to the States Assembly is significant at £804.5 million but it is necessary to make this investment for the long-term wellbeing of Islanders and is the duty of the Council of Ministers to ensure that the finances of our Island can accommodate the associated repayment of this borrowing. The Our Hospital proposition has set out an appropriate use of long-term borrowing with repayments from the returns from the Strategic Reserve, and this has been incorporated into this plan.

Whilst the overall debt strategy is a significant change on the current position, where minimal debt has been held, borrowing is only being used for specific purposes, and has been designed to be affordable, to safeguard our reserves, and to have a pragmatic plan for the ultimate repayment of the debt, rather than using reserves now and severely impairing the financial resilience of the Island.

As well as this investment in the long-term sustainability of the Island finances, there is also a need to continue to invest in measures related to the Climate Emergency and this plan continues further funding for the Climate

Emergency Fund ahead of the finalisation of the Carbon Neutral Strategy.

The finances of Jersey are stable and well-established as reflected in the latest S&P rating which remains unchanged and strong. This Government Plan continues to build on the strategic priorities and looks to ensure the future prosperity of Jersey through careful fiscal management.

## Government Plan

The current Government Plan 2021-2024, as agreed in December last year, set out the strategy of funding the impacts of the pandemic on costs and revenues, measures to finance these impacts and to enable a return to balanced budgets in the medium term (in line with the advice from the Fiscal Policy Panel).

It also continued and built on the approach of investment in strategic priorities funded largely by a programme of efficiencies and rebalancing established in the first Government Plan 2020-2023.

As we now start to move into recovery from the pandemic, this plan focuses on the return to balanced budgets, whilst addressing the ongoing impacts of Covid-19 and putting in place a financing strategy that is sustainable in the long term.

The Council of Ministers have proposed a funding solution for Our Hospital in P.80/2021. This plan is drafted to include those proposals assuming that they are approved by the Assembly, and therefore the plan would require amendments if the proposition were to be amended or rejected by the Assembly.

## Financial Strategy for 2022-2025

The financial strategy for 2022-2025 is framed around a set of principles:

- Government should be borrowing only for the impact of Covid-19 on the public finances (in addition to Our Hospital)
- Savings generated over the Government Plan period are the primary source of funding for new investment
- Public finances should be balanced in 2024 to 2025 meaning expenditure should be equal to or less than income after depreciation
- Deficits to be run between 2021 and 2023/4 until the economy has recovered, in accordance with Fiscal Policy Panel advice
- Refinancing of past service employee pension liabilities; and
- Our Hospital is funded by debt issuance and financed through future gains on the Strategic Reserve.

These principles have been used to shape the Government Plan 2022-2025

## Covid-19 response & impacts

The pandemic has continued to have significant impacts on the finances of the Government and States of Jersey, but far less so than previously envisaged:

- Immediate and additional expenditure required to support Islanders' and businesses during the pandemic
- Impacts on our economy in the short to medium term, with a recovery starting in 2021 but still uncertain, dependent on how long Covid-19 continues to affect Jersey, and globally
- Increased uncertainty in income forecasts from taxation and impacts on social security contributions.

The net financial impact of the pandemic over the period 2020-2025, including economic recovery, is now estimated at approximately £177 million, with a peak of £209 million in 2022. This is significantly lower than estimated in the previous plan, as income has been less impacted than previously predicted, offset by the need to provide against the ongoing uncertainty of costs relating to the pandemic.

The overall cost of Covid-19 in 2020 was £190 million with up to a further £280 million forecast and held as contingency for the period 2021-2024. Income forecasts have also reduced by £81 million as a result of the pandemic (ignoring the special dividend from JT). The relevant expenditure in the period of this Government Plan covers vaccination and Test and Tracing, but also makes provision for funding of measures to support Islanders and businesses. These are anticipated to be largely ended by 2024. The costs of the pandemic have been in part offset through the use of the Stabilisation Fund and removal of grants to the Social Security Fund from 2020 to 2023.

This plan continues to propose meeting the impact on Government finances through borrowing (up to £209 million based on peak impact – far less than that approved by the Assembly in last year's Government Plan). However the Government will continue to seek to minimise this debt, utilising forecast

surpluses in the later years of the plan. If income is higher or costs are lower than anticipated then this will also reduce the requirement. The plan also proposes the refinancing of the Rolling Credit Facility with a longer-term solution, using Prior-Year Basis income tax receipts to eventually repay the debt.

	2020 Estimate (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	Total (£000)
Total cost of Covid-19	190,000	154,277	86,414	26,228	12,350	469,269
Loss of income	15,623	27,099	28,009	10,086	0	80,817
Existing Covid Funding Sources	(148,622)	(65,300)	(78,980)	(80,660)	0	(373,562)
Annual impact of Covid-19	57,001	116,076	35,443	(44,346)	12,350	176,524
<b>Cumulative impact of Covid-19</b>	<b>57,001</b>	<b>173,077</b>	<b>208,520</b>	<b>164,174</b>	<b>176,524</b>	

Table 4: Impact of COVID-19

In addition to these impacts, the States Assembly agreed an additional £50m of borrowing to establish the Fiscal Stimulus fund in P.128/2020. At this time, the Minister for Treasury & Resources has approved for funding of £29.6 million for eligible projects. There is an intention to retain the ability to borrow a further £20 million, to provide flexibility for the remainder of the plan, although it is anticipated that these funds will not be a necessary part of the economic recovery measures in 2022<sup>8</sup>.

## Investments in public services

Investments in public services have been included in this plan where they arise because of an unavoidable or imperative need or if they are related to Covid-19. This Government Plan includes £47 million of investment in 2022 for non-Covid-19 initiatives that will directly increase departmental spending (including £21 million relating to the borrowing costs of Our Hospital, and £3.7 million requested by Non-Ministerial departments). These amounts are in addition to £121 million per annum investment into non-Covid-19 initiatives approved in previous plans that is now included in departmental base budgets. This investment is being funded primarily through the rebalancing of Government Finances to date and through to 2024.

## Revenue measures

We have noted the advice of the Fiscal Policy Panel that, at this stage, it remains appropriate that significant revenue-raising measures should not be implemented in the short-term but the Government should plan and develop revenue measures that can be used alongside efficiencies and reductions in spending to close the structural deficit.

Our immediate revenue-related proposals in this plan are:

- Increase the following personal income tax allowances by 3.3%: Single Persons' Allowance, Married Couples' and Civil Partners' Allowance and Second Earners' Allowance. The personal income tax allowances for Married and Civil Partners where an individual is born before 1952 will be subsumed within these new allowances.
- Freeze alcohol duty on all strengths of beer and cider, and increase alcohol duty on all wines and spirits by 5%<sup>9</sup>.

<sup>8</sup> Following an amendment to the Government Plan, the borrowing for Fiscal Stimulus will be limited to £29.6m. See Appendix 7: Amendment 7

<sup>9</sup> Following an amendment to the Government Plan, alcohol duty will now increase for all types of alcohol by 1% below RPI. See Appendix 7: Amendment 24



- Maintain and enhance published policy to increase tobacco duty on cigarettes by RPI (3.5%) + 6.0% on health grounds, and higher on hand-rolling tobacco (HRT) and cigars to achieve greater alignment with cigarettes (RPI + 10.0%).
- Increase fuel duty by RPI (3.5%) and levy an additional 3p per litre for the Climate Emergency Fund. Increases are also proposed for Vehicle Emissions Duty on higher CO<sub>2</sub> emitting vehicles, to fund actions related to the climate emergency.
- Require GST registration of large offshore retailers, and a further reduction of the import GST de minimis level to £60 from 1 January 2023.

All taxpayers have now been brought on to a current year basis and this has provided a short-term cash boost to some individuals during the pandemic. Future payments of the 2019 prior-year basis tax will be used firstly to build a fund eventually to repay the debt arising directly from the pandemic, with remaining sums available for transfer to the Strategic Reserve or to be available for future infrastructure investment

We also set out a programme of work for the year ahead including the further phases to implement Independent Taxation and development of measures to contribute to closing any fiscal gap by 2024/2025.

## Ensuring long term sustainability

The Public Finances Law sets out a requirement for each Government Plan to have regard to the long-term sustainability of the Island to ensure that we safeguard it for future generations. This is particularly important in this plan, given the short-term impacts of Covid-19 on the economy and the likely effect into the medium term. As the economy begins to recover, and the costs of the pandemic fall, this plan sets out a return to surplus in the life of the plan whilst maintaining investment and spend, thereby assisting the economy. These surpluses will be used to minimise the debt relating to Covid-19.

Table 5 shows the surplus or deficit (after depreciation) for each year of the plan. There remains a substantial deficit in 2022, followed by a surplus in 2023 as income recovers and expenditure on Covid-19 reduces. In 2024 we will restore the grant to the Social Security Fund in full whilst maintaining a surplus, and this continues into 2025.

This plan assumes that those surpluses, where not required for capital investment, are used to further reduce the quantum of longer-term debt arising from Covid-19.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
General Revenue Income	930,875	987,381	1,045,543	1,089,302
Net Departmental Expenditure	(958,730)	(897,951)	(966,959)	(991,686)
Depreciation	(57,724)	(60,999)	(63,110)	(63,334)
<b>Forecast Operating Surplus/(Deficit)</b>	<b>(85,579)</b>	<b>28,431</b>	<b>15,474</b>	<b>34,282</b>

Table 5: Overall position (Financial forecast)

Taking into account forecast deficits, the costs of the capital programme and other transfers between funds, the total forecast borrowing requirement to meet the deficits caused by Covid-19 will peak at £208 million in 2022 and then reduce in subsequent years. The cap on Covid-19 borrowing has reduced from that approved by the Assembly in last year's Government Plan. It is proposed that the debt for Covid-19 and Fiscal stimulus be refinanced with a longer-term debt in line with the debt strategy. This plan includes approval to refinance up to the peak requirement of £209 million, but we will continue to seek to minimise this debt<sup>10</sup>.

In addition, this plan reflects the longer-term requirements for borrowing to fund Our Hospital, and proposes the refinancing of Past Service liabilities. The latter are existing liabilities, and refinancing will save taxpayers money, both in absolute cash terms and also when adjusted for inflation.

The borrowing proposed in this plan relates to refinancing, replacing existing liabilities. This increases the amount of total approved borrowing, but this is offset by the cancellation of the past service liabilities meaning that total non-current liabilities are not increased.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Cumulative Borrowing Requirement arising from Covid-19	207,657	190,828	168,099	138,731
Borrowing for Our Hospital - P80/2021	756,000	756,000	756,000	756,000
Borrowing to refinance pension liabilities	480,000	480,000	480,000	480,000
Existing borrowing - Housing Bond	250,000	250,000	250,000	250,000
Existing borrowing - Fiscal Stimulus <sup>11</sup>	29,641	29,641	29,641	29,641
<b>Total</b>	<b>1,723,298</b>	<b>1,706,469</b>	<b>1,683,740</b>	<b>1,654,372</b>

Table 6: Cumulative Borrowing Requirement

The Government Plan approves the total amount of borrowing required – actual borrowing may be raised over several years in line with the debt strategy and depending on cash-flow requirements. This plan recognises that all borrowing must eventually be paid for and includes a strategy for the repayment for each item of borrowing, ensuring that these repayments are affordable and sustainable.

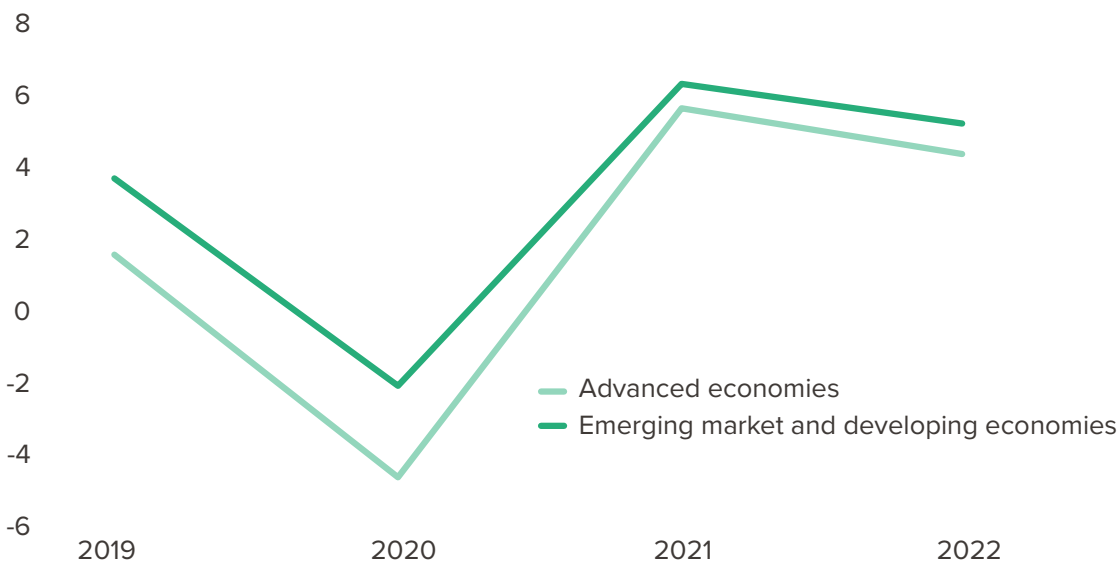
<sup>10</sup> Following an amendment to the Government Plan, certain conditions have been attached to the Covid-19 debt. This is outlined in full in the "Covid-19 debt" section below. See Appendix 7: Amendment 25

<sup>11</sup> See Appendix 7: Amendment 7 - Covid-19 Borrowing

# Economic context

## The international economic outlook

The latest forecast from the International Monetary Fund (IMF) is for global growth of 6.0% this year, the fastest rate of expansion in almost 50 years. However, this comes after a contraction in activity of 3.2% in 2020, as a result of the Covid-19 pandemic. The recovery is expected to be uneven, with advanced economies returning to pre-pandemic growth paths in 2022, but emerging and developing economies expected to make up lost ground more slowly due to continued high infection rates and difficulties rolling out vaccines.



Graph 2: Economic Growth forecasts (percent) Source: International Monetary Fund July 2021 World Economic Outlook Update

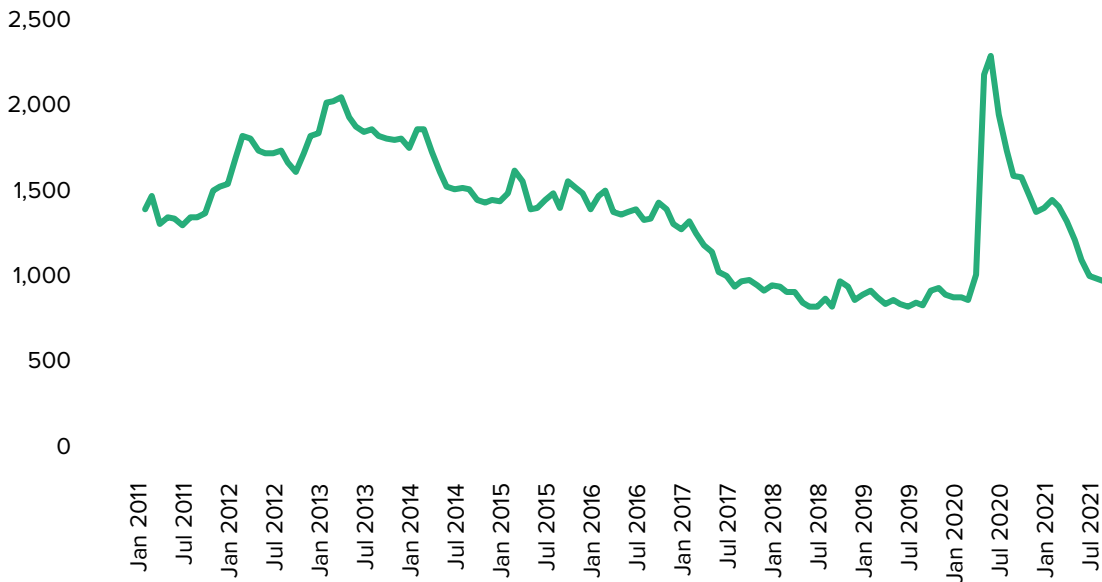
The key risks to the global outlook continue to relate to the future path of the pandemic and the pace of vaccine distribution, particularly among developing countries. There is a risk of further waves of infection, complicated by the potential for new variants of the virus.

Global inflation fell sharply in 2020, but by April 2021 had risen above pre-pandemic rates. Inflation in both the UK and US has risen more quickly than expected. This largely reflects one-off effects including pandemic-related supply disruptions. Ongoing fiscal and monetary support, coupled by the release of household savings, will drive demand - meaning that high inflation is likely to continue in the short term. However, the IMF anticipates that in most cases inflation should subside to pre-pandemic ranges in 2022

## Jersey’s economic outlook

After six years of growth, Jersey’s economy contracted sharply in 2020. While the official growth rate will not be confirmed until October, expectations are for a very significant fall – driven by a difficult year for sectors such as hospitality that were particularly affected by the pandemic, and by a significant fall in banking profits due to the cuts in interest rates in early 2020.

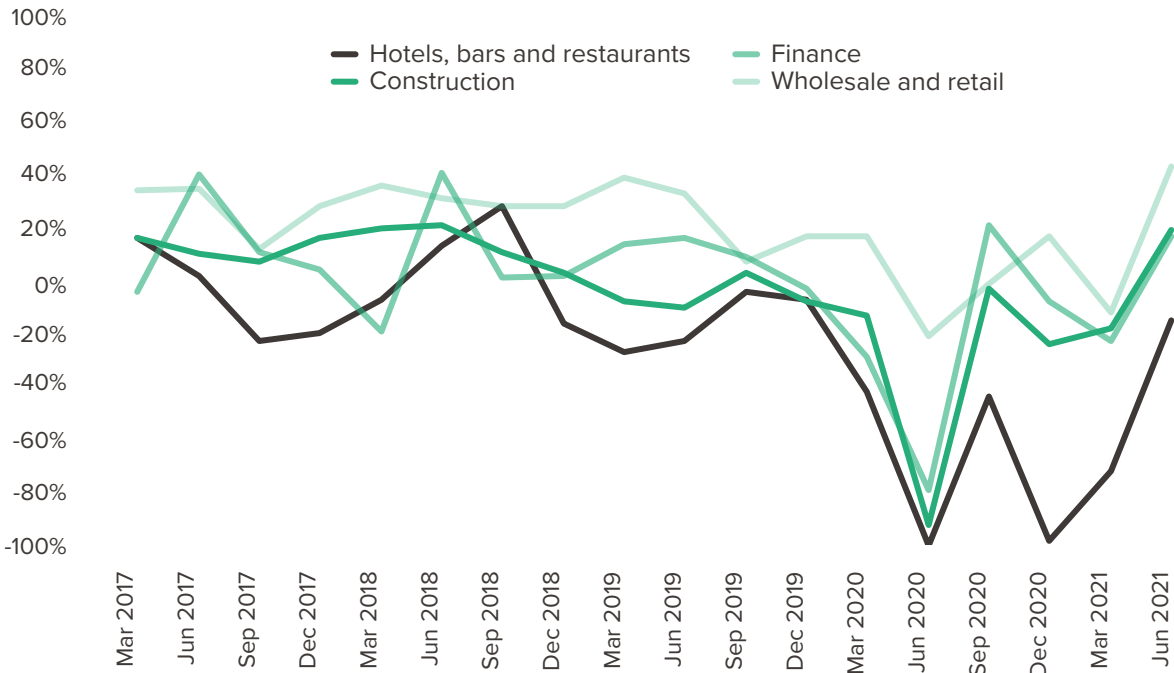
The lockdown in spring of 2020 saw the number of people Actively Seeking Work (ASW) increase rapidly, from 850 in March to peak at 2,380 in May. Numbers fell sharply in the second half of 2020 and continue to fall in 2021 to stand at 970 at the beginning of August.



Graph 3: Actively Seeking Work (non-seasonally adjusted) Source: Statistics Jersey

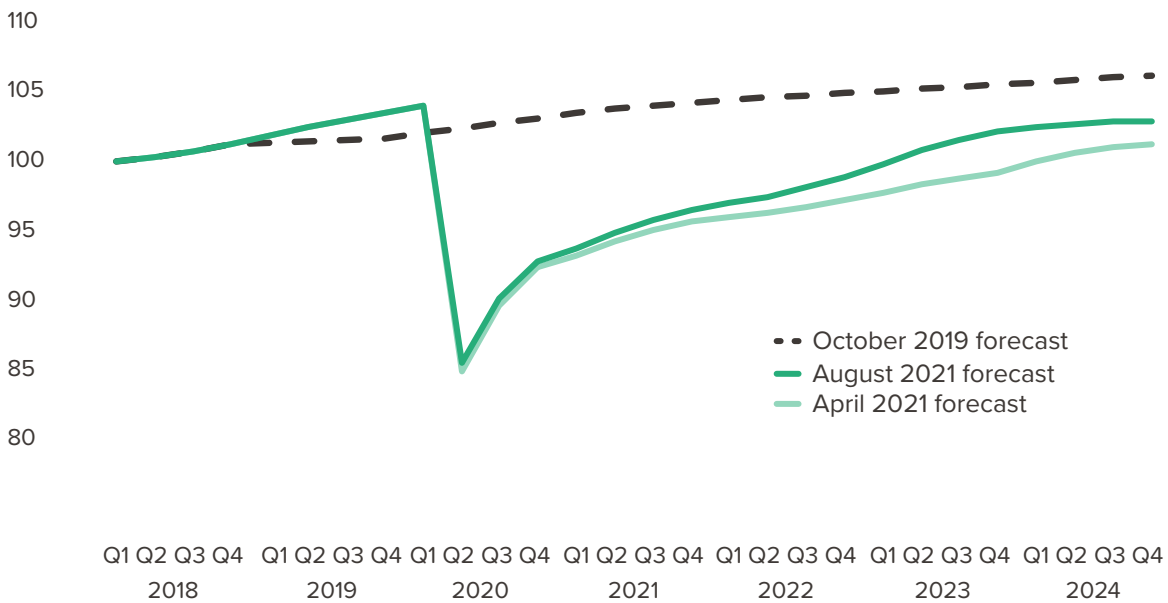
The government has put in place a range of business support measures that have helped to protect jobs and businesses in sectors severely impacted by the necessary restrictions on economic activity and the loss of demand. The largest of these measures is the Co-Funded Payroll Scheme, which supported the salaries of 16,390 employees across a range of sectors in April 2020. The number of employees supported fell to 3,870 by April 2021. Businesses are eligible for the scheme only if they have suffered a severe reduction in revenues in a particular month, compared to their pre-pandemic performance, so the fall in the number of employees being claimed for suggests that the majority of businesses initially supported by the scheme have since recovered from the very severe impact on revenues that was seen in Spring of 2020.

The Business Tendency Survey provides further evidence on the pace of recovery in 2021. The latest survey from June 2021 points to continuing improvement in business sentiment. The overall business activity indicator rose in 2021 from -21 in March to +20 in June. Responses around new business and business optimism were also significantly higher than March. Survey responses suggest a marked improvement in all sectors, with the finance sector becoming significantly more positive and considerable improvement in the construction sector. Responses from hospitality remain broadly negative, but business activity is the least negative since 2019 and expectations for future business activity are positive.



Graph 4: Weighted net balance of responses to business activity question of the Business Tendency Survey, by sector. Source: Statistics Jersey

The Fiscal Policy Panel’s latest forecast from August 2021 is for a very sharp downturn in economic activity in 2020, followed by a gradual recovery. The chart below provides an illustrative quarterly profile of quarterly GVA consistent with the FPP forecast.



Graph 5: The economic forecast. (Index 2018Q1 = 100) Source: Fiscal Policy Panel

# Jersey's fiscal framework for 2022 and beyond

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

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

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

The key guidelines identified in previous Government Plans are to:

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

The Fiscal Framework continues to be kept under review, and an updated version of the framework is expected to be produced before the next Government Plan.

## Financial Strategy

The Government Plan sets out the investment in strategic priorities as well as continued expenditure in relation to Covid-19. The plan covers the period 2022-2025 and focuses on the funding of essential services whilst delivering the efficiencies set out in the previous Government Plan. It also returns the States Grant payments to the Social Security Fund in full from 2024 onwards to help protect the sustainability of the fund and establishes funding for Covid Recovery and a Covid Reserve in 2022, should further restrictions be necessary.

In developing the plan, the Council of Ministers have had to contend with significant competing pressures and have considered the recommendations from the Fiscal Policy Panel in terms of ensuring that the pressure in the early years of this plan does not prevent a return to surpluses from 2024/2025. Whilst the latest forecasts are improved, leading to surpluses from 2023, there continues to be high degree of uncertainty caused by the ongoing nature of Covid-19.

Ministers proposed using short-term borrowing facilities in 2021 and there has been some limited use of the revolving credit facility (RCF). Improved revenue forecasts have reduced the need to draw on this in 2020 and 2021. Under this Government Plan the RCF will continue to be used in the short term. This plan also proposes how to use borrowing to meet the longer-term financing requirements of Government in a sustainable manner. As Ministers made clear last year, all borrowing must be paid for, and for each element of borrowing a plan to service and repay the debt has been proposed.

## Income forecasts

The previous Government Plan included the estimated impact of the pandemic on income forecasts. This Government Plan incorporates revised income forecasts that show an improvement from that position, based on latest information, out-turns and economic assumptions from the FPP. However, it should be noted that assumed income is still below levels predicted before the pandemic.

No significant revenue measures are proposed in the short-term, in line with FPP advice.

## Government spending 2022

This plan proposes spending of £959 million on public services in 2022 with a further £217 million on projects including £85 million on the initial phases of Our Hospital. This total of £1.18 billion is compared to £955 million in the previous Government Plan and this increase is largely driven by the inclusion of Our Hospital and the projected costs relating to the pandemic response and economic recovery.

## Impact on the financial position, and return to balanced budgets

The financial position is forecast to improve over the period of the plan with a return to surpluses over the life of the plan.

The uncertainty caused by the continued impact from Covid-19 is considerable and the Government Plan reflects an assumption that the ongoing costs of dealing with the pandemic will be limited to the current trends and not a substantial change in the requirement for future investment. In the absence of action, these cost estimates would create a fiscal gap and Ministers have identified a package of measures to close the gap by 2024/2025.

That package follows on from the previous Government Plan and includes:

- Continuation of the rebalancing programme with £21.7 million target for 2022
- A further £20 million of rebalancing to be delivered in each of 2023 and 2024
- Receipt of an extra-ordinary dividend from JT of £40 million in respect of the sale of their Internet of Things business, £20 million of which has been earmarked for a Technology Fund
- The development of measures and options to raise taxation of approximately £10 million in total for implementation by 2024, to include:
  - Broadening the tax base of corporate taxation
  - Taxation of medicinal cannabis growing and processing
  - A review of commercial stamp duty levels and further changes to enveloped properties measures
  - A full review of residential stamp duty
  - Proposals to require large offshore retailers to register for GST and for a reduction in the GST de minimis when goods are imported.

These measures maintain surpluses from 2024, help fund key projects and reduce the long-term debt required arising from Covid-19<sup>12</sup>.

The response to Covid-19 does require us to borrow to meet the expenditure and this plan has assumed that this will be capped at £209 million based on the forecast total net cost of addressing the issues arising from Covid-19 from 2020-2024. The planning assumption is that there will not be significant additional expenditure required (other than that provided for) as a result of future waves of Covid-19 and the estimates contained in this plan focus on bringing about economic recovery and an investment in core services to address social issues and service backlogs arising from Covid-19.

## Sustainability of Social Security Funds

In the 2021 Government Plan, Ministers made a commitment to review the Social Security Fund to make sure that it continues to serve future generations. They also committed to co-ordinating that review with a consideration of the need to support future health funding.

<sup>12</sup> Following an amendment to the Government Plan, we will also introduce a higher Stamp Duty rate for “Buy to Let” investment properties, second homes and holiday homes no later than 31 December 2022. See Appendix 7: Amendment 22



Since then, the long-term forecast for the Social Security Reserve Fund has improved and under this Government Plan the value of the States Grant is restored in full from 2024 onwards. The cost of providing old age pensions will increase with the ageing demographic but the Fund is still forecast to hold four times annual spend by the 2070s. The cost of healthcare will also rise in coming years and a full review of all health costs will be undertaken during 2022 to help the next Government plan for a future sustainable health system. In the meantime this plan continues to invest funds from the Health Insurance Fund (HIF) to create the Jersey Care Model.

## Borrowing

This Government Plan sets out the long-term borrowing requirements of Government. Borrowing is limited to specific purposes:

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

Proposals to fund Our Hospital have already been proposed through P.80/2021. At time of lodging this Government Plan, the outcome of that debate is not known, and consequently this plan has been prepared assuming the proposals are adopted. If the proposition is amended or rejected the Government Plan would need to be amended to reflect the decision of the Assembly.

As well as borrowing for Our Hospital, the plan proposes the refinancing of the existing past service liabilities from public sector pensions. This refinancing of existing liabilities is not new borrowing, but puts in place more appropriate long-term structures and will create significant savings for taxpayers. In addition the amounts required for Covid-19 have reduced from that approved in last year’s Government Plan.

For each element of borrowing in the plan a strategy for the eventual repayment of the debt has been proposed, protecting the long-term finances of the Island for future generations. Over the life of the debt we will use the Strategic Reserve to receive payments out of taxation to build sufficient funds for the eventual repayment of the Covid-19<sup>13</sup> and pension debts.

<sup>13</sup>Following an amendment to the Government Plan, borrowing for Covid-19 will be of a short-term nature only. See Appendix 7: Amendment 25

## Guiding principles

The Council of Ministers previously agreed the following financial principles:

Long-term financial sustainability, with balanced budgets in the medium term	Long-term financial sustainability, with balanced budgets in the medium term
	Provide flexibility to be able to make investments where necessary, while balancing budgets
	Over the long term, the Government should make sure that the Stabilisation Fund and Strategic Reserve are of an appropriate size to manage risk and uncertainty
	In the short-medium term action should be taken to preserve a minimum viable balance on the Strategic Reserve to be available whilst the reserve is grown in the long term
Investment	The Government should seek to address areas of historic under-investment
	The Government should look to better utilise its whole balance sheet, including new ways to fund major projects
Borrowing	Borrow only to finance investment (or refinance liabilities), except under times of economic duress, and monitor the impact on net financial assets
Efficiency and effectiveness	The Government should deliver services efficiently through transformation and the use of technology. This will involve investment in staff, and productivity improvements through invest-to-save initiatives
	Expenditure and assets should support outcomes for Islanders, and the allocation of both existing funding and investments should be considered and prioritised in the context of effective and efficient delivery of strategic objectives
	The Government should also look to maximise the returns (fiscal and outcomes for Islanders) from all assets within agreed levels of risk
Fees and taxation	Appropriate and fair contributions should be made to the full cost of providing services
	Significant new income (taxes and charges) should only be implemented once rebalancing expenditure, including efficiencies and prioritisation have been addressed
	For new areas of significant investment, over and above the expenditure envelope agreed in Government Plan 2021, such as initiatives designed to respond to the climate emergency declared by the States Assembly, investment should be tied to a funding mechanism, such as a hypothecated tax, if unable to be addressed by re-prioritising expenditure.

## Tax Policy Principles

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

Fair and sustainable	Taxation must be necessary, justifiable and sustainable
	Taxes should be low, broad, simple and fair
	Everyone should make an appropriate contribution to the cost of providing services, while those on the lowest incomes should be protected
Support broader Government policy	Taxes must be internationally competitive
	Taxation should support economic, environmental and social policy
Efficient and effective	Taxes should be easy to implement, administer and comply with, at a reasonable cost
	No individual tax measure will meet all these principles. But overall the Island's tax regime should represent a sustainable balance of them

# Public sector spending 2022-2025

In the previous Government Plan the full impact of the pandemic on Government finances was demonstrated. In that plan the forecast was to spend £87 million on costs related to the pandemic in 2021 and to propose a further £40 million to be held in the General Reserve to provide for any increased costs for winter cases.

