

# Government Plan 2020-23



**GOVERNMENT PLAN**  
2020-23



Government of  
**JERSEY**

R.19/2020



# Government Plan 2020-2023 (P.71/2019) as amended

On 2nd December 2019 the States Assembly approved the Government Plan 2020-2023 (P.71/2019), as amended.

This document sets out:

- The P.71/2019 Proposition and Summary Tables, as amended by the States Assembly, (see Appendix 3).
- The Government Plan 2020-23 as amended to include all amendments agreed by the States Assembly (See Appendix 4) together with any necessary consequential and minor factual changes.

## Our purpose

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

In order to do this, we must:

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

## Structure of the Government Plan 2020-23

The Government Plan 2020-23, is structured as follows:

### **PART 1 INTRODUCTION**

Background and introductory information about the Government Plan and the process that the Government went through to develop it.

### **PART 2 GOVERNMENT PRIORITIES**

Details of the priority initiatives that the Government is proposing to invest in 2020, and its ambition for 2021-23, to deliver the Common Strategic Policy and deal with the key risks we face.

### **PART 3 GOVERNMENT FINANCES**

The detailed economic, financial and technical information for the 2020 Budget and our long-term public finances.

# Contents

<b>PART 1 – INTRODUCTION</b>	<b>12</b>
Headline commitments for 2020	14
1. Introducing the Government Plan	16
2. The strategic framework	18
3. How we will measure progress	20
4. How we manage risk	21
<b>PART 2 – GOVERNMENT PRIORITIES</b>	<b>24</b>
Government spending 2020 and priority highlights	26
1. We will put children first	30
What we will do in 2020	34
What we will work towards in 2021-23	39
Funding this priority	40
Measuring the impact	40
2. We will improve Islanders' wellbeing and mental and physical health	43
What we will do in 2020	46
What we will work towards in 2021-23	50
Funding this priority	50
Measuring the impact	50
3. We will create a sustainable, vibrant economy and skilled local workforce for the future	52
What we will do in 2020	57
What we will work towards in 2021-23	65
Funding this priority	66
Measuring the impact	66
4. We will reduce income inequality and improve the standard of living	69
What we will do in 2020	72
What we will work towards in 2021-23	76
Funding this priority	76
Measuring the impact	77



5. We will protect and value our environment	78
What we will do in 2020	83
What we will work towards in 2021-23	86
Funding this priority	87
Measuring the impact	88
6. Modernising Government	90
i. A new, long-term strategic framework	93
ii A modern and effective public sector	95
iii. Sustainable, long-term public finances	101
iv A States Assembly and Council of Ministers that work together	106
v. An improved electoral system	108
Funding these initiatives	109
7. The Efficiencies Programme	110

## **PART 3 – GOVERNMENT FINANCES** **116**

Foreword by Minister for Treasury and Resources	118
Finances at a glance	120
Budget measures for 2020	122
1. Summary of finances	124
2. Financial and economic context	127
3. Guiding Principles	132
4. Public sector spending 2020-23	134
5. Capital 2020-23	140
6. General Revenue Income	150
7. Budget proposals	157
8. Government of Jersey Balance Sheet and States fund	169
9. Key fiscal measures for consideration in 2020	185

## **Appendices** **188**

Appendix 1: Key to abbreviations	190
Appendix 2: Supplementary tables	192
Appendix 3: Proposition and Summary Tables	203
Appendix 4: Amendments to the Proposed Government Plan	210

## Our ambition

Last year, the Council of Ministers proposed five strategic priorities that would be a beacon for our term of office, which were unanimously approved by the States Assembly.

In this first-ever Government Plan for Jersey, we are bringing those priorities to life, with a range of detailed, costed initiatives that will set us on the path to fulfilling our collective ambition for our Island's future.

The Government Plan is quite different to how we have done things before. For the first time in a very long time, it brings together income and expenditure decisions, improving how we decide how much we spend and how it is paid for, and making these decisions more transparent.

In the Common Strategic Policy, the Government and States Assembly pledged that:

- we will put children first
- we will improve Islanders' wellbeing and mental and physical health
- we will create a sustainable, vibrant economy and skilled local workforce for the future
- we will reduce income inequality and improve the standard of living
- we will protect and value our environment.

The Council of Ministers and I have spent many months working in teams with officials, and together in workshops, to identify which actions by the Government can make the



**Senator John Le Fondré**  
Chief Minister

most enduring difference to Islanders' lives and to our unique Island, to meet those five important pledges. We have considered every single potential activity and the contribution that each will make to meeting our five strategic priorities.

We have also sought to take decisions for the long-term, to do what is right not just for today, but for the future sustainable wellbeing of Islanders.

To put children first, we will continue to implement the Children Services Improvement Plan so that vulnerable children are protected and supported, and make demonstrable progress towards achieving consistently outstanding children's social work practice in the long term. We will embed the changes recommended by the Independent Jersey Care Inquiry and drive a consistent focus across all Government services that support the strengthening of families and communities.

We will also expand the nursery education offer, better enabling families to provide children with the best start in their early years (0-5), overhaul education and children's legislation to create a framework for sustainable long-term improvement, and start to implement a sustainable funding settlement for each element of the education system – early years, schools, and post-16 education – coupled with appropriate

investment in education facilities.

To improve Islanders' wellbeing and mental and physical health, we will implement a new agenda for our model of health care, which puts Islanders at the heart of how services are designed and where they are provided, rather than running it for our organisational convenience. We will care for our most vulnerable citizens, improve access to mental health services and invest in our mental health environment and building infrastructure.

In creating a sustainable, vibrant economy and skilled local workforce for the future, we will deliver our Global Markets Strategy to promote Jersey on the world stage post-Brexit as a dynamic place to do business and to trade with. We will continue to develop and deliver the Future Economy Programme, create an economic framework for Jersey to nurture our economy, and improve our Island's growth and productivity and the skills of our local workforce. We will deliver a new migration policy. We will also recognise our heritage and what makes Jersey special and unique, and reverse the real-terms decline in Jersey's overseas aid contributions.

A strong economy will underpin our efforts to reduce income inequality and improve the standard of living of Islanders, because investment in education and skills, and the availability of good jobs, are the biggest contributors to helping people to become financially self-sufficient. But we will also continue to encourage and support the provision of good quality and affordable housing to all, building on the findings of the Housing Policy Development Board.

We will work with others across the Island to support people who need extra help, perhaps due to a disability or loneliness, and to encourage diversity in all aspects of Island life.

Like the States Assembly, we have acknowledged the climate emergency and the significant challenge of the environmental threats to our Island. So

we will take bold steps to protect and value our environment, creating a Climate Emergency Fund, with an initial allocation of £5 million in 2020, to invest in new initiatives, and accelerate the shift in behaviour of Islanders and businesses from our current dependency on fossil fuels and non-renewable materials.

The Council of Ministers recognises that while our ambition has no limits, our organisational and financial capacity to deliver everything that we would wish during our term of office does have practical limits. In short, we cannot spend more than we can afford, and we must not bite off more than we can chew organisationally, or we would risk failing to deliver both our core public services and the new initiatives that are at the heart of our Government's agenda.

So our Government Plan prioritises those most important initiatives that will make a real, positive and lasting impact on Islanders and on our Island. It ensures that we continue to deliver the essential day-to-day services and infrastructure on which Islanders depend. And it invests in speeding up the pace of reform for our public services, so that we get better services at better value for money.

And as a fiscally-prudent Government, we have reviewed our forecast income for the next four years, so we can understand how we can pay for these new initiatives, as well as meet the cost of all the everyday activities of Government that provide essential services to Islanders, the cost of ongoing commitments that we have inherited, and the cost of new investments that we need to make in modernising our public services.

Our proposals will also ensure that the two Island funds on which we rely in the event of an economic downturn and care needs in old age are sustainable.

In order to ensure that we can withstand potential threats to our Island, including any adverse impacts relating to Brexit, the Government proposes to invest £28 million in the Stabilisation Fund in 2020, and then in line with Fiscal Policy Panel

recommendations for the following three years – which adds up to £75 million over the four-year period of the Government Plan.<sup>1</sup>

The States Assembly has agreed a 0.5% increase in contributions to the Long-Term Care Fund as well as an increase in the income cap, to ensure the financial sustainability of our long-term care scheme.<sup>2</sup>

In addition, we are proposing increases in some contributions made into the Social Security Fund to support the provision of parental benefits. These two measures will increase funding into these ringfenced funds and will not go into the pot for general public spending.

We have also reviewed and challenged what we do as a Government, to see what we can do better, and at a lower cost. We are committed to securing £100 million of efficiencies out of the public service cost base over the next four years. This will help to close the £30-40 million budget deficit

that had been forecast from 2020, and contribute to funding our new initiatives and the investment that we need to make to replenish our Stabilisation Fund.

I am pleased to report that while the Council of Ministers is increasing spending in the Government Plan, by prudent planning, backed by sustainable efficiencies, we have been able to keep our forecast spend after efficiencies below what was originally forecast in Budget 2019. We are ensuring that what we do can be paid for, without placing undue burdens on Islanders.

We are therefore targeting increasing duties on alcohol, tobacco and road fuel, which will raise around £6 million in 2020. These increases are to incentivise behaviour change, to address the social and health costs of drinking and smoking, and the environmental impacts of carbon-based fuels. We propose to use receipts from the



<sup>1</sup> See Appendix 4 (7)

<sup>2</sup> See Appendix 4 (6)



fuel duty increase above inflation to pump-prime the Climate Emergency Fund.

However, we have also agreed increases in income tax allowances worth around £6 million in 2020. Taking all duties into account, this means that we will be collecting from taxpayers broadly equivalent amounts that we will be returning to them in allowances.

This first Government Plan is a plan for action and it is a plan for the long term. We are acting to deliver on the strategic priorities to which the States Assembly has agreed, as well as on its decisions on funding for arts, culture and heritage, to protect Jèrriais and to confront the climate emergency.

This Government is not looking for short-term fixes to get us through our term in office to the next election: we're taking the important decisions now to plan for and

tackle the future needs of our Island, and to create a positive long-term legacy for Islanders.

In short, this plan represents the beginning, not the end, of our ambitions for Jersey, and it is a plan that Ministers, the public service and, I hope, the States Assembly and all Islanders will join together in delivering for our long-term future.

**Senator John Le Fondré**  
**Chief Minister**



## Council of Ministers



**Senator  
John Le Fondré**

Chief Minister



**Senator  
Lyndon Farnham**

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



**Senator  
Ian Gorst**

Minister for  
External Relations



**Deputy  
Carolyn Labey**

Assistant Chief Minister,  
Minister for International  
Development



**Deputy  
Kevin Lewis**

Minister for  
Infrastructure



**Deputy  
Judy Martin**

Minister for  
Social Security



**Senator  
Sam Mézec**

Minister for Children  
and Housing



**Connétable  
Len Norman**

Minister for  
Home Affairs



**Deputy  
Susie Pinel**

Minister for Treasury  
and Resources



**Deputy  
Richard Renouf**

Minister for Health  
and Social Services



**Senator  
Tracey Vallois**

Minister for Education



**Deputy  
John Young**

Minister for  
the Environment

## Assistant Ministers



**Connétable  
Richard Buchanan**

Assistant Chief Minister,  
Assistant Minister for  
External Relations



**Connétable  
Christopher Taylor**

Assistant Chief Minister



**Deputy  
Scott Wickenden**

Assistant Chief Minister,  
Assistant Minister for  
Social Security



**Deputy  
Lindsay Ash**

Assistant Minister for  
Treasury and Resources



**Deputy  
Gregory Guida**

Assistant Minister  
for the Environment,  
Assistant Minister  
for Home Affairs



**Deputy  
Jeremy Maçon**

Assistant Minister for  
Education, Assistant  
Minister for Health  
and Social Services,  
Assistant Minister  
for Social Security



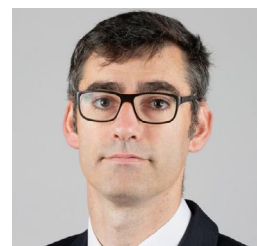
**Senator  
Steve Pallett**

Assistant Minister for  
Economic Development,  
Tourism, Sport and Culture  
Assistant Minister for  
Health and Social  
Services



**Deputy  
Hugh Raymond**

Assistant Minister for  
Health and Social  
Services,  
Assistant Minister for  
Infrastructure