The reality of Covid-19 is that there remains a significant risk that further costs will arise - the ongoing impact of the pandemic remains uncertain. The level of provision for Covid-19 spend, including recovery measures, has been reduced to £34 million in 2022, but a further £52 million has been held in reserve to allow for this uncertainty, particularly relating to the future of the testing and tracing programme.

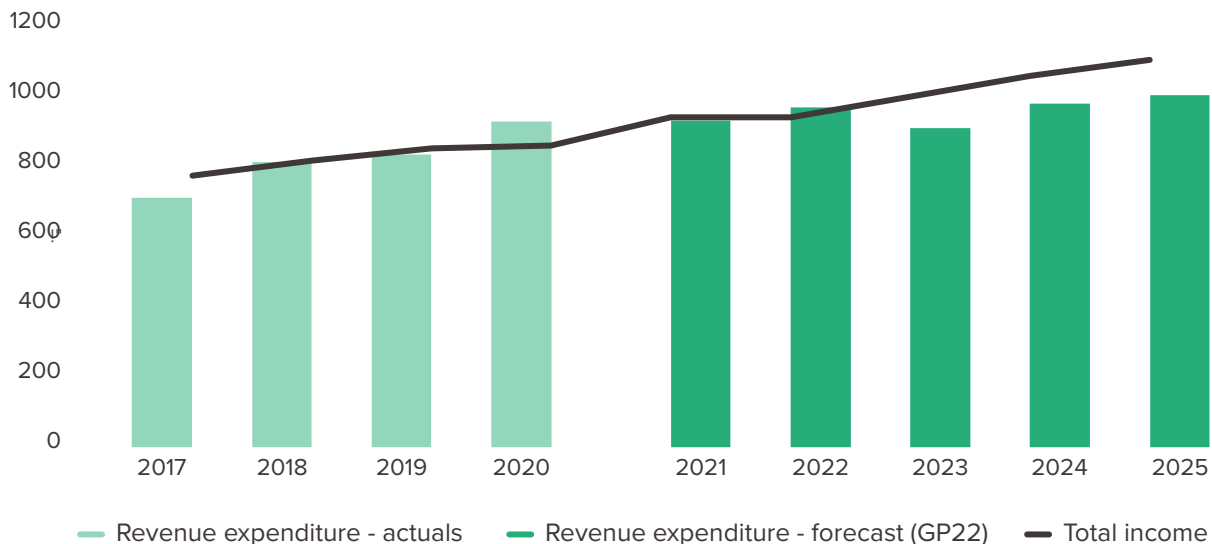
In addition to the costs of the pandemic response in 2022, we will be investing a further £17 million in initiatives that support the delivery of the Common Strategic Policy (CSP) priorities, over and above the £8 million of growth in 2022 identified in previous plans. This builds on the significant investment already approved in previous plans and included in base budgets, and excludes provisions for inflation and pay awards.

The financing costs for the proposed borrowing for Our Hospital are recognised in expenditure, although P.80/2021 proposes that these be funded through transfers from the Strategic Reserve, and so will not impact on the overall Consolidated Fund Balance.

The table below shows the changes in expenditures for each year of the plan compared with 2021 base budgets.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening base budget - 2021</b>	<b>931,476</b>	<b>931,476</b>	<b>931,476</b>	<b>931,476</b>
Covid-19 Response (GP21)	(67,064)	(66,963)	(79,060)	(79,474)
Covid-19 Response (GP22)	13,375	5,584	2,321	1,505
Covid Reserve	12,085	(40,000)	(40,000)	(40,000)
Investment in CSP priorities (GP20 and GP21)	8,646	16,248	15,035	13,835
New Investment (GP22)	17,156	16,997	16,719	17,689
Financing Costs (GP22) - Our Hospital	21,000	19,000	19,000	19,000
Reserves, inflation and Legislative Decisions	38,425	50,878	72,707	96,664
Grant to Social Security Fund	0	0	82,530	84,760
Expenditure Rebalancing	(16,369)	(35,269)	(53,769)	(53,769)
<b>Total net departmental expenditure</b>	<b>958,731</b>	<b>897,952</b>	<b>966,959</b>	<b>991,686</b>
Capital programme - revised plan including Our Hospital	210,310	282,809	366,253	252,448
<b>Total Government Net Expenditure</b>	<b>1,169,041</b>	<b>1,180,761</b>	<b>1,333,212</b>	<b>1,244,134</b>

Table 7: Government expenditure changes compared to 2021 base budget



Graph 6: Income and expenditure trends (before depreciation) (£m)

## Covid-19 spending continuing until 2024

Whilst the costs of Covid are expected to reduce over this plan, we are still providing £34 million in 2022 for direct costs of Covid response and to support post-pandemic recovery. Whilst much of the cost is one-off, there are also some items where spend will continue into 2025 and beyond<sup>14</sup>.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Covid-19 Service Recovery	1,296	0	0	0
Covid-19 Vaccine	4,103	0	0	0
Covid-19 Bus Contract	1,200	500	250	0
Covid-19 Debt & Revolving Credit Facility	7,136	8,730	7,803	7,803
Covid-19 Income Support Costs	672	164	164	0
Economic Recovery	10,200	10,200	0	0
PPE Consumption	3,300	2,500	1,900	1,400
PPE Warehousing	407	414	421	105
Social Recovery Allocation <sup>15</sup>	3,769	2,670	0	0
Support for Sports Infrastructure	1,005	720	0	0
Covid-19 Review <sup>16</sup>	500	0	0	0
<b>Total</b>	<b>33,588</b>	<b>25,898</b>	<b>10,538</b>	<b>9,308</b>

Table 8: Profile of Covid-19 proposed spend

The reality of Covid-19 is that there remains a significant risk that further costs will arise because the impact of the pandemic remains uncertain. To help manage this uncertainty, an additional £52 million has been held in reserve. This reserve holds amounts for projects where there is still a degree of cost uncertainty, and an amount to cover the costs associated with dealing with potential future cases in the Island.

	2022 (£000)
Covid-19 Test & Trace Programme	20,000
Covid-19 Helpline	500
Covid-19 Vaccine	2,585
Covid-19 Reserve	29,000
<b>Total</b>	<b>52,085</b>

Table 9: General Reserve - Covid-19

<sup>14</sup> Following an amendment to the Government Plan, funding will be allocated from the Covid-19 Head of Expenditure to provide for the establishment of a bus pass scheme for people aged 18 years or under. See Appendix 7: Amendment 6

<sup>15</sup> See Appendix 7: Amendments 1 and 19. Amendment 1 approved a reduction of £901,000 to the Covid-19 Head of Expenditure. The reduction has initially been applied to the Social Recovery Allocation, but this is subject to further review.

<sup>16</sup> See Appendix 7: Amendment 2

In addition, the Fiscal Stimulus Fund was launched in 2021 and is on track to deliver £30 million into the economy across a variety of projects and organisations. There is an intention to retain the flexibility of borrowing a further £20 million for fiscal stimulus projects although the latest Fiscal Policy Panel advice does indicate that this additional support is unlikely to be required<sup>17</sup>. This is in addition to activities relating to economic recovery which will see investment in specific initiatives designed to support business sectors and islanders.

## Investment in the Common Strategic

### Policy priorities

This plan proposes to invest further monies into our strategic priorities, including £47 million in 2022. This includes £8 million identified in previous plans, as well as £39 million of new investments (including hospital financing costs). Further growth of £6 million identified from 2023 in previous plans is also included. Further details of these investments are included in the appendices and the Government Plan Annex.

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

This investment has been primarily enabled by the delivery of efficiencies and other rebalancing activities, as set out in Part 3 of this document.

Table 10 below illustrates the total value of investment in the Common Strategic Policy priorities. These amounts are over and above the £121 million per annum investment previously agreed for 2020 and 2021. Amounts in respect of "Protect our environment" are in addition to investment provided through the Climate Emergency Fund (CEF) – with transfers now increasing to £4.4 million in 2022. Transfers to the fund were previously included in the Treasury and Exchequer head of expenditure, and the reclassification of these amount is shown as a negative amount in the table. Expenditure from the Climate Emergency Fund is set out in table 50.

Further information on the initiatives proposed and funded in the previous Government Plan can be found in Appendix 4.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Put children first	7,308	7,384	8,204	8,924
Improve wellbeing	8,239	11,801	5,473	1,449
Vibrant economy	5,577	6,607	6,140	7,190
Reduce inequality	1,419	1,363	1,100	1,100
Protect our environment	2,752	1,332	1,332	1,332
Protect our Environment - reclassification of CEF funding	(4,000)	(4,000)	(4,000)	(4,000)
<b>Total</b>	<b>21,295</b>	<b>24,487</b>	<b>18,249</b>	<b>15,995</b>
Modernising Government	21,933	24,941	29,653	31,414
Non Ministerial	3,574	2,817	2,852	3,115
<b>Total</b>	<b>46,802</b>	<b>52,245</b>	<b>50,754</b>	<b>50,524</b>

Table 10: CSP priority investment (excluding Covid-19)

<sup>17</sup> Following an amendment to the Government Plan, the borrowing for Fiscal Stimulus will be limited to £29.6m. See Appendix 7: Amendment 7

## Reserves, inflation and legislative decisions

### Reserve for centrally held items

It is both prudent and good financial management to plan for the impact of economic influences on Government finances. As such, we have set aside amounts to cover inflationary pressures on pay and benefits, including non-pay inflation. These are held centrally in the plan and will be allocated to departments when appropriate. Inflation is, by nature cumulative, and so this amount grows throughout the plan. The 2022 amount will be reflected as fully allocated to departments in the 2023 Government Plan. As part of the rebalancing programme £5 million will be held against the provision for non-pay and benefits inflation, pending the delivery of further departmental savings.

### The General Reserve

The General Reserve is held outside of operational expenditure limits, and can be used to meet unforeseen pressures, or to provide advance funding for urgent expenditure in the public interest. In each year, amounts are held to manage fluctuations in benefit expenditure due to economic changes, and to allow one-off investment for emerging priorities.

The reserve in 2022 is substantially higher due to the inclusion of the Covid-19 contingency of £52 million (£40 million in 2021) and also £10 million allocated for assisted home ownership schemes (once schemes are developed). There are also some elements of investment in services for 2023-2025 (see table 11 below) with costings which are still subject to some uncertainty and funding for these requests will also be held in the General Reserves until required.

Dept	Minister	Project Title
CLS	Minister for Social Security	Covid-19 Helpline
HCS	Minister for Health and Social Services	Covid-19 Vaccine
JHA	Chief Minister	Covid-19 Test & Tracing Programme
CYPES	Minister for Children and Education	Demographic Pressures
IHE	Minister for Infrastructure	Disposal of Recycling Materials
IHE	Minister for Environment	Future Fisheries & Marine Resources Management
IHE	Minister for Infrastructure	Glass Waste Management
IHE	Minister for Infrastructure	Hazardous Waste Management
IHE	Minister for Environment	UK/EU Trade and Cooperation - Biosecurity Border Controls
JHA	Minister for Home Affairs	Brexit Transition - JCIS Legal & Policy Support

Table 11: Investment held in the General Reserve

A further £5 million has been set aside for restructuring costs. This allocation will be held to assist in overall reduction in direct staffing costs through restructuring of services, management de-layering, pay and reward policies, performance management and resourcing for the delivery of efficiencies. This will include compulsory and voluntary redundancies where the costs cannot be met by the departmental budgets, subject to a defined return-on-investment for redundancy costs.

RESERVES	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate ( £000)	2025 Estimate (£000)
General Reserve (other)	10,762	14,601	15,136	15,920
COVID Reserve	52,085	-	-	-
Restructuring Allocation	5,000	-	-	-
Assisted Home Ownership Scheme	10,000	-	-	-
<b>General Reserve</b>	<b>77,847</b>	<b>14,601</b>	<b>15,136</b>	<b>15,920</b>
Reserve for centrally held items	22,385	44,609	63,709	84,226
<b>Reserve Total</b>	<b>100,232</b>	<b>59,210</b>	<b>78,845</b>	<b>100,146</b>

Table 12: Reserve

## Revenue heads of expenditure

The Government Plan is required, by the Public Finances Law, to set out the proposed amount to be spent from the Consolidated Fund by each head of expenditure, after allowing for any estimates of departmental income. Heads of expenditure within this Government Plan relate to each Government of Jersey department, non-Ministerial states bodies and of those covering central items and reserves. In addition, separate heads of expenditure for Covid -19 related expenditure and finance costs for borrowing allow expenditure in those areas to be clearly tracked and reported on.

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

Expenditure has been allocated to departments for 2022, and estimates produced for 2023 to 2025. The departmental expenditure limits incorporate both existing resource requirements and investments, but exclude inflation, which is held centrally.

## Depreciation

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

The increase in depreciation during 2022-2025 reflects an estimated uplift in asset values, as a result of either assets being created or replaced.

## Efficiencies and Rebalancing

Efficiencies and rebalancing measures, where identified for delivery by departments, have been included in individual departments' heads of expenditure for 2022, and more information is given in Part 3 of the plan. Targets for future years' measures are held outside of heads of expenditure until individual measures have been identified in future years.



	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Departments</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Chief Operating Office	37,894	42,850	44,265	44,865
Children, Young People, Education and Skills <sup>18</sup>	167,478	167,640	168,364	169,084
Customer and Local Services <sup>19</sup>	94,567	94,652	95,526	96,783
Infrastructure, Housing and Environment <sup>20</sup>	48,658	47,161	50,661	51,911
Health and Community Services <sup>21</sup>	226,290	229,624	223,164	219,064
Jersey Overseas Aid	13,375	14,476	15,702	16,752
Justice and Home Affairs	30,746	30,835	30,895	30,999
States of Jersey Police	25,205	25,346	25,468	25,468
Office of the Chief Executive	5,569	5,569	5,569	5,569
Ministry of External Relations <sup>22</sup>	2,918	2,918	2,917	2,917
Department for the Economy	36,678	36,769	35,379	35,379
Strategic Policy, Planning and Performance <sup>23</sup>	11,088	11,028	11,026	11,026
Treasury and Exchequer	68,598	69,786	153,016	156,528
Covid-19 Response <sup>24</sup>	33,588	25,898	10,538	9,308
Financing Costs - Our Hospital	21,000	19,000	19,000	19,000
<b>Department Total</b>	<b>823,651</b>	<b>823,551</b>	<b>891,489</b>	<b>894,652</b>
<b>Non Ministerial States Bodies</b>				
Bailiff's Chambers	2,127	1,977	1,977	2,177
Comptroller and Auditor General	957	982	1,005	1,030
Judicial Greffe	8,955	8,888	8,788	8,788
Law Officers' Department	9,015	9,094	9,132	9,159
Office of the Lieutenant Governor	858	813	813	813
Official Analyst	610	610	610	610
Probation	2,428	2,491	2,455	2,455
States Assembly	8,153	7,491	7,501	7,512
Viscount's Department	1,744	1,744	1,744	1,744
<b>Non-Ministerial States Bodies Total</b>	<b>34,847</b>	<b>34,090</b>	<b>34,025</b>	<b>34,288</b>
<b>Total</b>	<b>858,498</b>	<b>857,641</b>	<b>925,514</b>	<b>928,940</b>
<b>Reserves</b>				
Reserve for Centrally held items	22,385	44,609	63,709	84,226
General Reserve <sup>25</sup>	77,847	14,601	15,136	15,920
<b>Reserves Total</b>	<b>100,232</b>	<b>59,210</b>	<b>78,845</b>	<b>100,146</b>
Rebalancing	0	(18,900)	(37,400)	(37,400)
<b>Total net revenue expenditure</b>	<b>958,730</b>	<b>897,951</b>	<b>966,959</b>	<b>991,686</b>
Depreciation	57,724	60,999	63,110	63,334
<b>Total net revenue expenditure after Depreciation</b>	<b>1,016,454</b>	<b>958,950</b>	<b>1,030,069</b>	<b>1,055,020</b>

Table 13: Revenue Heads of expenditure 2022-25

<sup>18</sup> See Appendix 7: Amendments 5, 8 and 19<sup>19</sup> See Appendix 7: Amendment 1<sup>20</sup> See Appendix 7: Amendment 4<sup>21</sup> See Appendix 7: Amendment 9<sup>22</sup> See Appendix 7: Amendment 14<sup>23</sup> See Appendix 7: Amendment 13<sup>24</sup> See Appendix 7: Amendments 1, 2, 6, 19<sup>25</sup> See Appendix 7: Amendments 2, 4, 9, 13, 24

## Resources mapped to Ministerial Portfolios

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

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Minister</b>				
Chief Minister	49,909	53,890	52,907	53,507
Minister for Housing and Communities	650	658	408	408
Minister for Economic Development, Tourism, Sport and Culture	40,551	40,357	28,047	28,047
Minister for Children and Education	171,601	171,847	172,567	173,286
Minister for External Relations and Financial Services	12,284	12,284	12,283	12,283
Minister for Health and Social Services	237,449	234,562	227,509	222,593
Minister for Home Affairs	56,230	56,254	56,434	56,538
Minister for Infrastructure	40,470	38,520	42,020	43,020
Minister for International Development	13,375	14,476	15,702	16,752
Minister for Social Security	119,155	119,985	194,981	198,995
Minister for Environment	8,085	7,838	7,838	7,838
Minister for Treasury and Resources	73,893	72,880	80,793	81,385
Non-Ministerial	34,847	34,090	34,025	34,288
<b>Total Net Revenue Expenditure</b>	<b>858,500</b>	<b>857,642</b>	<b>925,515</b>	<b>928,941</b>
<b>Reserves (regulated by the Minister for Treasury and Resources)</b>				
Reserve for centrally held items	22,385	44,609	63,709	84,226
General Reserve	77,847	14,601	15,136	15,920
<b>Reserves Total</b>	<b>100,232</b>	<b>59,210</b>	<b>78,845</b>	<b>100,146</b>
Rebalancing	0	(18,900)	(37,400)	(37,400)
<b>Total Net Revenue Expenditure</b>	<b>958,732</b>	<b>897,952</b>	<b>966,960</b>	<b>991,687</b>

Table 14: Net revenue expenditure by minister

# Projects 2022-2025

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

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

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

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

Previous Government Plans identified essential need to invest in technology to deliver efficiencies and transform the way the Government of Jersey operates. This investment continues with existing initiatives progressing towards completion during the life of this Government Plan such as the Integrated Technology Solution, and Cyber Security projects.

A combination of the impacts of Covid-19 and Brexit consequently increasing the funding requirements for active projects. In particular those that had to be delayed as a result of the pandemic. Though the effects are expected to be temporary, all projects involved in construction could be impacted in some way by increased costs of raw materials or other delays.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)	Total 2022-25 (£000)
Central Planning Reserves	900	100	340	200	1,540
Major Projects	72,642	51,734	40,730	25,123	190,229
Replacement Assets	7,851	7,207	7,580	11,336	33,974
Discrimination Law, safeguarding and Reg of Care	1,600	1,500	1,500	1,500	6,100
School & Educational Developments	10,650	13,143	12,586	25,655	62,034
Infrastructure Assets	2,300	1,500	1,500	1,418	6,718
Information Technology	15,399	12,987	5,590	3,816	37,792
Estates	12,168	10,938	7,027	11,800	41,933
Reserve for Central Risk and Inflation Funding	1,800	2,000	2,000	2,000	7,800
<b>Total Programme</b>	<b>125,310</b>	<b>101,109</b>	<b>78,853</b>	<b>82,848</b>	<b>388,120</b>
Our Hospital	85,000	181,700	287,400	169,600	723,700
<b>Total Programme including Our Hospital</b>	<b>210,310</b>	<b>282,809</b>	<b>366,253</b>	<b>252,448</b>	<b>1,111,820</b>

Table 15: Capital programme

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

	2022	2023	2024	2025	Total
	£'000	£'000	£'000	£'000	£'000
Jersey Fleet Management - Vehicle and Plant Replacement	2,000	2,000	2,700	2,700	9,400
Jersey Car Parking - Car Park Enhancement and Refurbishment	110	60	795	-	965
<b>Trading Funds</b>	<b>2,110</b>	<b>2,060</b>	<b>3,495</b>	<b>2,700</b>	<b>10,365</b>

Table 16: Schemes funded from Trading Funds

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

	2022	2023	2024	2025	Total	Total Major Project
	£'000	£'000	£'000	£'000	£'000	£'000
Benefits and Payments system replacements (NESSIE)	5,000	10,000	6,750	-	21,750	23,000

Table 17: Schemes funded from the Social Security Fund

This programme is funded by

	2022	2023	2024	2025	Total
	Estimate (£000)	Estimate (£000)	Estimate (£000)	Estimate (£000)	2022-25 (£000)
Consolidated Fund	86,046	93,300	74,475	82,848	336,669
Health Insurance Fund	4,700	6,060	3,725	0	14,485
Criminal Offences Confiscation Fund	2,985	749	317	0	4,051
Charitable Funds	989	0	0	0	989
General Reserve/Unspent balances brought forward	19,270	0	0	0	19,270
Strategic reserve (reimbursement of Our Hospital capital)	11,320	1,000	336	0	12,656
<b>Total</b>	<b>125,310</b>	<b>101,109</b>	<b>78,853</b>	<b>82,848</b>	<b>388,120</b>
Our Hospital funding	85,000	181,700	287,400	169,600	723,700
<b>Total including funds</b>	<b>210,310</b>	<b>282,809</b>	<b>366,253</b>	<b>252,448</b>	<b>1,111,820</b>

Table 18: Capital programme funding sources

## The Annual Allocation of Funding

The funding of projects is allocated on an annual cash requirement. This replaced the previous system where the States Assembly allocated a full budget for a project upfront. The previous allocation process meant that the Government had large amounts of cash tied up in projects which could not be utilised. This resulted in the delay of some high-priority projects, whilst the public accounts showed the Government held large cash balances. This was something corrected following the approval of the Public Finances Law (2019).

## Central Planning Reserve

A head of expenditure known as ‘Central Planning Reserve’ is created to provide funding to allow projects to undertake an assessment of proposals and develop robust and comprehensive business cases. This funding is available before a project becomes approved in a future Government Plan.

## Major Projects

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

“major project” means –

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

The following projects have been designated as Major Projects with their own individual Heads of Expenditure, as follows:

- Infrastructure Rolling Vote and Regeneration including St. Helier
- Sewage Treatment Works \*
- Learning Difficulties – Specialist Accommodation \*
- Ambulance, Fire & Rescue Headquarters
- Fort Regent \*
- Office Modernisation \*
- Elizabeth Castle
- Inspiring Active Places – Sports Strategy
- MS Foundation \*
- Cyber Security \*
- Integrated Technology Solution Release 1 & 2 \*
- ITS Release 3 & 4
- ITS Release 3 Additional
- Digital Care Strategy \*
- Schools Estate

The Schools Estate consolidates the following initiatives previously designated as Major Projects;

- Victoria College Prep Replacement School \*
- Mont a l’abbe Secondary School \*
- Redesign of Greenfields \*

\*Existing Major Projects included in the Government Plan 2020 or 2021, with, where relevant, revised or updated budgets.

	Lead / Sponsor Dept	Delivery / Budget Dept	Total Project Approval £'000	Previous Approval Total
Infrastructure Rolling Vote and Regeneration Including St. Helier (2022)	IHE	IHE	13,318	-
Sewage Treatment Works	IHE	IHE	86,235	75,502
Learning Difficulties - Specialist Accommodation	HCS	IHE	9,350	9,350
Ambulance and Fire and Rescue Headquarters	JHA	IHE	24,403	-
Fort Regent	IHE	IHE	8,000	3,000
Office Modernisation	IHE	IHE	3,923	3,450
Elizabeth Castle	ECON	ECON	4,953	-
Inspiring Active Places - Sports Strategy	IHE	IHE	814	-
MS Foundation	COO	COO	11,446	7,000
Cyber	COO	COO	14,970	13,800
Integrated Technology Solution Release 1 & 2	COO	COO	54,740	29,400
ITS Release 3 & 4	COO	COO	6,500	-
ITS Release 3 Additional	COO	COO	1,281	-
Digital Care Strategy	HCS	COO	16,185	16,185
Schools Estate	CYPES	IHE	31,350	31,350

Table 19: Major projects - amendments and new projects

## Infrastructure Rolling Vote and Regeneration including St. Helier

One of the largest ongoing programmes of work is the Infrastructure Rolling Vote and Regeneration including St. Helier. This is now designated as a Major Project in this Government Plan. It is a programme of continual improvements to maintain key infrastructure such as our roads, drains and sea defences, which face a continual threat of damage or erosion over time. This funding has no fixed end date, being a critical activity that would continue long into the future as part of the continual maintenance of critical areas of the Island's infrastructure. Regeneration including St. Helier (previously Island Public Realm) is included with the rolling vote, to allow for the continual improvement and safety of roads, paths and public spaces in and around St. Helier and across the Island. Amalgamating these similar schemes, provides for the effective delivery of priority activities as they are needed.

## Sewage Treatment Works

Funding for the main Sewage Treatment Works at Bellozanne has been provided to the Infrastructure department to enable the major project, that began during a previous Medium Term Financial Plan, to be completed. The impact of Covid-19 in 2020 resulted in temporary cessation of activities which has also caused increases to the overall project cost from its original budget.

## Fort Regent

The Fort Regent project is in future years expected to be one of the largest infrastructure projects delivered in Jersey, second only to the Our Hospital. Current funding for this is set out to deliver on exterior works to the Fort Regent site that do not directly impact upon the core structure. Exterior gardens improvements, repairs and constructions will be progressed, enhancing the site's appeal to islanders. At the same time initial work will begin to clear the interior and asbestos within the Fort for its development and future use. Whilst funding requirements are substantial, the involvement of the private sector can significantly reduce the requirement for tax-payers monies to fund the main proposals.

## Office Modernisation

The Government of Jersey occupies a variety of owned or leased properties to accommodate various Government functions. In early 2021, an agreement was signed with a delivery partner to construct a new headquarters for the Government on the site of Cyril Le Marquand House. The project funding is for the management of the project, and future decant and operational movements as the transition from several sites to one is completed. The Office Modernisation project building will be leased from the developer upon completion. An option exists in future years if desired to purchase the office building from the developer.

## Inspiring Active Places – Sports Strategy

Inspiring Active Places is the next stage in the development of a broad island wide sports strategy. The ambition in future years will be to deliver upon new and rejuvenated sporting infrastructure to enhance the health and wellbeing of all islanders. A number of ongoing projects exist to expand upon elements of the sports strategy, including bids made through the Fiscal Stimulus Fund, the current Le Rocquier School Project, 3G Pitches and the new Skatepark. In this plan, funding is provided to better outline the strategy, scale of work required and the future funding solution to deliver on further ambitions.

## Integrated Technology Solution

The Integrated Technology Solution (ITS) is a critical development as the Government of Jersey continues on its path towards a modern IT infrastructure, delivering key services to islanders. Various technology platforms have reached, or are due to reach, the end of their active lives which requires the rollout of a solution that delivers on replacing these systems.

In delivering the Integrated Technology Solution over three years, the Government of Jersey is investing £62.5 million pounds in this project. The Project is split into two phases, the first (releases 1 and 2) has already begun and will continue to 2023 to deliver the core components required by the Government to replace outdated systems and functions.

ITS Release 3 & 4, will provide the additional tools and components to expand the system. These include asset management and procurement systems, that will bring together a variety of Government functions to utilise the same systems and provide greater efficiencies to users, thereby creating a broader all-encompassing IT system for the Government of Jersey to be completed by the end of 2023. Access to these funds requires Treasury approval in accordance with the normal procedures for obtaining additional funding.

ITS Release 3 Additional, will provide the integration of two further modules not in the original plan. One is for Health and Safety, the other for Asset Management which will replace another aged system in place of a complete solution to the management of estates, building maintenance, lease management and project management going forwards.

## Elizabeth Castle

The previous Government Plan (P.130/2020 Amd 12) committed to provide funding to the repair and maintenance of Elizabeth Castle in 2022 and 2023, subject to the agreement of an updated business case and after Jersey Heritage Trust and Ministers have worked together to thoroughly investigate other potential funding mechanisms. After the completion of this work, the Government's funding contribution is now provided in this Government Plan between 2022 and 2024 to enable the completion of the project.

## Ambulance, Fire & Rescue Headquarters

The Ambulance, Fire & Rescue Headquarters has set out a credible Business Case for the development of the current Fire and former Police Headquarters site. A States Debate held in July 2021 determined the need for a review of school sites to determine a suitable site for the location of a North of St. Helier school. The outcome of that review will inform which of these two bids will make use of the site and which will need to look for an alternative.

## Replacement Assets

Replacement assets focuses on the replacement of current equipment that is due to reach the end of its safe useful life and require replacing for newer equipment.

These asset replacement programmes cover a wide number of Government Departments, from Infrastructure, Housing & Environment to Health & Community Services. These collective programmes work towards the same goal of maintaining Government assets to conduct the ongoing delivery of services. The impact of Covid-19 has not had a severe direct impact on replacement asset deliveries.

## Discrimination Law, Safeguarding and Regulation of Care

There are three areas of the existing Government estate that require modernisation in order to maintain compliance with revised Laws and Regulations. Enhancing the safety of school buildings and grounds, children's homes and Community Site improvements are all key ongoing programmes of continued development that will continue through this Government Plan and beyond.

## School & Educational Developments

In the last ten years, several projects for educational premises have received funding, enhancing their safety or delivering on brand new buildings. Along with the Schools Estate Major Projects, a broad spectrum of School & Educational Developments are either underway or due to begin during the next four years.

The Le Rocquier School and Community Sports facilities project intends to deliver on the early expansion of school and sports facilities to the East of the island. The project will provide for a new school hall, along with assessing the future requirements for a sports centre.

Several projects listed in future years for School & Educational Developments



have money allocated as part of the Government Plan process. Funding is available within the Central Planning Reserve to enable assessments to be carried out and complete suitable business cases, along with developing funding strategies to deliver projects in future years beyond this current Government Plan.

## Infrastructure Assets

Along with assets that the Government replaces to maintain services, Infrastructure Assets are projects delivered by the Infrastructure, Housing and Environment department that continue to create, improve or update critical hardware and develop or improve various community aspects of the Island. These projects include further works to the La Collette Waste Site. Projects like the Countryside Access & Wellbeing intend to expand and improve the future development of both the countryside and other community settings.

Planning Obligation Agreements is a holding head of expenditure to allow for the allocation of revenues from third parties as part of Planning Rules for a development. This funding is then used to facilitate the delivery of bus routes, bus shelters, pedestrian walkways or cycle routes for a site. Any funding remaining at the end of each year will be provided to the Planning Obligation Agreements Head of Expenditure in the following year.

## Information Technology

The previous Government Plan identified that we will be critically dependent on technology to achieve our future aims and must deal with a substantial 'technology debt', which has come about from a historic shortage of investment in technological capabilities, and a shortfall in capacity to meet both current and ever-increasing demands.

Strategic Investment in technology has already begun enabling Government to achieve its commitments to the Common Strategic Policy and the long-term aims of the One Government Initiative. The Chief Operating Officer's team has been tasked to ensure the alignment of objectives and the roll out of new information technology. Three Major Projects that have already begun are MS Foundation, Cyber Security and the Integrated Technology Solution.

The investment in these and other smaller information technology projects, each under their own individual Heads of Expenditure, aligns with the vision of a modern and effective Government delivering services to islanders.