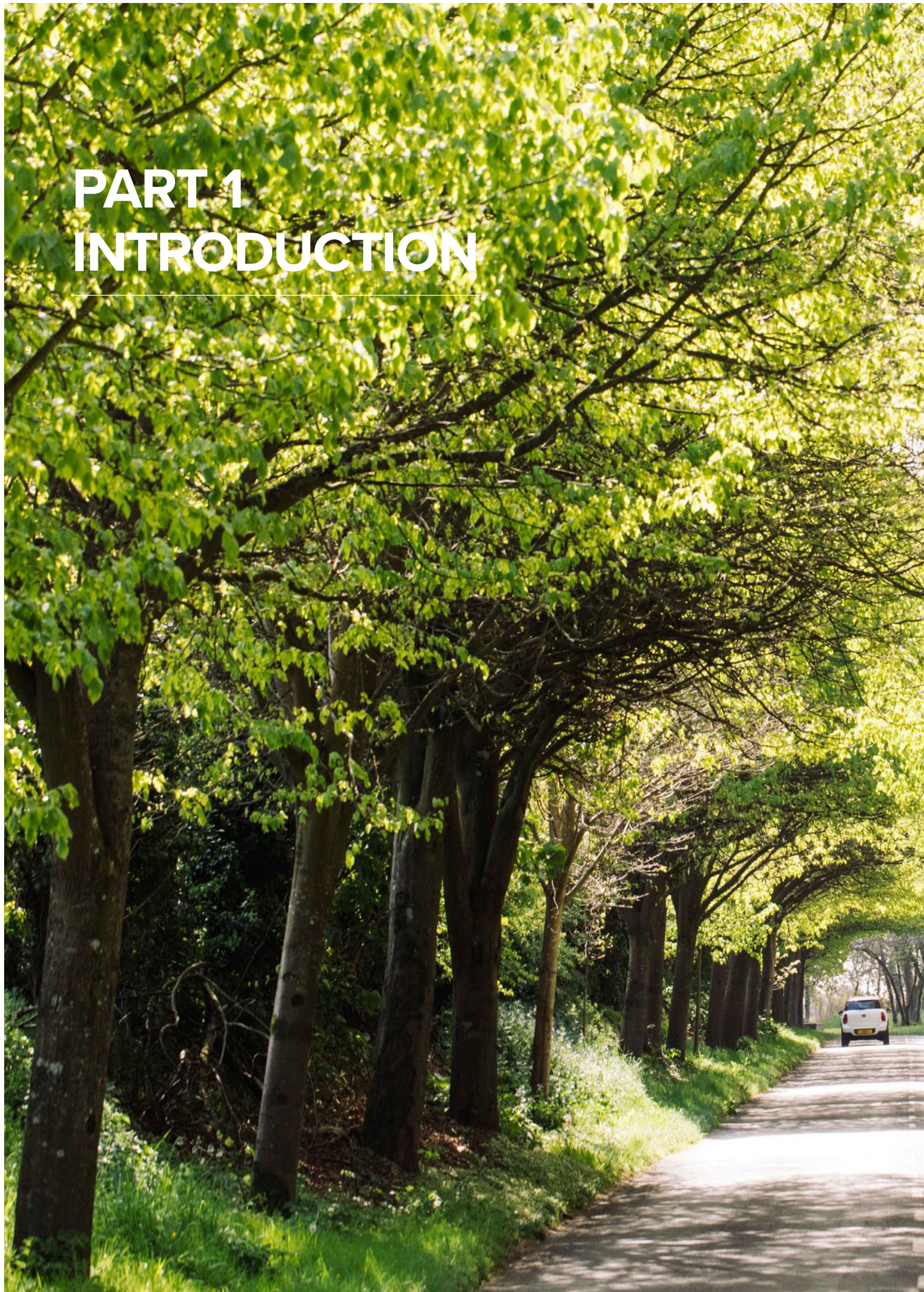
**Deputy  
Montfort Tadier**

Assistant Minister for  
Economic Development,  
Tourism, Sport and  
Culture

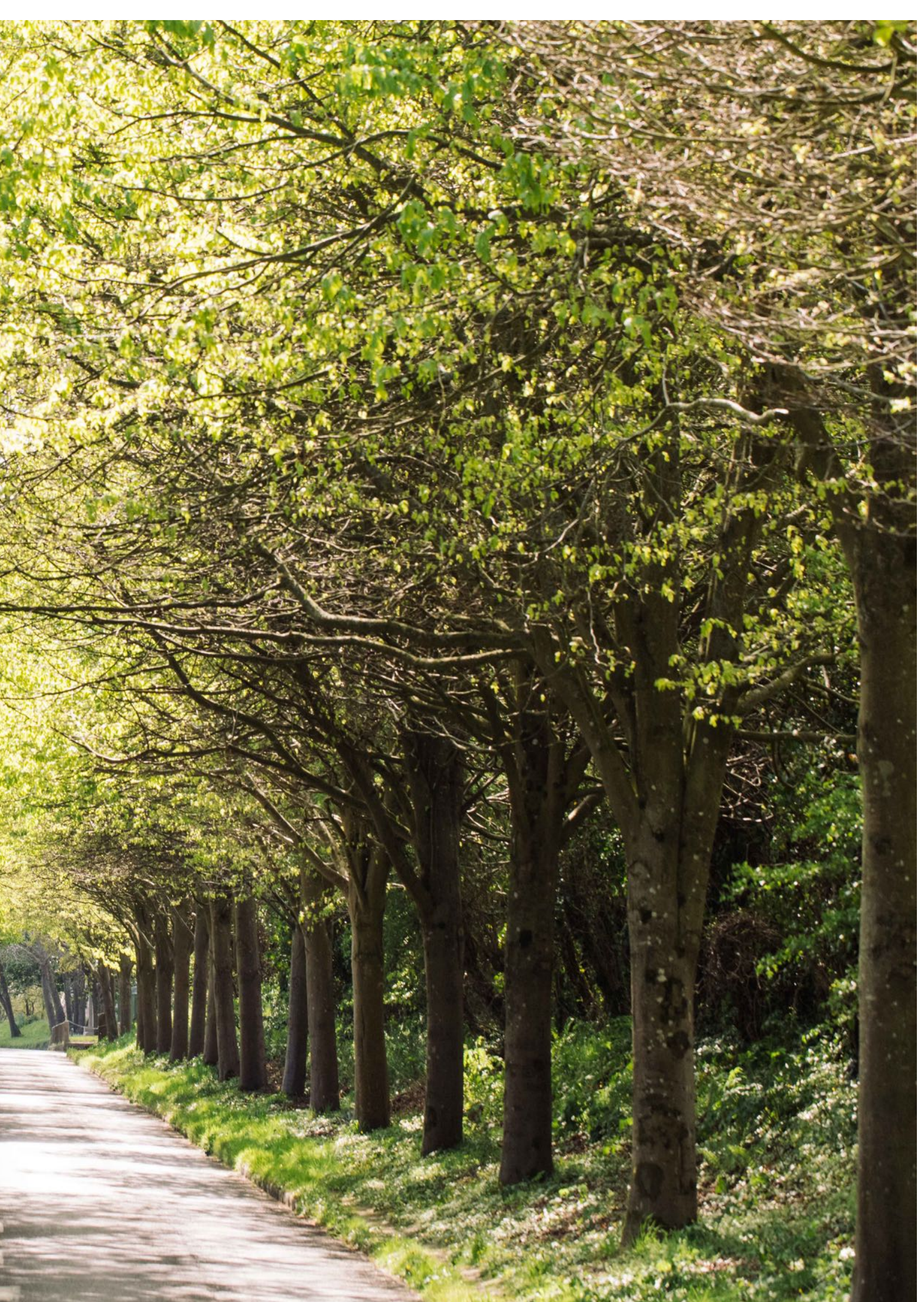


# PART 1 INTRODUCTION

---









## Headline commitments for 2020

- We will introduce a new 'entitlement offer' for children in care and leaving care
- We will continue to implement the Children's Services Improvement Plan
- We will make progress towards outstanding children's social work practice
- We will launch a new 'Right Help, Right Time' prevention and early intervention service for families
- We will improve Child and Adolescent Mental Health Services
- We will improve standards in nurseries and schools
- We will implement the recommendations of the Jersey Premium review
- We will implement sustainable funding for early years, schools, and post-16 education
- We will invest in education facilities
- We will seek indirect incorporation of the UN Convention on the Rights of the Child

- We will introduce a new model for health care for Jersey, focusing on prevention and community partnership
- We will bring new focus on wellbeing and reducing preventable disease
- We will increase duties on alcohol and tobacco to combat the health and social costs of drinking and smoking
- We will develop proposals for a new hospital and actively engage with Islanders on it
- We will deliver a programme of upgrade work to the existing General Hospital
- We will significantly improve access to mental health services, and bring parity of esteem to the mental health agenda
- We will invest in our mental health environment and building infrastructure, and implement new mental health initiatives
- We will expand our 24-hour community nursing and primary care services
- We will examine new models for children's dental services, and for people with diabetes
- We will improve primary care access for financially-vulnerable people
- We will implement a digital care programme, and replace outdated systems

- We will invest £84 million over the next four years in replenishing our Stabilisation Fund
- We will continue to develop and deliver the long-term Future Economy Programme
- We will develop and resource a new post-16 education strategy
- We will continue to negotiate Jersey's future relationship with the UK and EU
- We will deliver our Global Markets Strategy, to promote Jersey on the world stage
- We will increase Jersey's overseas aid contributions, to help those in greatest need beyond our borders

- We will ensure that Jersey's arts and culture receive 1% of the Government budget
- We will deliver a new Migration Policy
- We will continue to progress a long-term solution for Fort Regent

- We will develop proposals to improve financial independence in old age
- We will increase contributions to the Long-Term Care Fund by 0.5%<sup>3</sup>
- We will modernise the Island's personal income tax system
- We will start to implement the agreed recommendations of the Housing Development Board's review of housing in Jersey
- We will improve support and protection for tenants
- We will deliver the disability strategy and better support disabled adults living at home
- We will ensure that both parents are able to receive parental benefits
- We will better support workers with long-term health conditions

- We will act with energy and pace to respond to the climate emergency, and become a sustainable low-carbon Island
- We will establish a Climate Emergency Fund, with an initial allocation of £5 million
- We will increase fuel duty, to fund a new sustainable transport plan and change Islanders' travel behaviours
- We will seek to change behaviours, to reduce pollution and waste
- We will protect our habitats and species through better legislation and enforcement
- We will improve countryside access for Islanders
- We will consult Islanders as we develop the draft Island Plan, and improve our public infrastructure

- We will continue to deliver and support organisation-wide change
- We will provide improved resources to support non-executive States Members
- We will invest to reform our workforce and modernise how we work
- We will invest in the States of Jersey Police, to increase officer numbers to 215
- We will deliver sustainable efficiencies by 2023 through an Efficiencies Programme
- We will invest in the modernisation of the public sector through digital technologies
- We will invest in the Government's long-term estate
- We will continue to transform the way in which we manage public finances
- We will help to make improvements in our electoral system.

<sup>3</sup> See Appendix 4 (6)

# 1. Introducing the Government Plan

This is the first-ever Government Plan for Jersey. It forms an important part of our new strategic framework for the Island, and brings to life the priorities set out in our Common Strategic Policy. The Government Plan aims to support the sustainable economic, social, environmental and cultural wellbeing of our Island, which will need to be delivered by a strong partnership between a modern government, responsible businesses and Islanders.

The Government Plan is also quite different to how we have done things before. For the first time in a very long time, it brings together income and expenditure decisions, improving how we make decisions about how much we spend and how it is paid for. This is coupled to improved transparency of government finances, as the Government Plan improves the financial context for spend, as it links money to priorities to provide a holistic view of priorities, outcomes and finance.

It also balances the certainty that we had with the Medium-Term Financial Plan, with the flexibility we need to respond to changing circumstances. It does this by adopting a detailed one-year plan within a rolling four-year approach, ensuring absolute clarity about income and expenditure for the 12 months ahead, as part of a four-year financial outlook. Every year, there will be an updated Government Plan, looking in detail at the year ahead within a refreshed four-year financial and economic outlook.

It is vital that we ensure the long-term sustainability of our Island's finances, and this plan demonstrates our commitment to careful stewardship of our balance sheet, transforming financial management, and making critical decisions now, rather than later.

These improvements were recently approved by the States Assembly in the new

Public Finances (Jersey) Law. The new law represents a fundamental change to the way in which our public finances are presented and decisions are made.

## Sustainable wellbeing

The Public Finances (Jersey) Law requires the Council of Ministers to take into account the sustainable wellbeing (including the economic, social, environmental and cultural wellbeing) of the inhabitants of Jersey over successive generations when developing the Government Plan.

This is an important development, and we are proud that the wellbeing of the current and future generations of Islanders is so central to our Government purpose. We have sought to consider the contribution of every commitment in this Government Plan to sustainable wellbeing, and we are very much focusing on the future including, for example:

- investing in the future, by putting significant effort and resources into front-line services, legislation and culture change in order to make Jersey a place that truly puts children first
- developing sustainable long-term plans to continue improvement in our education system, covering early years, schools, post-16 and lifelong learning provision
- committing to developing a strategy, and creating a dedicated fund, to tackle the climate emergency, and aiming to achieve carbon net neutrality by 2030
- introducing a new model of health care that supports prevention, helping us all to live healthier, longer lives
- focusing on the challenge of financial independence in old age, with the aim of ensuring that more people are financially comfortable later in life, as more of us live



longer

- increasing our contributions to Jersey's overseas aid to help those in greatest need beyond our borders, investing in their futures and in ours as an outward-looking and responsible global citizen
- and, underpinning it all, promoting and protecting our economy for the long-term, as the key driver of prosperity and our standard of living in Jersey.

We are also making the right decisions now for the long-term sustainability of our public finances. For example, we are combining prudent financial management with more innovative measures, such as an Island Infrastructure Fund to attract more investment into public infrastructure. We are also increasing contributions to the Long-Term Care Fund, so that over the coming decades and as our population ages, we can continue to provide financial support to those Islanders who are likely to need care

for the rest of their lives. We are determined to do what is right for the long-term success of Jersey.

The impact measures listed throughout the plan, alongside the Future Jersey indicators, further drive focus on sustainable outcomes for Islanders. We will use these, and the findings of the 2018 Jersey Better Life Index (Statistics Jersey, 2019), to analyse our progress.

Over the next year, we will further embed the focus on sustainable wellbeing into the annual Government Plan process, for the benefit of future generations of Islanders.

## How the Government Plan was developed

The Government Plan was developed over four main phases:

Creating a common understanding of the long-term ambitions and key activities for 2020 and beyond for CSP priorities and areas for improvement.	April to May 2019
Understanding the financial parameters for 2020 and beyond. Exploring efficiency and revenue options.	May to the beginning of June 2019
Setting the proposed financial envelope for 2020, with a financial outlook for 2021-23.	Mid-June 2019
Decision making: agreeing the deliverables within the set financial limits for revenue and capital. Setting the performance indicators to monitor outcomes.	End of June and early July 2019

## How is the Government Plan different from the MTFP?

The Government Plan is very different from the Medium-Term Financial Plan, for three fundamental reasons:

### i. Improved financial management

The Government Plan integrates finance, policy, planning, performance and outcomes, helping to ensure that taxpayers' money is used to deliver the Common Strategic Policy priorities of the Council of Ministers, and to deliver outcomes for Islanders.

The allocation of funds in the Government Plan takes into consideration the key risks identified in our corporate and departmental programme and project risk registers, and reflects the organisation's aim to prioritise resources and actions to mitigate risks where appropriate.

### ii. Improved agility

The Government Plan allows funding to be allocated to heads of expenditure on a more flexible basis, for example to reflect strategic priorities that cross departmental boundaries, rather than having to reflect departmental responsibilities.

It also allows funding to be allocated to capital and major projects on a cash flow basis, while also approving the total cost of a major project. This enables the Government to make better use of available cash.

### iii. Whole Government view

The Government Plan includes forecasts for the major States Funds for the duration of the Plan and thereby affords greater transparency of overall Government finances and consistency with the States Accounts.

For more information see **Part 3.1**.

## 2. The strategic framework

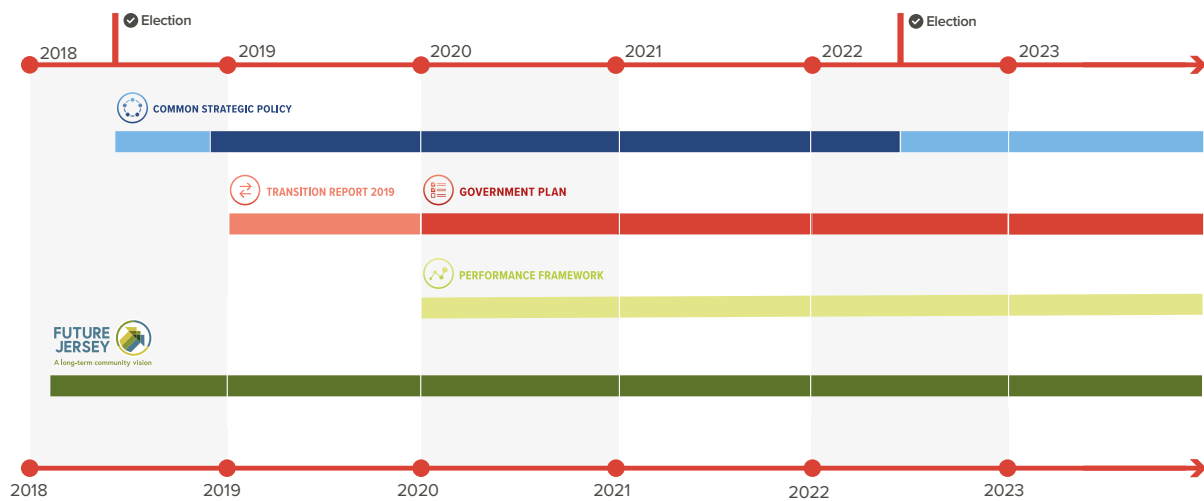
These improvements are just the first step in achieving a new, wider and coherent strategic framework, which will connect the Government's ambition, strategies, policies and plans with the Future Jersey vision for our Island.

The new strategic framework represents a step-change in approach to short-term, medium-term and long-term planning, because it brings together:

- the long-term community vision, expressed by Future Jersey
- the medium-term priorities of the Government of Jersey, expressed in the Common Strategic Policy and the Government Plan
- departmental operational business plans, updated annually

- the new corporate performance framework, which reports on progress against key outcomes for Jersey and the ambitions and activities set out in the Government Plan.

Many of the activities that we need to deliver, in order to progress towards the social, economic and environmental outcomes that Jersey seeks to achieve, will only bear fruit over a timeline that stretches long into the future, and well beyond the four-year term of a Council of Ministers. Some of the critical decisions that Ministers take, such as whether, when and where to invest in infrastructure, will benefit Islanders over decades and generations, not just years.



As the strategic framework develops, we will use it to outline the changes in how we do business, improve how the Government is held to account, enable Islanders to be assured that taxpayers' money is wisely spent, and demonstrate that the Government is contributing to the outcomes that Islanders want to see.

Over the coming years, Islanders will therefore see the Government delivering more modern and efficient services through, for example:

- embedding the 'One Government' organisational, digital and modernisation changes that are currently underway to make a real difference to how Islanders access services and engage with the Government
- improved financial and performance monitoring and management
- more robust risk management
- using a wider range of evidence and best practice – taking account of Islanders' feedback and comments; working more closely with partners and communities in planning outcomes; and using the new foresight capability to inform long-term strategic policy and decision making, such as through the Island Plan 2021-30
- learning from the development and delivery of each subsequent Government Plan.

### 3. How we will measure progress

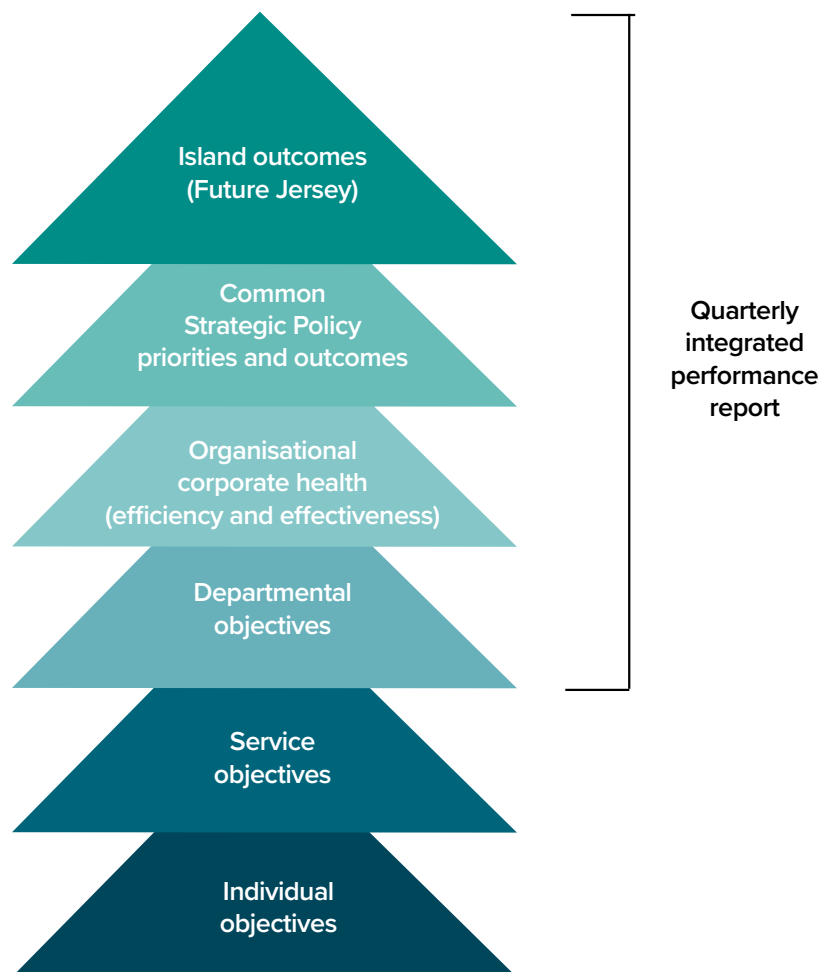
The Government Plan focuses on improving outcomes for Islanders. A focus on outcomes marks an important shift in how public services in Jersey are delivered. Today, all Government departments are working together as One Government to plan and deliver services against a shared vision and the outcomes defined in them – the Common Strategic Policy and Future Jersey, Jersey’s long-term community vision.

We will develop and publish a performance framework by January 2020. We will use it to monitor and maintain progress against the outcomes and service improvements set out in this plan, making our performance transparent to all.

We will use a range of performance indicators and measures to understand both how Jersey is doing and how the Government Plan activities have made a difference. Departmental operational business plans will provide further detail on the services we deliver and the quality of service delivery.

In PART 2 of this plan, we present lists of key outcome indicators that we will measure. They are not exclusive and further indicators will be added in the new performance framework.

#### Corporate Performance Framework Monitor





The performance framework contains a series of performance indicators that will measure progress against the various levels shown in the diagram. Government departments are accountable for their own service performance and how the organisation is run.

Services are aimed at improving outcomes for the Island and Islanders as set out in Jersey's community vision, Future Jersey. Therefore, progress on key performance indicators against the Island outcomes and outcomes as set out in the Common Strategic Policy are also monitored.

## 4. How we manage risk

Change is happening at an increasing pace and while this brings with it risks, it also offers new opportunities. We will proactively manage risks and opportunities to support delivery of the Government Plan, to improve service delivery, and to achieve value for money and reduce unwelcome surprises.

We are continually developing and refining our approach to enterprise risk management, in order to provide a more effective response to risks while also embedding risk management across our decision-making processes.

As a Government, we not only consider our own organisational risks, but also those that pertain to the wider sustainability and prosperity of the Island and Islanders. We do this partly through our Community Risk Register, which reflects a range of broader physical, environmental and global risks that could impact the community. A longer-term assessment of the risks relating to the Island Plan is also currently being developed.

In developing the Government Plan, we have considered the key corporate risks that we face. These are listed below, with some examples of how we have addressed these risks in the Government Plan.

<b>Risk</b>	<p><b>Information and cyber security</b></p> <p>Like other governments, the Government of Jersey is under regular cyber-attack. Despite the investment already made, there is inevitably a risk that the information security technology suite could be breached, leading to failure of public services, reputational damage and loss of Government and Islanders' data.</p>
<b>Mitigation</b>	<p>Additional investment in cyber security technology has been prioritised, in order to continue to supplement current arrangements. This investment is reflected in the Government Plan. The strengthening of controls is further enhanced by the wider resource allocation to modernising information management systems, which have been historically underinvested in. Section 6 'Modernising Government' provides more details on the initiatives we will undertake.</p>

<b>Risk</b>	<p><b>A new model for health care</b></p> <p>If we fail to implement significant health and social care reforms, then health and community services may be unsustainable and patient safety and care may be negatively impacted.</p>
<b>Mitigation</b>	<p>We are addressing this risk by committing to deliver a new model of health care for Jersey, which is focused on prevention and on developing a more flexible and co-ordinated service with community health partners, to provide care for Islanders closer to home.</p> <p>We will bring new focus on wellbeing through a Health and Wellbeing Policy Framework, to integrate health improvement with action on the wider determinants of wellbeing (such as our housing, education and environment), and we will support the reduction of preventable disease, to reverse the current upward trend in overweight and obesity rates, to increase healthy eating, to reduce the rates of smoking and harmful alcohol consumption, and to deliver a range of preventative and proactive schemes.</p> <p>We will develop proposals for a new hospital and actively engage with Islanders, health specialists and staff at every key step of the process. In the meantime, we will support a programme of upgrade work to the existing General Hospital.</p> <p>We will significantly improve access to mental health services, bringing parity of esteem to the mental health agenda, invest in our mental health environment and building infrastructure, implement initiatives for crisis support, a 'listening lounge', complex trauma, Child and Adolescent Mental Health Services and mental health legislation.</p> <p>We will expand our 24-hour community nursing and primary care services, develop a preventative model of dental services for children and new models of care to support people with diabetes and we will develop a model that improves access to primary care for financially-vulnerable individuals.</p>
<b>Risk</b>	<p><b>Safeguarding children and vulnerable adults</b></p> <p>If we do not respond effectively to implement the recommendations identified in the Independent Jersey Care Inquiry, then vulnerable children and adults will remain at risk and we cannot satisfy Islanders that lessons have been learnt from the Inquiry Report.</p>
<b>Mitigation</b>	<p>The Director General for Strategy, Policy, Performance and Population has coordinated the response to the Care Inquiry and the Director General for Children, Young People, Education and Skills has done likewise for the Care Commission and Ofsted recommendations. Relevant senior officers from across Government have identified key actions which respond to all the recommendations. These actions are being implemented.</p>

	<p>Longstanding systemic challenges to progress in partnership working are being addressed in a revised Children’s Plan, which sets out shared priorities and outcomes with key agencies, including better joint planning and joint working across Government departments and with the voluntary and community sector.</p> <p>Funding has been allocated in the Government Plan to progress a range of initiatives that respond to the recommendations in the various reports.</p>
<b>Risk</b>	<p><b>One Government modernisation</b></p> <p>A failure to implement the One Government modernisation initiative fully and at pace will hinder the delivery of modern public services, improvements to the efficiency and effectiveness of Government and the delivery of better outcomes for Islanders.</p>
<b>Mitigation</b>	<p>We have committed to improve and modernise Government services. Initiatives are wide-ranging and cover major modernisation and transformation programmes that will 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.</p>
<b>Risk</b>	<p><b>Brexit</b></p> <p>Uncertainty from Brexit may adversely impact the Island’s economy if we fail to plan for and respond appropriately to the changes emanating from the UK’s exit from the European Union, as well as the impact of a possible Day One No Deal.</p>
<b>Mitigation</b>	<p>Resources have been allocated both to mitigate the direct consequences of a Brexit Day One No Deal, and to support a sustainable, vibrant economy and skilled local workforce for the future.</p> <p>Delivery of Brexit action plans through the Brexit Ministerial and officer working groups are being monitored on a regular basis.</p> <p>Detailed contingency planning continues and reflects the range of possible outcomes from existing EU-UK future scenarios.</p> <p>A Day One No Deal scenario could impact heavily on Jersey in the short term, in common with other European countries. Flexibility has been built into the Government Plan, although significant impacts may require amendments to the plan.</p>



# **PART 2**

# **GOVERNMENT PRIORITIES**

---

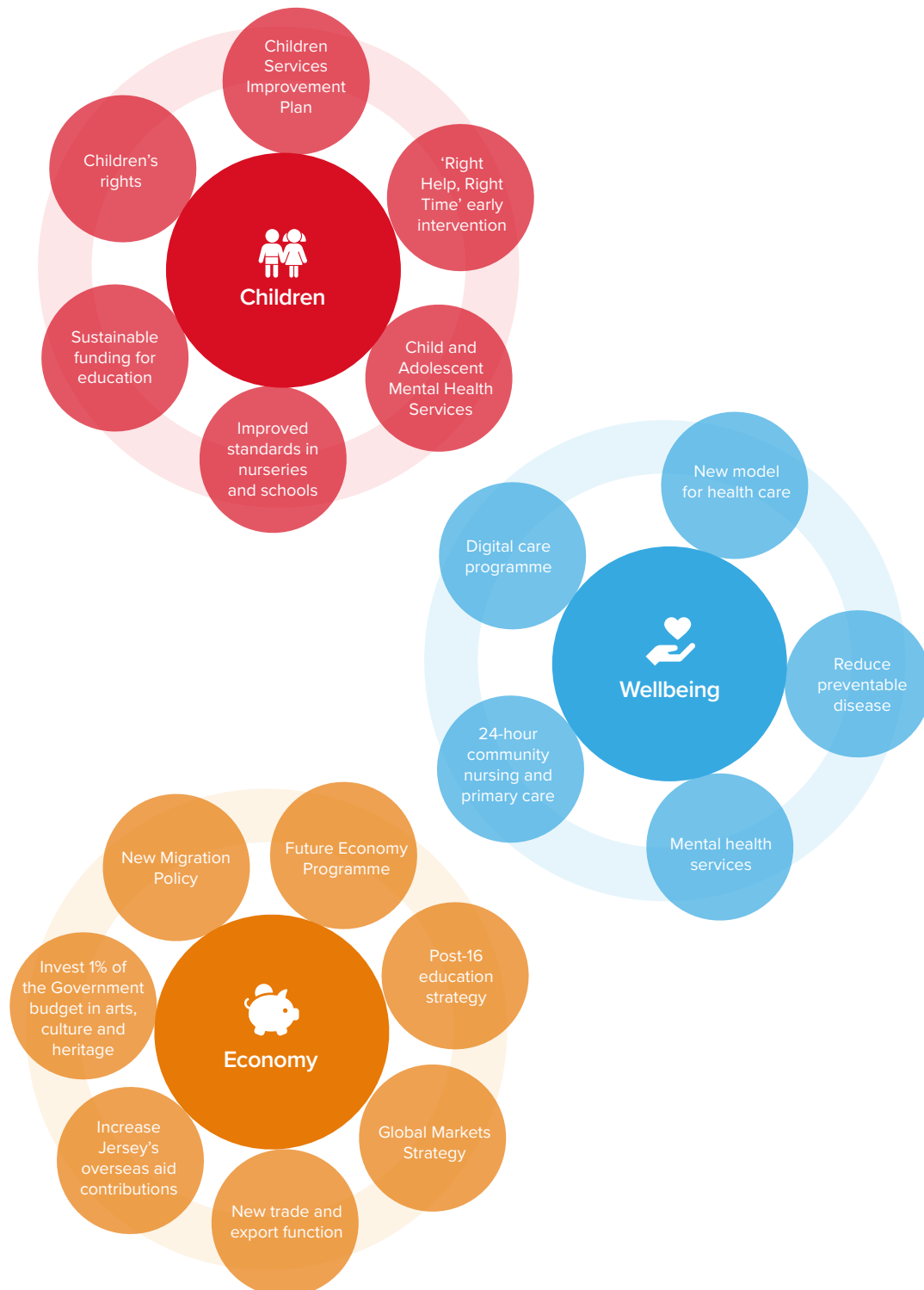




# Government spending 2020 and priority highlights

## Government spending 2020 and priority highlights

Total revenues <sup>4</sup> <b>£882m</b>	Total efficiencies <b>£40m</b>
---	-----------------------------------



<sup>4</sup> See Appendix 4 (7)



Total revenue spending <sup>5</sup> <b>£822m</b>	Total capital spending <b>£91m</b>
---	---------------------------------------



<sup>5</sup> See Appendix 4 (4) and (7)

## Introduction

Last year, in the Common Strategic Policy 2018-22, the Council of Ministers proposed the five strategic priorities that would be a beacon for our term of office. On 4 December 2018, the Common Strategic Policy was unanimously approved by the States Assembly<sup>6</sup>.

The Common Strategic Policy also committed the Government to working across departments and Ministers on a range of common themes and to continuing to pursue several important ongoing initiatives. These cover the day-to-day work of public services, some inherited commitments, foundations for modernisation, and some principles for how the Government will conduct itself.

Good progress has already been made and many activities are already underway to deliver the outcomes set out in the Common Strategic Policy (CSP). Information on this can be found in the recent '*Council of Ministers – One Year in Office (June 2019)*' report<sup>7</sup>.

PART 2 of the Government Plan sets out in detail how we will progress action on each of the five priorities in the Common Strategic Policy and the work highlighted by the One Year in Office report. Each of the following sections includes:

- a summary of the key activities that the Government will deliver in 2020 and the resources we will use to deliver them
- what we will work towards in 2021-23
- which CSP common themes are supported by the activity
- the lead Minister(s) and departments for each activity
- examples of the indicators and measures that we will use to understand whether the actions we take are making a difference.

In order to avoid repetition, we have abbreviated the names of the common themes, Ministers and departments. Please see the key in **Appendix 1** for these abbreviations.

<sup>6</sup> <https://statesassembly.gov.je/assemblyreports/2019/r.11-2019%20small%20amd%20page%205.pdf>

<sup>7</sup> <https://www.gov.je/SiteCollectionDocuments/Home%20and%20community/R%20The%20council%20of%20ministers%20one%20year%20in%20the%20office%202019.pdf>

**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



# 1. We will put children first

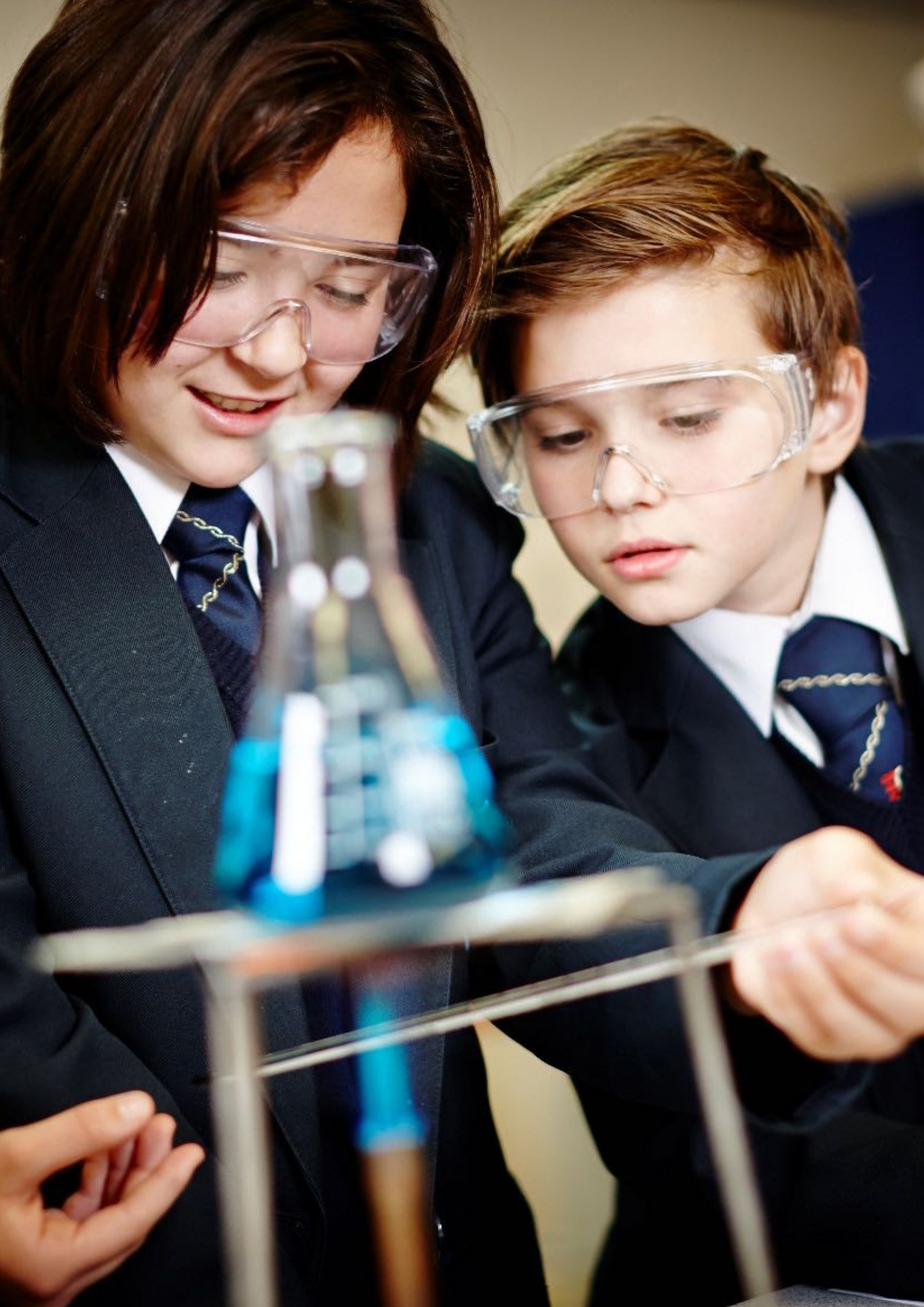
## We will put children first



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

### Highlights

- We will introduce a new ‘entitlement offer’ for children in the care of Government and for those leaving care, so they know what support they can and should expect, and focus on ensuring sufficient high-quality placements for children, as far as possible in Jersey
- We will launch a new ‘Right Help, Right Time’ integrated prevention and early intervention service for families
- We will continue to implement the Children’s Services Improvement Plan, so that vulnerable children are protected and supported, and the service makes demonstrable progress towards achieving consistently outstanding children’s social work practice
- We will develop better Child and Adolescent Mental Health Services, affording the service expertise and capacity to complement the wider support given to families where needed, helping to develop their resilience
- We will achieve demonstrably-improved standards in nurseries and schools
- We will implement the recommendations of the review of the Jersey Premium, so that we spend money where it is needed most, enabling all children and young people to fulfil their potential
- We will establish a sustainable funding settlement for each element of the education system – early years, schools, and post-16 education – coupled with appropriate investment in buildings
- We will bring forward primary legislation for indirect incorporation of the United Nations Convention on the Rights of the Child, which will establish a requirement for the Government to consider and safeguard children’s rights in relation to policy, legislation and practice.