## Estates

Along with the Schools Estate, the Government maintains structures and assets across a wide variety of departments with single or joint uses. These estates require continued renovation, or new construction to ensure that Government assets are fit for purpose for the benefit of islanders.

The construction of skateparks in the island has been an ongoing topic of debate for a long time. Planning applications have been submitted for a skatepark at Les Quennevais sports centre in the west of the island, and South Hill Gardens at the southern end of Fort Regent. The delivery of one of these larger facilities early on is key as the closure of the North Quay skatepark is anticipated during the life of the Government Plan. As progress is

made the project also allows for the development and construction of smaller skateparks to the north and east of the island. This would be delivered to enable the scaling up of provision as required.

The Health Service Improvements and In-Patient Support services refurbishments are programmes of work to deliver on the ongoing maintenance of the existing Jersey General Hospital at the Parade. The current hospital site continues to face challenges in maintaining delivery of services due to its age, maintaining various different structures built to varying standards and each in varying states of disrepair. There is a need to continue updating and renovating wards for the delivery of effective services whilst triaging important repairs until the delivery of the Our Hospital Major Project later in the decade.

Following several previous relocation attempts, the Sea Cadets are temporarily located in the former Police Headquarters at Rouge Bouillon. Funding is available to develop a site for use by the both the Sea and Army Cadets that will enable a unification of the cadet services onto one site in a safe location, with the delivery of the project anticipated during this Government Plan

## Reserve for Central Risk and Inflation

Projects do not in general include inflation, therefore a central reserve Head of Expenditure exists to accommodate the need for projects to incur inflationary cost increases. The reserve holds amounts in case of any risk factors as well, ensuring a coverage of approximately 2% of the overall projects included in the capital programme.

## Our Hospital

The Our Hospital project completed the Outline Business Case in mid-2021. Its funding amounts are included in this Capital Programme on the assumption that the States Assembly agree P.80/2021. Costs listed for the Our Hospital include contingency amounts, accessing these amounts requires the completion of a Treasury process to enable funding to be made available when required.

In 2021, the Our Hospital project required funding to be brought forward, and this cash flow was made available from existing projects in the Capital Programme or from savings in projects that had already reached completion. Under P.80/2021 £12.7 million pounds of this funding would be returned to the projects beginning in 2022 to enable them to continue.

	Sponsor/ Lead Dept	CSP	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)	Total 2022-25 (£000)
<b>Central Planning Reserves</b>	<b>T&amp;E</b>		<b>900</b>	<b>100</b>	<b>340</b>	<b>200</b>	<b>1,540</b>
Mont a l'Abbe secondary school			250	-	-	-	
Further Education Campus			150	-	-	-	
Learning Difficulties - Specialist Accommodation			50	-	-	-	
Infrastructure Funding			250	-	-	-	
Reorganisation of Secondary Schools			-	100	-	-	
North of St Helier School			200	-	-	-	
South of St Helier School			-	-	200	-	
La Sente			-	-	-	200	
Victoria College New Classroom Block			-	-	100	-	
Victoria College Students Support Centre			-	-	40	-	
Feasibility Study for States Members office space <sup>26</sup>			-	-	-	-	
First Tower playing field <sup>27</sup>			-	-	-	-	
<b>Major Projects</b>			<b>72,642</b>	<b>51,734</b>	<b>40,730</b>	<b>25,123</b>	<b>190,229</b>
Infrastructure Rolling Vote and Regeneration Including St. Helier (2022)	IHE	5	13,318	14,715	14,650	16,000	58,683
Sewage Treatment Works	IHE	5	10,740	4,550	2,733	700	18,723
Learning Difficulties - Specialist Accommodation	HCS	2	3,300	4,050	-	-	7,350
Ambulance and Fire and Rescue Headquarters	JHA	None	500	2,435	1,743	3,423	8,101
Fort Regent	IHE	3	2,000	3,000	-	-	5,000
OneGov Office	IHE	0I3	460	460	2,353	-	3,273
Elizabeth Castle	OCE	5	1,250	2,027	1,676	-	4,953
Inspiring Active Places - Sports Strategy	IHE	2	814	-	-	-	814
MS Foundation	COO	0I3	5,546	-	-	-	5,546
Cyber	COO	0I3	4,370	-	-	-	4,370
Integrated Technology Solution Release 1 & 2	COO	0I3	19,730	7,770	-	-	27,500
ITS Release 3 & 4	COO	0I3	4,200	2,300	-	-	6,500
ITS Release 3 Additional	COO	0I3	1,264	17	-	-	1,281
Digital Care Strategy	HCS	2	3,900	5,560	3,325	-	12,785
Schools Estate	CYPES		1,250	4,850	14,250	5,000	25,350
VCP Replacement School		1	-	1,000	5,000	5,000	
Mont a l'Abbe secondary school		1	-	1,350	6,000	-	
Redesign of Greenfields		1	1,250	2,500	3,250	-	
<b>Replacement Assets</b>			<b>7,851</b>	<b>7,207</b>	<b>7,580</b>	<b>11,336</b>	<b>33,974</b>
Replacement Assets and Minor Capital	IHE	5	3,500	3,500	3,500	4,000	
Refit & Replacement of Fisheries Protection Vessel & Auxiliary Vessels	IHE	5	-	-	-	2,800	
Sports Division Refurbishment	IHE	2	480	430	500	550	
Replacement Assets and Minor Capital	CYPES	1	200	250	250	300	
Replacement Assets (Various)	HCS	2	2,600	2,750	2,750	3,200	
Minor Capital-Police	JHA-Police	None	250	200	200	350	
Minor Capital	JHA	None	150	77	380	136	
Replacement of Aerial Ladder Platform	JHA	None	671	-	-	-	
<b>Discrimination Law, Safeguarding and Regulation of Care</b>			<b>1,600</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>6,100</b>
Schools	CYPES	1	500	500	500	500	
Children's residential homes	CYPES	1	100	-	-	-	
Community Site Improvements	IHE	2	1,000	1,000	1,000	1,000	
<b>School &amp; Educational Developments</b>			<b>10,650</b>	<b>13,143</b>	<b>12,586</b>	<b>25,655</b>	<b>62,034</b>
Le Rocquier and school/community sports facilities	CYPES	1	3,150	1,000	-	-	
School 3G Pitch replacements	CYPES	1	-	750	750	750	
St John and Grainville Fields	CYPES	1	400	1,800	-	-	
Les Landes Nursery	CYPES	1	1,050	773	-	-	
Mont a l'Abbe extension	CYPES	1	1,600	-	-	-	
Extend La Moye Hall and 2 additional classrooms	CYPES	1	1,950	-	-	-	
JCG and JCP additional music facilities	CYPES	1	500	1,220	-	-	
JCG and JCP new playing fields	CYPES	1	-	-	336	-	
Jersey Instrumental Music Service Premises	CYPES	1	2,000	2,600	-	-	
Reorganisation of Secondary Schools	CYPES	1	-	-	-	4,000	
FE Campus	CYPES	1	-	-	-	4,450	
North of St Helier School	CYPES	1	-	5,000	11,500	8,500	
South of St Helier School	CYPES	1	-	-	-	5,000	
La Sente	CYPES	1	-	-	-	1,000	
Victoria College New Classroom Block	CYPES	1	-	-	-	1,050	
Victoria College Students Support Centre	CYPES	1	-	-	-	905	
<b>Infrastructure Assets</b>			<b>2,300</b>	<b>1,500</b>	<b>1,500</b>	<b>1,418</b>	<b>6,718</b>
La Collette Waste Site Development	IHE	5	2,300	500	500	500	
Parks & Gardens	IHE	5	-	-	-	418	
Drainage Foul Sewer Extensions	IHE	5	-	1,000	1,000	500	
Countryside Access & Wellbeing	IHE	5	-	-	-	-	
Planning Obligation Agreements	IHE	5	-	-	-	-	
<b>Information Technology</b>			<b>15,399</b>	<b>12,987</b>	<b>5,590</b>	<b>3,816</b>	<b>37,792</b>
COO Replacement assets	COO	0I3	3,000	3,000	2,500	2,500	11,000
Regulation Group Digital Assets	IHE	0I3	1,230	1,000	-	-	2,230
Next Passport Project	JHA	0I3	355	435	60	-	850
Combined Control IT	JHA	0I3	400	-	-	-	400
Electronic Patient Records	JHA	0I3	130	-	-	-	130
Electronic Document Management Solution	COO	0I3	2,200	1,700	-	-	3,900
Customer Relationship Management	COO	0I3	736	2,483	-	-	3,219
Service Digitisation	COO	0I3	1,750	-	-	-	1,750
Jersey Care Model - Digital Systems	HCS	0I3	800	500	400	-	1,700
Revenue Transformation programme (Phase 3)	T&E	0I3	3,385	2,738	1,986	1,316	9,425
Non-Ministerial IT	NON-MINS	0I3	1,413	1,131	644	-	3,188
Pride Software - JG			200	-	-	-	
Phoenix Software - Viscounts			-	300	-	-	
Court Digitisation			1,213	831	644	-	

<sup>26</sup> See Appendix 7: Amendment 10. The Head of Expenditure for Central Planning Reserves shall include, as part of the existing allocation, £100,000 to allow for a feasibility study of appropriate sites including Piquet House for States Members office space.

<sup>27</sup> See Appendix 7: Amendment 23. The Head of Expenditure for Central Planning Reserve shall include £150,000, as part of the existing allocation, for 'First Tower playing field

<b>Estates</b>			<b>12,168</b>	<b>10,938</b>	<b>7,027</b>	<b>11,800</b>	<b>41,933</b>
New Skatepark (net of PoJ Funding)	IHE	3	200	-	-	-	200
New Skateparks	IHE	3	500	500	750	-	1,750
Le Squez Youth Centre/Community Hubs	CYPES	1	-	-	2,000	2,300	4,300
North of St. Helier Youth Centre	CYPES	1	2,000	2,250	-	-	4,250
St Aubin Fort Upgrade	CYPES	1	-	500	500	-	1,000
Army and Sea Cadets Headquarters	JHA	1	494	1,939	960	-	3,393
States of Jersey Police Firearms Range	JHA	2	264	25	-	-	289
Prison Improvement Works - Phase 6b	JHA	None	230	-	-	-	230
Prison Phase 8	JHA	None	1,609	133	-	-	1,742
Health Services Improvements Programme	HCS	2	5,000	5,000	2,000	5,000	17,000
In-patient/support services refurbishments	HCS	2	989	-	-	-	989
Piquet House			-	-	-	-	-
Dewberry House SARC	JHA-Police	1	882	591	317	-	1,790
Crematorium	CLS		-	-	500	4,500	5,000
Reserve for Central Risk and Inflation Funding	T&E		1,800	2,000	2,000	2,000	7,800
<b>Total Capital Programme before Our Hospital Funding</b>			<b>125,310</b>	<b>101,109</b>	<b>78,853</b>	<b>82,848</b>	<b>388,120</b>
Our Hospital (Major Project)	HCS	2	85,000	181,700	287,400	169,600	723,700
<b>TOTAL</b>			<b>210,310</b>	<b>282,809</b>	<b>366,253</b>	<b>252,448</b>	<b>1,111,820</b>

Table 20: Capital programme 2022-2025

# General Revenue Income

## Funding public expenditure

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

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
General tax revenue	867,532	923,259	980,587	1,023,554
Other Government income	63,343	64,122	64,956	65,748
<b>Total States Income</b>	<b>930,875</b>	<b>987,381</b>	<b>1,045,543</b>	<b>1,089,302</b>

Table 21: Funding Public Expenditure

## General Tax Revenues

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

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

## Other Government incomes

The Government also receives income from four other sources, as set out in the table below

Island-wide rates	The 12 Parishes collect an Island-wide rate, which is levied by the Government. The Island-wide rate is increased annually, based on the March Retail Prices Index, which is proposed to the States by the Comité des Connétables. Rates were frozen in 2020.
Income from dividends and returns	The principal contributions to this area of income arise from the dividends paid by those utility companies in which the Government has a shareholding interest. The other main source of income in this area is the return paid by the States of Jersey Development Company.
Non-dividends	A number of income streams contribute to this area, many of which are fairly small and relatively simple to forecast, such as income tax penalties, Crown revenues and miscellaneous interest, fees and fines. The investment returns from the Consolidated Fund and Currency Fund benefit from the pooled investments in the Common Investment Fund. The returns are based on the investment strategies of the two funds and the holding balance available to be invested.
Returns from Andium Homes and Housing Trusts	<p>The returns from Andium Homes and Housing Trusts arise from the incorporation of the housing department in July 2014. Andium is obliged to make a return based on the transfer agreement and an agreed rental and return policy.</p> <p>The annual increase in the level of social housing rents for 2022 would normally be determined by the September 2021 RPI figure which will be released in late October 2021. We will freeze Andium rents for 2022 to support tenants while the economy is still recovering from the impact of Covid-19.</p> <p>A freeze in the rent levels (based on a policy that social housing rents should be capped at 80% of the market rate<sup>28</sup>) and reduction in the Guarantor's return paid by Andium Homes will lead to a reduction in the expected return due to the Consolidated Fund for 2022 and all subsequent years. A freeze in rent levels will also lead to a reduction in Income Support expenditure for 2022 and all future years.</p> <p>Following an approved amendment to the Government Plan, adjustments have been made to reflect these changes.</p> <p>This income stream reflects the historic income contribution made from the housing stock that was transferred to Andium. In addition, rent on new Andium tenancies will be at 80% of market value and existing tenancies that are over 80% will be frozen at their current level until the rents becomes equal to 80%<sup>29</sup>.</p>

<sup>28</sup> See Appendix 7: Amendment 1

<sup>29</sup> See Appendix 7: Amendment 1 as amended: Rent Freeze and New Social Housing Rents Policy

## Latest income forecasts

The Income Forecasting Group's (IFG) forecast was originally prepared in July 2021, and has been updated to reflect the latest economic forecast produced by the independent Fiscal Policy Panel (FPP) in August 2021.

The FPP's updated set of economic assumptions indicate much stronger growth in nominal terms in the initial years of the forecast, but this is moderated by much higher inflation in the initial years – a phenomenon currently being experienced in most advanced economies. Stronger nominal growth in the economy will result in stronger growth in tax revenues, all other things being equal.

On the basis of the latest economic data and intelligence gathered during their recent visit, the FPP's judgement is that the economic downturn in 2020 was less sharp than previously estimated and the recovery is likely to be more rapid.

The FPP letter summarises the forecast as follows:

- The recovery in financial services profits has been brought forward with strong growth in 2022 and 2023, reflecting the updated market expectations of earlier (albeit modest) increases in Bank Rate and the Panel's judgement on the impact interest rate rises will have on banking profits.
- A temporary period of inflation running significantly above trend, gradually falling back during the course of 2022.
- A more rapid rise in average earnings, in response to temporary labour shortages and high inflation. However, the forecast for high inflation would mean that earnings fall in real terms over the forecast, particularly in the non-finance sectors.
- A faster recovery in employment growth in 2023 and 2024.
- House prices rising more rapidly in the initial years of the forecast, reflecting the ongoing buoyancy of the property market and low interest rates.

The Income Forecasting Group's latest forecast of total States income reflects:

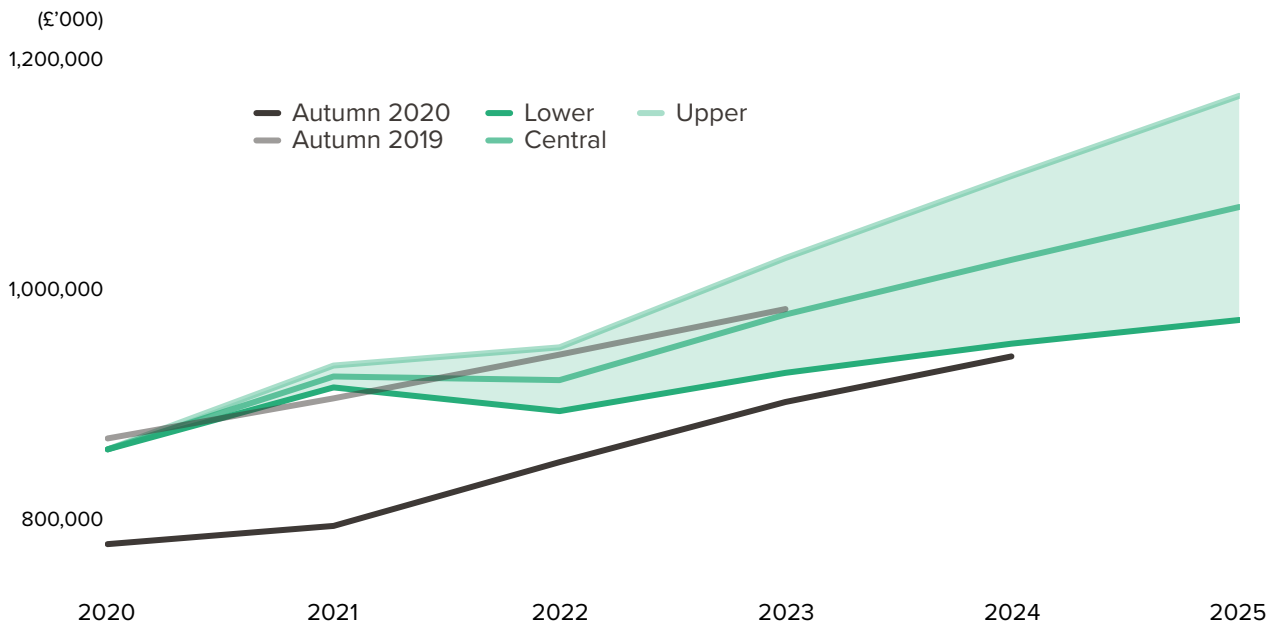
- The FPP's economic assumptions of August 2021 and other related economic data for Jersey
- General revenues income out-turn for 2020
- Initial information on general revenues income for Quarters One and Two 2021
- Forecasts from Treasury for 'Other income'
- Latest available out-turn data from Revenue Jersey, and
- Market intelligence from the Income Forecasting Group.

The spring forecast is the latest forecast produced and covers the years 2021-25 in order to cover the whole of the Government Plan period.

The forecast assumes previous policy assertions of Ministers in respect of impôts duties and growth in earnings/RPI for personal allowances. It is before additional yield arising from tax compliance measures and taxation measures proposed in this Plan, as detailed below.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Income Tax	638,000	687,000	729,000	768,000
GST	103,600	105,800	107,800	110,000
Impôt duties	71,026	72,825	73,247	73,645
Stamp duty	41,737	42,265	43,671	45,040
Other Income <sup>30</sup>	63,343	64,122	64,956	65,748
<b>Central scenario - IFG</b>	<b>917,706</b>	<b>972,012</b>	<b>1,018,674</b>	<b>1,062,433</b>
Domestic Compliance	12,900	14,000	15,500	15,500
Budget measures <sup>31</sup>	269	269	269	269
GST deminimis reduction	0	1,100	1,100	1,100
Future additional tax measures	0	0	10,000	10,000
<b>Total States Income</b>	<b>930,875</b>	<b>987,381</b>	<b>1,045,543</b>	<b>1,089,302</b>

Table 22: Total States income



Graph 7: Range of total updated IFG forecast spring 2021

<sup>30</sup>See Appendix 7: Amendment 1

<sup>31</sup>See Appendix 7: Amendment 24



## Summary of latest forecast

The overall changes from the autumn 2020 forecast are:

### Personal income tax

As would be expected, the significant increase to the forecast for the components of nominal GVA have resulted in a significant increase to the forecast for personal income tax. This is because the forecast is largely driven by the rate of increase in the components of nominal GVA – compensation of employees and gross operating surplus.

The revised FPP assumptions and additional data increase the autumn 2020 forecast by £8 million in 2021, increasing to £13 million by 2023.

### Corporate income tax

The majority of corporate tax is collected from the financial services sector, and therefore the significant upward revisions to financial services growth in the early years of the FPP forecast will result in an increase in the tax forecast. The change to the FPP's assumptions on financial services profits increases the forecast for corporate tax from financial services by £4m in 2023, £9m in 2024 and £7m in 2025. The changes to the FPP's assumptions on inflation and aggregate company profits results in a small increase in the forecast for corporate tax from other sectors – around £1 million in 2024 and 2025.

### GST and international services entities' fees

The FPP's assumptions for compensation of employees, the main determinant of GST receipts, have risen along with a higher growth path assumed for the retail price index. This has raised the forecast for GST receipts by approximately £2 million in 2021, £2.5 million in 2022 and £3 million from 2023 to 2025.

### Impôts duties

Impôts duty on alcohol, tobacco and fuel are all assumed in the FPP forecast to increase by RPI plus additional Government Plan measures. The FPP increase in RPI for 2021 to 2023 therefore provides an increase to the forecast for impôts duty of £0.5 million (0.7%) in 2022 and c.£1.2 million (1.7%) in each of the years 2023 to 2025.

### Stamp Duty

House prices continue to rise throughout Q1 of 2021, with the number of transactions being comparable to the same period in 2019 and 2020. The FPP have therefore increased the assumptions for house prices in the earlier years of the forecast, reflecting the continued buoyancy of the property market and low interest rates. This has resulted in an increase of £0.7 million (1.5%) in 2021 increasing to c.£1.4 million (3.6%) for each of the remaining years of the forecast.

	2020 Outturn (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Income Tax	589,765	601,000	638,000	687,000	729,000	768,000
GST	93,900	99,700	103,600	105,800	107,800	110,000
Impôt duties	74,298	73,652	71,026	72,825	73,247	73,645
Stamp duty	36,949	43,915	41,737	42,265	43,671	45,040
Other Income	64,924	104,436	65,390	67,034	68,806	70,231
<b>Total States Income</b>	<b>859,836</b>	<b>922,703</b>	<b>919,753</b>	<b>974,924</b>	<b>1,022,524</b>	<b>1,066,916</b>
Autumn 2020 (Forecast)	779,078	794,415	848,918	900,224	939,081	
Variation	80,758	128,288	70,835	74,700	83,443	
	10.4%	16.1%	8.3%	8.3%	8.9%	

Table 23: Summary of Spring 2021 forecast

## Other Government incomes

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

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Island-wide rates	14,178	14,546	14,910	15,298
Income from dividends and returns	11,082	11,377	11,935	12,244
Non-dividends <sup>32</sup>	9,107	9,214	9,198	9,071
Returns from Andium Homes and Housing Trusts	28,976	28,985	28,913	29,135
<b>Central scenario</b>	<b>63,343</b>	<b>64,122</b>	<b>64,956</b>	<b>65,748</b>

Table 24: Other Government income sources

## Other income sources

In addition, Government departments receive money from fees and charges for individual services. These amounts are included within individual net expenditure allocations and are estimated at £97 million in 2022. The number of different sources of income reflects the variety of services provided by the Government. This includes fees for private patients at the hospital, school fees, fees for the disposal of inert waste, planning fees, and income from rents and our sports facilities. This income is included in Department Heads of Expenditure.

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

# Budget Proposals

## Income tax (personal taxation) exemption thresholds

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

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

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

As average earnings growth (June 2022) was 3.3% and the June RPI inflation was 3.5%, Ministers propose that existing policy is maintained for 2022 and that the standard thresholds are increased by the rate of 3.3%. The impact for taxpayers of the proposal on the standard income tax exemption thresholds is as follows.

	2021 Actual	2022 Proposed	Proposed Increase	Tax reduction @ 26%
Single person	£16,000	£16,550	£550	£143
Married couple/Civil partnership	£25,700 / £26,100 (if born pre-1952)	£26,550 (all)	£850/£450	£221/£117

Table 25: Standard income tax exemption thresholds for 2021 and 2022 year of assessment

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

Jersey (2022 proposed)	Guernsey (2021)	UK (2021/22)	Isle of Man (2021/22)
£16,550	£11,875	£12,570	£14,250

Table 26: Single person exemption thresholds/personal allowance across comparable jurisdictions

Subject to approval by the Assembly, Independent Taxation is expected to be introduced in phases from 2022 at a cost to the Exchequer of around £4 million annually from 2023. The Minister will consider options to offset this cost in the event the Treasury is unable to manage the Exchequer impact within the overall fiscal environment and from additional revenues arising from new tax measures.

## Second earners' allowance

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

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

	2021 actual	2022 proposed	Proposed increase	Tax reduction @ 26%
Second earners' allowance	£6,300	£6,550	£250	£65

Table 27: Second earners' allowance proposal for 2022

As a consequence of changes made in the 2018 year of assessment, the married couples' income tax exemption threshold, plus the second earners' allowance, is now equal to two single persons' income tax exemption thresholds. This change removed a historical form of discrimination where it was tax beneficial for couples to cohabit rather than marry.

Type of taxpayer	Standard allowance proposed (2022)	Second earners' allowance proposed (2022)	Total income tax threshold applicable
Single person x 2	£33,100	N/A	£33,100
Married couple/civil partnership	£26,550	£6,550	£33,100

Table 28: Comparison of proposed 2022 year of assessment allowances - married vs cohabiting individuals (both earning)

## Impôts (Excise) duties

Excise duties are levied on the importation/manufacture of tobacco products, alcoholic beverages, road fuels and motor vehicles. Ministers' proposals for these duties for 2022 and subsequent years are outlined below.

The increases in excise duties will take effect at midnight on 31 December 2021.

### Tobacco

Ministers are aware that the duty on tobacco products has been subject to a wide range of increases in the recent past. In the last five Budgets, excise duty increases on cigarettes have ranged from 5.5% (2021) to 9.5% (2019).

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

While a whole package of measures is required, as set out in the Government's Tobacco Strategy, international research and studies indicate the price of tobacco products is strongly linked to consumption, particularly regarding the uptake among children and young people, and population harm. Hence, Ministers are proposing an enhanced 9.5% increase (equating to June 2021 RPI inflation of 3.5% plus 6%) in the duty levied on tobacco products (with the exception of cigars and hand-rolling tobacco, which will be subject to a greater increase) for 2022.

In recent plans, Ministers have established a policy of closing the differential between the duty charged on hand-rolling tobacco and cigars on the one hand and on cigarettes on the other hand - on the basis that hand-rolling tobacco is as harmful as other tobacco products. The differential between the amount of duty charged on hand-rolling tobacco compared with the duty charged on cigarettes will now be £7 per kg (2021: £26 per kg) and for cigars the differential would now be £89 per kg (2021: £98 kg).

In order to continue the policy of closing this differential, Ministers propose to increase the duty on hand-rolling tobacco and cigars by 13.5% (June 2021 RPI inflation of 3.5% plus 10%). The duty on cigarettes and hand-rolling tobacco are now almost aligned and the duty on cigarettes and cigars should be aligned in 2028 assuming cigar duty increases exceeds that on cigarettes by 3% per year.

The proposed increase in duty for tobacco products for 2022 equates to a 65p increase in the duty on a standard packet of 20 cigarettes (up from £6.89 per packet to £7.54). The increase on hand-rolling tobacco of 13.5% equates to a £3.55 increase per 50g pouch (up from £26.26 per pouch to £29.81).

### Road fuel

We have carefully considered the impact of fossil fuels on the environment, both in terms of air pollution and in their contribution to global warming. In the light of the 2019 declaration by the States Assembly of a Climate Emergency, fuel duty was increased significantly in the last two Government Plans, for both petrol and diesel. These plans also signalled an above-inflation increase would be proposed for 2022 in order to encourage drivers to switch from

fossil fuel vehicles to cleaner vehicles, and to public transport, cycling and walking, and to further contribute to the Climate Emergency Fund.

To maintain this policy and to continue to apply downwards pressure on excessive consumption, Ministers are proposing to increase fuel duty in this plan by June RPI of 3.5% and to levy an additional 3 pence per litre for the Climate Emergency Fund.

## Alcohol

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

For Government Plan 2022-2025, Ministers have carefully considered the balance between the health benefits of further increasing the duty on alcohol with the need to provide continuing support to the hospitality sector due to Covid-19. Having taken account of the lengthy closure of businesses during 2020 and the early part of this year, and also of the recent introduction of minimum pricing for off-licence sales, Ministers propose that, exceptionally, for 2022 the duty on beer and cider be frozen for the second year in a row.

After considering the full range of issues, including the need to raise additional revenue, Ministers propose the duty on spirits and wines are increased by 5%. This proposal will increase the price of a litre bottle of spirits (40% abv) by 85p (excluding GST) and a 750ml bottle of wine (5.5-15% abv) by 8p (excluding GST)<sup>33</sup>.

## RPI impact of increases in impôts

The estimated impact of all the proposed impôts measures is an increase in RPI of 0.2%.

## Vehicle emissions duty

As part of the Island's road map towards carbon neutrality, Ministers propose an increase in the Vehicle Emissions Duty (VED) payable on the CO<sub>2</sub> emissions bands of non-commercial vehicles to discourage the purchase of high CO<sub>2</sub> emitting-vehicles and to incentivise the purchase of lower emissions vehicles or, more ideally, electric or hybrid alternatives for which VED is very low/zero. Income from this measure will be hypothecated into the Climate Emergency Fund.

To account for the lack of low CO<sub>2</sub> alternatives for some commercial vehicles, and also to avoid putting further pressure on businesses during the pandemic recovery, no changes to the VED paid for by commercial vehicles are proposed, pending the development of the Carbon Neutral Strategy. The VED rates applied to the highest Euro standard commercial vehicles are being reduced to reflect the wider environmental benefits these vehicles bring including emitting fewer particulates.

It is also proposed that Jersey adopts the Worldwide Harmonised Light Vehicle Testing Procedure (WLTP) which will see vehicle emissions recorded as the higher of two figures on the vehicle registration document. This change will align with the way emissions are assessed in the UK.

<sup>33</sup>Following an amendment to the Government Plan, ministers' proposals were amended such that an increase in duty of 1% below RPI will apply to beer, cider, spirits and wine. See Appendix 7: Amendment 24

CO2 mass emission in grams	Current VED (2021) £	Proposed new rates for 2022 £	Proposed % Increase
0-50	0	0	-
51-75	53.66	55	2.50%
76-100	160.97	165	2.50%
101-125	268.28	290	8.10%
126-150	429.24	470	9.50%
151-175	804.83	900	11.80%
176-200	1,341.38	2,000	49.10%
201 or more	1,931.58	3,300	70.80%

Table 29: proposed vehicle emission duty changes

## GST review – offshore retailers and the GST “de minimis” level for the importation of unaccompanied goods for personal use

In line with a long-standing commitment of successive Governments and following similar changes in the UK and the EU, the Treasury Minister proposes to make a significant change to Jersey’s GST Law in the forthcoming draft Finance (2022 Budget) Law.

The change – taking effect from 2023 - will oblige all larger offshore retailers selling direct to islanders to register for GST and to charge GST at the point of sale if the value of their annual importations is expected to exceed £300,000 (the standard turnover threshold for registration).

Smaller offshore retailers will be able to register for GST voluntarily (as some do now) and the existing system will continue – whereby islanders can declare private importations of unaccompanied goods for personal use.

This change represents a further step to ensure that GST remains low (5% rate), simple (few reliefs and cheap to administer) and broad (applying equally to goods bought in the High Street and online). It helps ensure fairer competition between the High Street and those retailers without physical presence in Jersey.

The Customs and Immigration Service (“Customs”) and Revenue Jersey have consulted key stakeholders in the retail trade and freight-forwarding businesses. In order to provide certainty to these stakeholders to make changes to their systems and procedures, the draft law will be debated this year even though the commencement date will be 1 January 2023.

Once larger offshore retailers are charging GST at the point of sale, Customs estimate that the value-for-money considerations of collecting GST by the existing alternative route (where GST is not charged at the point of sale) will alter and that it will be possible to collect GST on goods in the region of £60 and the GST de minimis level would also, consequently, reduce in 2023.