## Introduction

Jersey should become the very best place for children to grow up, and this ambition will inform everything we do as a Government.

All children should have an equal opportunity to be safe, flourish and fulfil their potential: they are our Island's future. But, at present, children in Jersey do not all enjoy equal life chances and our Children's Services are on a significant improvement journey.

We must address the key factors that can give rise to children's immediate and lifelong experiences of inequality, including the home learning environment, health and wellbeing, housing, household income, and education.

We do not accept these limits on children and young people's opportunities and we are committed to a progressive approach to achieving equity and fairness through inclusion and equal life chances.

As a Government, we should establish a legislative and policy framework, based on children's rights, to create the foundation for a more child-orientated Island. We must also change the culture in the public sector, to ensure that genuine value is placed on children's experiences and that we truly listen, give feedback and, as appropriate, act upon what they tell us. Our commitment is embodied in the Pledge to Children and Young People that all Ministers have signed.

In this Government Plan, we set out how we will deliver on this most important of priorities, and make tangible progress towards the vision that was developed in partnership with children and young people themselves: namely, that *"all children should have an equal opportunity to be safe, flourish and fulfil their potential"*.

## Our mission

Our mission is to enable a cultural change that creates a child-friendly Island, where the voice and rights of children routinely shape government policy – so that all children, most especially those protected and cared

for by the Government, feel loved and valued. Our aim is for Jersey to be the best place for children and young people to grow up, where children can:

- grow up safely, feeling part of a loving family and a community that cares
- learn and achieve, having the best start in life and going on to fulfil their potential
- live healthy lives, enjoying the best mental and physical health and wellbeing possible
- be valued and involved in the decisions that affect their everyday lives.

## Protecting and supporting children

We are at the beginning of the journey to transform Children's Services in Jersey. We have been open about the scale of change needed, and the top priority we give to this work. It is early days, but the seeds of change have been planted.

For example, our new social worker recruitment campaign ('Let's Be Honest') is focused on bringing much-needed stability to the workforce, by securing permanent recruits who are attracted to the challenge of transforming Children's Services. We have also made real progress in moving children in the Government's care out of larger residential homes and into small family units. This will continue. We are also investing in tackling the scourge of domestic abuse, which has such negative effects on children. We are extending investment in these initiatives in this plan.

Importantly too, on 1 July 2019, we launched a further redress scheme that recognises that, over a period of many years, the government did not act as it should have done to protect children from abuse in foster care and in Les Chênes secure residential unit, as well as in residential care. In creating the scheme, our intention is to acknowledge that successive governments failed those children and families.



In 2020, our focus is on ensuring that Jersey's Children's Services are demonstrably on the path towards achieving a 'good' rating in independent reviews, with the confidence to aim for becoming 'outstanding' in the medium-term.

An important aspect of this improvement drive is the focus on ensuring that Child and Adolescent Mental Health Services are fit for the future, while also strengthening preventive approaches in schools and across parish communities to help build personal resilience. We will put other key building blocks in place, including a new 'Right Help, Right Time' early intervention service for families, along with a clear and generous 'entitlement' offer for children in the care of the Government and those young people leaving care.

### Improving educational outcomes

We are equally focused on delivering outstanding education by 2023. As a system overall, Jersey's educational provision does not yet perform to the highest international standards, so we are ambitious for our children and young people to secure even better outcomes at every stage of their education, and will take appropriate action to help them to achieve this.

We have a growing number of children in compulsory education (a rise of 3.4% since January 2015), of whom 68% receive free education, and nearly 20% are eligible for Jersey Premium funding (Government of Jersey Annual Report and Accounts, 2018). We need to enable all children, irrespective of their background and the school they attend, to learn and to succeed academically and vocationally, stretching the most talented and nurturing all those who face obstacles, so that every child and young person can fulfil their potential.

We will continue to enhance our innovative approach to improving educational outcomes in 2020, implementing: an enhanced Jersey Premium approach that extends to 16-18 year olds; broadening and deepening the offer for pre-schoolers; and rolling out an

updated Jersey School Review Framework. This is a key tool in supporting our schools to continuously learn, improve and collaborate.

We will also undertake the detailed development work necessary to inform some fundamental reforms: reviewing our support to children in the crucial early years of life (0 to 5), and examining the options to put the future funding and structure of the school system on a long-term, sustainable footing that improves access, equity and best return on investment.

### Involving and engaging children

Underpinning this substantial programme of whole system reform, we will not forget that Government and society in Jersey have failed to listen adequately to children over many decades, and in the much more recent past. So, we are committed to engaging and involving children and young people properly in decisions that affect them. This requires a change in the culture in the public sector and for us to work collaboratively with voluntary, community and private sector organisations to meet the needs of children and young people.

2020 will be the first full year of operation of the role of Children's Commissioner within a legislative framework, with the new law formally mandating the post-holder to represent and promote children's rights and identify where more can be done across government and society. We look forward to working with the Commissioner, the team, and the children and young people the Commissioner represents. We will also progress our plans for indirect incorporation of the United Nations Convention on the Rights of the Child – plans that we hope will be debated by the new Youth Parliament too.

There is much to be done, and we are committed to delivering the sweeping improvements required.

## What we will do in 2020

As well as departments delivering day-to-day services, across Government we will continue to deliver the Children's Plan, in particular: driving forward our significant operational improvement programme for Children's Services; continuing to bring the legislative framework for children up to date; and laying the foundations for long-term reforms to pre and post-16 education. Key activities will include:

### Protecting and supporting children

#### Action

Continue to implement the Children's Services Improvement Plan by:

- building a more stable and high-performing workforce
- developing a high-quality prevention and early intervention service for families and children, available at the right time and in the right way
- improving care for children who cannot live with their families
- reducing risk across our services, by enhancing the availability of benchmarking data and further improving quality assurance systems.

CT3

MCH

CYPES

JHA

SPPP

NM

Focus on ensuring sufficient high-quality placements for children, as far as possible in Jersey, and enabling permanent homes to be found as soon as possible – including completing the roll-out of a new intensive fostering programme.

CT3

MCH

CYPES

JHA

SPPP

NM

Introduce the new 'entitlement' for children in the care of the Government and those leaving care, so they know what support they can and should expect.

CT3

MCH

CYPES

JHA

SPPP

NM

Launch the first phase of a new, 'Right Help, Right Time' integrated prevention and early intervention service for families.

CT3

MCH

CYPES

JHA

SPPP

NM

## Action

Begin the implementation of new care pathways for Child and Adolescent Mental Health Services (CAMHS), improving service quality and timeliness, while also strengthening preventive approaches in schools and across parish communities to help build personal resilience.

CT3

MCH

CYPES

JHA

SPPP

NM

Increase our support for some of our most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse, alongside maintained investment in multi-agency safeguarding.

CT3

MHA

CYPES

JHA

HCS

Progress policy and legislative change to underpin long-term reform, including:

- establishing 'children in need' and the care leaver 'entitlement' in legislation
- introducing proposals to prohibit discrimination in tenancy arrangements against families with children
- starting detailed planning for the reform of Jersey's youth justice system
- setting out the registration and inspection framework for the Care Commission's independent regulation of child/young people activity and educational settings.

CT3

MCH

CYPES

JHA

SPPP

NM

## Improving educational outcomes

### Action

Implement the recommendations of the review of the Jersey Premium, so that we spend money where it is needed most, enabling all children and young people to fulfil their potential.

MEDU

CYPES

SPPP



### Action

Roll out an updated Jersey School Review Framework, a key tool in supporting our schools to continuously learn, improve and collaborate.

MEDU

CYPES

SPPP

Continue to develop better-integrated support in the 'early years' (0 to 5), through the work of the Early Years Policy Development Board, starting with a reformed nursery education offer.

CT3

MEDU

CYPES

SPPP

Review the options to put future funding and the structure of the school system on a long-term, sustainable footing, by conducting an independent review and implementing changes as identified.

MEDU

CYPES

SPPP

## Involving and engaging children

Building on recent developments, such as the introduction of schools' councils, Jersey schools winning awards for respecting the UN Convention on the Rights of the Child, and support for Jersey Cares to deliver independent advocacy, in 2020 we will:

### Action

Implement the Youth Connects Project, establishing a Youth Parliament, enabling young people's voices to be heard in the States Assembly, and encouraging participation in democratic debate.

CT8

MCH

STG

CYPES

Support and respond to the work of the Children's Commissioner in her first full year of operation.

CT8

MCH

SPPP

**Action**

Bring forward primary legislation for indirect incorporation of the United Nations Convention on the Rights of the Child, which will establish a requirement for the Government to consider and safeguard children's rights in relation to policy, legislation and practice.

CT2

MCH

SPPP

Enhance the availability of advocacy support to key groups, commissioning Jersey Cares to work independently from the Government to support children and young people in the care of the Government or leaving care.

CT8

MCH

CYPES

Support the Youth Service to run a pilot scheme to engage with young people from communities with English as a second language, with, in the first instance, a focus on the Portuguese, Polish and Romanian communities<sup>8</sup>.

CT8

MCH

CYPES

Increase the annual funding for the Island's four cadet force organisations to £20,000 each for the years 2020 to 2023<sup>9</sup>.

CT3

MHA

JHA

<sup>8</sup> See Appendix 4 (1)

<sup>9</sup> See Appendix 4 (2)

## Investment in our infrastructure (capital investment)

### Action

Protecting and supporting children through investment in safeguarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in community site improvements.

MINF

CYPES

GHE

Improve the educational environment for our children and young people through capital investments in:

- a programme of new 'third generation' sports pitches
- new school fields at Grainville and St John
- expansion of Mont à l'Abbé vital adaptations to enhance access for people with disabilities
- feasibility studies for:
  - a North of St Helier Youth Centre
  - Le Squez youth centre/community hub
  - premises for Jersey Instrumental Music Service
  - Victoria College Preparatory replacement school
  - Piquet House – family court
  - reorganisation of St Helier primary schools.

MEDU

CYPES

GHE

## What we will work towards in 2021-23

Building on our work in 2020, during 2021-23 we will work towards:

### Protecting and supporting children

- We will develop a stable Children's Services workforce, and make demonstrable progress towards achieving consistently outstanding children's social work practice
- We will embed the new 'entitlement' for children in the Government's care and those young people leaving its care
- We will put an Island-wide response in place to tackle domestic abuse
- We will embed the changes recommended by the Independent Jersey Care Inquiry
- We will drive a consistent focus across all government services that support the strengthening of families and communities
- We will introduce the required legislation, and begin the transition to a child-welfare-centred justice system
- We will develop more local community-based hubs, so that more children and families in need can get the early help they require
- We will continue to develop Child and Adolescent Mental Health Services (CAMHS), and align that provision to wider services, to strengthen our preventive approach.

### Improving educational outcomes

- We will expand the nursery education offer and provide an improved wraparound service, better enabling families to provide children with the best start in their early years (0-5)
- We will continue to improve standards in nurseries and schools
- We will overhaul education and children's

legislation, creating a framework for sustainable long-term improvement

- We will support teachers to provide every child with the opportunity to achieve their full potential at a high-performing school, using the school review framework to support our schools to continuously learn, improve and collaborate
- We will start to implement a sustainable funding settlement for each element of the education system – early years, schools, and post-16 education
- We will deliver further capital investments, following on from scoping studies for development or maintenance of:
  - Le Rocquier school and community sports facilities, school 3G pitch replacements, and school field development
  - Grainville, St John, Mont à l'Abbé extensions
  - extending La Moye school hall and two additional classrooms
  - additional music facilities and new playing fields for Jersey College for Girls and Jersey College Prep
- We will increase the emphasis on wellbeing in schools, as complementary to our commitment to children's rights (see below).

### Involving and engaging children

- We will implant the philosophy and practices required under the UN Convention on the Rights of the Child across Government, and celebrate the increasing number of Jersey schools with awards for respecting these rights



- We will continue to work positively with the Children’s Commissioner in the shared ambition to put children first in everything we do.

Our skills strategy and commitments are presented under our priority ‘we will create a sustainable, vibrant economy and a skilled local workforce for the future’.

### Funding this priority

We will resource these activities through base departmental budgets and/or existing funds, together with additional expenditure in 2020 estimated to be **£20.7 million**. This additional expenditure will total **£94.4 million** over the four-year period of the Government Plan, broken down as follows:

- **Protecting and supporting children:** additional expenditure in 2020 of **£10.9 million**
- **Improving educational outcomes:** additional expenditure in 2020 of **£8.7 million**
- **Involving and engaging children:** additional expenditure in 2020 of **£1.1 million**.

For further detail on the above additional expenditure, please see **Table 56**.

We will be investing in infrastructure associated with this priority, with capital expenditure of £5.1 million in 2020 and totalling £43.5 million over the four-year period (for further detail, please see **Table 14**).

### Measuring the impacts

We will develop and publish a performance framework by January 2020. We will use it to monitor and maintain progress against the outcomes and service improvements set out in this plan, making our performance transparent to all.

The following is a selection of outcome indicators that we will use to help us understand whether these activities are having a positive impact:

Measures	
⊙	% of children reaching developmental milestones at age two
⊙	% of reception children achieving / exceeding expected level of development
⊙	% of pupils assessed as ‘secure’ in reading, writing and maths at end of KS1
⊙	% of pupils assessed as ‘secure’ in reading, writing and maths at end of KS2
⊙	% of pupils achieving five or more standard GCSEs
⊙	% of pupils who progress to take a Level 3 qualification
⊙	% of children aged 7 to 11 who are aware of their rights under the UNCRC
⊙	Number of children aged 10-17 who enter the youth justice system for the first time
⊙	Children under 18 who are victims of crime
⊙	% of children reporting being bullied at or near school in past 12 months
⊙	% of Year 10 and 12 children who have been involved in bullying others using mobile phones, tablets, online games, social media etc
⊙	Number of children excluded from school
⊙	% of children who have a repeat child protection plan within 2 years









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

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



We will do this 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.

#### Highlights

- We will implement a new model of health care for Jersey, which is focused on prevention and on developing a more flexible and co-ordinated service with community health partners, to provide care for Islanders closer to home
- We will bring a new focus on wellbeing through a Health and Wellbeing Policy Framework, to integrate health improvement with action on the wider determinants of wellbeing (such as our housing, education and environment)
- We will support the reduction of preventable disease, to reverse the current upward trend in overweight and obesity rates, to increase healthy eating, to reduce the rates of smoking and harmful alcohol consumption, and to deliver a range of preventative and proactive schemes
- We will develop proposals for a new hospital and actively engage with Islanders, health specialists and staff at every key step of the process, and in the meantime we will support a programme of upgrade work to the existing General Hospital
- We will significantly improve access to mental health services, bringing parity of esteem to the mental health agenda, invest in our mental health environment and building infrastructure, implement initiatives for crisis support, a 'listening lounge', complex trauma, Child and Adolescent Mental Health Services and mental health legislation
- We will expand our 24-hour community nursing and primary care services, develop a preventative model of dental services for children and new models of care to support people with diabetes
- We will develop a model that improves access to primary care for financially-vulnerable people
- We will implement a digital care programme, focused on replacing outdated systems with a new e-prescribing system, for a digital information flow between pharmacies and GPs, a WiFi upgrade for the hospital, process digitisation of pathology and radiology tests, and an improved flow of information between health care organisations.