In order to ensure tax equity between offshore retailers who are registered for GST and those who aren’t, it will be necessary for the time-being to continue to allow Offshore Retailers the option not to charge GST on lower-value consignments below the de minimis level.

As part of this Government Plan, the Minister proposes to provide Customs with additional funding to improve the customer portal in its CAESAR system to improve islanders’ experience of making declarations about private importations both for Customs (post-Brexit) purposes and to account for GST not charged at the point of sale.

Revenue Jersey has continued to investigate the causes for some offshore retailers seeming to charge UK VAT on supplies of goods to Jersey. This is not necessary and seems now principally to be occurring with smaller market traders who principally trade in the UK and may not have the more sophisticated accounting systems to deal with Jersey GST. An analysis of the top ten offshore retailer by volume of importations into Jersey confirms that only one of them charges VAT and that it refunds it on request. Three of the top ten offshore retailers have already registered for GST voluntarily.

## Changes to business interest rules

Ministers propose to make changes affecting the tax relief available for interest arising on business loans and other borrowings. The draft Finance (2022 Budget) Law will include the following proposals.

- To ensure relief for interest is available where property is acquired as part of a commercial letting business.
- To provide a reduction in the threshold for giving relief for loans/ borrowings where shares in a trading company are acquired and the borrower is working in the business.

## Changes to tax residency rules

As part of the wider personal income tax reform, a review of the personal income tax residence rules was announced in Government Plan 2021-2024. The review will be delivered in phases with legislation to deliver the outcomes from phase 1 to be included in this year's Finance (2022 Budget) Law. Phase 1 will legislate some key principles needed to establish the framework for a well-defined and functional Jersey tax residence regime. It will also legislate a number of concessions relating to tax residence.

Phase 2 will continue to look at a number of other modernising proposals including the adoption of a comprehensive statutory test of tax residence.

	Budget proposals Versus freezing duties/allowances - Revenue/ (Cost) (£m)	Budget proposals Versus financial forecast - Revenue/(Cost) (£m)
Personal income tax threshold increases	(8.0)	(0.8)
Alcohol duty increases	0.6	(0.1)
Tobacco duty increases	1.5	0.2
Road fuel duty increases	2.2	0.6
Increase in vehicle excise duty	0.4	0.4
<b>General Revenue Total before hypothecated duty increases</b>	<b>(3.3)</b>	<b>0.3</b>
Road fuel duty increase earmarked for Climate Emergency Fund	(1.3)	(0.4)
Vehicle excise duty increase earmarked for Climate Emergency Fund	(0.4)	(0.4)
<b>General Revenue Total (including amendments)</b>	<b>(5.0)</b>	<b>(0.5)</b>

Table 30: Summary of Revenue Measures



# Progress of Tax Reviews

## Independent taxation

Joint access to tax information was introduced for couples in a legal relationship in 2021 and, in line with her public statements, the Treasury Minister proposes to commence the move to Independent Taxation (and the ultimate abolition of so-called Married Couples' Taxation) from 2022.

The Minister lodged a draft Amendment Law on 3 August 2021 which will be debated in September 2021. Under the amended law, from 1 January 2022 anyone in Jersey who marries or enters into a Civil Partnership will continue to be taxed as an individual. Existing married people who separate or who come (or return) to Jersey in 2022 will also be taxed as individuals.

Around 1,300 people who have historically chosen to be assessed separately for income tax under existing provisions will also have the option to elect to be taxed independently as part of a pilot exercise. This will support the larger-scale exercises for future years (see below) to move the rest of married taxpayers into Independent Taxation.

The Minister proposes that, in 2023, existing married people who want to move into Independent Taxation quickly will be able to do so, following the election process in 2022. These are likely to be couples who consider themselves likely to benefit financially from Independent Taxation by being able to make full use of two personal tax allowances.

Subject to further work and experience of "early adopters" in the 2022 pilot exercise and 2023 elections, the Treasury Minister envisages that the rest of Jersey's married taxpayers, who were married before 2022, will be moved to Independent Taxation starting as early as 2024 and finishing no later than 2027.

The move to Independent Taxation will be mandatory – it is not practical to run two different tax systems in parallel for the longer term.

Earlier work identified that, without intervention, around 8,000 existing (and generally lower-income) married couples would pay more tax under Independent Taxation when the married couples' allowance (£25,700 for the 2021 assessment year) is withdrawn and replaced with the single persons' allowance. This arises where one spouse is unable fully to utilise a full personal tax allowance.

In order to address this concern, the Minister will bring forward legislation in 2022 to establish an Independent Taxation Transitional Compensatory Allowance which will compensate couples married (or in a Civil Partnership) before 2022 so that none of them are financially disadvantaged by the introduction of Independent Taxation.

The Compensatory Allowance will be available for at least ten years after couples make the move into Independent Taxation, and the continuing need for it will be reviewed before that time. Additionally, the Allowance will erode over time by the process of not uprating the Married Couples' Allowance. To make these changes Exchequer-neutral, the Treasury Minister will for future plans consider the case for freezing the Single Persons' Allowance or uprating it by a lesser amount, in the context of the overall financial forecast.

The gradual move to Independent Taxation will oblige some individuals that are married or in a civil partnership each to file an individual tax return if their personal income exceeds the tax allowance available to single taxpayers at the time they move.

Revenue Jersey will be publishing information for all taxpayers about Independent Taxation early in 2022 alongside information about the payment options for those taxpayers affected by the other major reform of our personal income tax system – the abolition of the Prior Year Basis of paying taxes.

## Frozen 2019 “Prior Year Basis” tax liability – payment options

In November 2020, the States Assembly adopted a proposal to move all personal taxpayers from a prior year basis (PYB) to a current year basis (CYB), and Regulations have now come into force for the payment of the frozen PYB liability. In early 2022, Revenue Jersey will publish information setting out the options available to islanders who have a 2019 PYB tax bill to settle. This is around 31,100 taxpayers.

The two main options available are:

- Paying the 2019 liability over a period of up to 20 years (or a shorter period if so requested); or
- Paying 12 months after reaching States pensionable age.

Some amounts relating to the PYB Liability have been received in 2021, but the majority will be collected over a longer period. Moving forwards, it is intended to make transfers of amounts collected into the Strategic Reserve to create a ring-fenced fund sufficient for the eventual repayment of the Covid-19 debt. It is currently expected that receipts will exceed those requirements, and the use of any additional amounts should be considered in future Government Plans. It is the view of Ministers that these receipts should not be used for recurring revenue expenditure, and should instead be used to strengthen reserves, for example to continue to grow the Strategic Reserve, offsetting some of the costs of borrowing for Our Hospital.

## Tax measures and long-term climate action

In February 2020, the States Assembly approved P.127/2019 the Carbon Neutral Strategy, which outlined how a long-term climate action plan (or Carbon Neutral Roadmap) would be developed. The Carbon Neutral Roadmap will outline a decarbonisation pathway and include the decision points, policies and initiatives and funding plan for reaching carbon neutrality and it will be lodged with the States Assembly by early 2022.

The aim of reaching carbon neutrality by 2030 presents a significant macro-economic challenge in funding the transition to a low carbon economy. A critical factor in agreeing an aim to become carbon neutral was the acceptance that a long-term policy will entail an investment by current generations in the interests of future generations. Moreover, there would be a need to explore the potential environmental economic instruments (charges, taxes or fiscal levers) that would fund this aim.

In 2021, the Revenue Policy Development Board, comprising Ministers, States Members and independent experts, continued to examine the funding pressures that arise if we are to achieve carbon neutrality and protect the environment (Common Strategic Policy priority 5). They categorised them as follows:

1. Cost recovery / user pays charges – revenue covers the true cost of providing services and allows reinvestment in infrastructure;
2. Carbon neutral - economic instruments designed to change behaviour and revenue reinvested in policies or projects that reduce on-island carbon emissions as part of Jersey's carbon neutral journey. It is understood that income from charges introduced to change behaviour diminishes over time if they are successful. Another revenue pressure arising from being carbon neutral is the cost of investment in carbon offsets that negate unavoidable emissions that cannot be reduced at the point of neutrality;
3. Economic instruments to manage the impact of disruptive technology raising revenue to replace lost income due to changing technology. For example – managing the declining revenue from petrol and diesel as new technologies like hybrid and electric vehicles, and perhaps eventually hydrogen vehicles, replace the existing internal combustion engine fleet.

Importantly, there are overlaps and linkages between all three categories. Any new economic instruments may span two or three categories and could provide funding for investment in some or all of the revenue streams.

Ministers are assessing a number of potential economic instruments to achieve these aims. This year's Finance (2022 Budget) Law includes two specific proposals – increasing the normal RPI increase in fuel by an additional 3 pence per litre and an increase to vehicle emissions duty, with the largest increase being on the high-end personal vehicles that are the highest carbon polluters. The revenue raised will go to the Climate Emergency Fund.

Other economic levers that will be investigated and potentially brought forward for consultation in the next term of Government include:

- Road user charges – to replace revenue lost from future diminishing returns from fuel impost duty as the fleet moves away from internal combustion engines (signalled in Government Plan 2022-2025);
- Reinvestigation of commercial solid waste charges – to fairly charge commercial users for the waste they create to raise revenue to maintain and invest in infrastructure. Also to drive behaviour change that minimises waste generation and increases recycling;
- Car parking charges – a strategic review of the public parking system and consideration of policy development specifically focused on company and private car parking spaces is being undertaken (as agreed in the Sustainable Transport Plan (P.128/2019)). A package of proposals will be brought forward in the context of underpinning sustainable transport options to encourage behaviour change. This will move the island away from a culture of commuter single-car occupancy, to support the reduction of transport related emissions, towards a “polluter pays” policy outcome.
- Travel duty – investigations into a very modest travel duty will be undertaken to signal the impact of carbon-based off-island travel and revenue will be hypothecated into the Climate Emergency Fund and

reinvested in carbon-reduction policies. An assessment of the requirement for some off-island travel to support the economy and individual travel choices will be considered as part of the proposals.

Economic instruments that were discounted from further consideration at this point were:

- Carbon tax – due to its application to (home) heating oil this was considered likely to be too untargeted and potentially regressive;
- Other waste charges - including inert waste, household solid waste and liquid waste charges. These were considered unsophisticated and due to the primary burden of many of these on domestic households, they were considered inappropriate.

## International Tax Reform

For the past two years, the OECD has been working intensively to establish a new global tax framework, aimed at addressing the challenges of increased globalisation and the digitalisation of the economy.

On 1 July 2021, the OECD Inclusive Framework announced that it had reached a Political Consensus on the Building Blocks for this new tax framework. The proposals in these Building Blocks are targeted and limited in scope, focussing on the world's largest companies. The announcement was an important stepping-stone in the tax reform process but significant further work remains to be done before a final agreement is reached and a detailed implementation plan can be finalised.

If ultimately agreed:

- Pillar One of the Building Blocks will create new profit allocation rules for the world's largest Multi-National Enterprises (MNEs), with global turnover in excess of €20bn and profitability in excess of 10%. The Pillar 1 rules will exclude Regulated Financial Services. For the very small and targeted number of MNEs globally that are impacted by Pillar One, certain of their profits would be re-allocated to market jurisdictions; and
- Pillar Two will introduce a new framework of taxation whereby companies that are in scope (those with global revenues of at least €750m) would pay a Minimum Effective Rate of taxation (MER). This MER would be calculated in a specific way according to the Pillar Two rules and on a country-by-country basis.

As technical discussions continue at the OECD, it is not yet clear how these rules will be applied globally. Pillar One is a minimum standard that Jersey will be required to introduce in legislation, regardless of its practical impact. However, it is unclear whether Jersey would implement aspects of Pillar Two that are not a minimum standard. Nor is it clear what the behavioural effects of the changes might be on the MNEs affected. Therefore, this Government Plan contains no estimate of any potential impact the reform measures may have if they are ultimately agreed at the OECD and implemented globally. This position will be kept under review for future Government Plans as the discussions progress.

## Review of Partnerships

Economic substance legislation has been effective in Jersey for companies since 1st January 2019. In 2020, Jersey and a number of other tax jurisdictions were informed that the rules establishing economic substance should be extended to partnerships. This legislation was approved by the States Assembly in June 2021.

A review has now commenced with the aim of considering how the administration rules for partnerships may be streamlined.

## Accurate Tax Filing (Reporting Bank Interest to Revenue Jersey)

The omission of income arising from offshore assets and bank interest are common errors. In particular, in the 2017 and 1997 tax-disclosure opportunities (“tax amnesties”), islanders reported significant amounts of bank interest which had been omitted from tax returns. Jersey’s participation in various international tax treaties, such as the OECD’s Common Reporting Standard, ensures that Revenue Jersey increasingly receives information direct from financial institutions in over 60 other participating jurisdictions to help check tax returns.

In the Government Plan 2021-2024, the Minister proposed to lodge Regulations to allow Jersey banks to provide similar information to Revenue Jersey in respect of local residents. This was deferred at the request of the Banks to allow more time to prepare systems. The Minister proposes to lodge draft Regulations shortly.

## Review of the Business Interest Rules

This review has the aim of understanding the problems for obtaining tax relief for interest arising on business loans and other borrowings and developing long-term proposals for a new regime. This may include a special regime for groups of companies.

Introducing a wholly redesigned regime is a substantial project which has involved considerable engagement with stakeholders. It is now proposed the business interest project be taken forward in two phases. Phase 1 is intended to address some key issues as well as legislating for a number of interest concessions. It is intended for Phase 1 be legislated in this year’s Finance Law and for the changes to take effect from 1 January 2022. Any business interest concessions legislated for will then be withdrawn.

Phase 2 will consider whether to introduce a redesigned scheme for business interest. Phase 1 legislation is not intended to expand the scope of current legislation/concessions other than to address particular issues.

## Review of Tax Residency

This review is considering the options for modernising the income tax law that governs the tax residence of individuals in Jersey.

The first step has been to consult on how the current rules work. This stage of the project concluded the core principles of the current system are appropriate for Jersey, however, a stronger framework is required to

support these rules and the legislation is currently limited. Some changes are complex and will require considerable engagement with stakeholders.

It is proposed that this project should be undertaken in two phases. Phase 1 will see legislation in this year's Finance (2022 Budget) Law which facilitates the implementation of a well-defined and functional Jersey tax residence regime based on the current core principles and rules.

Phase 2 will continue to look at a number of other modernising proposals including the adoption of a statutory test of residency. This phase will include a public consultation.

## Review of Stamp Duty/Land Transaction Tax and the Taxation of Enveloped Property

The terms of reference for a review of stamp duty and land transaction tax are being finalised. The proposal is for a broad review which will consider a number of issues including the scope of the taxes and the differential between rates paid on residential and commercial property. It is expected this review will conclude in 2022. The Minister for Treasury and Resources will introduce a higher Stamp Duty rate for "Buy to Let" investment properties, second homes and holiday homes no later than 31 December 2022<sup>34</sup>.

Holding real estate within a company is often referred to as "enveloping" and historically neither Stamp Duty nor Land Transaction Tax applies where the ownership of Jersey commercial real estate is transferred by way of share transfer. Following a public consultation in 2019, new Law and Regulations have been drafted and consultation with key external stakeholders continues. The current intention is for the legislation to be lodged when the consultation process concludes.

## Taxation of Medicinal Cannabis Industry

Finance (2021 Budget) Law introduced the power to make Regulations for the taxation of the profits of businesses within the cannabis industry. During 2021, the Revenue Policy Development Board (RPDB) decided that the profits made within the cannabis industry should be taxed at the rate of 20% and that normal business tax principles should apply. Those Regulations are being drafted and the intention is that they will take effect for the year of assessment 2022.

The taxation of the medicinal cannabis industry is one of the measures proposed to generate additional revenues from 2024. It is not yet possible to forecast how much tax will be raised because the industry is in its early stages and any forecast would be speculative.

## Taxation of vaping products

Ministers continue to review the case or need to tax and dis-incentivise the use of vaping products, in particular those containing nicotine. The outcome of this review has been delayed by Covid-19 related health work.

# States Borrowing

Alongside P.80/2021 (Our Hospital) the Minister for Treasury and Resources has published the first Debt Framework for Jersey (R.132/2021), and this will be updated to reflect the decisions in this plan. The Debt Framework document seeks to define the States' approach to debt management which is designed to operate over a significant long-term time horizon.

In combination, the Debt and Investment Strategies seek to deliver a sustainable structure to meet the Island's needs whilst minimising the total funding costs over the medium to long-term, consistent with a prudent degree of risk, but at the same time retaining flexibility to react to unknown future events.

The long-term time horizon of the Debt Strategy, the issuance of debt and preservation of reserves maintains Government's ability to react to short-term and enduring economic shocks. Furthermore, diversification between funding sources can have beneficial consequences; e.g. higher levels of inflation might be detrimental to certain investment assets but may also erode the real value of debt.

Subject to P.80/2021 being adopted, the States will have approved borrowing of up to £1.4 billion. In addition it has existing past-service liabilities of £456 million. As detailed below, we have the opportunity to make substantial savings through the refinancing of these liabilities. This plan proposes the refinancing of up to £259 million<sup>35</sup> of the existing Covid-19 debt (reduced from £385 million in the Government Plan 2021) and £480 million for these past service liabilities through borrowing. These are both replacements of existing borrowing or liabilities<sup>36</sup>.

The execution of this borrowing may be carried out over 2 to 4 years of the plan, in line with the Debt Strategy and taking into account the States' ability to raise debt and the required cash flows. Approving the full amount gives the flexibility required to deliver this substantial programme effectively and at the most appropriate time based on the expert independent advice.

For each element of borrowing, a strategy for repayment is included, and amounts will be collected in the Strategic Reserve to build funds for the eventual repayment of the debt. The purpose of the Strategic Reserve will be updated to reflect this in the proposition.

Under the Public Finances Law, the Minister for Treasury and Resources is also permitted to arrange for a bank overdraft in any given year, which can be used to meet immediate unforeseen financing needs should they occur.

The table below sets out the cumulative borrowing over the period of this Government Plan.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Cumulative Borrowing Requirement arising from Covid-19	207,657	190,828	168,099	138,731
Borrowing for Our Hospital - P80/2021	756,000	756,000	756,000	756,000
Borrowing to refinance pension liabilities	480,000	480,000	480,000	480,000
Existing borrowing - Housing Bond	250,000	250,000	250,000	250,000
Existing borrowing - Fiscal Stimulus <sup>37</sup>	29,641	29,641	29,641	29,641

Table 31: Cumulative Borrowing requirement

<sup>35</sup> Following an amendment to the Government Plan, the Covid-19 Debt will now be a maximum of £238 million. See Appendix 7: Amendment 7

<sup>36</sup> Following an amendment to the Government Plan, certain conditions have been attached to the Covid-19 debt. This is outlined in full in the "Covid-19 debt" section below. See also Appendix 7: Amendment 25

<sup>37</sup> See Appendix 7: Amendment 7

## Debt Framework

The initial Debt Strategy focussed on the existing debt portfolio and the funding solution for the Our Hospital project. It also referenced the refinancing of Covid-19 debt and Pension Liabilities which form part of this plan. The Strategy is underpinned by both long-term and short-term economic assumptions. The short-term economic assumptions will define the environment in which debt will be issued, whilst the long-term economic assumptions will define the investment strategy applied to ringfencing funds forming sinking funds designed to repay the debt over time.

The objectives of the Debt Framework of the States are:

- to ensure the government's financing needs are met in a timely and cost-effective manner;
- to minimise borrowing costs subject to a prudent degree of risk; and
- to ensure the States of Jersey's finances are in a sound, sustainable and economically positive long-term position.

The Council of Ministers will generally seek to minimise borrowing levels. In considering whether to propose borrowing, Ministers will consider the following principles:

- a. Strategic objective – the purpose for which borrowing is to be used will be of strategic significance (see below).
- b. Amount - the amount of borrowing will be limited to the maximum sum required
- c. Need - borrowing will be considered in the context of the States' ongoing financial sustainability, i.e. current and forecast revenues and investment levels and the ability to make repayments as and when due.
- d. Security – borrowing will generally be undertaken on an unsecured basis.
- e. Covenants – borrowing must not include covenants which impair or restrict the States' ability to function effectively or restricts access to assets or revenue.
- f. Term – the period over which money is borrowed will be an approximate match to the purpose for which the money is borrowed.

The purpose of borrowing should be limited to the following:

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



The strategy reflects the long-term plans for managing the Government's debt programme, but also provides the flexibility to transparently adapt plans in reaction to market conditions and the financial position of Government.

The debt framework will be updated to reflect the decisions of this plan, including the addition of a 6th purpose relating to the refinancing of existing liabilities.

## Government Borrowing 2022-2025

The Government has existing borrowing in the form of a £250 million public rated bond for Social Housing, and a Revolving Credit Facility (of up to £500 million) approved to cover the costs of the Covid-19 pandemic.

Debt Issuance	Value of debt	Debt maturity	Fund holding debt	Coupon
Public rated - Sterling bond - Social housing	£250m	2054	Housing development fund	3.75% Fixed
Revolving credit facility	Up to £500m. Drawdown approved up to £385m	2023 (facility expires)	Consolidated Fund	Variable (circa 1%)

Table 32: Existing Government borrowing

## Our Hospital

P.80/2021 (Our Hospital) has proposed an amendment to the Government Plan 2021-2024 to increase the level of external borrowing to enable the delivery of Our Hospital. The proposition sets out in detail the proposals to borrow £756 million. Financing the Our Hospital project through borrowing – as opposed to using existing reserves – will allow the States of Jersey to take advantage of historically low interest rates and maintain existing reserves, which are expected to yield a higher return than the cost of the interest that would be paid on debt.

This borrowing would be serviced using the long-term returns on the Strategic Reserve.

Conditions outlined reflect the expected characteristics of the debt based on the market conditions at the time the proposition was proposed.

Debt Issuance	Value of debt	Debt maturity	Fund holding debt	Expected Coupon
Public rated - Sterling bond - Our Hospital	£756m	30 to 40 years	Consolidated Fund	Up to 2.5%

Table 33: Proposed Our Hospital borrowing

## Refinancing

In addition to Our Hospital, this Government Plan proposes borrowing for two further items. These are the long-term refinancing of the Covid-19 debt<sup>38</sup> (including Fiscal Stimulus), and the refinancing of past-service liabilities relating to public sector pension schemes. Both of these replace existing borrowing approved or liabilities with more sustainable options.

Debt Issuance	Value of debt	Debt maturity	Fund holding debt	Expected Coupon
Public rated - Sterling bond - Covid debt (Repayment) <sup>39</sup>	Up to £259m	Likely 20 years	Consolidated Fund	Up to 2.5%
Public rated - Sterling bond - Pension Liability Refinancing	Up to £480m	Likely 30 years	Consolidated Fund	Up to 2.5%

Table 34: Proposed refinancing

<sup>38</sup> Following an amendment to the Government Plan, borrowing for Covid-19 and Fiscal Stimulus will be of a short term nature only. See Appendix 7: Amendment 25

<sup>39</sup> Following amendments to the Government Plan, the Covid-19 debt will be of a short-term nature only and limited to a maximum of £238 million. The debt strategy will be adjusted to reflect this decision and a sterling bond will not be issued. See Appendix 7: Amendment 7 and 25.

## Covid-19 debt

In 2020, the Minister for Treasury and Resources put in place a Revolving Credit Facility (RCF) of up to £500 million to cover the costs of the Covid-19 pandemic. Current forecasts indicate that these costs will be capped at £209 million, with an additional £50 million<sup>40</sup> for the Fiscal Stimulus Fund. In line with measures included in last year's Government Plan, Ministers have taken steps to reduce the required borrowing as far as possible. This includes ensuring that unrequired approvals were returned to the Consolidated Fund at the end of the financial year, where it was possible to do so, and considering the application of capital receipts where they arise as part of the overall property strategy going forward.

The Revolving Credit Facility is currently due to expire in May 2023, although it may be extended for a further 12 months. It is proposed that Covid-19 debt (up to £259 million<sup>41</sup>) will be repaid through the issuance of longer-term debt of a similar amount. The final form of the debt will be determined through reference to the Debt Strategy and dependent on consideration of using the RCF as an alternative or complementary tool. The total amount of this longer-term debt will continue to be reviewed, to minimise the borrowing as far as possible. The size of the longer-term requirement remains uncertain, depending on, for example, how much needs to be spent in the remaining years of the plan and variations in incomes.

The servicing (interest) costs of the Covid-19 debt will be met from general revenues incomes and are included in this Government Plan. Following the approval in 2021 to move to Current Year Basis taxation, the future repayments of the 2019 tax liabilities for Prior Year Basis taxpayers will be paid into the Strategic Reserve, to be used as a sinking fund to repay this debt. It is anticipated that the term of the debt will be aligned to the final repayment of the majority of the PYB liabilities in 2043. At present it is expected that the value of receipts from PYB will exceed the borrowing for Covid-19, and the use of any remaining amounts should be considered in future government plans.

Following an approved amendment to the Government Plan:

- the borrowing relating to Covid-19 and the Fiscal Stimulus Fund will be of a short-term nature only, for no more than 5 years. The strategy outlined above will be adjusted accordingly.
- The Council of Ministers will bring forward proposals in future Government Plans to reduce this borrowing to zero by 31st December 2026.
- The Minister for Treasury and Resources will prioritise the application of any unspent funds at the end of 2021 and 2022, be these in respect of spending related to Covid-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund and these funds, along with receipts relating to the move of all taxpayers to current year basis, will be used to minimise the borrowing requirements for Covid-19 and the Fiscal Stimulus Fund and support the repayment of debt.<sup>42</sup>

<sup>40</sup> Following an amendment to the Government Plan, Fiscal Stimulus borrowing will be limited to £29.6 million.

See Appendix 7: Amendment 7

<sup>41</sup> Following an amendment to the Government Plan, Covid-19 debt will be £238 million. See Appendix 7: Amendment 7

<sup>42</sup> See Appendix 7: Amendment 25

## Pension liability re-financing

The Government currently has two pension liabilities – one to the Public Employees Contributory Retirement Scheme (PECRS) and a second to the Jersey Teachers Superannuation Fund (JTSF). This Government Plan proposes the re-financing of these liabilities through external borrowing, creating a substantial saving to taxpayers in the long-term.

At the end of 2020 these liabilities were valued at £328 million and £128 million respectively. Ministers intend to commence discussions with each schemes' Committee of Management to agree a final valuation of the debt in order that it can be repaid sooner than the currently forecast dates of 2053 and 2115, respectively. This plan proposes repayment based on current actuarial assumptions, with contingency to allow for variation to the point of actual repayment. In the event that valuations differ, the repayment will be limited to this amount – with any variation addressed in future government plans.

It is intended to raise financing in accordance with the principles of the Debt Strategy to repay the liabilities (and any one-off costs of re-financing). The liabilities are currently serviced through departmental budgets, as specific amounts for the PECRS, and additional employer contributions specifically for this purpose for the JTSF. Once the liabilities are repaid these amounts will be used to service the borrowing, including paying the coupon (interest) and the creation of a sinking fund within the Strategic Reserve to repay the debt at the end of the term. Any necessary adjustments to budgets will be made once the repayment and re-financing has been confirmed.

The re-financing of these liabilities makes an estimated saving, after allowing for inflation, of over £700 million (£3.6 billion in cash terms). This is better value for taxpayers and supports the long-term sustainability of public finances. Once the liability is crystallised and repaid, the current regular reviews of investment performance will be extended to reflect updated market forecasts to ensure that there are sufficient funds to achieve repayment at maturity of the debt. Adjustments to the total contributions could be made in future Government plans based on these reviews.

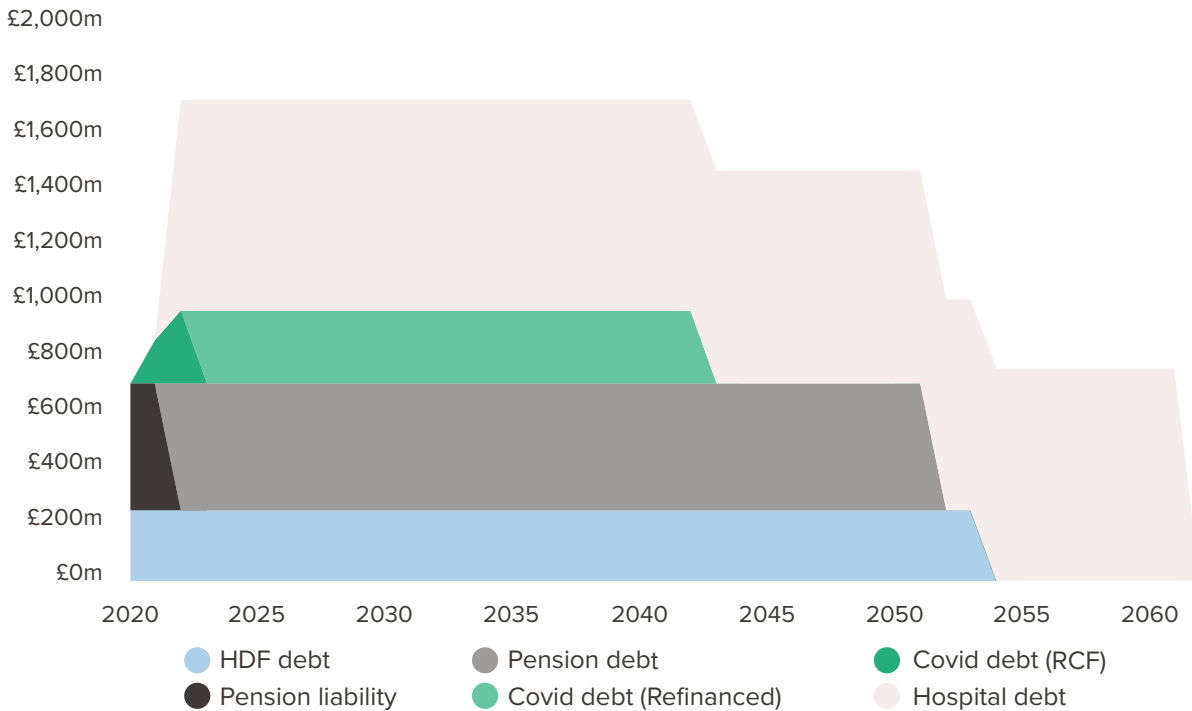
	Projected repay- ment date	Cash Value of GoJ Contributions £m	Real Value (adjusted for inflation) £m
PECRS debt (current)	2053	720	450
JTSF debt (current)	2115	3,560	690
<b>Total costs - Current liabilities</b>		<b>4,280</b>	<b>1,140</b>
Debt issuance, repayment and coupon	2053	670	440
<b>Savings</b>		<b>3,610</b>	<b>700</b>

Table 35: Cost of Pension liability

## Debt Profiling

The exact timing of debt issuances and the maturity profile of that debt will be determined in line with principles outlined in the Debt Strategy. The objective of the Debt Strategy is to manage the GoJ debt programme to raise the approved amount of funding at the lowest possible cost over the medium to long term, consistent with a prudent degree of risk.

The following diagram illustrates the anticipated value of debt to be issued and the staggered potential repayment dates of the public bonds<sup>43</sup>.



Graph 8: Illustrative debt profiling (proposed)

## Repayment of debt:

As well as outlining the governance arrangements for the issuance and monitoring of debt, the Debt Strategy includes the planned process for the repayment of each debt. To ensure full transparency, the Minister will update the Debt Strategy after each issue to include the final structure of the newly issued debt and the revised repayment strategy. In the case of sinking fund arrangements the appropriate changes to the relevant Funds Investment Strategy will be presented by the Minister.

The purpose of the Strategic Reserve will be updated to allow it to be used to receive transfers and accumulate funds for the eventual repayment of each borrowing.

### Our Hospital project

The Strategic Reserve is to be invested to generate sufficient investment returns to meet repayments of the debt capital at maturity and meet interest payments as they fall due. This is outlined in the Our Hospital proposition P.80/2021.

### Covid-19 Debt - Revolving Credit Facility repayment

The Covid-19 debt is expected to peak at £209 million by 2022, funded via the short term Revolving Credit Facility. This, along with borrowing for Fiscal Stimulus, is proposed to be repaid through issuance of long term debt expected to mature in 20 years<sup>44</sup>.

<sup>43</sup> This graph represents the debt strategy as proposed in the Government Plan. Following an approved amendment to the Government Plan, the Covid debt will be short-term in nature only, for no more than 5 years. See Appendix 7: Amendment 25.

<sup>44</sup> Following an amendment to the Government Plan, certain conditions have been attached to the Covid-19 debt. This is outlined in full in the "Covid-19 debt" section above. See Appendix 7: Amendment 25.

It is planned to use future cash flows from the receipts of the Prior Year Basis tax debt to make transfers into the Strategic Reserve. These transfers, combined with investment returns on these monies are anticipated to build sufficient funds to repay the debt at maturity.

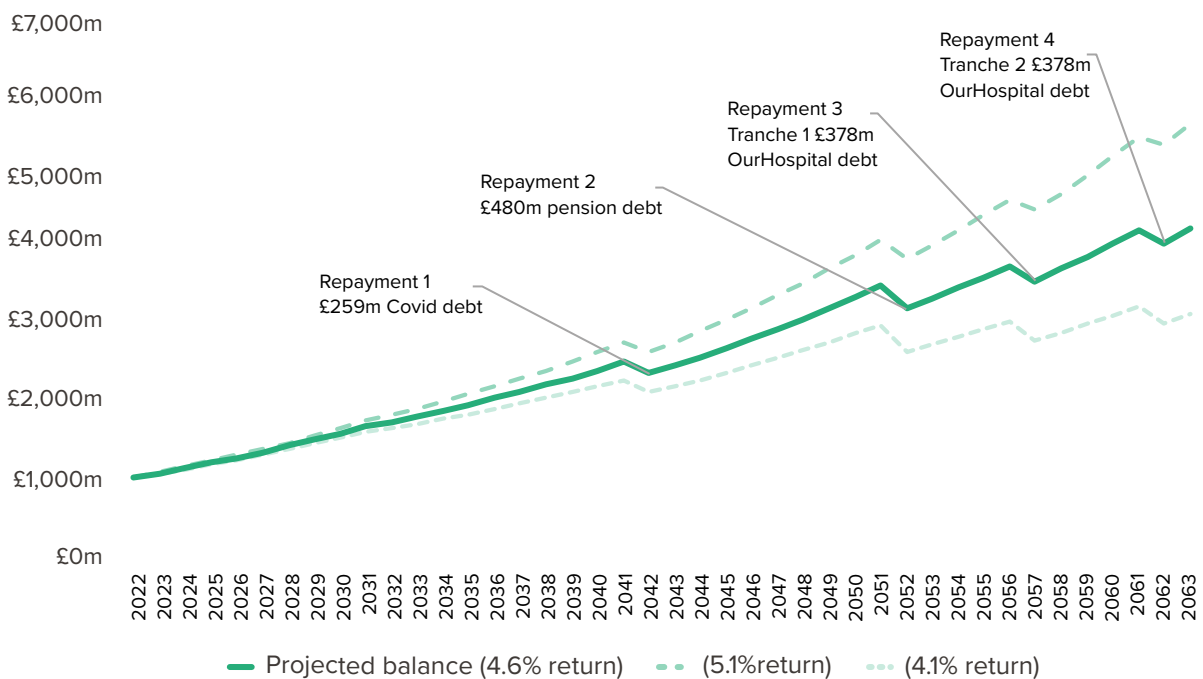
Interest payments due on the debt issuance will be paid from the Consolidated Fund, financed through general revenues income.

### Public Sector Pension Fund Liability Refinancing

The pre-existing past service employee pension liabilities owed to the Jersey Teachers Superannuation Fund and the Public Employees Contributory Retirement Scheme are currently valued at up to £456 million. These liabilities are to be refinanced via issuance of external debt expected to mature in 30 years, with the proceeds paid towards the settlement of the outstanding Pension Debt. The new debt, issued at a lower rate, is anticipated to replace the older debt paying higher rates earning a net saving for the Government.

The liabilities are currently serviced through departmental budgets. Once the liabilities are repaid these amounts will be used to service the borrowing, including paying the coupon (interest) and making transfers into the Strategic Reserve to create a sinking fund. These contributions, combined with investment returns on these monies will build sufficient funds to repay the issued debt at maturity.

The following diagram illustrates the expected profile of the Strategic Reserve, given projected contributions into the Fund and expected Fund earnings. The projected return rate has also been modified to demonstrate the impact of both a higher and lower return expectation (+/-0.5%) around the core 4.6% assumption (based on long term RPI+2%)<sup>45</sup>.



Graph 9: SR projected balance (proposed)

<sup>45</sup> This graph represents the debt strategy as set out in the proposed Government Plan. Approved amendments to the Government Plan mean that the Covid debt will be limited to £238m and will be of a short-term nature only. See Appendix 7: Amendments 7 and 25.

# The Government of Jersey balance sheet and States funds

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

The balance sheet is comprised of four main components:

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

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)	2025 (£000)
<b>Non-current assets</b>					
Property and equipment	4,065,358	4,225,054	4,458,924	4,772,312	4,964,126
Loans to external organisations and other assets	131,045	131,045	131,045	131,045	131,045
Strategic investments	341,600	341,600	341,600	341,600	341,600
Investments	3,398,382	4,129,826	4,000,876	3,854,193	3,851,747
<b>Total non-current assets</b>	<b>7,936,385</b>	<b>8,827,525</b>	<b>8,932,445</b>	<b>9,099,150</b>	<b>9,288,518</b>
<b>Working capital (net current assets)</b>	<b>806,514</b>	<b>786,044</b>	<b>784,166</b>	<b>784,166</b>	<b>784,166</b>
<b>Non-current liabilities</b>					
Provisions	(26,946)	(26,946)	(26,946)	(26,946)	(26,946)
Borrowing	(423,617)	(1,727,171)	(1,708,353)	(1,683,635)	(1,652,278)
Pension liabilities	(450,818)	(4,004)	(4,004)	(4,004)	(4,004)
<b>Total non-current liabilities</b>	<b>(901,381)</b>	<b>(1,758,121)</b>	<b>(1,739,303)</b>	<b>(1,714,585)</b>	<b>(1,683,228)</b>
<b>Total net assets</b>	<b>7,841,518</b>	<b>7,855,448</b>	<b>7,977,308</b>	<b>8,168,731</b>	<b>8,389,456</b>
<b>Taxpayers' equity</b>	<b>7,841,518</b>	<b>7,855,448</b>	<b>7,977,308</b>	<b>8,168,731</b>	<b>8,389,456</b>

Table 36: Balance Sheet forecast<sup>46</sup>

<sup>46</sup> The Balance Sheet forecast has been revised to correct an understatement of certain lines in the original lodged government plan and also to reflect the impact of approved amendments to the Government Plan.

## Balance sheet forecasts

In recent years, our Island has maintained a strong balance sheet position, and this is forecast to be maintained throughout this Government Plan<sup>47</sup>, with net assets continuing to increase. Our property and equipment assets will increase as we invest in capital projects – including substantial investment in Our Hospital.

We are using borrowing to fund Our Hospital, and also to re-finance the pre-existing pension past service liabilities, in effect exchanging one non-current liability for another. As a result, issued borrowing is forecast to increase to £1.7 billion through the plan. However, when considering total non-current liabilities this increase is offset by the repayment of the past-service liabilities. The timing of actual borrowing is likely to be phased, and if borrowing is lower in any given year, investments will also reduce (as less cash is received).

At the same time, we will protect our capital reserve funds, reinvesting returns to ensure that our investment balance grows to help manage risks and protect the long-term sustainability of the Island's finances.

## Consolidated Fund

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

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

The ongoing impacts of Covid-19 have meant that borrowing has been necessary in 2020 and 2021, and will peak in 2022/2023 before reducing in later years of the plan. There are several planned transfers into the fund from other States Funds. This includes transfers from the Strategic Reserve to support the Our Hospital Project, and transfers from the Health Insurance Fund to support the Jersey Care Model.

Available funds in the Innovation Fund and Loans Funds will also be transferred, and amounts held in Reserve in 2021 for future years expenditure.

£20 million has been earmarked for the potential formation of a Technology Fund, using part of the proceeds of the special dividend from Jersey Telecom received in 2021. A transfer to the insurance fund will help ensure the sustainability of that fund, and hypothecated amounts of general revenues income will be transferred to the Climate Emergency fund.

Amounts will also be received from the Criminal Offences Confiscation Fund and charitable funds to fund specific projects in line with the purposes of those funds.

<sup>47</sup> There are several items on the balance sheet that are difficult to forecast, and so a number of assumptions have been made, including:

- No revaluations of assets or strategic investments
- Stability of provisions and working capital throughout the period.
- Consolidated Subsidiary Companies are included at 2020 values



	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
General revenues income	930,875	987,381	1,045,543	1,089,302
Proceeds of past Service Liability Refinancing	480,000	0	0	0
Repayment of Past Service Liability	(480,000)	0	0	0
Departmental expenditure	(958,730)	(897,951)	(966,959)	(991,686)
<b>Forecast Operating Surplus/(Deficit)</b>	<b>(27,855)</b>	<b>89,430</b>	<b>78,584</b>	<b>97,616</b>
<b>Projects &amp; Capital</b>				
Projects & Capital Programme	(125,310)	(101,109)	(78,853)	(82,848)
Our Hospital Project Costs	(85,000)	(181,700)	(287,400)	(169,600)
<b>Transfers</b>				
Jersey Innovation Fund to Consolidated Fund	3,000	0	0	0
Ring Fenced Reserves to Consolidated Fund	13,521	0	0	0
Consolidated Fund to Technology Fund - Potential Future Decision	(20,000)	0	0	0
Consolidated Fund to Insurance Fund	(1,244)	0	0	0
Consolidated Fund to Climate Emergency Fund	(4,400)	(4,400)	(4,400)	(4,400)
Strategic Reserve to Consolidated Fund (borrowing coupon and costs)	21,000	19,000	19,000	19,000
Health Insurance Fund to Consolidated Fund (Revenue)	8,300	6,100	4,100	0
Loans Fund to Consolidated Fund	5,700	0	0	0
<b>Capital Financing (Transfers)</b>				
Criminal Offences Confiscation Fund to Consolidated Fund (Capital)	2,985	749	237	0
Health Insurance Fund to Consolidated Fund (Capital)	4,700	6,060	3,725	0
Our Hospital - Repayment from Strategic Reserve	11,320	1,000	336	0
Strategic Reserve to Consolidated Fund (Our Hospital project costs)	85,000	181,700	287,400	169,600
Charitable Funds to Consolidated Fund (Capital)	989	0	0	0
Ring Fenced Reserve to Consolidated Fund	19,270	0	0	0
Net movement in borrowing required	88,024	(16,830)	(22,729)	(29,368)
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 37: Consolidated fund

Receipts relating to Prior Year Basis debts received in 2021 have been included in the opening balance. However, it is not possible to accurately forecast the future profile of receipts, as options for repayments and elections by taxpayers are as yet unknown. Moving forwards it is intended to make transfers of amounts collected into the Strategic Reserve to create a sinking fund sufficient for the eventual repayment of the Covid-19 debt.

## Jersey Car Parking Trading Fund

The Jersey Car Parking trading operation manages the provision of the public parking places that are within the functions of the Minister for Infrastructure. The projections for 2022 and beyond include a reduction in income, following the pandemic and lockdown measures in the early part of 2020, and assume a modest return to normality over the coming years.

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

The opening balance for 2022 reflects a considerable forecast reduction in income in 2021, the financial out-turn for 2020 and a reduced level of capital expenditure in 2020 and 2021.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>15,474</b>	<b>9,928</b>	<b>6,924</b>	<b>7,755</b>
Trading Income	6,933	7,454	7,995	8,547
Expenditure	(5,772)	(5,819)	(5,920)	(5,941)
Capital Expenditure	(6,707)	(4,639)	(1,244)	0
<b>Closing balance</b>	<b>9,928</b>	<b>6,924</b>	<b>7,755</b>	<b>10,361</b>

Table 38: Jersey Car Park trading fund

## Jersey Fleet Management Trading Fund

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

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

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>5,273</b>	<b>4,428</b>	<b>4,202</b>	<b>4,079</b>
Trading Income	4,971	5,056	5,154	5,249
Expenditure	(3,027)	(3,071)	(3,109)	(3,153)
Capital Expenditure	(3,009)	(2,431)	(2,388)	(2,908)
Asset Disposals	220	220	220	220
<b>Closing balance</b>	<b>4,428</b>	<b>4,202</b>	<b>4,079</b>	<b>3,487</b>

Table 39: Jersey Fleet Management Trading Fund

## States Funds

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

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Strategic Reserve Fund	1,692,591	1,538,037	1,279,741	1,140,936
Stabilisation Fund	632	632	632	632
The Health Insurance Fund	77,199	62,272	51,247	47,590
The Long-Term Care Fund	51,049	58,227	65,034	71,489
The Social Security Fund	87,761	86,362	79,487	77,841
The Social Security (Reserve) Fund	2,141,635	2,172,249	2,291,723	2,420,060
The Currency and Coinage Funds	124,783	124,783	124,783	124,783
The Jersey Reclaim Fund	19,167	19,167	19,167	19,167
Housing Development Fund	(13,857)	(12,877)	(11,860)	(10,804)
Climate Emergency Fund	5,470	3,370	770	170
Other Special Funds	18,784	18,081	17,871	17,885
<b>Total</b>	<b>4,205,213</b>	<b>4,070,303</b>	<b>3,918,595</b>	<b>3,909,747</b>

Table 40: States funds balances

\*Strategic Reserve Fund balance assumes proposal for Our Hospital (P.80/2021) is approved by the States Assembly

## Strategic Reserve Fund

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

P.80/2021 Our Hospital proposes that the Strategic Reserve will receive the proceeds of the borrowing obtained for Our Hospital, and transfer amounts to the Consolidated Fund as required by the project. Investment returns will be used to fund the borrowing requirements that arise as a need to fund this important infrastructure investment, and also to build up an amount for the eventual repayment of the debt.

More generally it is intended that the Strategic Reserve be used as a "sinking fund" for debt issued by the States – holding ring-fenced amounts for the eventual repayment of borrowings. This includes borrowing relating to both the refinancing of the Covid-19 debt and public employee pension past-service liabilities.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>1,008,003</b>	<b>1,692,591</b>	<b>1,538,037</b>	<b>1,279,741</b>
Return on investments	45,908	47,146	48,440	49,795
Bond proceeds	756,000	0	0	0
Strategic Reserve to Consolidated Fund (borrowing coupon and costs)	(21,000)	(19,000)	(19,000)	(19,000)
Strategic Reserve to Consolidated Fund (Our Hospital project costs)	(85,000)	(181,700)	(287,400)	(169,600)
Our Hospital Repayment from Strategic Reserve	(11,320)	(1,000)	(336)	0
<b>Closing balance</b>	<b>1,692,591</b>	<b>1,538,037</b>	<b>1,279,741</b>	<b>1,140,936</b>

Table 41: Strategic Reserve Fund

The execution of borrowing may be carried out over several years of the plan, in line with the Debt Strategy and taking into account the States' ability to raise debt and the required cash flows. As the profile of borrowing is not yet confirmed, proceeds have been shown in 2022 - in practice this may be over 2022 and 2023.

In 2021, funds were transferred from other projects to fund additional work on Our Hospital. Borrowing is to be used to repay those projects, a total of £12.7 million.

## Health Insurance Fund

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

During this Government Plan period, it is anticipated that the Jersey Care Model (JCM) will be implemented to deliver an improved system of healthcare provision for all Islanders. Following transfers in 2020, transfers

of up to £11.3 million will be made in 2021 and it is intended that a further £33 million of the investment in the JCM and the Health Digital Project will be met from balances held in the Health Insurance Fund. This, when combined with other cost pressures and the newly introduced Health Access Scheme which provides additional assistance to financially vulnerable patients, means that the value of the Fund is planned to reduce as outlined in the table below. This is anticipated to result in the Fund holding £48 million at the end of 2025, representing approximately one years' worth of expenditure.

The Minister for Social Security will bring forward legislation to action a transfer of up to £13 million from the Health Insurance Fund to support the Jersey Care Model and the Health Digital Project costs budgeted for 2022.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>92,487</b>	<b>77,199</b>	<b>62,272</b>	<b>51,247</b>
Return on investments	770	840	800	810
Contributions Income	36,744	37,523	38,499	39,646
Benefits and other expenditure	(39,802)	(41,130)	(42,499)	(44,113)
Transfers - Jersey Care Model & Digital Care	(13,000)	(12,160)	(7,825)	0
<b>Closing balance</b>	<b>77,199</b>	<b>62,272</b>	<b>51,247</b>	<b>47,590</b>

Table 42: Health Insurance Fund

The following safeguards and transparency measures will be put in place in relation to the establishment of the Jersey Care Model:

- The independent non-executive board (establishment of which was approved in P.114/2020) will be supported to publish a review of the Tranche 1 and the use of 2021 funding by the end of March 2022 at the very latest; and
- The digital health team within Modernisation and Digital establishes a protected, separately resourced sub-team (that includes a Manager grade role), to focus solely on the delivery of the Jersey Care Model digital systems, and the Digital Care Strategy. Regular updates on these workstreams should be regularly reported on to the independent JCM programme board and the Health and Social Security Scrutiny Panel.

The following safeguards and transparency measures will be put in place in relation to the operation of, and any transfers made out of, the Health Insurance Fund:

- The Minister for Health and Social Services will annually publish a report, which will also be presented in advance to the Health and Social Security Scrutiny Panel, to detail the information provided to the Minister for Social Security relating to the costs incurred on the Jersey Care Model that require a transfer of funds from the HIF;
- The Minister for Social Security will publish a report, within 2 weeks of any transfer, to detail how any funds transferred out of the HIF for the purposes of the JCM or its related digital strategies costs have been verified;
- An actuarial review of the Health Insurance Fund (HIF) is prioritised in 2022 and will include:

- › Specific analysis of the use of the HIF for the purposes of the Jersey Care Model and its related digital strategies;
  - › Consideration of the impact of all withdrawals on the fund since 2020; and
  - › The future of the HIF, should withdrawals take place as per envisaged by P.130/2020.
- As part of the wider review of sustainable healthcare funding to be undertaken in 2022, there will be a specific consideration to repaying the HIF (from the Consolidated Fund) for funding withdrawn for the establishment of the Jersey Care Model and its related digital strategies if no sustainable healthcare funding is operational by 2025<sup>48</sup>.

The ageing demographic will increase the cost of health services in the Island, including those costs met by the Fund, from the 2020s onwards. Changes will therefore be needed to maintain a sustainable funding model. In 2022 a full review of future health costs across all areas will be completed and this will support future plans for a sustainable model for health funding, but the role of the Health Insurance Fund in meeting the requirement to subsidise the cost of G.P. consultations and the cost of prescriptions and other primary care services shall be maintained during the review<sup>49</sup>.

## Long-Term Care Fund

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

The current contribution rate of 1.5% is expected to enable the balance on the Long-Term Care Fund to continue to increase throughout the period of the Government Plan. It is anticipated that there will need to be further increases in the Long-Term Care contribution rate in future years as the number and proportion of older people with long term care needs is expected to increase. However, the implementation of the Jersey Care Model and the proposed introduction of the new Care Needs at Home Benefit are intended to reduce the number of individuals who will need a care home placement through the provision of alternative care options and improved support at home and in the community. These actions are expected to reduce the extent of future increases in Long Term Care expenditure.

The Long-Term Care Fund will be subject to a formal actuarial review in 2022.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>43,568</b>	<b>51,049</b>	<b>58,227</b>	<b>65,034</b>
Return on investments	495	700	832	990
Existing Long-Term Care charge	33,611	35,661	37,623	39,842
Grant to Long-Term Care Fund	31,802	32,597	33,412	34,281
Benefits and other expenditure	(58,427)	(61,780)	(65,060)	(68,658)
<b>Closing balance</b>	<b>51,049</b>	<b>58,227</b>	<b>65,034</b>	<b>71,489</b>

Table 43: Long-Term Care Fund

<sup>48</sup> See Appendix 7: Amendment 15

<sup>49</sup> See Appendix 7: Amendment 3

## Social Security Fund

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

It was agreed that no grant would be paid into the Social Security Fund in 2020 - 2021 to allow £65.3 million of cash in each year in the Consolidated Fund to be allocated to support Covid-19 related financial pressures. Additionally, due to the exceptional financial pressure being faced by the Government as a consequence of the pandemic, it is proposed that the States Grant to the fund will not be paid in 2022 or 2023. This action enables an additional estimated £160 million to be allocated to urgent financial pressures. This is a critical element in enabling the Government to cope with the lost income and additional costs associated with Covid-19 and fund its capital and revenue expenditure programmes. If we do not do this, borrowing will need to increase further over the period to fund expenditure plans.

The Social Security Minister will continue to manage the impact of the removal of the States Grant by transferring resource from the Social Security Reserve Fund. The Reserve has substantial financial assets which have built up over many years. It is proposed that a proportion of these assets are utilised to pay pensions and contributory benefits to help the Government to manage the extreme financial pressures it is currently facing. A transfer of £55 million was approved by the Social Security Minister during 2020 and further transfers from the Reserve Fund, estimated at up to £263 million, will be required during 2021 to 2023 to support the on-going payment of pensions and benefits.

In the 2021 Government Plan, Ministers made a commitment to review the Social Security Fund to make sure that it continues to serve future generations.

Since then, the long-term forecast for the Social Security Reserve Fund has improved and under this Government Plan the value of the States Grant is restored to its full value from 2024 onwards. The cost of providing old age pensions will increase with the ageing demographic but the Fund is still forecast to hold four times annual spend by the 2070s.

A major new project has commenced during 2021 to specify and implement a new, transformational benefits system, it is planned that this project will complete in 2024. This represents a significant capital investment by the Fund which will provide a new platform to enable the efficient management of social security for many years to come.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>85,002</b>	<b>87,761</b>	<b>86,362</b>	<b>79,487</b>
Existing Contributions income	205,463	209,816	215,267	221,678
Transfer from Social Security Reserve	81,255	87,175	0	0
Grant to Social Security Fund	0	0	82,530	84,760
Existing benefits and other expenditure	(278,959)	(288,390)	(297,922)	(308,084)
Capital Investment in New Benefits System	(5,000)	(10,000)	(6,750)	0
<b>Closing balance</b>	<b>87,761</b>	<b>86,362</b>	<b>79,487</b>	<b>77,841</b>

Table 44: Social Security Fund

## Social Security (Reserve) Fund

The Social Security (Reserve) Fund holds the balances built up in the Social Security Fund and is a key way in which we are managing the impact of an ageing population on future pension costs. Some of the assets in the Reserve Fund are proposed to be utilised to help the Government to manage the extreme financial pressures it is currently facing. A transfer of £55 million was approved by the Social Security Minister during 2020 and further transfers from the Reserve Fund, estimated at up to £263 million, will be required during 2021 to 2023 to support the on-going payment of pensions and benefits.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>2,105,009</b>	<b>2,141,635</b>	<b>2,172,249</b>	<b>2,291,723</b>
Return on investments	117,881	117,790	119,474	128,336
Transfers	(81,255)	(87,175)	0	0
<b>Closing balance</b>	<b>2,141,635</b>	<b>2,172,249</b>	<b>2,291,723</b>	<b>2,420,060</b>

Table 45: Social Security (Reserve) Fund

## Currency and Coinage Funds

The Currency and Coinage Funds' principal purpose is to hold assets to match the value of Jersey currency in circulation, such that the holder of Jersey currency could, on request, be repaid.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>124,783</b>	<b>124,783</b>	<b>124,783</b>	<b>124,783</b>
Return on investments	2,600	2,500	2,500	2,600
Expenditure	(2,600)	(2,500)	(2,500)	(2,600)
<b>Closing balance</b>	<b>124,783</b>	<b>124,783</b>	<b>124,783</b>	<b>124,783</b>

Table 46: Currency and Coinage Funds

## Jersey Reclaim Fund

The Jersey Reclaim Fund receives the balances of dormant accounts held in Jersey banks for distribution for charitable and other purposes, subject to reclaim by transferring banks under certain conditions. The fund is required by legislation to ensure that monies are managed prudently, to enable the payment of claims when they are made.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>19,167</b>	<b>19,167</b>	<b>19,167</b>	<b>19,167</b>
Return on investments	500	500	500	500
Expenditure	(500)	(500)	(500)	(500)
<b>Closing balance</b>	<b>19,167</b>	<b>19,167</b>	<b>19,167</b>	<b>19,167</b>

Table 47: Jersey Reclaim Fund

## Housing Development Fund

The Housing Development Fund exists to help support the development of social rented and first-time buyer homes. In June 2014, the States issued a £250 million bond with a 40-year maturity, the proceeds of which were placed in the Housing Development Fund and issued to Andium Homes, or equivalent facilitating agencies, to fund construction and improvement.

The fund is now fully drawn, holding only interest-bearing loans issued predominantly to Andium Homes. The fund strategy currently focusses on consolidating gains to rebuild the fund over time.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>(14,802)</b>	<b>(13,857)</b>	<b>(12,877)</b>	<b>(11,860)</b>
Income	10,320	10,355	10,392	10,430
Expenditure	(9,375)	(9,375)	(9,375)	(9,375)
<b>Closing balance</b>	<b>(13,857)</b>	<b>(12,877)</b>	<b>(11,860)</b>	<b>(10,804)</b>

Table 48: Housing Development Fund

## Climate Emergency Fund

In 2019 the States' Assembly declared a Climate Emergency, agreed to set up the Climate Emergency Fund and committed to bringing a Carbon Neutral Strategy for debate by the States Assembly. In February 2020 the Carbon Neutral Strategy was unanimously agreed and outlined the strategic context and the principles upon which a community driven, participatory democracy approach would be used to develop Jersey's detailed road map towards carbon neutrality, a Long-Term Climate Action Plan or 'The Carbon Neutral Roadmap'.

The Climate Emergency Fund is the vehicle through which the funding for Jersey's carbon neutral journey will be met. It contains initial seed funding and further annual income from an above RPI increase in fuel duty. At its current value it is accepted that the Fund will not be sufficient to fund our carbon neutral ambition and it is expected that further income streams will be added to the Fund.

Early expenditure was agreed in the 2019 and 2020 Government Plans for projects and initiatives that would address the climate emergency and maintain momentum whilst the process to develop the Carbon Neutral Roadmap was undertaken. This agreed expenditure has been on sustainable transport initiatives in line with commitments made in the Sustainable Transport Plan (also in early 2020), the protection of the environment, addressing species and habitat protection and policy development. Although the work programme was impacted by the diversion of resources to the pandemic resource for much of 2020, renewed impetus in later 2020 and 2021 has seen the delivery of projects across the financial year where funding remains available as per the Terms of Reference of the Fund.

In early 2021, Jersey's Climate Conversation began, involving a wide-ranging exploration of islanders' views and suggestions about climate change as well as a detailed and representative Citizens' Assembly. The recommendations of the Citizens' Assembly were debated by the States' Assembly in an In-



committee debate in July 2021 and will be considered fully by the Council of Ministers in their 'Preferred Strategy – for the transition to carbon neutrality', to be published in October 2021. The preferred strategy outlines the strategic intent that will underpin the Carbon Neutral Roadmap and also signals the areas of expenditure for future years of the Climate Emergency Fund – what we have referred to here, as unallocated expenditure.

The final fully considered and costed policies and programmes will be presented in the Carbon Neutral Roadmap and agreed by the States Assembly in 2022.

Following an approved amendment to the Government Plan, the proposed expenditure within the Climate Emergency Fund for 2022 will include an amount of up to £250,000 to fund and implement an air quality monitoring policy, to include provision of all necessary equipment<sup>50</sup>.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>5,570</b>	<b>5,470</b>	<b>3,370</b>	<b>770</b>
Income	4,400	4,400	4,400	4,400
Expenditure	(4,500)	(6,500)	(7,000)	(5,000)
<b>Closing balance</b>	<b>5,470</b>	<b>3,370</b>	<b>770</b>	<b>170</b>

Table 49: Climate Emergency Fund

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Policy Development on Carbon Neutral and Sustainable Transport Carbon Neutral Roadmap Initiatives	300	300	300	300
(inc. Sustainable Transport Initiatives and Air Quality Monitoring)	3,785	5,775	6,315	4,700
Biodiversity Crisis Initiatives (including Environmental protection and Tree strategy work)	415	425	385	0
<b>Total expenditure</b>	<b>4,500</b>	<b>6,500</b>	<b>7,000</b>	<b>5,000</b>

Table 50: 2022 expenditure from Climate Emergency Fund

## Fiscal Stimulus Fund

P128/2020 was approved by the States Assembly in November 2020 and established the Fiscal Stimulus Fund to support the local economy by funding projects that would support local jobs and bring about economic benefits in the medium term. The States Assembly approved £50m to fund projects that should be completed in 2021. There are currently £29.6 million of projects that have been approved for funding by the Minister for Treasury & Resources. There is an intention to retain flexibility for the remainder of the ability to borrow a further £20m although it is anticipated that these funds will not be a necessary part of the economic recovery measures in 2022, and so no further borrowing would be required<sup>51</sup>.

<sup>50</sup> See Appendix 7: Amendment 26

<sup>51</sup> Following an amendment to the Government Plan, borrowing for the Fiscal Stimulus Fund will be limited to £29.6 million. See Appendix 7: Amendment 7

## Other special funds

There are several smaller special funds that operate for specific purposes. These funds hold lower balances and are similarly established either under legislation or through bequests made to the Government. Income and expenditure are generally equal.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>29,150</b>	<b>18,784</b>	<b>18,081</b>	<b>17,871</b>
Lottery and Other Income	19,921	19,893	19,876	19,863
Expenditure	(19,846)	(19,847)	(19,849)	(19,850)
Transfers	(10,441)	(749)	(237)	0
<b>Closing balance</b>	<b>18,784</b>	<b>18,081</b>	<b>17,871</b>	<b>17,885</b>

Table 51: Other special funds

## Government of Jersey Group – forecast

The financial forecast for the Government of Jersey Group considers the income and expenditure through trading operations and special funds. An operational deficit is forecast in 2022 and 2023 before a return to operating surplus in 2024. Investment returns of the funds also form part of the accounting surplus, although the use of these returns is restricted.

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Forecast (Deficit) / Surplus</b>	<b>(85,579)</b>	<b>28,431</b>	<b>15,474</b>	<b>34,282</b>
Trading Operations Net Income	3,105	3,620	4,120	4,701
Special Funds Net Operational Expenditure	(71,748)	(79,777)	(2,706)	(3,279)
<b>Group Operational Surplus/(Deficit)</b>	<b>(154,223)</b>	<b>(47,727)</b>	<b>16,888</b>	<b>35,704</b>
Target Investment Returns	168,154	169,476	172,546	183,031
<b>Group Surplus/(Deficit)</b>	<b>13,930</b>	<b>121,749</b>	<b>189,434</b>	<b>218,736</b>

Table 52: Government of Jersey Group Forecast

# Key fiscal measures for consideration in 2022

## An Infrastructure Fund for Jersey

The previous Government Plans identified that an Infrastructure Fund in Jersey could provide a way to fund major projects. The intention was to create the Fund in 2021 so that there could be a wider participation of third-party investors who wished to take a holistic view of the long-term success of the Island and to give us the opportunity to fund longer-term projects in a different way.