## Introduction

By 2023, our ambition is to create a healthy Island with safe, high-quality and affordable care that is accessible when and where our Islanders need it.

An increased focus on preventing ill-health is vital to ensure that everyone has the best life chances, achieving good mental and physical wellbeing, and enabling them to live well and age well. This will have benefits for our health and care system, our local economy and for our overall quality of life.

The conditions in which we are born, grow, live, learn and work are crucial in shaping our health outcomes throughout our lives, which means that health must become everyone's business. We must work together across government and within our Island community to build the conditions for improved wellbeing and mental and physical health, and to ensure that this informs our decision-making.

This involves taking action across a range of areas, in order to support Islanders to live healthier lives, improving the quality of and access to mental health services and putting patients, families and carers at the heart of Jersey's health and care system.

### Supporting Islanders to live healthier, active, longer lives

We recognise that preventative action and leading healthier and active lives, at all ages and stages, supports good wellbeing and mental and physical health. This, in turn, supports good life chances, living and ageing well, and has benefits for our health and care system, our community and our economy.

This is reflected in the health challenges we face now and in the future. For example, around 9,400 adults in Jersey are classified as obese. By 2036, this number is projected to increase to 12,000 (Disease Projections Report, 2016-2036). In addition, 23% of Jersey adults who drink alcohol do so at

potentially hazardous or harmful levels (Alcohol Profile, 2018). Internationally in 2018, compared with the OECD, the overall 'well-being' of Jersey residents ranked 19 out of 39 OECD nations (Better Life Index, 2018).

In order to support Islanders to live healthier, active, longer lives we must:

- focus on prevention so that staying in the best of health is the norm
- ensure that good wellbeing and health becomes everyone's business and is at the heart of Government decision making
- support equal access to good health for all Islanders at every stage in life, from childhood through to supporting independent living and adding 'life to years' into older age
- create the conditions that enable all Islanders to lead active, healthy lifestyles to support physical and mental wellbeing.

### Improving the quality of and access to mental health services

Our mental health services and facilities require improvement. We are committed to bringing parity of esteem to the mental health agenda and we place a priority on delivering the changes that are so urgently needed.

In 2020 we will:

- put in place mental health crisis support teams to help people who are either experiencing a first episode, or a relapse of mental illness, or showing signs of severe psychological distress
- pilot a 'listening lounge', to provide an alternative to the Emergency Department and the Police and Ambulance Service for people seeking help with issues that impact upon their mental health and wellbeing, some of which include common mental health problems
- develop a care pathway for those with

complex, post-traumatic stress disorder; for example, as a result of physical and sexual abuse

- facilitate the transfer of the Child Development Centre and Child and Adolescent Mental Health Services (CAMHS) to the Department for Children, Young People, Education and Skills (CYPES), in order to progress towards a fully-integrated children's system, with clear and effective pathways that work for children and their families
- put in place measures to support the Mental Health and Capacity and Self-Determination Laws.

We will also:

- 'make safe' Orchard House for the delivery of acute care to adults with a mental health need who require admission
- prepare Clinique Pinel, by undertaking building work to join Cedar Ward and the current Orchard House, to be able to deliver high-quality safe mental health care
- prepare Rosewood House to house Beech Ward from Clinique Pinel, and reduce beds in Maple and Oak wards.

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

We recognise the need to support Islanders' mental and physical health with care services that are fit for purpose, based on clinical priorities, and integrated around the needs of Islanders. These must be provided when and where they are needed most, and informed by engagement with patients and their families.

In order to put patients, families and carers at the heart of Jersey's health and care system we must:

- invest in creating the conditions for an integrated and holistic health system
- develop a fully-supported and coordinated service, delivered across care partnerships, which are easy to access yet flexible to local needs
- embed a culture where:
  - we are driven by improving the most important health outcomes
  - the contribution of our community assets to improving health and care is recognised and valued
  - service delivery efficiencies help support reinvestment in prevention
  - health capital is recognised, where a 'healthy Island' leads to a 'wealthy Island'.

In 2020, we will do this by supporting a programme of upgrade work to the existing General Hospital, following the political decision to cease the Future Hospital project and move forward with the new 'Our Hospital' project. The brief for the upgrade work and for the new hospital will be informed by a new Jersey Health Care Model. This model recognises that a hospital is only one part of a sustainable future health system, alongside a community care system that is able to meet the demographic and other challenges that our Island faces in the years ahead.

## What we will do in 2020

As well as departments delivering day-to-day services, we will:

### Support Islanders to live healthier, active, longer lives

#### Action

Develop a **Health and Wellbeing Policy Framework**, to connect and coordinate actions across Government and our partners that will support all Islanders to live healthier, fulfilling, longer lives – from the Active Jersey schemes and active travel, to accessing arts, culture, heritage and education, to developing early help and preventative health services, and embedding sustainable wellbeing in what we do as the Government of Jersey.

CT6

MHSS

HCS

SPPP

Support the reduction in preventable disease, through our Reducing Preventable Disease (RPD) portfolio, which aims to reduce the burden of preventable disease and avoidable, early death and reverse the current upward trend in overweight and obesity rates, increase healthy eating, reduce smoking rates and reduce the rates of hazardous and harmful alcohol consumption.

CT6

MHSS

HCS

Deliver a range of preventative and proactive schemes focused on inspiring an 'Active Jersey', including active schools and active travel programmes, and support for people with one or more life-limiting conditions.

CT1

MEDTSC

MHSS

GHE

HCS



## Improve the quality of and access to mental health services

### Action

Improve access to mental health services and the quality of the care environment, and invest in preventative well-being and recovery-orientated initiatives and services. We will optimise our use of technology and develop our workforce proactively to provide new innovative models of care.

We will start with the following five initiatives:

- crisis support
- listening lounge
- complex trauma
- Child and Adolescent Mental Health Services
- mental health legislation.

CT8

MHSS

HCS

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

### Action

Deliver new models of primary care including:

- expanding our 24-hour community nursing and primary care services
- the development of a model of dental services for children with a preventative focus
- the development of a model to support people with diabetes and their access to primary care
- the development of a model to support access to primary care for financially-vulnerable individuals.

MHSS

MSS

HCS



## Action

Deliver the initial stages of the Jersey Care Model including moving towards services:

- where organisational boundaries between hospital, community and primary care provision no longer affect patients' experience of care or their outcomes
- that are characterised by greater diversity and inclusion for users who are historically less empowered to articulate their health care needs, whether that be because of their mental health, ethnicity, age, gender, disability, cognitive ability or sexual orientation.

CT8

MHSS

MSS

HCS

Deliver an acute floor in the General Hospital for unscheduled or emergency care, to increase the number of patients with zero or 24-hour stays, reducing in-patient bed numbers in medical wards, enabling us to refocus the workforce and reduce the demand on critical care beds.

MHSS

HCS

Deliver care closer to home, by improving access to services and delivering services in patients' homes, or as close to home as possible.

CT3

MHSS

MSS

HCS

Implement the digital care programme, which will focus on the replacement of outdated legacy systems and improving the flow of information between health care organisations. This will deliver:

- a new e-prescribing system, which will improve patient safety and avoid readmissions to hospital, with a digital information flow from pharmacy to GP
- WiFi upgrade for the hospital
- digitisation of pathology and radiology test requesting and results
- digital information sharing between primary care and secondary care.

CT7

MHSS

HCS

## Investment in our infrastructure (capital investment)

### Action

Invest in our mental health environment and building infrastructure to:

- ‘make safe’ Orchard House for the delivery of care to adults with a mental health need
- prepare Clinique Pinel, by undertaking building work to join Cedar Ward and the current Orchard House, and so enable high-quality, safe mental health care
- prepare Rosewood House to accommodate Beech Ward from Clinique Pinel and reduce beds in Maple and Oak wards.

MHSS

HCS

GHE

Support a programme of upgrade work to the existing General Hospital, to provide hospital-based health care at an acceptable level, while a long-term solution for developing new hospital facilities is agreed and progressed.

MHSS

HCS

GHE

Upgrade our existing community services as a prioritised programme of works, which addresses the most urgent requirements first.

MHSS

HCS

Provide appropriate accommodation for people within Learning Disability Services, in order that individuals avoid significant risk of harm.

CT8

MHSS

HCS

GHE

Replace equipment which is at its end of life or requires upgrades, to continue to ensure safe operation and service delivery.

MHSS

HCS

Further investment in sports facilities across the Island, that will complement interim and future uses of Fort Regent.

MEDTSC

GHE

## What we will work towards in 2021-23

Building on our work in 2020, during 2021-23 we will work towards:

- continuing to refine and develop the Jersey Health Care Model
- working alongside partners to deliver commissioned care based on outcomes
- pathways for long-term conditions, such as Chronic Obstructive Pulmonary Disease and heart failure
- developing primary care prevention programmes, such as screening and vaccinations
- offering more choice for patients.

### Funding this priority

We will resource these activities through base departmental budgets and/or existing funds, together with additional expenditure in 2020 estimated to be **£12.7 million**. This additional expenditure will total **£99.9 million** over the four-year period of the Government Plan, broken down as follows:

- **Support Islanders to live healthier, active, longer lives:** additional expenditure in 2020 of **£0.8 million**

- **Improve the quality of and access to mental health services:** additional expenditure in 2020 of **£3.9 million**
- **Put patients, families and carers at the heart of Jersey's health and care system:** additional expenditure in 2020 of **£8.0 million**.

For further detail on the above additional expenditure, please see **Table 56**.

We will be investing in infrastructure associated with this priority, with capital expenditure of **£21.1 million** in 2020 and totalling an estimated **£59.3 million** over the four-year period (for further detail, please see **Table 14**).

### Measuring the impact

As part of the Jersey Standard, we will develop and publish a performance framework by January 2020. It will collect information on progress against the outcomes and service improvements set out in this plan and assist us and the public to judge whether we are having a positive impact.

The following is a selection of outcomes indicators that we will measure to assist us in understanding whether we are having a positive impact:

## Measures

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





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

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



We will do this 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

#### Highlights

- We will continue to develop and deliver the Future Economy Programme, which will aim to ensure our Island's long-term economic sustainability and resilience
- We will continue to negotiate the future relationship between the UK and EU, ensuring Jersey's interests are understood, protected and taken into account
- We will deliver our Global Markets Strategy, to promote Jersey on the world stage as a dynamic place to do business and to trade with
- We will launch a trade and export function
- We will increase Jersey's overseas aid contributions, investing in our long-term future as a responsible, outward-looking global citizen
- We will foster and promote a strong and inclusive sense of Island identity, to increase social cohesion, enabling Jersey to project a positive and coherent international profile
- We will forge new and stronger commercial relationships to support our financial services industry
- We will continue to protect our financial services industry by investing in Anti-Money Laundering and Countering the Financing of Terrorism processes
- We will also protect our important tourism, fisheries and agriculture sectors, not least by offering support to firms to invest in productivity improvement
- We will invest in safeguarding our Island against the impacts of future uncertainties, by investing in replenishing our Stabilisation Fund
- We will deliver a new Migration Policy
- We will develop and resource a new post-16 education strategy
- We will ensure that 1% of the Government budget is dedicated to Jersey's arts and culture
- We will continue to progress a long-term solution for Fort Regent.







## Introduction

The prosperity of our Island, and the funding of the services on which we rely, depends on a sustainable, vibrant and inclusive economy, underpinned by a skilled local workforce to serve it. Businesses in Jersey provide job opportunities, put money back into the local economy and create the wealth that the Government taxes in order to sustain vital public services.

Jersey has a rich economic history, based on fisheries, agriculture, tourism and the financial services sector. We have successfully maintained all of these sectors within our economy and must recognise their importance in our shared history, culture and prosperity.

The financial and professional services sector has been the bedrock of our economy over recent decades. It is vital that we continue to protect and invest in this sector, understanding the threats and opportunities that the growing digital evolution offers in areas such as Artificial Intelligence, and ensuring we have the highest possible resilience to protect our industries from cyber threats while embracing new opportunities in both long-standing and contemporary economic sectors.

Our economy must be supported if it is to grow, innovate and diversify. We must also stabilise and reverse the recent declines in productivity, because low productivity impacts our economic competitiveness, earnings, and ultimately Islanders' quality of life. A key way we can achieve this is through proactive and positive investment in our digital capabilities and skills, and in maintaining an environment in which business can flourish.

## Preparing for Brexit

We have been preparing for Brexit since the UK's referendum on EU membership in June 2016, and we are committed to continued investment in our External Relations function to support these preparations. This will ensure that we have the people and expertise in place to build effective

relationships with our UK and Crown Dependency colleagues during the Future Partnership phase of the Brexit process – so we can act quickly, effectively and decisively to ensure that Jersey's interests are protected.

In this Government Plan, we will maintain and build on the Island's overseas representation in the UK, the EU and in international markets. We will use these platforms to develop strong and positive government-to-government relationships that enhance our international profile and reputation, increase understanding of our unique constitutional position, and support our trade and economic growth objectives.

By consolidating the investment made to date in our External Relations function, we will ensure that our response to Brexit both mitigates potential negative impacts and enables us to seize new opportunities. The ongoing delivery of our Global Markets Strategy will establish new international agreements with target economies to facilitate increased trade, achieve better access and visibility to Ministers and officials in governments in key markets, and support increased economic growth across a range of sectors.

## Trade and export support

Complementing this and building on the work of the Brexit Team to deliver the Future Economic Partnership, we will launch a new trade and export support function to focus on the impacts of changes to Jersey's trading architecture on businesses, on consumers, and on the operation of Government services. The new trade and export function will help to ensure that Jersey's import trade architecture remains appropriate to the Island's needs (including legal, technical and political barriers to trade), ensure supply chains for critical goods are robust, and achieve an appropriate balance between availability, choice and price.

For exports, we will identify and rectify weaknesses in the export trade architecture, support outward trade opportunities, and

maximise the possible value returned to Jersey businesses to support increases in productivity. We will also identify and develop emerging high-value business sectors which might capitalise on Jersey's position as an independent jurisdiction distinct from both the UK and the EU. This would deliver further benefits to Jersey's productivity. We will also undertake the necessary due diligence on the impacts of changes to the trading architecture on the domestic economy and on the delivery of other functions of Government.

### Impacts of the global economy

Alongside Brexit, the global economic outlook continues to be uncertain, and Jersey's small, open economy can be rapidly affected by changes internationally. Our financial services businesses have proven highly adaptable in the face of such shifts over the last ten years, but the sector faces a number of ongoing challenges – such as changing global financial regulation, and the digital evolution transforming the nature of financial services jobs.

We recognise the significance of the financial services sector to our collective economic wellbeing in Jersey. In 2020 and beyond, we will target additional resources towards the continued development of Jersey's reputation as a well-regulated, innovative and internationally-cooperative jurisdiction.

In particular, we will focus on securing positive outcomes from influential international assessments, notably those expected from the OECD, European Commission and Moneyval, and we will expand our underpinning capability in international tax policy, financial crime policy, financial services supervision, and enforcement. From this strong base, we will invest further in promoting Jersey as a business location for the services sector, notably financial services and digital, while also making further investment in marketing Jersey as a destination for tourism and personal relocation.

We will continue to represent Jersey at key multilateral forums, such as the OECD and Commonwealth Enterprise and Investment Council, to promote the interests and reputation of the Island with international partners.

### Overseas aid

Jersey's international reputation – as a good global citizen that conforms to international standards – is also vital to our future economy. As well as transforming millions of lives, our overseas aid programme plays a key role in changing perceptions about Jersey, creating strong links with other countries and international institutions, and helping to establish our Island as a centre for philanthropy and impact investment.





Furthermore, it is doing so by playing to the Island's strengths, concentrating our assistance in three areas where Jersey can add particular value: dairy, conservation and financial inclusion.

However, in recent years our contributions have stagnated and we have slipped backwards against international benchmarks. In this Government Plan, we will reverse this real-terms decline, first restoring Jersey Overseas Aid's budget to 2015 levels in tax and GVA terms and then gradually increasing it as a proportion of the size of our economy.

This is an investment in our long-term future, as it reminds the world that we are a responsible, outward-looking global citizen. It is also the right thing to do – not least for an Island which, within living memory, was receiving overseas aid itself.