The effect of Covid-19 has been to delay the implementation of this initiative in 2021 and there are no immediate plans to proceed with an Infrastructure Fund.

## Long-term Sustainability of the Jersey Teachers Superannuation Fund (JTSF)

The JTSF Management Board have highlighted to Government that the contributions being paid into the JTSF to fund benefits are insufficient to pay for the future accrual of benefits for current and future teachers. Whilst the repayment of the JTSF pension increase debt included in this Government Plan will provide certainty that this liability will be repaid there remains an issue of long-term sustainability for the final salary pension benefits provided to teachers. The long-term sustainability of JTSF will be considered following the repayment of the Pension Increase Debt and any implications included in a future Government Plan.

## Technology Fund

As shareholder of JT Global, the Government is in receipt of an extraordinary dividend of £40 million relating to the recent sale of the Internet of Things (IOT) part of the business. As a result, this plan enables the creation of a £20 million fund to assist with technology projects that seek to assist with the Island's objectives, including enhancing the digital economy, closing known gaps in Jersey's innovation eco-system and ensuring government, states owned enterprises, arms-length partners and other key players, are equipped to play their role in incubating and supporting new high-value initiatives. Proposals for the creation of this fund will be set out in a forthcoming proposition which will explicitly seek the Assembly's approval of the purpose and terms of the fund<sup>52</sup>.

The remaining £20 million has been utilised in 2022 to fund investment in IT infrastructure for Government, given the constraints on finances arising from the pandemic.

We will focus on addressing long-term challenges and opportunities for our economy, with the Future Economy Programme ramping up in 2022 to set the direction for years to come.

Our digital industries will continue to strengthen and develop, and our commitment is demonstrated by the planned reinvestment of windfall receipts from the recent sale of JT IOT in a programme of work that ramps up support for digital and technology innovation in Jersey.

## Introduction of independent taxation

Following the passing of the amendment law introducing Independent Taxation in September, Phase 1 of the project will see the first group of Islanders moving into Independent Taxation on 1 January 2022. This first group includes the following taxpayers:

- Single people, even if the individual marries or becomes a civil partner after this date;
- People who are permanently separated as at 31 December 2021;
- Individuals who move to the Island after 31 December 2021; and
- Individuals who were 'separately assessed' in 2020 and elect to move to Independent Taxation in 2022.

Phase 2 of the project will see taxpayers that are currently taxed under married couples or civil partnership rules and who elect to be independently taxed moving to Independent Taxation for 2023.

In Phase 3 of the project, all remaining married couples and civil partners will move to Independent Taxation and a compensatory allowance will become available for taxpayers that are financially disadvantaged by the adoption of Independent Taxation.

## Review of Social Security sustainability

There continues to be a determination to place the Social Security Fund in a fully sustainable position for future generations, and Ministers are committed to coordinating that review with a consideration of the need to support future health funding.

Over the last year the long-term position of the SSRF has improved and the annual States Grant paid into the Fund will be restored to its full value from 2024 onwards.

Current modelling shows a balance of 4 times annual spend in the 2070s, without any increase in contribution rates. This represents a robust position of the overall fund and confirms that pension payments to future pensioners are secure.

During 2022 the Fund will be subject to a full actuarial review. The review will consider a range of population scenarios to allow Ministers to consider any necessary response to the emerging population policy.

## Financial wellbeing in old age, including workplace pensions

Work and engagement on financial wellbeing in old age and saving for retirement stopped in 2020 due to Covid-19. Work has recently restarted, and the Council of Ministers are keen that a detailed proposal is developed as soon as possible, with the ambition of implementing it from 2025.

Ministers propose that the next government should implement a scheme to encourage all islanders to save for their retirement, with employers playing an important role. This could be achieved by automatic enrolment into a workplace pension scheme, for example, that will help employees to save so that they will have extra income and savings on top of the foundation of the old age pension.

Ministers propose that the Social Security Fund could play a funding role at the beginning to help set up a new scheme and encourage changes in savings behaviour.

## Sustainability of health funding

Whilst the Jersey Care Model is being designed to support more effective use of public funds, it is clear that additional ongoing funding will be needed to maintain high quality health services to a growing older population and to cover increasing costs due to advances in medical treatment and new medicines. Additional costs are also expected over the next decades to cover pandemic recovery and increasing public health, primary and preventative services.

The Health and Social Services Minister will undertake a wider health economic review during 2022 to inform funding options for increased health care costs and for any potential new health access schemes, to be brought forward in 2023 for the Government Plan 2024-27.

The current health system is undergoing a major transformation as part of the Jersey Care Model and the fees for accessing health care services are not equal for all Islanders. It is therefore important to include in the health economic review a range of options on health access schemes and their related costs and potential funding solutions.

Currently, a key barrier to long-term progress is the split funding and responsibility between the Health Insurance Fund and the Health and Community Services Departmental budget. This split funding will also be addressed in the wider health cost and funding model review.

## Zero Based Budgeting

The implementation of Zero-Based Budgeting was a Government Plan commitment in 2020 and 2021. A project was established to set up a rolling programme of Zero-Based Budgeting across the government. Under the scheme, Budget Managers start from a 'clean sheet' (i.e. from zero) with no assumptions, all activities conducted are justified on their contribution to outcomes, and all required resources to support delivery are evidenced and objectively challenged. Zero-Based Budgeting will provide greater control over our budgets and make it easier for us to redirect resources towards our strategic priorities. This increases the connection between our spending and our objectives, introduces increased cost transparency and control across the organisation, and creates a sustainable culture change in how we financially plan. The method seeks to align our operational and financial planning, with better management and better ability to shift resources towards priorities which will lead to better government.

The programme saw significant delays throughout 2020 and the first half of 2021 as a result of a number of factors, including Covid-19. The first phase of the implementation programme commenced in 2020 with Treasury and Exchequer, Justice and Home Affairs and Health and Community Services. This exercise provided meaningful insight and lessons learned to support the development of a refreshed plan in 2021 together with the introduction of dedicated internal resources to both champion the programme and to refine the approach and tools required to deliver a more tailored methodology across all our Government departments.

Further work has been undertaken with Health and Community Services, and Children, Young People, Education and Skills to advance the implementation of Zero-Based budgeting as an aid to support the identification of opportunities to deliver efficiencies. The revised plan aims to roll out Zero-Based Budgeting across all departments by mid-2022 with an on-going commitment to embed this methodology to inform decision making in future government plans.

## Coastal Management Strategy/Shoreline Management

Jersey's Shoreline Management Plan outlines how the Island's low-lying coastal areas will be defended from flood risk and erosion over the next 100 years. It sets out a framework to manage these risks to the community, environment and economy of Jersey in a sustainable manner up to 2120, over three time periods in line with future climate projections and sea level rise.

Currently funding is currently allocated on a priority basis to keep our coastal defences in good condition and reduce the risks of property damage through flooding i.e. maintain the line. This comes from the Infrastructure Rolling Vote, a rolling maintenance fund for some of the Islands key infrastructure that covers highways and the sewer network as well as our coastal structures. Whilst this covers immediate maintenance needs, further funding for our coastal structures will need to be sought over the longer term, accepting that 'maintaining the line' is the minimum policy and in some cases we would seek to 'adapt' or 'advance the line'.

We will consider the long-term funding requirements in 2022 and make recommendations for consideration in the next Government Plan.



**PART 6**  
**APPENDICES**





# Appendix 1: Key to Abbreviations

## Minister

<b>CM</b>	Chief Minister
<b>MCEDU</b>	Minister for Children and Education
<b>MEDTSC</b>	Minister for Economic Development, Tourism, Sport and Culture
<b>MENV</b>	Minister for the Environment
<b>MER</b>	Minister for External Relations and Financial Services
<b>MHSS</b>	Minister for Health and Social Services
<b>MHA</b>	Minister for Home Affairs
<b>MHC</b>	Minister for Housing and Communities
<b>MINF</b>	Minister for Infrastructure
<b>MID</b>	Minister for International Development
<b>MSS</b>	Minister for Social Security
<b>MTR</b>	Minister for Treasury and Resources

## CSP Ongoing Initiatives

<b>OI1</b>	A new long-term strategic framework that extends beyond the term of a Council of Ministers
<b>OI2</b>	A States Assembly and Council of Ministers that work together for the common good
<b>OI3</b>	A modern, innovative public sector that meets the needs of Islanders effectively and efficiently
<b>OI4</b>	A sustainable long-term fiscal framework and public finances that make better use of our public assets
<b>OI5</b>	An electoral system which encourages voter turnout and meets international best practice

Department	
<b>CLS</b>	Customer and Local Services
<b>COO</b>	Chief Operating Office
<b>CYPES</b>	Children, Young People, Education and Skills
<b>ECON</b>	Department for the Economy
<b>HCS</b>	Health and Community Services
<b>IHE</b>	Infrastructure, Housing and Environment
<b>JHA</b>	Justice and Home Affairs
<b>OCE</b>	Office of the Chief Executive
<b>SPPP</b>	Strategic Policy, Planning and Performance
<b>T&amp;E</b>	Treasury and Exchequer
<b>NM</b>	Non-Ministerial Departments:
<b>BC</b>	- Bailiff's Chambers
<b>C&amp;AG</b>	- Comptroller and Auditor General
<b>JG</b>	- Judicial Greffe
<b>LOD</b>	- Law Officers' Department
<b>SG</b>	- States Greffe
<b>VD</b>	- Viscount's Department
<b>JOA</b>	Jersey Overseas Aid
<b>PPC</b>	Privileges and Procedures Committee

# Appendix 2:

## Proposition and Summary Tables as approved by the States Assembly after debate in December 2021.

THE STATES are asked to decide whether they are of opinion –

To receive the Government Plan 2022 – 2025 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- a. to approve the estimate of total States income to be paid into the Consolidated Fund in 2022 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law, except that –
  - i. the 2022 Estimate for Impôt Duties Total shall be decreased by £231,000 by increasing the Impôt Duties for Spirits, Wine, Cider and Beer at 1% under RPI, with the relevant figures for 2022 in Appendix 2 – Summary Table 1 updated in line with the following table, and subsequent figures updated accordingly –

	2022 Estimate (£000)
Impôt Duties Spirits	7,364
Impôt Duties Wine	9,211
Impôt Duties Cider	842
Impôt Duties Beer	6,299

- ii. in Summary Table 1 the Return from Andium Homes and Housing Trusts shall be reduced by £2,750,000 in 2022 to allow for a social housing rents policy whereby rents are frozen for 2022, and capped at 80% of the market rate from 2022 onwards, and that Government shall continue to work with Andium to finalise a solution to minimise the impact on both Andium and the Consolidated Fund; and
  - iii. with the proposed taxation and impôts duties changes to include the introduction, following a review by the Minister for Treasury and Resources and no later than 31st December 2022, of a higher Stamp Duty rate for ‘Buy to Let’ investment properties, second homes and holiday homes
- b. to approve the Changes to Approval for financing/borrowing for 2022, as shown in Appendix 2 – Summary Table 3 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals except that, in Summary Table 3, for the row entitled “Fiscal Stimulus, including Refinancing”, in the column headed “Change to Approval” there shall be inserted the figure “-20,359” and, in each of the columns headed 2022, 2023, 2024 and 2025, the figure “50,000” shall be replaced with “29,641”;
- c. to approve the transfers from one States fund to another for 2022 of up to and including the amounts set in Appendix 2 – Summary table 2 to the Report, noting that the transfer from the Consolidated Fund to the Technology Fund is subject to the Assembly’s approval of a proposition to create such a Fund in 2022, in line with Article 9(2)(b) of the Law, except that the proposition to create such a fund shall explicitly seek the Assembly’s approval of the purpose and terms of that fund;
- d. to approve each major project that is to be started or continued in 2022 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- e. to endorse the efficiencies and other re-balancing measures for 2022 contained in the Government Plan as set out in Appendix 2 Summary Table 6, with amendments made as

appropriate to reflect the establishment of the Ministry of External Relations as provided for in (f), and reflected within each gross head of expenditure in Appendix 2 – Summary Table 5(i):

- f. to approve the proposed amount to be appropriated from the Consolidated Fund for 2022, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, except that –
  - i. the Head of Expenditure for the General Reserve shall be reduced by £231,000 to accommodate a drop in States income caused by increasing the Impôt Duties for Spirits, Wine, Cider and Beer by 1% under RPI, and that, in Summary Table 5(i) – 2022 Revenue Heads of Expenditure;
  - ii. in Summary Table 5(i) – 2022 Revenue Heads of Expenditure, the Head of Expenditure for Customer and Local Services shall be decreased by £1,849,000 to allow for a reduction in expenditure arising from a social housing rents policy whereby rents are frozen for 2022 and capped at 80% of the market rate from 2022 onwards, and that the Head of Expenditure for Covid-19 Response be reduced by £901,000 to meet the net impact of the rent freeze;
  - iii. in Summary Table 5(i), £772,650 should be transferred from the General Reserve Head of Expenditure to the Infrastructure, Housing and Environment Head of Expenditure to reinstate the original business case funding request for Regulatory Sustainability;
  - iv. in Summary Table 5 (i) –
    - a. the head of expenditure for Children, Young People, Education and Skills should be increased by £53,266 to allow the Youth Service to ensure the retention of a full-time assistant youth worker to support the Inclusion Project; and
    - b. the head of expenditure for Children, Young People, Education and Skills for 2022 should be increased by £27,000 to allow the Youth Service to employ an additional part-time assistant youth worker to support a 2-year pilot Transition Programme within the Inclusion Project;
  - v. in Summary Table 5(i), the Head of Expenditure for Children, Young People, Education and Skills shall be increased by £30,000 to allow for additional resources to reinstate the Jersey Child Care Trust's full grant for 2022;
  - vi. in Summary Table 5(i), the General Reserve Head of Expenditure shall be decreased by £500,000 with the Head of Expenditure for Health and Community Services increased by the same amount in order to increase the 2022 allocation for Mental Health;
  - vii. in Summary Table 5(i) £200,000 should be transferred from the General Reserve Head of Expenditure to the Head of Expenditure for Strategic Policy, Planning and Performance, to facilitate and support the creation of a task force in relation to improving women's safety, such body to collect views from Islanders and to develop and propose direct and achievable action points, to achieve that objective, to the new government for inclusion in the next government plan.
  - viii. in summary table 5(i), an additional row should be inserted under 'Departments' with the name 'Ministry of External Relations', and with '145' inserted under the column for 'Income', '2,918' inserted under the column for 'Expenditure Allocation' and '2,918' inserted in the column for 'Head of Expenditure', with the figures for the Office of the Chief Executive, within which External Relations is currently based, being adjusted down accordingly so that the formal establishment of the Ministry of External Relations in this Government Plan is cost neutral;

- ix. in Summary Table 5(i), the Head of Expenditure for Children, Young People, Education and Skills shall be increased by £330,000 and the Head of Expenditure for the Covid-19 Response shall be reduced by £330,000 in order for funding identified to support Early Years within the Covid Health and Social Recovery Project to be placed within the base departmental budget for Children, Young People, Education and Skills;
  - x. in Summary Table 5(ii), the Head of Expenditure for Central Planning Reserves shall include, as part of the existing allocation, £100,000 to allow for a feasibility study of appropriate sites including Piquet House for States Members office space;
  - xi. in Summary Table 5(ii), the Head of Expenditure for Central Planning Reserve shall include £150,000, as part of the existing allocation, for 'First Tower playing field';
  - xii. in Summary Table 5(i), £500,000 should be transferred from the General Reserve Head of Expenditure to fund the undertaking of an independent review of the Island's response to the Covid-19 pandemic, deliverable by 29th July 2022, the Council of Ministers being requested, in conjunction with the Privileges and Procedures Committee, to take such steps as are necessary to initiate a review that will deliver an objective and independent analysis of the actions undertaken in response to the Covid-19 pandemic and provide recommendations and guidelines for the management of any future pandemic or similarly disruptive event; and
  - xiii. with funding to be allocated from the Covid-19 response head of expenditure in Summary Table 5(i), and made available for use by the Minister for Infrastructure, to provide for the establishment from 1st January 2022, or as soon as possible thereafter in 1st quarter of 2022, of a bus pass scheme (for which a charge of £20 per annum should be levied on the individual) for all people eligible to pay fares aged 18 years or under; with the overall cost of, take-up of, and customer satisfaction with the scheme, to be subsequently reviewed by the Minister and the outcome of the review to be published by the end of the third quarter of 2022;
- g. to approve up to £480 million to be appropriated from the Consolidated Fund for the Past Service Pension Liabilities Refinancing head of expenditure, subject to the availability of funding, which may include, in full or in part, use of the borrowing/financing referred in paragraph (b);
  - h. to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2022 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
  - i. to approve the proposed amount to be appropriated from each States trading operation's trading fund for 2022 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 8 to the Report;
  - j. to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2022 as set out in Appendix 2 – Summary Table 9 to the Report, except that the proposed expenditure within the Climate Emergency Fund shall include an amount of up to £250,000 to fund and implement an air quality monitoring policy to include provision of all necessary equipment;
  - k. to approve an amendment to the policy of the Strategic Reserve Fund to enable that Fund to be used as a holding Fund for any or all monies related to the repayment of debt raised through external financing, with the monies used to offset the repayment of debt, as and when required; and
  - l. to agree that borrowing relating to COVID-19 and Fiscal Stimulus Fund requirements should be of a short-term nature only, for no more than 5 years (and, for example, funded from the revolving credit facility) and, accordingly, that:

- i. the Council of Ministers be requested to bring forward proposals in future Government Plans to reduce this borrowing to zero by 31st December 2026; and
  - ii. that the Minister for Treasury and Resources be requested to prioritise the application of any unspent funds at the end of 2021 and 2022, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund and that these funds, along with receipts relating to the move of all taxpayers to current year basis, be used to minimise the borrowing requirements for COVID-19 and the Fiscal Stimulus Fund and support the repayment of debt;
- m. to approve, in accordance with Article 9(1) of the Law, the Government Plan 2022-2025, as set out at Appendix 3 to the Report except that –
- i. on page 139 of Appendix 3, after the words “A freeze in the rent levels” there should be inserted the words “(based on a policy that social housing rents should be capped at 80% of the market rate)” in addition to any further changes to Appendix 3 identified as required by the Council of Ministers to reflect the implementation of such a policy”;
  - ii. on page 155 of Appendix 3, after the words “this review will conclude in 2022.” there shall be inserted the words “The Minister for Treasury and Resources will introduce a higher Stamp Duty rate for ‘Buy to Let’ investment properties, second homes and holiday homes no later than 31 December 2022.”, in addition to any further changes to Appendix 3 identified as required by the Council of Ministers to reflect the implementation of such a policy”.
  - iii. on page 168 under “Health Insurance Fund” the following words should be inserted –  
 “The following safeguards and transparency measures will be put in place in relation to the establishment of the Jersey Care Model:
    - The independent non-executive board (establishment of which was approved in P.114/2020) will be supported to publish a review of the Tranche 1 and the use of 2021 funding by the end of March 2022 at the very latest; and
    - The digital health team within Modernisation and Digital establishes a protected, separately resourced sub-team (that includes a Manager grade role), to focus solely on the delivery of the Jersey Care Model digital systems, and the Digital Care Strategy. Regular updates on these workstreams should be regularly reported on to the JCM Programme board; the Independent Oversight Board and the Health and Social Security Scrutiny Panel’.

The following safeguards and transparency measures will be put in place in relation to the operation of, and any transfers made out of, the Health Insurance Fund:

- The Minister for Health and Social Services will annually publish a report, which will also be presented in advance to the Health and Social Security Scrutiny Panel, to detail the information provided to the Minister for Social Security relating to the costs incurred on the Jersey Care Model that require a transfer of funds from the HIF;
- The Minister for Social Security will publish a report, within 2 weeks of any transfer, to detail how any funds transferred out of the HIF for the purposes of the JCM or its related digital strategies costs have been verified;
- An actuarial review of the Health Insurance Fund (HIF) is prioritised in 2022 and will include:
  - › specific analysis of the use of the HIF for the purposes of the Jersey Care Model and its related digital strategies;

- › Consideration of the impact of all withdrawals on the fund since 2020; and
  - › The future of the HIF, should withdrawals take place as per envisaged by P.130/2020.
  - As part of the wider review of sustainable healthcare funding to be undertaken in 2022, there will be a specific consideration to repaying the HIF (from the Consolidated Fund) for funding withdrawn for the establishment of the Jersey Care Model and its related digital strategies if no sustainable healthcare funding is operational by 2025.”;
- iv. on page 169 of Appendix 3, after the words “sustainable model for health funding” there shall be inserted the words “, but the role of the Health Insurance Fund in meeting the requirement to subsidise the cost of G.P. consultations and the cost of prescriptions and other primary care services shall be maintained during the review”, in addition to any further changes to Appendix 3 identified as required by the Council of Ministers”; and
- iv. with amendments made as appropriate, including in R.150/2021, to reflect the establishment of the Ministry of External Relations as provided for in (f).

## Summary Table 1 - States Income

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Income Tax</b>				
Personal Income Tax	544,200	580,200	608,200	640,200
Companies	99,000	109,000	123,000	130,000
Provision for Bad Debt	(6,000)	(3,000)	(3,000)	(3,000)
<b>Income Tax Total</b>	<b>637,200</b>	<b>686,200</b>	<b>728,200</b>	<b>767,200</b>
<b>Goods &amp; Services Tax (GST)</b>				
Goods & Services Tax (GST)	91,000	93,200	95,200	97,400
ISE Fees	12,600	12,600	12,600	12,600
<b>GST Total</b>	<b>103,600</b>	<b>105,800</b>	<b>107,800</b>	<b>110,000</b>
<b>Impôt Duties</b>				
Impôt Duties Spirits	7,321	7,588	7,787	7,983
Impôt Duties Wine	9,231	9,564	9,814	10,060
Impôt Duties Cider	885	898	903	907
Impôt Duties Beer	6,265	6,427	6,529	6,627
Impôt Duties Tobacco	16,135	16,535	15,954	15,381
Impôt Duties Fuel	28,328	29,038	29,485	29,912
Impôt Duties Goods (Customs)	800	800	800	800
Vehicle Emissions Duty (VED)	3,130	3,044	3,044	3,044
<b>Impôt Duties Total</b>	<b>72,095</b>	<b>73,894</b>	<b>74,316</b>	<b>74,714</b>
<b>Stamp Duty</b>				
Stamp Duty	36,168	36,509	37,767	38,992
Probate	2,500	2,500	2,500	2,500
Stamp Duty on Share Transfer (LTT)	3,069	3,256	3,404	3,548
<b>Stamp Duty Total</b>	<b>41,737</b>	<b>42,265</b>	<b>43,671</b>	<b>45,040</b>
<b>Central Scenario</b>	<b>854,632</b>	<b>908,159</b>	<b>953,987</b>	<b>996,954</b>
Annual Growth %	4.41%	6.27%	5.05%	4.51%
Increased Collections - Domestic Compliance	12,900	14,000	15,500	15,500
GST De minimis	0	1,100	1,100	1,100
Additional Tax Measures	0	0	10,000	10,000
<b>Total General Tax Revenue</b>	<b>867,532</b>	<b>923,259</b>	<b>980,587</b>	<b>1,023,554</b>
Island Rate Income from Parishes	14,178	14,546	14,910	15,298
Other States Income - Dividends	11,082	11,377	11,935	12,244
Other States Income - Non-Dividends	9,107	9,214	9,198	9,071
Other States Income - Return from Andium Homes and Housing Trusts	28,976	28,985	28,913	29,135
<b>Total General Tax Revenue</b>	<b>63,343</b>	<b>64,122</b>	<b>64,956</b>	<b>65,748</b>
<b>Total States Income</b>	<b>930,875</b>	<b>987,381</b>	<b>1,045,543</b>	<b>1,089,302</b>

## Summary Table 2 - Transfer of monies between States Funds

	2022 (£000)	2023 (£000)	2024 (£000)	2025 (£000)
Jersey Innovation Fund to Consolidated Fund	3,000	0	0	0
Consolidated Fund to Technology Fund	(20,000)	0	0	0
Consolidated Fund to Insurance Fund	(1,244)	0	0	0
Consolidated Fund to Climate Emergency Fund	(4,400)	(4,400)	(4,400)	(4,400)
Strategic Reserve to Consolidated Fund (Hospital Borrowing coupon and costs)	21,000	19,000	19,000	19,000
Health Insurance Fund to Consolidated Fund (Revenue)	8,300	6,100	4,100	0
Assisted House Purchase Scheme to Consolidated Fund	2,000	0	0	0
Dwelling House Loans Fund to Consolidated Fund	3,700	0	0	0
Criminal Offences Confiscation Fund to Consolidated Fund (Capital)*	2,985	749	237	0
Health Insurance Fund to Consolidated Fund (Capital)	4,700	6,060	3,725	0
Strategic Reserve to Consolidated Fund (Our Hospital - Reimbursement of Capital)	11,320	1,000	336	0
Strategic Reserve to consolidated Fund (Our Hospital Project costs)	85,000	181,700	287,400	169,600
Social Security (Reserve) Fund to Social Security Fund*	81,255	87,175	0	0

\*subject to separate authority



### Summary Table 3 - Borrowing for 2022

	Existing Approval (£000)	Change to Approval (£000)	2022 (£000)	2023 (£000)	2024 (£000)	2025 (£000)
Costs of Covid-19, including Refinancing	335,953	(127,433)	208,520	208,520	208,520	208,520
Fiscal Stimulus, including Refinancing	50,000	(20,359)	29,641	29,641	29,641	29,641
Borrowing for Our Hospital - P.80/2021	756,000	0	756,000	756,000	756,000	756,000
Refinancing of past-service liabilities	0	480,000	480,000	480,000	480,000	480,000
Housing Bond	250,000	0	250,000	250,000	250,000	250,000
<b>Total Financing</b>	<b>1,391,953</b>	<b>332,208</b>	<b>1,724,161</b>	<b>1,724,161</b>	<b>1,724,161</b>	<b>1,724,161</b>

### Summary Table 4 - Full Costs of Projects Designated as a Major Project, to be started in 2022 and projects with amended totals since Government Plan 2021

	Department	2021-2024 Government Plan Full Cost (£000)	2022-2025 Government Plan Full Cost (£000)
Infrastructure Rolling Vote and Regeneration Including St. Helier	IHE	0	13,318
Sewage Treatment Works	IHE	75,502	86,235
Fire and Ambulance Headquarters	JHA	0	24,403
Fort Regent	IHE	3,000	8,000
OneGov Office	IHE	3,450	3,923
Elizabeth Castle	OCE	0	4,953
Inspiring Active Places - Sports Strategy	IHE	0	814
MS Foundation	COO	7,000	11,446
Cyber	COO	13,800	14,970
Integrated Tech Solution	COO	29,400	54,740
ITS Phase 2	COO	0	6,500
ITS Release 3 Additional	COO	0	1,281
Schools Estate	CYPES	31,350	31,350
<b>Total</b>		<b>163,502</b>	<b>261,933</b>

## Summary Table 5i - 2022 Revenue Heads of Expenditure

	Income (£000)	Expenditure Allocation (£000)	Head of Expenditure (£000)
<b>Departments</b>			
Chief Operating Office	1,475	39,369	37,894
Children, Young People, Education and Skills	20,536	188,014	167,478
Customer and Local Services	10,233	104,800	94,567
Infrastructure, Housing and Environment	28,734	77,392	48,658
Health and Community Services	25,526	251,816	226,290
Jersey Overseas Aid	0	13,375	13,375
Justice and Home Affairs	3,187	33,933	30,746
States of Jersey Police Service	234	25,439	25,205
Office of the Chief Executive	0	5,569	5,569
Ministry of External Relations	145	3,063	2,918
Department for the Economy	54	36,732	36,678
Strategic Policy, Planning and Performance	588	11,676	11,088
Treasury and Exchequer	2,912	71,510	68,598
Finance Costs	0	21,000	21,000
Covid-19 Response	0	33,588	33,588
<b>Departments Total</b>	<b>93,624</b>	<b>917,276</b>	<b>823,651</b>
<b>Non-Ministerial States Bodies</b>			
Baliff's Chambers	68	2,195	2,127
Comptroller and Auditor General	78	1,035	957
Judicial Greffe	1,468	10,423	8,955
Law Officers Department	288	9,303	9,015
Office of the Lieutenant Governor	107	965	858
Official Analyst	53	663	610
Probation	88	2,516	2,428
States Assembly	79	8,232	8,153
Viscount's Department	806	2,550	1,744
<b>Non-Ministerial States Bodies Total</b>	<b>3,035</b>	<b>37,882</b>	<b>34,847</b>
<b>Non-Ministerial States Bodies + Departments Total</b>	<b>96,659</b>	<b>955,158</b>	<b>858,498</b>
<b>Revenue Reserves Heads of Expenditure</b>			
Reserve for Centrally Held Items	0	22,385	22,385
General Reserve	0	77,847	77,847
<b>Revenue Reserves Heads of Expenditure Total</b>	<b>0</b>	<b>100,232</b>	<b>100,232</b>
<b>Revenue Heads of Expenditure Total</b>	<b>96,659</b>	<b>1,055,390</b>	<b>958,730</b>

## Summary Table 5ii - 2022 Project Heads of Expenditure

	Department	2022 £000
Central Planning Reserves		900
Replacement Assets		7,851
Discrimination Law, Safeguarding and Regulation of Care		1,600
School & Educational Developments		10,650
Infrastructure Assets		2,300
COO Replacement Assets	COO	3,000
Regulation Group Digital Assets	IHE	1,230
Next Passport Project	JHA	355
Combined Control IT	JHA	400
Electronic Patient Records	JHA	130
Electronic Document Management Solution	COO	2,200
Customer Relationship Management	COO	736
Service Digitisation	COO	1,750
Jersey Care Model - Digital Systems	HCS	800
Revenue Transformation Programme (Phase 3)	T&E	3,385
Non-Ministerial IT	NON-MINS	1,413
New Skatepark (net of PoJ Funding)	IHE	200
New Skateparks	IHE	500
North of St. Helier Youth Centre	CYPES	2,000
Army and Sea Cadets Headquarters	JHA	494
States of Jersey Police Firearms Range	JHA	264
Prison Improvement Works - Phase 6b	JHA	230
Prison Phase 8	JHA	1,609
Health Services Improvements Programme	HCS	5,000
In-Patient/Support Services Refurbishments	HCS	989
Dewberry House SARC	JHA: SoJP	882
Reserve for Central Risk and Inflation Funding	T&E	1,800
Planning Obligation Agreements	IHE	0
Countryside Access & Wellbeing	IHE	0
Piquet House		0
<b>Total Projects Heads of Expenditure</b>		<b>52,668</b>
<b>Major Projects</b>		
Infrastructure Rolling Vote and Regeneration Including St. Helier (2022)	IHE	13,318
Sewage Treatment Works	IHE	10,740
Learning Difficulties - Specialist Accommodation	HCS	3,300
Ambulance and Fire and Rescue Headquarters	JHA	500
Fort Regent	IHE	2,000
Office Modernisation	IHE	460
Elizabeth Castle	OCE	1,250
Inspiring Active Places - Sports Strategy	IHE	814
MS Foundation	COO	5,546
Cyber	COO	4,370
Integrated Technology Solution Release 1 & 2	COO	19,730
ITS Release 3 & 4	COO	4,200
ITS Release 3 Additional	COO	1,264
Digital Care Strategy	HCS	3,900
Schools Estate	CYPES	1,250
<b>Total Major Projects Heads of Expenditure</b>		<b>72,642</b>
Our Hospital	HCS	85,000
<b>Total Capital Heads of Expenditure</b>		<b>210,310</b>