## The productivity challenge

Domestically, our economy must be supported if it is to grow, innovate and diversify. Our ability to maintain and improve Jersey's standard of living over time depends on our ability to raise productivity. However, as in many other advanced economies, the output per worker in Jersey has been static since the global financial crisis (although it has increased in key sectors).

We propose to work with industry to tackle the productivity challenge head on. In 2020, we will deliver a robust, evidence-based economic policy framework to guide long-term economic planning and investment. Throughout the coming four years we will coordinate Government support for Jersey's different economic sectors, through a single Future Economy Programme. The programme will be focused on improving productivity across our established sectors of finance, agriculture, retail, hospitality and tourism, as well as emerging sectors such as digital.

In due course, the establishment of the new Infrastructure Fund will also increase the funding available to capital projects, enabling us to invest further in important social and economic infrastructure, which will further

boost productivity (for more detail, see discussion of the capital programme in PART 3).

## Investing in skills

We will also support people to develop new and higher-value skills. We want Islanders to pursue education as far as each is able and willing to do. This will help them to secure higher-value jobs, to start wealth-creating enterprises, and to continue to increase their contributions as valued members of an engaged and agile workforce – and in so doing, help to sustain improvements in Jersey's productivity and international competitiveness.

In this plan, we commit to working with industry to develop and implement a new post-16 education and lifelong learning strategy to support the Future Economy Programme. Together, we aim to transform access to relevant high-quality education and training, bringing it into the Island wherever possible, and equipping Islanders with the training and qualifications that will protect and sustain our economy and maintain a vibrant society. The skills and capacity to respond to fast-evolving developments in technology are a crucial component of this approach. We will invest to enhance digital skills across our workforce, to help Jersey seize the opportunities presented by developments in technology.

## Migration and the population challenge

A better-skilled local workforce will also reduce demand for inward migration and help to manage the pressures that this brings on housing, infrastructure and services. The question of population growth – and what is sustainable for Jersey – is rightly a high priority in many Islanders' minds. As a Government, we are united in seeking to balance the needs of business with what is sustainable for our communities, environment and public services. We will present carefully-targeted migration policy proposals for public and States Assembly

scrutiny early next year as a first step towards being able to manage this more effectively.

## Island identity

Our ability to work together, care for each other, grow our economy and look after our environment depends on us being bound to each other by more than just a common set of rules. Whether or not we were born here, and whatever our occupations, we need a shared sense of what it means to be Jersey.

Furthermore, as our aid programme exemplifies, the key to our long-term future lies in fostering deep and durable links with the world, and an identity that goes beyond our world-class finance industry. Our extraordinary endeavours in culture,

heritage, development, sport, business, art, digital, agriculture, fisheries, tourism, food and conservation, for example, should also be part of our international personality. We will develop a plan to coordinate and project these facets of our Island identity, and help us build the social cohesion, relationships and reputation on which we will depend to thrive in the future.

## What we will do in 2020

As well as departments delivering day-to-day services, we will:

### Enhance our international profile and promote our Island identity

Most immediately, our focus in 2020 will be on navigating through the next phases of Brexit. In particular:

#### Action

Protect and strengthen Jersey's status as a self-governing nation, both during the Brexit process, and in the years following.

CT2

MER

OCE

SPPP

Closely monitor and respond to the future UK/EU partnership negotiations, ensuring Jersey's interests are understood, protected and taken into account.

CT2

MER

OCE

GHE

JHA

### Action

Further work to manage the impacts of Brexit on Jersey's customs and immigration, including new legislation and procedures.

CT2

MHA

OCE

JHA

Over the transition period, continued funding for dedicated officers to deliver the Jersey EU settlement scheme, providing a legal route for resident EU nationals to acquire the requisite immigration permission to remain in Jersey after Brexit.

CT2

MHA

OCE

JHA

Beyond this vital Brexit response, to enhance our Island identity and international profile we will:

### Action

Continue delivery of the Global Markets Strategy, including through new bilateral agreements to support trade and inward investment with high-growth target economies (non-UK/EU), improved government-to-government relationships and access to decision-makers, and a heightened international profile for the Island.

CT2

MER

OCE

Deliver year 1 of the European Relations Strategy 2020-23, a plan to nurture and enhance our relationships with EU Member States with influence over EU policy developments, particularly in respect of financial services and tax.

CT2

MER

OCE

Continue to invest in Jersey's overseas offices (London, Brussels and Caen), to ensure strong engagement with both UK and EU stakeholders, to protect and support Jersey's interests.

CT2

MER

OCE

## Action

Ensure that Jersey continues to engage effectively with relevant multilateral bodies (OECD, World Bank/IMF, UN, Commonwealth) and is recognised as a responsible and transparent jurisdiction committed to international standards.

CT2

MER

OCE

T&E

Increase Jersey's overseas aid contributions, restoring them to 2015 levels in tax and GVA terms, both because this is the right thing to do, and also as an investment in Jersey's international reputation, connectivity and influence.

CT2

MID

JOA

Develop an action plan to build a stronger, more inclusive sense of Island identity. The Island Identity Policy Board will seek to provide common focal points for our growing and increasingly-diverse population, and help the Island project its unique culture and varied talents as part of a positive and coherent international profile.

CT2

MID

JOA

Make the recent extra investment in Revenue Jersey permanent for the following teams:

- International Tax Team: to enable them to meet the demands imposed by Jersey's adoption of a number of international tax agreements, and so secure positive ratings from future OECD peer reviews and compliance in support of the new economic substance requirements for companies. This is vital in ensuring that Jersey maintains its white-listing by the EU and secures a positive review by the OECD's Forum on Harmful Tax Practices
- Tax Policy Unit: to enable them to reform the personal tax system, and otherwise ensure that Jersey's tax policy continues to support the Government's economic and social policies.

CT2

MTR

T&E



Take forward the work of the independent Charity Commissioner and a Jersey charities register, to provide for the governance and regulation of the charity sector. The Government modernised governance of the charities sector with the introduction of a new Charities (Jersey) Law 2014 and the consequent creation of a Charity Commissioner. Funding will be made available for the work of the Charity Commissioner through the Jersey Reclaim Fund, where proceeds due under the Dormant Bank Accounts (Jersey) Law 2017 are held.

CT3

CM

MER

OCE

SPPP

## Future Economy Programme

### Action

Develop and deliver the first phase of the **Economic Framework**, by building on our evidence base and developing new policies and plans across each principal sector of our economy. Present proposals to improve productivity and sustain economic growth, which will guide the Government's economic investment and support over the short, medium and long-term.

MEDTSC

GHE

Establish a **Financial Stability Board**, to help with the assessment of macroeconomic risk and consider appropriate mitigation, so that we minimise the transmission of international shocks to our domestic economy.

CM

MER

MTR

OCE

While we are doing this, our current economic development programme and supporting initiatives will continue, including:

Complete the development of a new migration policy, informed by the findings of the Migration Policy Development Board. The aim is to bring forward a practical, deliverable policy proposal to the States Assembly for debate, which balances the need to bring in new skills and experience to support business with the impacts such migration has on Island living, in particular, the challenges to housing affordability and environmental sustainability.

CT6

CM

CLS

SPPP

**Action**

**Financial support to Visit Jersey** for route marketing (from 2020) and promotion of short breaks (from 2021), through a sustained multi-year marketing initiative, increasing demand across the hospitality sector outside high season.

We will also provide financial support (2020-22) for the sustained delivery of professional rugby in Jersey, which has a suggested annual economic benefit of up to £2.1 million a year.

CT1 CT5

MEDTSC

GHE

**Additional investment in Digital Jersey** to support the growth of the digital sector, and the diversification of the economy, leading to a measurable improvement in GVA, jobs and/or productivity within five years.

CT7

MEDTSC

OCE

**Continue investment in Jersey's Digital Policy Framework**, to ensure that Islanders can benefit from emerging technology such as 5G, and feel safe in doing so. Actions will include implementing the Government's telecoms strategy, strengthening Jersey's cyber resilience, and ongoing improvement on data protection and privacy measures – all of which are important to maintaining confidence.

CT7

MEDTSC

OCE

**Increasing the capacity of the Jersey Competition Regulatory Authority**, by providing a small amount of additional funding for investigations into potentially anti-competitive situations in support of Government aims on inflation, the economic framework and affordable living, and to establish a sustainable litigation fund.

CM

OCE

## Protect and build our financial services industry

In addition to the above, we will take the following specific steps to strengthen our financial services sector:

### Action

Building on the establishment of Jersey Finance's New York office, **forge new and stronger commercial relationships across Jersey Finance's overseas markets** and especially in New York and Boston, with a particular focus on professional services firms and investment managers operating in the alternative investment fund sector.

CT2

MER

OCE

**Invest in Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) processes**, to address weaknesses identified through the National Risk Assessment. This investment is crucial to ensure Jersey's regime is effective in preparing for the next Moneyval review of Jersey's AML/CFT regime in 2022, and in so doing also to maintain Jersey's international standing.

CT2

MER

OCE

**Making the Economic Crime and Confiscation Unit** permanent, which has brought together and deepened capability within the States of Jersey Police and the Law Officers Department, to tackle this complex field of law enforcement.

CT2

MER

MHA

JHA

NM

## Growing skills in Jersey

Framed by the 2019 Strategic Vision for Post-16 Education, we will:

### Action

**Develop and resource a new post-16 education strategy to support the Future Economy Programme**, identifying current and future demand in our key sectors, and proposing the portfolio of vocational and academic provision to meet those needs, and establishing responsive governance to ensure future provision remains agile. This will include the redesign of apprenticeship, internship and trainee provision, as well as lifelong learning provision, to enable targeted upskilling of the workforce.

CT6

MEDU

CYPES

**Action**

Plan for the implementation of a new student finance system, to ensure fair access to higher education (both graduate and post-graduate), and to address the long-term sustainability of the student funding system.

MEDU

CYPES

Develop the Digital Skills Academy, to be hosted by Digital Jersey, to address the digital skills shortage on the Island.

CT7

MEDU

CYPES

**Investment in our Infrastructure (revenue expenditure)****Action**

Provide improved, more up-to-date equipment in key Government sport facilities, for example, through greater investment in minor capital replacements<sup>10</sup> in order to support continuity of service for the Active Card membership scheme, school sport centres, playing fields and exercise referral facilities.

CT1

MEDTSC

GHE

Invest in the resources required to deliver Jersey's Cyber Security Strategy, to protect the integrity of Jersey's key ICT infrastructure via thorough biannual risk assessments and cyber risk exercises, and maintaining the new Computer Emergency Response Team (CERT).

CT7

MEDTSC

OCE



<sup>10</sup>See Appendix 4 (3)



### Action

As mandated by the States Assembly, ensure 1% of the Government budget is dedicated to Jersey's arts and culture. This will include launching a programme of investment to support Jersey's heritage, arts and culture strategies, focused on much-needed maintenance of the Jersey heritage offering, and arts and culture bodies. Recognising the importance of Jèrriais to our Island culture, we will also provide funding to enhance the Jèrriais teaching service, to cover up to seven members of staff and cover teaching and other costs during 2020-23.

CT1

MEDU

MEDTSC

GHE

### Investment in our infrastructure (capital investment)

### Action

Establish the feasibility phase for the development of an **Island Infrastructure Fund** during 2020, which will be able to support large-scale capital projects during the lifetime of this Government and beyond.

CM

MINF

MTR

OCE

GHE

T&E

Conduct a feasibility study on the development of a purpose-built **further education campus** in the Island, enabling and encouraging economic diversification and improve job opportunities for local people in a world-class education and skills establishment.

MEDU

CYPES

T&E

Begin work to **enhance the St Helier urban environment**, in recognition that the town and environs of St Helier are home to many Islanders – focusing on liveability, public and community spaces, the public realm, and commencing delivery of the future South West St Helier Masterplan. The new infrastructure fund, once in place, will be a further important tool enabling greater investment over time.

MINF

MENV

GHE

Build upon work already undertaken to progress a **long-term solution for Fort Regent**, to create a meaningful community use of the Fort with accessible use for all and complementary uses to support and grow the business and tourism economy.

CT4

MINF

GHE

## What we will work towards in 2021-23

Building on our work in 2020, during 2021-23 we will work towards:

### Enhancing our international profile and promoting our Island identity

- Continue to build strong and positive government-to-government relationships that support our trade and economic growth objectives
- Continue to identify opportunities to define, coordinate and project a coherent and inclusive sense of national identity: an Island at peace with itself, proud of its varied cultural and economic heritage, and confident of its place in the world
- Deliver Brexit phase 2 (Future UK/EU Partnership negotiations)
- Build Jersey's trade links with markets outside the UK and EU by delivering the Global Markets Strategy (increasing Jersey's visibility in target markets, improving access to decision-makers and governments, and facilitating business flows with priority markets, including through new international agreements)
- Launch a trade and export function, to protect and maintain the robustness of our supply chains and therefore the availability, choice and price of our imports; to provide new support to Jersey firms to export goods; and to identify and attract new high-value business sectors to Jersey
- Implement the European Relations Strategy 2020-23 and maintain our London presence, continuing to nurture relations with our UK and EU partners
- Continue to protect and promote Jersey's constitutional position and interests
- Reinforce and maintain Jersey's reputation as a responsible International

Finance Centre through membership of the OECD's Global Forum and Forum on Harmful Tax Practices, the timely implementation of UN Sanctions and EU Restrictive Measures, and oversight of the extension of International Treaties to Jersey

- Maintain our investment in expanded taxation policy and services capability, with the aim of drawing in benefits valued at around £6 million a year, through new tax measures and the protection of the financial services sector
- Link Jersey Overseas Aid's budget to GVA, progressing from 0.26% to 0.28% over the period, bringing Jersey closer to international norms, while ensuring that our aid contributions remain affordable, shrinking if the economy contracts and rising when it expands.

### Delivering our Future Economy Programme

- Continue to develop and deliver our Future Economy Programme. This will include building on our evidence base to identify opportunities and challenges for each sector of our economy and our economy as a whole. We will develop policies and plans to help maximise these opportunities, and manage these threats, to provide an economic framework for Jersey. Implementation of these plans will aim to continue to improve the skills of our local workforce and productivity in each of our sectors, and to provide sustainable growth for our vibrant economy
- Implement the migration policy agreed in 2020, keeping the effectiveness of new measures under review
- Establish a productivity support scheme, which will provide discretionary grants to businesses that demonstrate the potential for material productivity improvements.

## Promoting Jersey

- Provide continued support for Visit Jersey for ongoing and innovative marketing initiatives to promote Jersey, while providing a return on investment of at least 5:1
- Provide support for national and international sporting events promoting Jersey in the UK and on the world stage
- Provide medium-term financial support for the sustained longer-term delivery of professional rugby in Jersey.

## Protecting and building our financial services industry

- Continue to promote and grow Jersey's financial and professional services offering internationally, while maintaining and strengthening the Island's reputation as a well-regulated, innovative and internationally co-operative jurisdiction
- Promote Jersey as a business location for the services sector, while also making further investment in complementary marketing of Jersey as a destination for tourism and personal relocation
- Secure high-quality outcomes from international assessment, notably those expected from the OECD, European Commission and Moneyval during the 2020-23 period.

## Growing skills in Jersey

- Design and implement a sustainable funding settlement for each element of post-16 education
- Implement the approved post-16 education strategy, generating an expanded range of academic, vocational and lifelong learning opportunities and pathways to employment
- Begin to deliver new higher and further education facilities.

## Investing in our infrastructure

- Take forward infrastructure projects begun in 2020 to support our aims on arts and culture, further education and the urban St Helier environment
- Launch the Island Infrastructure Fund, and identify the first wave of investment projects.

## Funding this priority

We will resource these activities through base departmental budgets and/or existing funds, together with additional expenditure in 2020 estimated to be **£14.9 million**. This additional expenditure will total **£80.3 million** over the four-year period of the Government Plan, broken down as follows:

- **Enhancing our international profile and promoting our Island identity:** additional expenditure in 2020 of **£5.5 million**
- **Future Economy Programme:** additional expenditure in 2020 of **£4.7 million**
- **Protect and build our financial services industry:** additional expenditure in 2020 of **£2.3 million**
- **Growing skills in Jersey:** additional expenditure in 2020 of **£0.7 million**
- **Infrastructure investment:** additional expenditure in 2020 of **£1.7 million**.

For further detail on the above additional expenditure, please see **Table 56**.

We will be investing in infrastructure associated with this priority, with capital expenditure of **£3.7 million** in 2020 and totalling an estimated **£5.5 million** over the four-year period (for further detail, please see **Table 14**).

## Measuring the impact

We will develop and publish a performance framework by January 2020. We will use it to monitor and maintain progress against the outcomes and service improvements set out in this plan, making our performance transparent to all.



The following is a selection of outcome indicators that we will use to help us understand whether these activities are having a positive impact:

## Measures

- ⊙ Annual economic output divided by total population
- ⊙ Productivity – Jersey's economic output divided by the number of employees (by sector)
- ⊙ % of working age population who are economically active
- ⊙ Number of people registered as actively seeking work

- ⊙ % of permitted migrant staff working in Jersey's private sector who have licensed status
- ⊙ % of young people aged 16-18 who are not in education, employment or training
- ⊙ Jersey's overall wellbeing score (Better Life Index)







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

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



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

#### Highlights

- We will develop proposals to improve financial independence in old age, with the aim of ensuring that more people are financially comfortable later in life, as more of us live longer
- We will implement actions to modernise the Island's personal income tax system, in particular to modernise the tax treatment of married women and people in same-sex relationships
- We will publish the Housing Development Board's review of housing in Jersey and begin to develop detailed plans to implement any agreed recommendations
- We will improve support and protection for tenants
- We will deliver the disability strategy alongside improving community-based services and supporting diversity
- We will develop proposals to better support disabled adults living at home, and their informal carers
- We will make changes to contributory benefits so that both parents are able to receive parental benefits
- We will develop a new approach to supporting workers with long-term health conditions to return to or remain in employment.

## Introduction

Our average income per person is high, but this hides large gaps between the highest and lowest earners. We share a concern about growing levels of income inequality and the negative effect this may have on our community and economy.

Poor housing can have a negative impact on health and education outcomes. Many migrant families live in overcrowded conditions, while home ownership is increasingly out of reach of local families with average incomes. The high cost of housing can also make it difficult to attract health and education professionals to move to Jersey.

Jersey offers great opportunities for getting involved in cultural, social and sporting activities and for having a say in the community through joining local groups. But we know that not everyone can take part fully in Jersey life and make the most of those opportunities. Older people and disabled people are especially vulnerable to loneliness and social exclusion, while others are isolated through language or culture.

Having a job or a reliable income is important for people's wellbeing and contributes to our Island economy, but not everyone can get a suitable job and some workers find the wages from their full-time job are not enough to meet their living costs. Others don't have the security of a permanent contract or fixed hours every week.

Our ambition is therefore to improve fairness in our Island, create opportunity and support Islanders to live independently.

## Inequality and the standard of living

By 2023 we want to start to reduce the gap between the highest and lowest income levels and address the balance between wages, taxes and benefits, rents and living costs enabling Islanders to achieve a decent standard of living and have secure incomes into older age.

We recognise the large gaps between the highest and lowest earners in our Island, and the concerns about the negative effect that

this has on our community and economy. For example, in 2017 nearly one in five Islanders reported finding it 'quite difficult' to cope financially.

In 2020 we will do this by, for example, developing proposals to improve financial independence in old age, and delivering agreed actions arising from the personal tax review.

## Improving the quality and affordability of housing

By 2023, we want to improve the availability of affordable and good quality housing.

We recognise that poor quality and overcrowded housing has a negative impact on health and educational outcomes. In 2017, the ratio of the average price of a three-bedroom house to average household income was eight times (Housing Affordability in Jersey 2017 Update, 2018). This high cost of housing puts home ownership out of reach for households on average incomes, and makes it challenging for people to afford to rent a home suitable for their needs. In areas such as health and education, the cost of housing also makes it difficult to attract and retain professionals to work in key public services. We need to take action and develop long-term policies that will create sustainable and affordable housing provision for the next generation.

In 2020 we will do this by, for example, improving support and protection for tenants, and by publishing the Housing Development Board's review and begin to develop detailed action plans to improve the supply, affordability, access to, and standard of housing. We have earmarked £10 million for an affordable housing scheme in 2021.

## Improving social inclusion

By 2023 we will have made progress towards a society where everyone has opportunities and can participate.

We recognise that some Islanders

experience loneliness and social exclusion owing to age, disability, language or culture, and are unable to take part fully in Jersey life and make the most of the opportunities that the Island offers. In 2018, one in five adults reported that they felt lonely often or some of the time (Jersey Opinion and Lifestyle Survey, 2018). We need to create a society where everyone has opportunities, helping people to participate to meet their potential and to improve their quality of life.

In 2020 we will do this by, for example, working with businesses, parishes and community groups to deliver the disability strategy and improve services to vulnerable groups and individuals, as well as by developing proposals to support disabled adults living at home and their informal carers. We will also work within Government and across the Island to support diversity.

## Removing barriers to and at work

By 2023, we will have supported the labour market so that it provides more good-quality jobs, removing barriers to and at work.

We recognise the importance of a job and a reliable, sufficient, income for people's wellbeing and our Island economy. We need to support a labour market that provides good-quality jobs and reduces barriers that some people face to get into, and stay in, productive work.

In 2020 we will do this by, for example, extending the current maternity allowance to include all parents, implementing the skills strategy (see section above), developing a new approach to supporting workers with long-term health conditions, delivering improved legal rights to employees, and completing the annual minimum wage review.





## What we will do in 2020

As well as departments delivering day-to-day services, we will:

### Reduce income inequality and improve the standard of living

#### Action

**Develop proposals to improve financial independence in old age.** As one of the elements of the Social Security Review, in 2020 we will investigate ways in which the Government can help people to maintain their financial independence as they get older.

This will include investigating a workplace pension scheme, which could afford every worker access to a second pension on top of their Social Security pension. We will also look at other ways to encourage savings and make the best use of the increasing numbers of older workers in our economy.

CT6

MSS

SPPP

**Implement agreed actions emerging from the personal tax review.** Following extensive public consultation in 2018/19, and agreement on reforms needed, in 2020 we will take actions to modernise the Island's personal income tax system, in particular addressing the anachronistic tax treatment of married women and people in same sex relationships.

CT8

MTR

T&E

**Permanently fund the Diffuse Mesothelioma Payment Scheme.** In 2018, the States Assembly agreed (P.124/2018) to provide one-off payments to individuals (or their dependents) with diffuse mesothelioma, a disease associated with historic exposure to asbestos fibres. The payment is based on the age of the claimant, so someone diagnosed at the age of 65 would receive a payment of £25,440. This scheme is due to be introduced in October 2019, but will require permanent funding from 2020 onwards. We anticipate approximately five claims a year.

MSS

CLS

**Reintroduce permanent funding for the single-parent component of Income Support.** The previous States Assembly (P.113/2017 and P.28/2018) agreed to provide a single-parent component as part of the Income Support system, and identified funding for 2018 and 2019. The component currently provides an additional £40.39 a week to around 1,000 eligible single parents. We will make this funding permanent from 2020 onwards.

MSS

CLS

**Action**

**Maintain the Food Cost Bonus** for a further three years while increasing it to £258.25 a year. This lump sum annual payment acknowledges the cost of GST levied on food for households that have incomes above the Income Support level, but do not have an income tax liability. The further extension of this scheme provides time to review this bonus as part of the planned review of the interaction between the tax and benefit systems for individuals and households, to be undertaken in 2021<sup>11</sup>.

MSS

CLS

**Improving the quality and affordability of housing****Action**

Publish the Housing Policy Development Board's wide-ranging review of housing in Jersey, and begin to develop detailed plans to implement the agreed actions. The Housing Policy Development Board will publish its findings in spring 2020, leading to a States Assembly debate during the year. The Board is taking a long-term view of the housing market and is considering the following options:

- to ensure appropriate renting and ownership choices are available in Jersey
- to help with housing costs
- to increase the supply of land and finance
- to maximise the use of existing stock and to consider options to reduce the cost of building new homes.

To support the agreed options, more than £14 million has been earmarked in the Government Plan from 2021.

MCH

CLS

GHE

SPPP

**Improve support and protection for tenants.** In line with the findings of an independent report, we will establish a Housing Advice Service to ensure that all tenants understand their rights and are helped to find appropriate accommodation. The outcomes of the homelessness strategy will be implemented, and we will aim to bring forward regulations to control letting agent fees.

MCH

CLS

GHE

SPPP

<sup>11</sup>See Appendix 4 (4)

## Action

**Extend the key worker accommodation scheme.** In early 2020 we will publish the final part of the review of key worker accommodation, and take action during 2020 to extend the number of units available. The review will also provide a clear definition of the roles to be included in the key worker scheme.

MCH

SPPP

## Improving social inclusion

### Action

Work with businesses, parishes and community groups to improve social inclusion by **delivering the disability strategy, improving community-based services and supporting diversity**. The disability strategy was published in 2017 and some initial projects have already been completed using existing resources. The extra funding identified in the Government Plan supports the roll-out of a wider range of projects from 2020 onwards.

In 2020, we will also build on the successful Closer to Home initiative, launched in 2019. The first stage of the project delivered a range of community services at Communicare in St Brélade. In 2020 we will extend this model to other locations, as well as extending the range of services provided. We will also work within Government and across the Island to support diversity.

CT6

CT8

MSS

CYPES

CLS

HCS

SPPP

NM

**Develop proposals to support disabled adults living at home and their informal carers.** As the population ages, more Islanders will live with a long-term condition and will need daily help. 10% of households include someone who provides informal care to a friend or relative (Jersey Health and Life Opportunities Survey 2015). In 2020, we will develop additional support for disabled people who continue to live in their own home, and their carers. This may include the provision of a personal budget, or financial help with the additional costs faced by households looking after a family member at home. We will also consider how to fully recognise the role of family carers.

CT6

MSS

CLS

HCS

## Removing barriers to and at work

### Action

**Amend the social security scheme to provide benefits to both parents.** The contributory benefit system currently only supports a birth mother with a weekly allowance of £216 per week while she is off work caring for a new baby. As part of the Social Security Review, we have acknowledged the need to move to a more family friendly labour market, which acknowledges the role of all parents in the care of their children.

In 2020, we will make changes to contributory benefits so that both parents will be able to receive parental benefits. This will be funded from two changes to Social Security contributions. We will increase the cap on earnings from £176,000 to £250,000; we will also increase the contributions rate received from employers of higher-earning workers, and high-earning self-employed people, from 2% to 2.5%. These changes are anticipated to generate an additional £3.35 million in 2020.

CT8

MSS

CLS

**Develop a new approach to supporting workers with long-term health conditions.**

Supporting workers with long-term health conditions to return to or remain in employment supports their wellbeing, mitigates the effects of the ageing population, reduces health costs, increases tax revenues, and also reduces the need for inward migration.

Building on research undertaken by the Social Security Review, in 2020 we will work closely with employers, health and other professionals to develop improvement proposals. These will focus on a new assessment process, the balance of responsibility between Government and employers in supporting workers during periods of incapacity, and a health and benefit framework that supports individuals to remain in employment whenever possible.

CT6

MSS

CLS

**Deliver improved legal rights to employees.** The Employment Forum is an independent statutory body that makes recommendations to the Minister for Social Security on changes to employment law. In 2020, the Forum will report on the possible extension of employee rights in respect of rest breaks (the right to a break during the working day) and annual leave. The next area to be considered will be a review of the use of 'zero hour' contracts.

MSS

CLS

SPPP



## Action

**Complete the annual minimum wage review.** In 2018 (P.171/2017) the States Assembly agreed to aim for a minimum wage rate set at 45% of average (mean) earnings by the end of 2020, subject to economic and labour market conditions. There will be two increases during 2019 and the minimum wage will be reviewed again in 2020, with the aim of increasing the minimum wages of the lowest-paid employees. The Employment Forum's review will take account of the views of stakeholders during consultation, and Government commitment to support productivity improvements in low-wage sectors as well as the general economy.

MSS

CLS

SPPP

**Implement the new post-16 education strategy.** Supporting Islanders to train and retrain throughout their working lives is an essential component to helping people to find and keep a good quality job. Our skills strategy and commitments are presented under our priority 'we will create a sustainable, vibrant economy and a skilled local workforce for the future'.

CT6

MEDU

CYPES

## What we will work towards in 2021-23

Building on our work in 2020, during 2021-23 we will work towards:

- agreeing a long-term plan to support the housing needs of the next generation
- providing better access to affordable good-quality housing for tenants and homeowners
- implementing a workplace pension scheme and/or other measures to support financial independence in old age
- agreeing and delivering a new approach to supporting workers with a long-term health condition
- delivering actions across all areas of the disability strategy
- improving support for adults with care needs living in their own homes and their carers
- completing a review of the interaction

between tax and benefit systems

- providing clear rights to new residents as part of an agreed migration policy
- delivering policies to support productivity improvements in low-wage sectors.

## Funding this priority

We will resource these activities through base departmental budgets and/or existing funds, together with additional expenditure in 2020 estimated to be **£3.9 million**. This additional expenditure will total **£22.9 million**<sup>12</sup> over the four-year period of the Government Plan, broken down as follows:

- **Reduce income inequality and improve the standard of living:** additional expenditure in 2020 of **£3.1 million**
- **Improving the quality and affordability of housing:** additional expenditure in 2020 of **£0.3 million**
- **Improving social inclusion:** additional expenditure in 2020 of **£0.5 million**

<sup>12</sup> See Appendix 4 (4)

- **Removing barriers to and at work:** there is no estimated additional expenditure in 2020. Changes to family-friendly legislation are estimated to cost **£3 million** in 2020, which will be funded from the Social Security Fund.

For further detail on the above additional expenditure, please see Table 56.

## Measuring the impact

We will develop and publish a performance framework by January 2020. We will use it to monitor and maintain progress against the outcomes and service improvements set out in this plan, making our performance transparent to all.

The following is a selection of outcome indicators that we will use to help us understand whether these activities are having a positive impact:

## Measures

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



## 5. We will protect and value our environment

### We will protect and value our environment



We will do this 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.

#### Highlights

- We will tackle the climate emergency with energy and pace, and move quickly towards becoming a sustainable, low-carbon jurisdiction
- We will establish a Climate Emergency Fund, with an initial allocation of £5 million in 2020, and propose increasing road fuel duty throughout the Government Plan period in order to support a new sustainable transport plan and other key initiatives
- We will agree, early in 2020, and implement schemes that encourage changes in how we travel, increasing cycling, walking and the use of sustainable transport, that deliver a sustainable reduction in carbon emissions, and that increase the level of protection afforded to our environment
- We will seek to change behaviours in respect of pollution and waste
- We will protect our habitats and species through better legislation and enforcement
- We will improve countryside access for Islanders
- We will consult Islanders as we develop the draft Island Plan, which has a vital role to play in informing future decision-making across Government
- We will improve the Island's public infrastructure.







## Introduction

We are proud to value Jersey's environment, as crucial to our quality of life and as a resource that underpins our communities, our economy, and our international reputation. Clean air and water, protecting our Island's natural resources, and managing its waste are vital to our physical and mental health, and to active living from childhood into old age. Local biodiversity, heritage and the character of our Island's landscape are internationally as well as locally recognised.

The high value we all place on the environment, and our shared desire to protect it, is evidenced in the Future Jersey consultation (My Jersey, 2016). We must also demonstrate to global partners that we take our global environmental responsibilities seriously.

Without interventions to manage and protect the environment in the face of growing pressures, at best our Island would look and feel very different. At worst, we could suffer negatively, both physically and mentally, and lose one of Jersey's biggest selling points.

The interactions and interrelationships within our environment are complex and play out over long periods, and they do not necessarily respond quickly to positive interventions, so we need to make policy interventions that will have benefits over generations, and not just for the short term.

## Tackling the 'climate emergency'

The Council of Ministers has heard, and acknowledges, the strength of public feeling about climate change. Our ambition is that Jersey plays its part in addressing this fundamental challenge. While our contribution to worldwide emissions is small, we have a unique opportunity as a small jurisdiction to show global leadership, and to help chart the course to a more sustainable future.

A new Carbon Neutral Strategy will be lodged in the States Assembly in December 2019, as agreed. This will describe a range of scenarios to achieve net carbon neutrality,

and will outline the significant benefits, and significant costs, associated with these.

We will all – as Government, as businesses and as Islanders – have to play a part in developing and delivering this strategy, and the transformative carbon reduction measures it will set out.

As well as the obvious environmental benefits of carbon neutrality, by embracing this challenge in a bold way, Jersey can secure a range of strategic benefits at a local and global level. For example:

- Jersey is more likely to achieve net carbon neutrality ahead of most other jurisdictions, because we start from relatively low emissions per capita, and we understand the origins of our emissions and the policies needed to minimise them
- success would differentiate Jersey on the global stage as a leading carbon-neutral jurisdiction. A global transition away from a carbon economy is inevitable; making early progress provides a point of differentiation to support existing strategic priorities, such as protecting and developing our finance and digital sectors
- as a small, connected community, there is a real opportunity to adopt a participatory approach that involves everyone. If we can engage families, communities, parishes and businesses in designing the Carbon Neutral Strategy, we can create a strategy that is more likely to be delivered and lead to an increased sense of empowerment and, potentially, increased trust in politics
- our overseas aid programme, and the global reach of many Island businesses, provide a network through which to develop innovative carbon reduction and offsetting strategies that also support our existing international and strategic objectives.