## Summary Table 6 - Efficiencies and Rebalancing Measures 2022 - Summary Proposals

Minister	Department	Title	Recurring/ One off	Budget impact	2022 (£000)
Assistant Chief Minister	COO	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	415
Assistant Chief Minister	OCE	General staffing productivity increase	Recurring	Spend reduction: Staff	75
Chief Minister	COO	General staffing productivity increase	Recurring	Spend reduction: Staff	258
Chief Minister	OCE	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	87
Chief Minister	SPPP	General reductions in non-staff budget	One off	Spend reduction: Non-Staff	20
Chief Minister	SPPP	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	188
Chief Minister	SPPP	General staffing productivity increase	Recurring	Spend reduction: Staff	39
Minister for Children and Education	CYPES	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	56
Minister for Children and Education	CYPES	General staffing productivity increase	Recurring	Spend reduction: Staff	440
Minister for EDTSC	ECON	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	100
Minister for EDTSC	ECON	General staffing productivity increase	Recurring	Spend reduction: Staff	84
Minister for External Relations and Financial Services	ECON	General reductions in non-staff budget	One off	Spend reduction: Non-Staff	52
Minister for External Relations and Financial Services	EXT	General staffing productivity increase	One off	Spend reduction: Staff	57
Minister for External Relations and Financial Services	EXT	General staffing productivity increase	Recurring	Spend reduction: Staff	42
Minister for Health and Social Services	HCS	Fees and charges	Recurring	Income	700
Minister for Health and Social Services	HCS	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	3,750
Minister for Health and Social Services	HCS	General staffing productivity increase	Recurring	Spend reduction: Staff	1,800
Minister for Home Affairs	JHA	Fees and charges	Recurring	Income	184
Minister for Home Affairs	JHA	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	406
Minister for Home Affairs	JHA	General staffing productivity increase	Recurring	Spend reduction: Staff	315
Minister for Home Affairs	JHA: SoJP	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	459
Minister for Home Affairs	JHA: SoJP	General staffing productivity increase	Recurring	Spend reduction: Staff	377
Minister for Infrastructure	IHE	FM centralisation	Recurring	Spend reduction: Non-Staff	200
Minister for Infrastructure	IHE	Property Maintenance	Recurring	Spend reduction: Non-Staff	300
Minister for Social Security	CLS	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	371
Minister for Social Security	CLS	General staffing productivity increase	Recurring	Spend reduction: Staff	204
Minister for Treasury and Resources	COO	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	125
Minister for Treasury and Resources	T&E	Fees and charges	Recurring	Income	14
Minister for Treasury and Resources	T&E	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	31
Minister for Treasury and Resources	T&E	General staffing productivity increase	Recurring	Spend reduction: Staff	386
Non-Mins	Non-Mins	Fees and charges	Recurring	Income	266
Non-Mins	Non-Mins	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	230
Non-Mins	SA	General reductions in non-staff budget	Recurring	Spend reduction: Non-Staff	4
<b>Departments total</b>					<b>12,035</b>
Council of Ministers	Central	Non-pay inflation budget	Recurring	Spend reduction: Non-Staff	5,343
Minister for Treasury and Resources	T&E: Revenue Jersey	Domestic tax compliance	Recurring	Income	4,300
<b>Grand Total</b>					<b>21,678</b>

## Summary Table 7 - Trading Operations 2022

	Income (£000)	Annual Operating Costs (£000)	Estimated Income to be paid into trading fund (£000)
Jersey Car Parking	6,933	(5,772)	1,161
Jersey Fleet Management	4,971	(3,027)	1,944
<b>Total</b>	<b>11,904</b>	<b>(8,799)</b>	<b>3,105</b>

## Summary Table 8 - Trading Operations Capital Heads of Expenditure

	Trading Fund	Head of Expenditure (£000)
Jersey Car Parking - Car Park Enhancement and Refurbishment	JCP	110
Jersey Fleet Management - Vehicle and Plant Replacement	JFM	2,000

## Summary Table 9 - Climate Emergency Fund Income and Expenditure

Climate Emergency Fund	2022 (£000)
Opening Balance 1/1/2022	5,570
Income	4,400
Expenditure	(4,500)
<b>Closing Balance</b>	<b>5,470</b>



## Appendix 3: New revenue initiatives

CSP Priority	Sub-priority	CSP Ref	Programme	2022 Allocation (£000)	2023 Allocation (£000)	2024 Allocation (£000)	2025 Allocation (£000)
Put Children First	Protecting and supporting children	CSP1-1-09	Young People Intensive support	400	400	400	400
	Protecting and supporting children Total			400	400	400	400
	Improving their educational outcomes	CSP1-2-06	Education Demographic Pressures	678	789	1,412	2,132
	Improving their educational outcomes Total			678	789	1,412	2,132
	Government Plan Amendment	CSP1-A-01	Inclusion Project Funding	81	81	81	81
	Government Plan Amendment	CSP1-A-02	Jersey Child Care Trust Funding	30	30	30	30
	Government Plan Amendment Total	CSP1-A-03	Best Start Partnership Funding	330	330	-	-
				441	441	111	111
<b>Put Children First Total</b>				<b>1,519</b>	<b>1,630</b>	<b>1,923</b>	<b>2,643</b>
Improve wellbeing	Putting patients, families and carers at the heart of Jersey's health and care system	CSP2-3-07	Obstetric and Gynecological (O&G) Services	646	646	646	646
		CSP2-3-08	Emergency & Urgent Care Vehicle Replacement	157	269	401	477
		CSP2-3-09	Specialist Paramedic Team	100	-	-	-
	Putting patients, families and carers at the heart of Jersey's health and care system Total			903	915	1,047	1,123
	Covid-19 Response	CSP2-C-07	Covid-19 Vaccine	4,103	-	-	-
		CSP2-C-08	Covid-19 Health Service Recovery	1,296	-	-	-
		CSP2-C-09	PPE Provision and Supply	3,300	2,500	1,900	1,400
		CSP2-C-10	PPE Warehousing	407	414	421	105
		CSP2-C-11	Health and Social Recovery	3,769	2,670	-	-
	CSP2-A-12	Covid-19 Review	500	-	-	-	
Covid-19 Response Total			13,375	5,584	2,321	1,505	
Improving the quality of and access to mental health services	CSP2-2-04	Children's Health Recovery Plan	2,000	3,800	3,800	3,800	
Improving the quality of and access to mental health services Total			2,000	3,800	3,800	3,800	
<b>Improve wellbeing Total</b>				<b>16,278</b>	<b>10,299</b>	<b>7,168</b>	<b>6,428</b>
Vibrant Economy	enhancing our international profile and promoting our Island identity	CSP3-1-10	International Tax	504	359	259	259
	enhancing our international profile and promoting our Island identity	CSP3-1-09	Financial Crime Prevention	1,800	1,800	1,800	1,800
	enhancing our international profile and promoting our Island identity Total			2,304	2,159	2,059	2,059
<b>Vibrant Economy Total</b>				<b>2,304</b>	<b>2,159</b>	<b>2,059</b>	<b>2,059</b>
Reduce Inequality	Improving Social Inclusion	CSP4-3-03	Income & Expenditure Survey	178	13	-	-
	Improving Social Inclusion Total	CSP4-3-04	Review of Workers' Employment Rights	50	-	-	-
	Improving the quality and affordability of housing			228	13	-	-
Improving the quality and affordability of housing Total	CSP4-1-06	Housing & Food Licensing Schemes	1,000	1,000	1,000	1,000	
<b>Reduce Inequality Total</b>				<b>1,228</b>	<b>1,013</b>	<b>1,000</b>	<b>1,000</b>
Protect Environment	Protecting the natural environment through conservation, protection, sustainable resource use and demand management	CSP5-2-07	Increased liquid waste processing	250	250	250	250
	Protecting the natural environment through conservation, protection, sustainable resource use and demand management	CSP5-2-10	Hazardous Waste	1,250	-	-	-
	Protecting the natural environment through conservation, protection, sustainable resource use and demand management Total			1,500	250	250	250
<b>Protect Environment Total</b>				<b>1,500</b>	<b>250</b>	<b>250</b>	<b>250</b>

		O13-22	Defence Funding	454	481	509	537
	A modern, innovative public sector that meets the needs of Islanders effectively and efficiently	O13-23	Jersey Police Authority	101	186	86	86
		O13-24	TETRA Service User Agreement	45	45	45	45
		O13-25	Regulatory Improvement	1,523	1,496	1,496	1,496
		O13-26	Revenue Jersey Resources	722	722	161	-
Modernising Government	A modern, innovative public sector that meets the needs of Islanders effectively and efficiently Total			2,845	2,930	2,297	2,164
	A sustainable long-term fiscal framework and public finances that make better use of our public assets	O14 -03	Import GST Resource Requirement	365	330	330	330
		O14 -04	Import GST resources	-	20	20	20
		O14 -05	Insurance Premiums Increase and Inflation	997	1,036	1,077	1,121
		O14-06	Hospital financing costs	21,000	19,000	19,000	19,000
	A sustainable long-term fiscal framework and public finances that make better use of our public assets Total			22,362	20,386	20,427	20,471
	Government Plan Amendment	O13-A-01	Improve Women's Safety	200	-	-	-
	Government Plan Amendment Total			200	-	-	-
<b>Modernising Government Total</b>				<b>25,407</b>	<b>23,316</b>	<b>22,724</b>	<b>22,635</b>
		O1-Non-11	Family Court Premises Expenses	47	47	47	47
		O1-Non-12	Probation Service Inspection	-	47	-	-
		O1-Non-13	ECCU part funding of additional resource	149	149	149	149
		O1-Non-14	Liberation 77-80	100	50	50	250
		O1-Non-15	Her Majesty's Platinum Jubilee 2022	100	-	-	-
		O1-Non-16	Knowledge Management & Cyber Security Staffing	56	74	74	74
		O1-Non-17	Legal Aid Scheme	1,500	1,500	1,500	1,500
		O1-Non-18	Magistrates Court restructuring	25	25	25	25
		O1-Non-19	Magistrates Remuneration	29	29	29	29
Non Ministerial	Non Ministerial investment	O1-Non-20	Public Registry Staffing Resources	46	61	61	61
		O1-Non-21	Staff Remuneration	270	349	387	414
		O1-Non-22	Additional Staff	244	296	306	317
		O1-Non-23	Pensions	90	90	90	90
		O1-Non-24	Web development	200	50	50	50
		O1-Non-25	British-Irish Parliamentary Assembly	50	-	-	-
		O1-Non-26	Increased External Audit Costs	69	72	73	98
		O1-Non-27	Elections 2022	100	-	-	-
		O1-Non-29	Crown Officer Remuneration	75	75	75	75
		O1-Non-30	Additional senior leadership team support	145	-	-	-
	Non Ministerial investment Total			3,295	2,914	2,916	3,179
<b>Non Ministerial Total</b>				<b>3,295</b>	<b>2,914</b>	<b>2,916</b>	<b>3,179</b>
<b>Total</b>				<b>51,531</b>	<b>41,581</b>	<b>38,040</b>	<b>38,194</b>



# Appendix 4 : Revenue expenditure initiatives in Government Plan 2020-23 and Government Plan 2021-24

CSP No & Priority	Sub-priority	GP Ref	Programme	Description	2022 Allocation (£000)	2023 Allocation (£000)	2024 Allocation (£000)	2025 Allocation (£000)		
CSP1-Put Children First	Protecting and supporting children	GP20-CSP1-01	Children's Change Programme	Children's Change Programme - Baby Steps	226	226	226	226		
				Children's Change Programme - Care Inquiry funding YES Growth	98	98	98	98		
				Children's Change Programme - Family Support Workers	180	180	180	180		
				Children's Change Programme - IJCI implementation oversight	190	190	190	190		
				Children's Change Programme - Increase capacity family/ children's section	335	335	335	335		
				Children's Change Programme - Maintenance of Care Inquiry funding YES Cat1	200	200	200	200		
				Children's Change Programme - Maintenance of Care Inquiry funding YES Cat2	104	104	104	104		
				Children's Change Programme - Nursery Special Needs	62	62	62	62		
				Children's Change Programme - Public Protection Unit	127	127	127	127		
				<b>Children's Change Programme Total</b>	<b>1,522</b>	<b>1,522</b>	<b>1,522</b>	<b>1,522</b>		
				IJCI - Enhanced MASH resourcing	48	48	48	48		
				IJCI - P:108 - Parent / Infant / Psychotherapy Service	70	70	70	70		
				IJCI - P:108 - Recommendation 2 - Children's Voice: Develop a Looked After Children Advocacy Worker (Children Services)	62	62	62	62		
				IJCI - P:108 - Recommendation 2 - Children's Voice: Develop a new Children's rights service plus MOMO App (Mind of Mine Own) - (Children Services)	214	214	214	214		
	IJCI - P:108 - Recommendation 3 - Inspection of Services: Practice improvement , performance and quality (CSW)	138	138	138	138					
	IJCI - P:108 - Recommendation 4 - Sustainable Workforce: Accredited training (CSW)	31	31	31	31					
	IJCI - P:108 - Recommendation 4 - Sustainable Workforce: HR professional with admin support (CSW)	101	110	110	110					
	IJCI - P:108 - Recommendation 4 - Sustainable Workforce: Multi-Agency Specialist Training	79	79	79	79					
	IJCI - P:108 - Recommendation 4 - Sustainable Workforce: On-Island Social Work Training	144	144	144	144					
	IJCI - P:108 - Recommendation 5 - Legislation: Children's Policy and Legislative Programme	400	400	400	400					
	IJCI - P:108 - Recommendation 7 - The "Jersey Way"	200	200	200	200					
	<b>Independent Jersey Care Inquiry P108 Total</b>	<b>1,487</b>	<b>1,496</b>	<b>1,496</b>	<b>1,496</b>					
	Protecting and supporting children	GP20-CSP1-02	Independent Jersey Care Inquiry P108	Care leavers entitlement	175	185	185	185		
				Children in need / early help	1,760	1,760	1,760	1,760		
				Family Law	100	100	-	-		
				Jersey domestic abuse support	239	243	226	226		
				Regulation and inspection	375	405	405	405		
Safeguarding PB				180	180	180	180			
SARC / development of children's house model				355	355	355	355			
Youth Justice				98	-	-	-			
<b>Policy/legislation service delivery Total</b>				<b>3,282</b>	<b>3,228</b>	<b>3,111</b>	<b>3,111</b>			
P82 Children's Services Early Intervention				GP20-CSP1-04	P82 Children's Services Early Intervention (Early Interventions)	Health P82 - P.82/2012 White Paper: Services for Children	4,005	4,149	4,149	4,149
						<b>P82 Children's Services Early Intervention Total</b>	<b>4,005</b>	<b>4,149</b>	<b>4,149</b>	<b>4,149</b>
CAMHS Service Redesign				GP21-CSP1-06	CAMHS Service Redesign	CAMHS Service Redesign	1,750	2,000	2,250	2,250
						<b>CAMHS Service Redesign Total</b>	<b>1,750</b>	<b>2,000</b>	<b>2,250</b>	<b>2,250</b>

	GP21-CSP1-1-07	Youth Service Move On Cafe	Youth Service Move On Cafe	53	53	53	53	
		Youth Service Move On Cafe Total		53	53	53	53	
	GP21-CSP1-1-08	SARC - Dewberry House	SARC - Dewberry House	150	150	150	150	
		SARC - Dewberry House Total		150	150	150	150	
	<b>Protecting and supporting children Total</b>			<b>12,249</b>	<b>12,598</b>	<b>12,731</b>	<b>12,731</b>	
	GP20-CSP1-2-01	Higher education	Higher Education	2,660	2,000	2,000	2,000	
			Higher Education P.33/2018 - removal of HCA - Expenditure	3,735	2,803	2,803	2,803	
		Higher education Total		<b>6,395</b>	<b>4,803</b>	<b>4,803</b>	<b>4,803</b>	
Improving educational outcomes	GP20-CSP1-2-02	Improving educational outcomes	Education Law	75	150	150	150	
			Schools & Education - Early years	1,277	1,765	1,765	1,765	
			Schools & Education - Improving standards	1,200	1,200	1,200	1,200	
			Schools & Education - School funding and demographics	1,216	1,675	1,675	1,675	
		Improving educational outcomes Total		<b>3,768</b>	<b>4,790</b>	<b>4,790</b>	<b>4,790</b>	
GP21-CSP1-2-05			Education Reform Programme	11,200	11,200	11,583	11,583	
			Education Reform Programme Total	<b>11,200</b>	<b>11,200</b>	<b>11,583</b>	<b>11,583</b>	
	<b>Improving educational outcomes Total</b>			<b>21,363</b>	<b>20,793</b>	<b>21,176</b>	<b>21,176</b>	
Involving and engaging children	GP20-CSP1-3-01	Involving and engaging children	Advocacy for CIN and child protection	100	100	100	100	
			IJCI Childrens Commissioner	725	725	725	725	
			Participation and advocacy for LAC and care leavers	95	80	80	80	
				Youth Voice	110	110	110	110
			Involving and engaging children Total		<b>1,030</b>	<b>1,015</b>	<b>1,015</b>	<b>1,015</b>
	GP20-CSP1-3-02			Public Services Ombudsman	200	401	412	412
Public Services Ombudsman Total				<b>200</b>	<b>401</b>	<b>412</b>	<b>412</b>	
GP21-CSP1-3-03			Youth Service English as Additional Language	150	150	150	150	
			Youth Service English as Additional Language Total	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	
	<b>Involving and engaging children Total</b>			<b>1,380</b>	<b>1,566</b>	<b>1,577</b>	<b>1,577</b>	
	<b>CSP1-Put Children First Total</b>			<b>34,992</b>	<b>34,957</b>	<b>35,484</b>	<b>35,484</b>	
CSP2-Improve Wellbeing	Support Islanders to live healthier, active, longer lives	GP20-CSP2-1-01	Inspiring an 'Active Jersey'	965	965	965	965	
			Inspiring an 'Active Jersey' Total	<b>965</b>	<b>965</b>	<b>965</b>	<b>965</b>	
		GP20-CSP2-1-02		Preventable diseases	2,500	2,800	2,800	2,800
				Preventable diseases Total	<b>2,500</b>	<b>2,800</b>	<b>2,800</b>	<b>2,800</b>
		GP21-CSP2-1-05		Jersey Care Model	8,300	6,100	4,100	-
				Jersey Care Model Total	<b>8,300</b>	<b>6,100</b>	<b>4,100</b>	<b>-</b>
		<b>Support Islanders to live healthier, active, longer lives Total</b>			<b>11,765</b>	<b>9,865</b>	<b>7,865</b>	<b>3,765</b>
	Improve the quality of and access to mental health services	GP20-CSP2-2-01		Adult Safeguarding Improvement Plan	100	100	100	100
				Adult Safeguarding Improvement Plan Total	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
		GP20-CSP2-2-02		Mental Health	4,600	4,200	4,200	4,200
Mental Health Total				<b>4,600</b>	<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	
	GP20-CSP2-2-03		Mental Health legislation	629	629	629	629	
			Mental Health legislation Total	<b>629</b>	<b>629</b>	<b>629</b>	<b>629</b>	
	<b>Improve the quality of and access to mental health services Total</b>			<b>5,329</b>	<b>4,929</b>	<b>4,929</b>	<b>4,929</b>	

CSP2-Improve Wellbeing	Put patients, families and carers at the heart of Jersey's health and care system	GP20-CSP2-3-01	Digital Health and Care Strategy	Digital Health and Care Strategy	800	800	800	800	
		<b>Digital Health and Care Strategy Total</b>			<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	
		GP20-CSP2-3-02	Health P82 reinstate 2019 new and recurring	Health P82 Reinstatement 2019 new and recurring	3,597	3,597	3,597	3,597	
			<b>Health P82 reinstate 2019 new and recurring Total</b>			<b>3,597</b>	<b>3,597</b>	<b>3,597</b>	<b>3,597</b>
	GP20-CSP2-3-03	Maintaining health and community care standards	Maintaining health and community care standards	12,250	16,300	11,840	11,840		
		<b>Maintaining health and community care standards Total</b>			<b>12,250</b>	<b>16,300</b>	<b>11,840</b>	<b>11,840</b>	
	GP20-CSP2-3-04	Regulation of Care - income deferred	Regulation of Care - income deferred	200	200	200	200		
		<b>Regulation of Care - income deferred Total</b>			<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	
	<b>Put patients, families and carers at the heart of Jersey's health and care system Total</b>				<b>16,847</b>	<b>20,897</b>	<b>16,437</b>	<b>16,437</b>	
	Put patients, families and carers at the heart of Jersey's health and care system	GP21-CSP2-3-06	Air Ambulance Services	Air Ambulance Services	395	395	395	395	
			<b>Air Ambulance Services Total</b>			<b>395</b>	<b>395</b>	<b>395</b>	<b>395</b>
			<b>Put patients, families and carers at the heart of Jersey's health and care system Total</b>				<b>395</b>	<b>395</b>	<b>395</b>
	Government Covid-19 Response	GP21-CSP2-C-06	Support for Sports Infrastructure	Sport CV19 income shortfall	1,005	720	-	-	
			<b>Support for Sports Infrastructure Total</b>			<b>1,005</b>	<b>720</b>	<b>-</b>	<b>-</b>
<b>Government Covid-19 Response Total</b>				<b>1,005</b>	<b>720</b>	<b>-</b>	<b>-</b>		
<b>CSP2-Improve Wellbeing Total</b>				<b>35,341</b>	<b>36,806</b>	<b>29,626</b>	<b>25,526</b>		

Future economy programme	GP20-CSP3-2-02	Competition policy and JCRA	Competition policy and JCRA	270	270	270	270
		<b>Competition policy and JCRA Total</b>		<b>270</b>	<b>270</b>	<b>270</b>	<b>270</b>
	GP20-CSP3-2-03	Delivering the Digital Policy Framework	Delivering the Digital Policy Framework	541	541	541	541
		<b>Delivering the Digital Policy Framework Total</b>		<b>541</b>	<b>541</b>	<b>541</b>	<b>541</b>
	GP20-CSP3-2-04	Digital Jersey Academy	Digital Jersey Academy	219	202	-	-
		<b>Digital Jersey Academy Total</b>		<b>219</b>	<b>202</b>	<b>-</b>	<b>-</b>
	GP20-CSP3-2-05	Digital Jersey growth	Digital Jersey Growth	1,400	1,500	1,500	1,500
		<b>Digital Jersey growth Total</b>		<b>1,400</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
	GP20-CSP3-2-06	Economic Framework and Productivity Support	Economic Framework and Productivity Support Scheme	500	500	-	-
		<b>Economic Framework and Productivity Support Total</b>		<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
	GP20-CSP3-2-07	Financial Crimes Unit	Financial Crimes Unit - Economic Crime & Confiscation Unit	505	505	505	505
		<b>Financial Crimes Unit Total</b>	<b>Financial Crimes Unit - Financial Crime Enforcement</b>	<b>486</b>	<b>500</b>	<b>500</b>	<b>500</b>
	GP20-CSP3-2-08	Jersey Financial Stability Board	Jersey Financial Stability Board	50	50	50	50
		<b>Jersey Financial Stability Board Total</b>		<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
	GP20-CSP3-2-09	Migration Policy	Migration policy	75	78	78	78
		<b>Migration Policy Total</b>		<b>75</b>	<b>78</b>	<b>78</b>	<b>78</b>
	GP20-CSP3-2-10	Promoting Jersey	Securing professional rugby in Jersey	50	-	-	-
			Visit Jersey - Route Marketing	250	250	-	-
			Visit Jersey - Short Breaks	600	600	-	-
		<b>Promoting Jersey Total</b>		<b>900</b>	<b>850</b>	<b>-</b>	<b>-</b>
GP20-CSP3-2-11	Rural Economy Strategy	Rural Economy Strategy	473	680	680	680	
	<b>Rural Economy Strategy Total</b>		<b>473</b>	<b>680</b>	<b>680</b>	<b>680</b>	
GP21-CSP3-2-12	JCRA Reconstitution Funding	JCRA Reconstitution Funding	150	150	150	150	
	<b>JCRA Reconstitution Funding Total</b>		<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	
	<b>Future economy programme Total</b>		<b>6,069</b>	<b>6,326</b>	<b>4,774</b>	<b>4,774</b>	
Protect and build our financial services industry	GP20-CSP3-3-01	AML / CFT	AML / CFT	700	700	700	700
		<b>AML / CFT Total</b>		<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
	GP20-CSP3-3-02	Jersey Finance Growth	Jersey Finance Growth	400	400	400	400
		Jersey Finance Growth - NY office	350	350	350	350	
	<b>Jersey Finance Growth Total</b>		<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	
	<b>Protect and build our financial services industry Total</b>		<b>1,450</b>	<b>1,450</b>	<b>1,450</b>	<b>1,450</b>	
Growing skills in Jersey	GP20-CSP3-4-01	Skills Jersey	Skills Jersey	695	716	716	716
		<b>Skills Jersey Total</b>		<b>695</b>	<b>716</b>	<b>716</b>	<b>716</b>
	GP21-CSP3-4-02	Migration Policy Implementation	Migration Policy Implementation	108	108	108	108
		<b>Migration Policy Implementation Total</b>		<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
	<b>Growing skills in Jersey Total</b>		<b>803</b>	<b>824</b>	<b>824</b>	<b>824</b>	

CSP No & Priority	Sub-priority	GP Ref	Programme	Description	2022 Allocation (£000)	2023 Allocation (£000)	2024 Allocation (£000)	2025 Allocation (£000)
	Infra-structure Investment	GP20-CSP3-5-01	Cyber Security growth	Cyber Security Growth	443	458	458	458
			<b>Cyber Security growth Total</b>		<b>443</b>	<b>458</b>	<b>458</b>	<b>458</b>
		GP20-CSP3-5-02	Heritage, Arts & Culture	Heritage, Arts & Culture	3,197	2,966	2,926	2,926
			<b>Heritage, Arts &amp; Culture Total</b>		<b>3,197</b>	<b>2,966</b>	<b>2,926</b>	<b>2,926</b>
		GP20-CSP3-5-03	Jerriais	Jerriais	398	410	410	410
			<b>Jerriais Total</b>		<b>398</b>	<b>410</b>	<b>410</b>	<b>410</b>
		GP20-CSP3-5-04	Sport division - minor capital replacements	Sport division - Minor Capital replacements	200	200	200	200
			<b>Sport division - minor capital replacements Total</b>		<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
			<b>Infrastructure Investment Total</b>		<b>4,238</b>	<b>4,034</b>	<b>3,994</b>	<b>3,994</b>
		Government Covid-19 Response	GP21-CSP3-C-01	Economic Recovery	Economic Recovery	10,200	10,200	-
	<b>Government Covid-19 Response Total</b>		<b>10,200</b>	<b>10,200</b>	<b>-</b>	<b>-</b>		
<b>CSP3-Vibrant Economy Total</b>					<b>29,045</b>	<b>30,220</b>	<b>19,653</b>	<b>20,703</b>
CSP4-Reduce Inequality	Reduce income inequality and improve the standard of living	GP20-CSP4-1-01	Compensation for Mesothelioma	Compensation for Mesothelioma	100	100	100	100
			<b>Compensation for Mesothelioma Total</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
		GP20-CSP4-1-02	Financial independence in old age	Financial independence in old age	-	100	100	100
		<b>Financial independence in old age Total</b>		<b>-</b>	<b>100</b>	<b>100</b>	<b>100</b>	
	GP20-CSP4-1-04	Food costs bonus	Food costs bonus	340	340	340	340	
		<b>Food costs bonus Total</b>		<b>340</b>	<b>340</b>	<b>340</b>	<b>340</b>	
	GP20-CSP4-1-05	Single Parent Component P.113/2017	Single Parent Component P.113/2017	2,530	2,524	2,524	2,524	
		<b>Single Parent Component P.113/2017 Total</b>		<b>2,530</b>	<b>2,524</b>	<b>2,524</b>	<b>2,524</b>	
		<b>Reduce income inequality and improve the standard of living Total</b>		<b>2,970</b>	<b>3,064</b>	<b>3,064</b>	<b>3,064</b>	
	Improving the quality and affordability of housing	GP20-CSP4-2-01	Housing PDB and long term plan	Housing PDB and long term plan	950	950	700	700
			<b>Housing PDB and long term plan Total</b>		<b>950</b>	<b>950</b>	<b>700</b>	<b>700</b>
		GP20-CSP4-2-02	Tenants' rights	Tenants rights	380	380	380	380
		<b>Tenants' rights Total</b>		<b>380</b>	<b>380</b>	<b>380</b>	<b>380</b>	
		<b>Improving the quality and affordability of housing Total</b>		<b>1,330</b>	<b>1,330</b>	<b>1,080</b>	<b>1,080</b>	
	Improving social inclusion	GP20-CSP4-3-01	Care Needs at Home	Care needs at home	620	620	620	620
			<b>Care Needs at Home Total</b>		<b>620</b>	<b>620</b>	<b>620</b>	<b>620</b>
		GP20-CSP4-3-02	Disability social inclusion	Disability social inclusion	426	491	491	491
	<b>Disability social inclusion Total</b>		<b>426</b>	<b>491</b>	<b>491</b>	<b>491</b>		
	<b>Improving social inclusion Total</b>		<b>1,046</b>	<b>1,111</b>	<b>1,111</b>	<b>1,111</b>		
Government Covid-19 Response	GP21-CSP4-C-02	Covid-19 Income Support Costs	Income Support Costs (COVID)	672	164	164	-	
	<b>Government Covid-19 Response Total</b>		<b>672</b>	<b>164</b>	<b>164</b>	<b>-</b>		
<b>CSP4-Reduce Inequality Total</b>					<b>6,018</b>	<b>5,669</b>	<b>5,419</b>	<b>5,255</b>

CSP5-Protect our environment	Protecting the natural environment	GP20-CSP5-2-02	Countryside access	Countryside access	160	90	90	90
			<b>Countryside access Total</b>		<b>160</b>	<b>90</b>	<b>90</b>	<b>90</b>
		GP20-CSP5-2-03	Jersey National Park	Jersey National Park	200	250	250	250
			<b>Jersey National Park Total</b>		<b>200</b>	<b>250</b>	<b>250</b>	<b>250</b>
			<b>Protecting the natural environment Total</b>		<b>360</b>	<b>340</b>	<b>340</b>	<b>340</b>
	Protecting the natural environment	GP21-CSP5-2-04	Natural Environment - Water	Natural Environment	400	250	250	250
			<b>Natural Environment - Water Total</b>		<b>400</b>	<b>250</b>	<b>250</b>	<b>250</b>
		GP21-CSP5-2-05	Marine Resources Management	Future Fisheries Support	92	92	92	92
			<b>Marine Resources Management Total</b>		<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>
	Protecting the natural environment		<b>Protecting the natural environment Total</b>		<b>492</b>	<b>342</b>	<b>342</b>	<b>342</b>
Covid-19 Response		GP21-CSP5-C-01	Covid-19 Bus Contract	CV19 Bus Contract	1,200	500	250	-
			<b>Covid-19 Bus Contract Total</b>		<b>1,200</b>	<b>500</b>	<b>250</b>	<b>-</b>
		<b>Government Covid-19 Response Total</b>		<b>1,200</b>	<b>500</b>	<b>250</b>	<b>-</b>	
<b>CSP5-Protect our environment Total</b>					<b>2,052</b>	<b>1,182</b>	<b>932</b>	<b>682</b>
OI-Modernising Government	A modern, innovative public sector	GP20-OI3-02	Commercial Services - enhanced capabilities	Commercial Services - Target Operating Model	1,500	1,550	1,550	1,550
			<b>Commercial Services - enhanced capabilities Total</b>		<b>1,500</b>	<b>1,550</b>	<b>1,550</b>	<b>1,550</b>
		GP20-OI3-03	Domestic Compliance ("Spend to Raise")	Domestic Compliance ("Spend to Raise")	1,505	1,505	1,505	1,505
			<b>Domestic Compliance ("Spend to Raise") Total</b>		<b>1,505</b>	<b>1,505</b>	<b>1,505</b>	<b>1,505</b>
		GP20-OI3-04	Enabling policy excellence across the Government	Enabling Policy Excellence across the Government	60	80	80	80
			<b>Enabling policy excellence across the Government Total</b>		<b>60</b>	<b>80</b>	<b>80</b>	<b>80</b>
		GP20-OI3-05	Government of Jersey Bank charges	Government of Jersey Bank Charges	300	300	300	300
			<b>Government of Jersey Bank charges Total</b>		<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
		GP20-OI3-06	GST de-minimis changes	GST de-minimis changes	200	200	200	200
			<b>GST de-minimis changes Total</b>		<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
		GP20-OI3-07	Guernsey-Jersey Joint Working Programme	Guernsey-Jersey Joint Working Programme	40	40	40	40
			<b>Guernsey-Jersey Joint Working Programme Total</b>		<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
		GP20-OI3-08	Increased audit fees	Increased audit fees	75	75	75	75
			<b>Increased audit fees Total</b>		<b>75</b>	<b>75</b>	<b>75</b>	<b>75</b>
		GP20-OI3-09	Modernisation and Digital - enhanced capabilities	Modernisation & Digital - Target Operating Model	5,200	5,400	5,400	6,000
			<b>Modernisation and Digital - enhanced capabilities Total</b>		<b>5,200</b>	<b>5,400</b>	<b>5,400</b>	<b>6,000</b>
		GP20-OI3-10	People and Corporate Services - enhanced capabilities	People & Corporate Services - People Strategy	2,000	1,500	1,500	1,500
		People & Corporate Services - Respond	2,400	2,400	2,400	2,400		
		People & Corporate Services - Sustain	2,800	2,800	2,800	2,800		
		<b>People and Corporate Services - enhanced capabilities Total</b>	<b>7,200</b>	<b>6,700</b>	<b>6,700</b>	<b>6,700</b>		
GP20-OI3-11	Policing 2020-23	Policing 2020-2023	1,784	1,907	2,046	2,046		
		<b>Policing 2020-23 Total</b>	<b>1,784</b>	<b>1,907</b>	<b>2,046</b>	<b>2,046</b>		
GP20-OI3-12	Supply Jersey Maintenance, Licencing and Procure to Pay analysis	Supply Jersey Maintenance, Licencing & Procure to Pay Analysis	133	133	-	-		
		<b>Supply Jersey Maintenance, Licencing and Procure to Pay analysis Total</b>	<b>133</b>	<b>133</b>	<b>-</b>	<b>-</b>		
GP20-OI3-14	Technology Transformation Programme	Revenue Impact of IT Investment Fund	4,791	10,627	12,320	12,320		
		<b>Technology Transformation Programme Total</b>	<b>4,791</b>	<b>10,627</b>	<b>12,320</b>	<b>12,320</b>		

CSP No & Priority	Sub-priority	GP Ref	Programme	Description	2022 Allocation (£000)	2023 Allocation (£000)	2024 Allocation (£000)	2025 Allocation (£000)	
OI-Modernising Government	A modern, innovative public sector	GP21-OI3-15	Commercial Services Restructure	Commercial Services Restructure	2,310	1,680	1,535	1,535	
			Commercial Services Restructure Total		2,310	1,680	1,535	1,535	
			GP21-OI3-16	Re-organisation - Justice and Home Affairs	JHA Tier 1 & 2 base budget funding	314	314	314	314
					<b>Re-organisation - Justice and Home Affairs Total</b>	<b>314</b>	<b>314</b>	<b>314</b>	<b>314</b>
		GP21-OI3-17	Re-organisation Ministerial Support Unit	Chief of Staff	1,390	1,390	1,390	1,390	
				<b>Re-organisation Ministerial Support Unit Total</b>	<b>1,390</b>	<b>1,390</b>	<b>1,390</b>	<b>1,390</b>	
		GP21-OI3-18	Re-organisation - Communications	Communications	623	623	623	623	
				<b>Re-organisation - Communications Total</b>	<b>623</b>	<b>623</b>	<b>623</b>	<b>623</b>	
		GP21-OI3-19	Digital Jersey grant shortfall	Digital Jersey grant shortfall	303	303	303	303	
				<b>Digital Jersey grant shortfall Total</b>	<b>303</b>	<b>303</b>	<b>303</b>	<b>303</b>	
		GP21-OI3-20	28-30 The Parade	28-30 The Parade	1,141	1,141	1,141	1,141	
			<b>28-30 The Parade Total</b>	<b>1,141</b>	<b>1,141</b>	<b>1,141</b>	<b>1,141</b>		
		GP21-OI3-21	Office Modernisation	Office Modernisation	-	-	3,750	5,000	
				<b>Office Modernisation Total</b>	<b>-</b>	<b>-</b>	<b>3,750</b>	<b>5,000</b>	
		<b>A modern, innovative public sector Total</b>			<b>28,869</b>	<b>33,968</b>	<b>39,272</b>	<b>41,122</b>	
	A sustainable long-term fiscal framework and public finances	GP21-OI4-02	Insurance premium	Insurance premiums	2,612	2,612	2,612	2,612	
				<b>Insurance premium Total</b>	<b>2,612</b>	<b>2,612</b>	<b>2,612</b>	<b>2,612</b>	
			<b>A sustainable long-term fiscal framework and public finances Total</b>	<b>2,612</b>	<b>2,612</b>	<b>2,612</b>	<b>2,612</b>		
		GP20-OI4-01	Delivering effective financial management	Finance Transformation	2,300	2,300	2,300	2,300	
			<b>Delivering effective financial management Total</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>		
		<b>A sustainable, long-term fiscal framework and public finances Total</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>			
Covid-19 Response	GP21-OI4-C-1	Covid-19 Revolving Credit Facility	Revolving Credit Facility	7,136	8,730	7,803	7,803		
			<b>Covid-19 Revolving Credit Facility Total</b>	<b>7,136</b>	<b>8,730</b>	<b>7,803</b>	<b>7,803</b>		
			<b>Government Covid-19 Response Total</b>	<b>7,136</b>	<b>8,730</b>	<b>7,803</b>	<b>7,803</b>		
A reduction in investment	GP20-OI6-01	Reduction in contingency	Reduction in contingency	(1,000)	(1,000)	(1,000)	(1,000)		
			<b>Reduction in contingency Total</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>		
GP20-OI6-02	Reduction in investment	Reduction in investment	(117)	(117)	(117)	(117)			
		<b>Reduction in investment Total</b>	<b>(117)</b>	<b>(117)</b>	<b>(117)</b>	<b>(117)</b>			
	<b>A reduction in investment Total</b>			<b>(1,117)</b>	<b>(1,117)</b>	<b>(1,117)</b>	<b>(1,117)</b>		
<b>OI-Modernising Government Total</b>					<b>39,800</b>	<b>46,493</b>	<b>50,870</b>	<b>52,720</b>	

	A States Assembly and Council of Ministers that work together for the common good	States Greffe extended services	States Greffe extended services	729	504	504	504
	GP20-OI2-01	States Greffe extended services Total		729	504	504	504
<b>A States Assembly and Council of Ministers that work together for the common good Total</b>				<b>729</b>	<b>504</b>	<b>504</b>	<b>504</b>
	An electoral system which encourages voter turnout	Electoral registration	Electoral registration	6	-	-	-
	GP20-OI5-01	Electoral registration Total		6	-	-	-
<b>An electoral system which encourages voter turnout Total</b>				<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>
	GP20-OI-Non-01	Comptroller and Auditor General additional funding	C&AG	25	25	25	25
		<b>Comptroller and Auditor General additional funding Total</b>			<b>25</b>	<b>25</b>	<b>25</b>
	GP20-OI-Non-02	Government House refurbishment	Government House refurb	45	-	-	-
		<b>Government House refurbishment Total</b>			<b>45</b>	<b>-</b>	<b>-</b>
	GP20-OI-Non-03	Judicial Greffe additional funding	Office Holders Pay Review Tribunal Service	80	80	80	80
		<b>Judicial Greffe additional funding Total</b>			<b>158</b>	<b>158</b>	<b>158</b>
	GP20-OI-Non-04	States Assembly additional funding	Additional legal drafters States Assembly additional funding	258	258	258	258
		<b>States Assembly additional funding Total</b>			<b>761</b>	<b>623</b>	<b>623</b>
	GP20-OI-Non-05	Viscount's Department additional funding	Court Service/Inquest Officer	43	43	43	43
			Finance Officer	56	56	56	56
	GP20-OI-Non-06	Legal Aid Office	Knowledge Management	113	113	113	113
			Office Holders Pay Review	40	40	40	40
	GP20-OI-Non-07	Probation Service additional funding	Saisie/Court Officer	48	48	48	48
			Software Maintenance	25	25	25	25
<b>Viscount's Department additional funding Total</b>				<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>
	GP20-OI-Non-08	CAG Inflation	Legal Aid Office	400	400	400	400
			<b>Legal Aid Office Total</b>			<b>400</b>	<b>400</b>
	GP20-OI-Non-09	Probation - BASS funding, regrading, trainee post	Probation Service BaSS Projects	35	35	35	35
			<b>Probation Service additional funding Total</b>			<b>35</b>	<b>35</b>
	GP21-OI-NON-07	Probation - BASS funding, regrading, trainee post	Probation Service Posts	185	201	212	212
			<b>Probation - BASS funding, regrading, trainee post Total</b>			<b>185</b>	<b>201</b>
	GP21-OI-NON-08	CAG Inflation	Inflation (no BC)	31	53	75	75
			<b>CAG Inflation Total</b>			<b>31</b>	<b>53</b>
	GP21-OI-NON-10	Bailiff's Office - additional for Crown appointment pension increase awarded by SEB	additional for Crown appointment pension increase awarded by SEB	80	80	80	80
			<b>Bailiff's Office - additional for Crown appointment pension increase awarded by SEB Total</b>			<b>80</b>	<b>80</b>
<b>Non-Ministerial investment Total</b>				<b>2,303</b>	<b>2,158</b>	<b>2,191</b>	<b>2,191</b>
<b>OI-Non-Non Ministerial Total</b>				<b>3,038</b>	<b>2,662</b>	<b>2,695</b>	<b>2,695</b>
<b>Total</b>				<b>150,286</b>	<b>157,989</b>	<b>144,679</b>	<b>143,065</b>



# Appendix 5 – Administrative tax measures

## Additional Minor Administrative Measures to be included in the Finance Law (debated alongside the Government Plan)

### Calculation of ITIS effective rate

The changes proposed are intended to modify the way the ITIS effective rate is calculated. Under the current formula, the employee's income net of tax allowable expenses is used which sometimes results in an effective rate that is too high. As a consequence, some taxpayers pay too much tax, which is then offset against the next year's liability unless a refund request is made. This amendment will also allow an effective rate to be calculated by reference to the employee's expected earnings arising in what remains of the assessment year.

An amendment is also proposed to amend the effective rate 'ceilings' - the uppermost rate that can be issued. This will ensure a taxpayer's arrears of Long-Term Care contributions are taken into account when an effective rate is calculated.

These amendments are intended to result in more accurate effective rate calculations for many Islanders.

### Virtual Commissioners' hearings

The purpose of this amendment is to allow the Commissioners of Appeal to meet virtually, assuming they decide it is appropriate to do so in the circumstances.

### Age from which ITIS deductions apply

This amendment is intended to ensure the income tax rules are equivalent to the social security rules thus permitting an employer to make no income tax deductions if an employee is below 'school leaving age' (as defined by Social Security Law).

### Providing directions to Comptroller

This amendment is intended to allow the Minister for Treasury and Resources to provide general directions to the Comptroller of Revenue. At present, this power is only given to the Treasurer of the States of Jersey.

### ISE clarification measure

This amendment clarifies that alternative investment fund services businesses cannot be registered as a trust company vehicle and are liable to a different fee.

# Appendix 6 – Managing risk

Some of the risks addressed in this Government Plan include:

## Re-balancing budgets

### Risk

Failure to deliver balanced budgets

### Mitigations

In response to the measures taken to respond to Covid-19, this plan lays out the financial plan that balances the long-term sustainability and resilience of our finances against the short-term pressures. This plan has been developed hand-in-hand with the measures being considered as part of the economic recovery plan.

We will consider contingency measures should the worst-case financial scenarios become a reality. We will revisit our growth plans introducing halt, defer, reduce exercises and consider various revenue-raising measures to help finance major projects and deliver political aspirations in order to replenish our financial reserves. This is linked to the risk around Pressures on Expenditure and Borrowing (see below).

In addition an Efficiencies Programme seeks to drive sustainable efficiencies across government.

## Pressures on Expenditure/Borrowing Capacity

### Risk

There is a risk that pressures on expenditure as a result of compound risks will cause the Government to exceed borrowing capacity resulting in the threat to financial sustainability and reputational damage.

### Mitigations

In developing the Government Plan, departments were asked to review priorities and understand what initiatives need to be done immediately as they are unavoidable. In addition the following work streams also help to mitigate the risk.

The Estates Strategy seeks to provide defined plan for the management of the States of Jersey property portfolio. Representatives of all departments sit on the Corporate Asset Management Board. That Board is charged with agreeing priorities around Estates and IT strategies, plant, machinery and minor works.

The Long Term Capital Plan is a rolling capital programme with around 20 years of capital programming which is refreshed to reflect priorities. This will be further refreshed in 2022.

A Debt Strategy has been lodged as a report in the States Assembly, to control, manage and monitor debt.

## UK and EU Policy/Relationships

### Risk

If the Government of Jersey does not manage our UK and EU relationships effectively – namely, engaging with key stakeholders, monitoring and responding to new and emerging issues effectively (e.g. challenges arising from implementation of the Trade and Cooperation Agreement, borders and immigration and fisheries policy; participation in the UK's programme of free trade deals; third country access to EU markets; changes to standards in tax and AML/CFT) - then the Island's reputation, constitutional position, relationships, and economy will be adversely affected.

## Mitigations

The importance of continued funding of External Relations activity has been underlined in recent years and months, especially as we adapt to a world post-Brexit.

Using our overseas representation, the External Relations team is able to undertake on the ground, face to face lobbying, to build relationships and to increase awareness of Jersey's reputation, profile, economy and constitutional position with key stakeholders in the UK, France, Brussels and EU Member States.

Where a policy lead sits outside of External Relations, interconnected working is crucial to the effective management of external risks. The External Relations team works closely with other Government departments (e.g. FSDE, Revenue Jersey, IHE) and has established a number of cross-departmental oversight and working groups (e.g. International and Trade Advisory Group, Trade Investment and Growth Steering Group, Jersey-UK Trade and Partnership Group, Global Markets Coordination Group), to facilitate joined-up policy development and to assist the Ministry in delivering effective and coherent international engagement.

This risk is linked with Economic Recovery; Fisheries Licensing Post-Brexit; Economic or reputational harm to the financial services sector; loss of economic prosperity; Border Controls post-Brexit, MoneyVal and External threats to revenue sustainability among some of the main risks identified within our risk framework.

## Economic recovery planning

### Risk

Linked with the previously mentioned risks is the risk of a failure to implement an economic recovery plan

### Mitigations

The Government Plan forms our recovery plan for the island. We are actively developing this plan and the governance structures to support its implementation. The Economic Council is in place and overseeing the recovery agenda. In the short term we will continue to maintain a range of economic stimulus packages as part of our overall safe exit strategy. In the longer term our aim is to develop a plan to create a more resilient Island community, including business and household resilience, develop a skills strategy to underpin the future especially for young people and building in inclusivity and sustainability. We will also continue to consider our place in the wider world by advancing the Global Markets Strategy in support of market diversification away from historic UK/EU reliance, especially in light of Brexit. This risk is linked with the risk around threats to revenue stability (see below).

## Information and Cyber Security

### Risk

Failure to protect Government and Islanders' data from cyber attacks

### Mitigations

Investment in cyber security technology was prioritised in previous Government Plans and continues to drive current arrangements. These were tested during the pandemic and responded well. Further investment is now being deployed in order to further strengthen our controls alongside the wider developments to the modernisation of information management systems, which have seen historical underinvestment.

## One Gov modernisation

### Risk

Failure to implement the One Government modernisation initiative

### Mitigations

We continue to maintain our commitment to improve, transform and modernise Government services to improve the way in which Government and public services function, so they deliver modern, efficient, effective and value-for-money services and infrastructure, sound long-term planning strategic and financial planning, and encourage closer working and engagement among politicians and Islanders. We will also learn from the challenges faced during the pandemic and utilise the learning to help shape future health and community services.

## Education Reform Programme (ERP)

### Risk

The Education Reform Programme was established to deliver the recommendations of the Independent Schools Funding Review. It directly supports the number one Common Strategic Priority – putting children first with the (former Education Minister's) ambition for Jersey's education services to compare well with the best in the world.

It is a 3-year programme, initiated in February 2021, with a budget of circa £42m over Government Plan '21-'24. At the end of this period the programme will have added circa £12m per annum of incremental recurring funding to the Education directorate.

The programme contains over 25 projects broadly clustered into three areas:

1. School finance and governance arrangements
2. Creating new and augmenting existing services
3. Developing transformational policy options

The primary risk is that wholesale system reform is not implemented and/or sustained as set out in the programme objectives. The main contributors to this primary risk are a lack of stakeholder support for transformation of the education system and a failure to deliver balanced budgets threatening the investment funds available for transformation

The consequence of this is a reduced improvement in the education system. More specifically children's educational attainment is constrained and in particular the attainment gap between children with additional needs and their contemporaries is not reduced.

### Mitigations

The transformational policy options have been shared through the Government Plan process to ensure all stakeholders are sighted. Policy options will be developed openly and with engagement from education experts and local stakeholders to ensure a balance of expert input, objectivity, and local context. The consequences of choosing not to implement policy recommendations will clearly set the impact on the educational attainment and wellbeing of children in the education system. Ultimately decisions on system transformation will be Political.

The Ministerial steer on investment in the system through the reform programme is clear - to ensure the investment is made at the value, in the timeframe and for the purpose intended. This is reviewed frequently by the Minister and the CYPES executive to identify any risk of underperformance and to agree mitigating actions. If budget pressures necessitate a reduction in investment the consequences of this reduction will be made clear. In the context of the largest component of base expenditure, the

school's budget, this will be further enabled through the zero-based budget approach used to develop the new funding formula for schools, a specific programme deliverable.

## Estates Strategy & Management

### Risk

The risk that if we do not adequately maintain GoJ estates and property assets then this may lead to service disruption and could impact on our ability to provide quality services to islanders.

### Mitigations

Jersey Property Holdings has an asset management system (Concerto) in place but needs upgrading. Concerto is planned to be replaced by ITS project (due 2022-23). Corporate Asset Management Board in place at senior officer level with representation from most departments. Examines Government high-level property requirements and allocates real estate to meet those needs. Key areas of hazard being monitored include Legionella, Asbestos, Radon, Fire and regulatory compliance.

An Estates Management Strategy has been approved which provides a formal mandate in implementing OneGov property delivery.

Corporate Asset and Property Management strategy is being implemented to rationalise the One Gov GoJ property estate (IHE) with a dedicated team.

Funding for planned maintenance being identified as part of the Government Plan process.

The current approach to estates is that the focus is being placed on the operational element to ensure the government meets its obligations to employees and tenants in a cost-effective and timely way.

This risk links to Educational Reform and Jersey Care Model among other major initiatives for which Jersey Property Holdings is a facilitating entity in terms of real estate provision.

# Appendix 7 – Amendments to the Proposed Government Plan

Amendments as approved by the States Assembly during the debate in December 2021.

## Amendment 1, as amended: Rent Freeze and New Social Housing Rents Policy

P.90/2021 Amd. as amended by P.90/2021 Amd. Amd., which agreed:

“...the Return from Andium Homes and Housing Trusts shall be reduced by £2,750,000 in 2022 to allow for a social housing rents policy whereby rents are frozen for 2022, and capped at 80% of the market rate from 2022 onwards, and that Government shall continue to work with Andium to finalise a solution to minimise the impact on both Andium and the Consolidated Fund”

“...the Head of Expenditure for Customer and Local Services shall be decreased by £1,849,000 to allow for a reduction in expenditure arising from a social housing rents policy whereby rents are frozen for 2022 and capped at 80% of the market rate from 2022 onwards, and that the Head of Expenditure for Covid-19 Response be reduced by £901,000 to meet the net impact of the rent freeze”

“on page 139 of [the Proposed GP22-25],

At the end of the paragraph after the sentence “This income stream reflects the historic income contribution made from the housing stock that was transferred to Andium”. added a new sentence that reads: “In addition, rent on new Andium tenancies will be at 80% of market value and existing tenancies that are over 80% will be frozen at their current level until the rents becomes equal to 80%.

## Amendment 2, as amended – Covid-19 Review

P.90/2021 Amd.(2) as amended by P.90/2021 Amd.(2) Amd. and P.90/2021 Amd.(2) Amd.(2), which agreed:

“£500,000 should be transferred from the General Reserve Head of Expenditure to fund the undertaking of an independent review of the Island’s response to the Covid-19 pandemic, deliverable by 29th July 2022, the Council of Ministers being requested, in conjunction with the Privileges and Procedures Committee, to take such steps as are necessary to initiate a review that will deliver an objective and independent analysis of the actions undertaken in response to the Covid-19 pandemic and provide recommendations and guidelines for the management of any future pandemic or similarly disruptive event”

## Amendment 3, Part 3 - Maintenance of the Health Insurance Fund

Part 3 of P.90/2021 Amd.3, which agreed:

“...the role of the Health Insurance Fund in meeting the requirement to subsidise the cost of G.P. consultations and the cost of prescriptions and other primary care services shall be maintained during the review [of future health costs]”.

## Amendment 4 – Regulatory Sustainability Funding

P.90/2021 Amd.(4), which agreed:

“...£772,650 should be transferred from the General Reserve Head of Expenditure to the Infrastructure, Housing and Environment Head of Expenditure to reinstate the original business case funding request for Regulatory Sustainability”

## Amendment 5 - Inclusion Project

P.90/2021 Amd.(5), which agreed:

“(i) the head of expenditure for Children, Young People, Education and Skills should be increased by £53,266 to allow the Youth Service to ensure the retention of a full-time assistant youth worker to support the Inclusion Project; and

(ii) head of expenditure for Children, Young People, Education and Skills for 2022 should be increased by £27,000 to allow the Youth Service to employ an additional part-time assistant youth worker to support a 2-year pilot Transition Programme within the Inclusion Project”

## Amendment 6 – Bus Pass Scheme

P.90/2021 Amd.(6), which agreed:

“funding to be allocated from the Covid-19 response head of expenditure in Summary Table 5(i), and made available for use by the Minister for Infrastructure, to provide for the establishment from 1st January 2022, or as soon as possible thereafter in 1st quarter of 2022, of a bus pass scheme (for which a charge of £20 per annum should be levied on the individual) for all people eligible to pay fares aged 18 years or under; with the overall cost of, take-up of, and customer satisfaction with the scheme, to be subsequently reviewed by the Minister and the outcome of the review to be published by the end of the third quarter of 2022”

## Amendment 7 - Fiscal Stimulus Borrowing

P.90/2021 Amd(7), which agreed:

“in Summary Table 3, for the row entitled “Fiscal Stimulus, including Refinancing”, in the column headed “Change to Approval” there shall be inserted the figure “-20,359” and, in each of the columns headed 2022, 2023, 2024 and 2025, the figure “50,000” shall be replaced with “29,641””

## Amendment 8 - Jersey Child Care Trust Grant

P.90/2021 Amd.(8), which agreed:

“the Head of Expenditure for Children, Young People, Education and Skills shall be increased by £30,000 to allow for additional resources to reinstate the Jersey Child Care Trust’s full grant for 2022.”

## Amendment 9 - Mental Health Services

P.90/2021 Amd.(9), which agreed:

“...the General Reserve Head of Expenditure shall be decreased by £500,000 with the Head of Expenditure for Health and Community Services increased by the same amount in order to increase the 2022 allocation for Mental Health”

## Amendment 10, as amended - States Members office space

P.90/2021 Amd.(10), as amended by P.90/2021 Amd.(10) Amd., which agreed:

“...the Head of Expenditure for Central Planning Reserves shall include, as part of the existing allocation, £100,000 to allow for a feasibility study of appropriate sites including Piquet House for States Members office space”

## Amendment 13, as amended - Women's Safety

P.90/2021 Amd.(13), as amended by P.90/2021 Amd.(13) Amd., which agreed:

"...£200,000 should be transferred from the General Reserve Head of Expenditure to the Head of Expenditure for Strategic Policy, Planning and Performance, to facilitate and support the creation of a task force in relation to improving women's safety, such body to collect views from Islanders and to develop and propose direct and achievable action points, to achieve that objective, to the new government for inclusion in the next government plan."

## Amendment 14 – Establishment of Ministry of External Relations

P.90/2021 Amd.(14), which agreed:

"...in summary table 5(i), an additional row should be inserted under 'Departments', with the name 'Ministry of External Relations', and with '145' inserted under the column for 'Income', '2,918' inserted under the column for 'Expenditure Allocation' and '2,918' inserted in the column for 'Head of Expenditure', with the figures for the Office of the Chief Executive, within which External Relations is currently based, being adjusted down accordingly so that the formal establishment of the Ministry of External Relations in this Government Plan is cost neutral"

"...to endorse the efficiencies and other re-balancing measures for 2022 contained in the Government Plan as set out in Appendix 2 Summary Table 6, with amendments made as appropriate to reflect the establishment of the Ministry of External Relations as provided for in (f), and reflected within each gross head of expenditure in Appendix 2 – Summary Table 5(i)"

"...to approve, in accordance with Article 9(1) of the Law, the Government Plan 2022-2025, as set out at Appendix 3 to the Report, with amendments made as appropriate, including in R.150/2021, to reflect the establishment of the Ministry of External Relations as provided for in (f)"

## Amendment 15, as amended - Health Insurance Fund

P.90/2021 Amd.(15), as amended by P.90/2021 Amd.(15)Amd., which agreed:

The following safeguards and transparency measures will be put in place in relation to the establishment of the Jersey Care Model:

- The independent non-executive board (establishment of which was approved in P.114/2020) will be supported to publish a review of the Tranche 1 and the use of 2021 funding by the end of March 2022 at the very latest; and
- The digital health team within Modernisation and Digital establishes a protected, separately resourced sub-team (that includes a Manager grade role), to focus solely on the delivery of the Jersey Care Model digital systems, and the Digital Care Strategy. Regular updates on these workstreams should be regularly reported on to the independent JCM programme board and the Health and Social Security Scrutiny Panel.

The following safeguards and transparency measures will be put in place in relation to the operation of, and any transfers made out of, the Health Insurance Fund:

- The Minister for Health and Social Services will annually publish a report, which will also be presented in advance to the Health and Social Security Scrutiny Panel, to detail the information provided to the Minister for Social Security relating to the costs incurred on the Jersey Care Model that require a transfer of funds from the HIF;
- The Minister for Social Security will publish a report, within 2 weeks of any transfer, to detail how any funds transferred out of the HIF for the purposes of the JCM or its related digital strategies costs have been verified;



- An actuarial review of the Health Insurance Fund (HIF) is prioritised in 2022 and will include:
  - › specific analysis of the use of the HIF for the purposes of the Jersey Care Model and its related digital strategies;
  - › Consideration of the impact of all withdrawals on the fund since 2020; and
  - › The future of the HIF, should withdrawals take place as per envisaged by P.130/2020.
- As part of the wider review of sustainable healthcare funding to be undertaken in 2022, there will be a specific consideration to repaying the HIF (from the Consolidated Fund) for funding withdrawn for the establishment of the Jersey Care Model and its related digital strategies if no sustainable healthcare funding is operational by 2025.

## Amendment 19, as amended: Early Years Funding

P.90/2021 Amd.(19), as amended by P.90/2021 Amd.(19) Amd., which agreed:

“...2022 Revenue Heads of Expenditure, the Head of Expenditure for Children, Young People, Education and Skills shall be increased by £330,000 and the Head of Expenditure for the Covid-19 Response shall be reduced by £330,000 in order for funding identified to support Early Years within the Covid Health and Social Recovery Project to be placed within the base departmental budget for Children, Young People, Education and Skills.”

## Amendment 21, Part 2 as amended – Technology Fund

P.90/2021 Amd.(21), as amended by P.90/2021 Amd.(21) Amd., which agreed:

“Proposals for the creation of this fund will be set out in a forthcoming proposition which will seek the Assembly’s approval of the purpose and terms of the fund.”

## Amendment 22 - Stamp Duty

P.90/2021 Amd.(22), which agreed:

“...the proposed taxation and impôts duties changes to include the introduction, following a review by the Minister for Treasury and Resources and no later than 31st December 2022, of a higher Stamp Duty rate for ‘Buy to Let’ investment properties, second homes and holiday homes”.

““The Minister for Treasury and Resources will introduce a higher Stamp Duty rate for ‘Buy to Let’ investment properties, second homes and holiday homes no later than 31 December 2022.”, in addition to any further changes to Appendix 3 identified as required by the Council of Ministers to reflect the implementation of such a policy”

## Amendment 23, as amended - First Tower Playing Field

P.90/2021 Amd.(23), as amended by P.90/2021 Amd.(23) Amd., which agreed:

“..the Head of Expenditure for Central Planning Reserve shall include £150,000, as part of the existing allocation, for ‘First Tower playing field”

## Amendment 24 - Alcohol Duties

P.90/2021 Amd.(24), which agreed:

“the 2022 Estimate for Impôt Duties Total shall be decreased by £231,000 by increasing the Impôt Duties for Spirits, Wine, Cider and Beer at 1% under RPI, with the relevant figures for 2022 in Appendix 2 – Summary Table 1 updated in line with the following table, and subsequent figures updated accordingly:

	2022 Estimate (£000)
Impôt Duties Spirits	7,364
Impôt Duties Wine	9,211
Impôt Duties Cider	842
Impôt Duties Beer	6,299

“the Head of Expenditure for the General Reserve shall be reduced by £231,000 to accommodate a drop in States income caused by increasing the Impôt Duties for Spirits, Wine, Cider and Beer by 1% under RPI”

## Amendment 25, Part 3 - Revised Borrowing and Debt Repayment

P.90/2021 Amd.(25), which agreed:

“to agree that borrowing relating to COVID-19 and Fiscal Stimulus Fund requirements should be of a short-term nature only, for no more than 5 years (and, for example, funded from the revolving credit facility) and, accordingly, that:

- i. the Council of Ministers be requested to bring forward proposals in future Government Plans to reduce this borrowing to zero by 31st December 2026; and
- ii. that the Minister for Treasury and Resources be requested to prioritise the application of any unspent funds at the end of 2021 and 2022, be these in respect of spending related to COVID-19, departmental revenue expenditure or capital expenditure, to be returned to the Consolidated Fund and that these funds, along with receipts relating to the move of all taxpayers to current year basis, be used to minimise the borrowing requirements for COVID-19 and the Fiscal Stimulus Fund and support the repayment of debt.”

## Amendment 26, as amended - Air Quality Monitoring

P.90/2021 Amd.(26), as amended by P.90/2021 Amd.(26) Amd., which agreed:

“...the proposed expenditure within the Climate Emergency Fund shall include an amount of up to £250,000 to fund and implement an air quality monitoring policy to include provision of all necessary equipment”