Our interim response on tackling the climate emergency sets out bold measures that show a clear, but realistic, commitment to respond with energy and pace, and show our global partners that we are serious about

moving quickly to become a sustainable low-carbon jurisdiction.

## A Climate Emergency Fund

To ensure early implementation of the Carbon Neutral Strategy, the Council of Ministers proposes to create a new Climate Emergency Fund. This Fund will support new policies in a range of areas, including Island transport and travel, providing investment for electric and low-carbon vehicles and new cycling and walking infrastructure; the transformation of our energy market; and innovative approaches to offsetting residual carbon in Jersey and abroad.

The fund will be established with an initial allocation, in 2020, of £5 million from the Consolidated Fund.

Acknowledging the long-term nature of the climate emergency, we also wish to provide sustainable sources of income to the Climate Emergency Fund. In line with the States Assembly's declaration of a climate emergency, a wide-range of fiscal levers are being explored, and options for future changes will be set out in the Carbon Neutral Strategy.

At this stage, the Government Plan proposes to increase road fuel duty by 6p a litre in 2020, and to transfer the equivalent of 4p a litre to the Climate Emergency Fund in 2020.

In order to be transparent about the introduction of further, increasing incentives to transition away from carbon-generating motor fuels in the coming years, the plan also indicates a minimum increase of 2p above inflation in 2021 and again in 2022, such that by 2022 fuel duty will be 8p per litre above where it would have been if it had only tracked inflation. These further rises, and the transfer of equivalent revenue above inflation to the Climate Emergency Fund, will be subject to confirmation in future Government Plans, and subsequent agreement by the States Assembly.

By 2023, we will have agreed, with Islanders and Jersey businesses, a clear pathway

towards a sustainable future where people, species and habitats will be protected from pollution, and we will have begun to make measurable progress towards our carbon-neutral future.

## Protecting our natural environment

We cannot understate the importance of our Island environment and the need to sustain it through conservation, protection, sustainable resource use and demand management.

In May 2019, a seminal United Nations report starkly outlined the rapid deterioration in biodiversity and habitats, and the extinction of species due to human activity. They signalled this will have negative impacts on humankind because we rely on nature's ecosystem functions and services. Jersey is home to internationally-recognised habitats and species and the management and protection of the natural environment is therefore vital, and includes:

- ensuring clean air and water
- protecting the Island's natural resources
- managing our waste
- protecting and improving local biodiversity
- improving the protection and stewardship of our heritage, landscape, coast and countryside.

By 2023, our ambition is to ensure that we have the right sustainability measures in place to ensure that our nature and wild spaces are protected, valued and enhanced, in line with our global commitments.

## A new Island Plan 2021-30

We have already started work on a new and ambitious Island Plan 2021-30, which will help to shape Jersey for the benefit of future generations, retaining its sense of place, culture and distinctive local identity.

This new Island Plan will set out and plan for the Island's sustainable growth over the next

ten years and provide the framework against which all planning decisions are made. The plan is key to ensuring the wellbeing of future generations; balancing future economic, social, environmental and cultural needs in a way that is best for Jersey and which reflects the vision and aspirations of Islanders.

We must take this critical opportunity to ensure that we have the strongest possible foundations:

- for the design and delivery of 'great liveable communities'
- where everyone has access to high-quality and affordable accommodation, open, green and play space
- for active travel and transport networks
- to protect us against global climate change
- to ensure the best use of our public assets and land portfolio
- to provide appropriate investment in critical infrastructure, like coastal defences, highways and our sewerage system.

Revising the Island Plan is a once-in-a-decade opportunity, and we are committed to ensuring that we engage deeply with our communities to get the best possible outcomes for all.

By 2023, our ambition is to:

- improve the desirability of all parts of Jersey as places to live and work for every sector of our community
- support Islanders to access high-quality affordable homes within great liveable communities that reflect our unique culture and identity.



## What we will do in 2020

As well as departments delivering day-to-day services, we will:

### Embrace environmental innovation and ambition

#### Action

Tackle the climate emergency<sup>13</sup>. Building on the work in 2019 to develop a Carbon Neutral Strategy, work in 2020 will include:

- ongoing engagement with the States Assembly, Islanders and wider stakeholders to identify innovative solutions and approaches, agree policy priorities and find a sustainable balance of funding
- ongoing cost-benefit ratio assessment of the implications and viability of the actions proposed in the strategy
- exploring opportunities for new delivery partnerships, including the potential for funding from non-governmental sources.

CT1 CT2 CT3 CT4 CT5 CT6 CT7 CT8

MENV

MTR

SPPP

**Develop a new Sustainable Transport Plan (STP).** The States Assembly has agreed to a new Sustainable Transport Plan by the end of 2019. In 2020, we will develop the policy detail and steps to deliver the principles established in the STP.

These will include:

- prioritising investment in an improved, fairly-priced public transport system, with low-carbon vehicles, to encourage people away from car use. Steps towards this might include the use of electric buses, bus advantage schemes, extensions to the bus network or a redesigned school bus service
- delivering better infrastructure to encourage sustainable and active travel, shared journeys, walking and cycling in a safe environment. Steps towards this will include extensions to the eastern and western cycle routes, reopening a grant scheme for electric personal transport, promotional travel initiatives and workplace travel planning coordination.

CT5

MINF

GHE

SPPP

<sup>13</sup> P.27/2019 – Climate change emergency: actions to be taken by the Government of Jersey

[https://statesassembly.gov.je/Pages/Propositions.aspx?ref=P.27/2019\(Rpt\)&refurl=%2fPages%2fPropositions.aspx%3fdocumentref%3dP.27%2f2019](https://statesassembly.gov.je/Pages/Propositions.aspx?ref=P.27/2019(Rpt)&refurl=%2fPages%2fPropositions.aspx%3fdocumentref%3dP.27%2f2019)



**Action**

Fully design and propose changes to how we price and cost pollution, by looking at ways to use fiscal levers and charges to change behaviours. This will include bringing a range of proposals to the States Assembly in areas such as a revision of, or an alternative to, Vehicle Emissions Duty, that better signals the cost of vehicle ownership and pollution; the investment model for our waste management facilities; and incentives to reduce the production of plastic waste.

MENV

MTR

SPPP

**Protect the natural environment****Action**

Publish an estimate of the effect on General Tax Revenue of decreasing the rate of GST levied on solar panels, electric space heating replacement of oil heating, electric cars, motorbikes, scooters and vans, electric bikes and cargo bikes, loft and cavity wall insulation, double glazing and installation of air and ground source heating to 0%, so that the Assembly can consider the financial effects of zero rating those items in the Government Plan 2021<sup>14</sup>.

MENV

MTR

SPPP

T&amp;E

Review our public infrastructure and natural resources, in order to understand the carrying capacity and longevity of our natural resources and existing and planned social and public infrastructure. This will inform short and long-term strategic policymaking, including the Island Plan, economic framework and migration and housing policies, and include the implications, mitigation and adaptation costs, impacts and consequences for our economy and wider society of any proposed scenarios.

MINF

MENV

SPPP

<sup>14</sup> See Appendix 4 (5)

**Action**

Enhance environmental protection by:

- upgrading conservation legislation and strengthening enforcement, including the increased protection of trees
- working urgently with partners to deliver on-the-ground action that prevents further advancement or establishment of key invasive non-native species
- building on existing scientific research in the marine environment to ensure good marine resource management.

MENV

GHE

SPPP

Improve countryside access by:

- identifying how people use the current countryside access network and how best to adapt it to future leisure activities
- implementing an interpretation and signage strategy, to provide clear route marking and health and safety messaging
- identifying, for implementation during the period of the Government Plan, a network of multi-user paths
- creating additional countryside routes, encouraging people into the centre of the Island and enabling cross-Island travel by pedestrians and other non-vehicle users
- maintaining the current and predicted future growth of the access network.

CT1

MENV

GHE

**Improve the built environment****Action**

Develop the draft Island Plan 2021-30. The Island Plan review is a multi-year programme and a new Island Plan will be debated by the States Assembly in 2021.

Building on initial consultation, evidence gathering and debate in 2019, work in 2020 will include:

- publishing, analysing and synthesising a range of new evidence
- reviewing, revising and consulting on a new draft Island Plan including a range of new policies, and
- independent examination of the initial draft plan.

CT4

MENV

SPPP

## Invest in our infrastructure (capital investment)

### Action

Produce a Shoreline Management Plan. Outputs from an extensive technical analysis and wide-ranging public engagement in 2019 will be incorporated into the Island Plan throughout 2020. Work in 2020 will also include the design and public consideration of initial shoreline management infrastructure schemes, in order that they can be delivered, in a phased way, throughout the Government Plan period in order to make our coastline more resilient to the effects of climate change.

MENV

MINF

SPPP

**Improve the Island public infrastructure:** invest in the infrastructure rolling vote to maintain highways; sea defences and drainage; new sewage treatment works; foul sewer extensions; maintain energy recovery facility, existing sewage treatment works and solid and green waste facilities; vehicle testing centre; and, feasibility of new inert waste site.

CT5

MINF

GHE

Shape plans to **enhance the St Helier urban environment** (set out in our 2020 plan for a sustainable, vibrant economy, above) so that environmental improvements are prioritised – such as legibility enhancements to the public realm, tree planting, and access to high quality open spaces.

CT4

MINF

GHE

### What we will work towards in 2021-23

Building on our work in 2020, during 2021-23 we will work towards:

- making measurable progress towards carbon neutrality, including through detailed policy development and implementing the programmes set out in an agreed Carbon Neutral Strategy
- making measurable progress on sustainable transport goals, including through detailed policy development and implementing the programmes set out in an agreed Sustainable Transport Plan
- providing supporting policy advice to the new Island Plan, and ensure that the implementation of the new Plan is monitored and is responsive to changing policy needs
- delivering a new, more sustainable approach to waste management
- improving the protection offered to natural habitats and species, and the built environment, by exploring new partnerships and approaches

- continuing to explore indicators of 'connectedness to nature' and support for initiatives to improve connectedness, such as 'Wild about Jersey', eco active, volunteer activities and citizen science; alongside improved access to the countryside and wild places through investment in country access infrastructure and the National Park
- carrying out scientific research into Jersey's marine environment. This is an area of local and international focus, for example on the 'blue economy'; 'blue carbon'; species protection; marine plastics; fisheries management and fisheries agreements (in particular during and beyond Brexit)
- continuing to address the challenge of invasive and non-native species to prevent their further advancement and establishment where possible. Species of concern include Asian hornets, sea squirts and Japanese knotweed.

## Funding this priority

We will resource these activities through base departmental budgets and/or existing funds and the creation of a Climate Emergency Fund, together with additional expenditure in 2020 estimated to be £3.1 million. This additional expenditure will total £15.2 million over the four-year period of the Government Plan, broken down as follows:

- Embracing environmental innovation and ambition: additional expenditure in 2020 of £2.0 million
- Protecting the natural environment through conservation, protection, sustainable resource use and demand management: additional expenditure in 2020 of £0.4 million
- Improving the built environment, to retain

the sense of place, culture and distinctive local identity: additional expenditure in 2020 of £0.7 million.

For further detail on the above additional expenditure, please see Table 56.

We will be investing in infrastructure associated with this priority, with capital expenditure of £29.2 million in 2020 and totalling £116.2 million over the four-year period (for further detail, please see Table 14).

The Climate Emergency Fund will be the source of further additional expenditure in 2020 that focuses on:

- £1.55 million of expenditure, for the first phase of new schemes and improvements that will be set out in the Sustainable Transport Plan that is due to be debated by the States Assembly in early 2020. This expenditure will be dependent upon States Assembly approval of this plan
- £0.50 million of urgent enhancements to environmental protection systems and processes in areas that are already impacted by, or help to tackle, climate change, including: the control of invasive and non-native species; marine resources; and protection of the Island's trees and other carbon sinks. This money will also provide for additional support to ensure the Island Plan is fully responsive to the climate emergency in key areas, including an enhanced sustainability appraisal and key technical studies
- £0.50 million to support detailed policy development and the design and coordinated implementation of the major new programmes that will be set out as part of the Carbon Neutral Strategy and Sustainable Transport Plan.



## Measuring the impact

We will develop and publish a performance framework by January 2020. We will use it to monitor and maintain progress against the outcomes and service improvements set out in this plan, making our performance transparent to all.

The following is a selection of outcome indicators that we will use to help us understand whether these activities are having a positive impact:

### Measures

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





## 6. Modernising Government

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.



### Highlights

- We will continue to deliver and support organisation-wide change
- We will respond to deficiencies and act on recommendations for improvement made by, for example, the Comptroller and Auditor General and the Public Accounts Committee
- We will provide improved resources to support the work of non-executive States Members
- We will continue to invest in public-sector employees to reform the workforce and modernise how we work
- We will invest in the States of Jersey Police, to increase officer numbers to 215 in 2020
- We will deliver cumulative sustainable efficiencies from 2020 to 2023 through a detailed and rigorous Efficiencies Programme
- We will invest in the modernisation of the public sector through the use of digital technologies
- We will bring forward and invest in a new office facility that can accommodate the Government's long-term needs
- We will continue to transform the way in which we manage public finances, including greater long-term financial insight
- We will support the Privileges and Procedures Committee in making improvements, as agreed by the States Assembly, in our electoral system.





## Introduction

The successful delivery of the Government's priorities, and of effective and efficient day-to-day public services, is dependent on a governmental and administrative system that is itself modern, productive, efficient and effective.

In 2018 a transformation of our public service structures began through the 'One Government' initiative. We have continued to build the strong governmental and administrative foundations that are necessary to ensure that Islanders can have confidence in our ability to deliver for them. The need for better working at the political level between the Council of Ministers and the States Assembly and support for our democratic system was also recognised.

As a result, the Common Strategic Policy identified five ongoing initiatives that will support those changes on an ongoing basis. This section provides details of the proposals in each of these five areas, which are:

- a new long-term strategic framework that extends beyond the term of a Council of Ministers
- a States Assembly and Council of Ministers that work together for the common good
- 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.

Alongside and in support of these initiatives, we have also established a sustainable Efficiencies Programme (see Part 2.7).

However, while the transformation of our public services will deliver significant efficiencies over the next four years, it must also be recognised that our work has also revealed a legacy of underinvestment in key support services, systems and infrastructure. It is vital that we provide investment in these areas now, so that new, improved and properly-resourced services, systems and infrastructure can make real the ambition of a modern, innovative public sector that meets the needs of Islanders effectively and efficiently.

Failure to provide adequate resources to support this will mean that it will not be possible to deliver improvements or efficiencies, and in due course it will not be possible to deliver many of the actions set out above or support the outcomes that Islanders want.

Below, we have set out our ambition for 2023 for each of the ongoing initiatives, together with what we will deliver in 2020.

---

## i. A new, long-term strategic framework

By 2023, our ambition is to have fully implemented the long-term strategic framework, which extends beyond the term of a Council of Ministers, using it to continuously inform and improve everything we do.

The development and implementation of the long-term strategic framework will be delivered as a core function of the Department for Strategic Policy, Performance and Population.



### Action

Introduce a new performance management framework for its first full year, providing strategic performance management and insight, benchmarking Government impact, and supporting senior and departmental teams to continuously improve public services.

CM

SPPP

Publish a new Island Plan for the period 2021-30. The Island Plan will draw on wide-ranging public consultation, and make a key contribution to responding to the climate emergency.

CT4

MENV

SPPP

Introduce the first full annual programme of foresight reviews, workshops and investigations, including horizon scanning and scenario modelling, to identify risks, opportunities and solutions.

CM

SPPP

Deliver improvements to the Government Plan and business planning process, to ensure that longer-term objectives are aligned with resource and investment.

CM

MTR

COO

SPPP

T&amp;E

Continue to develop the evidence base, long-term forecasts and modelling tools that underpin the long-term strategic framework, including tracking progress on inter-generational objectives against the OECD Better Life Index and preparing for the Census 2021.

CM

SPPP

Building on our work in 2020, during 2021-23 we will work towards fully implementing our long-term strategic framework, by:

- using the long-term strategic framework to continuously inform and improve everything we do
- embedding sustainable wellbeing in the framework
- continuing to use the OECD Better Life Index (Statistics Jersey, 2019), and other global benchmarks, to guide and inform where we seek improvements in Jersey
- embedding foresight analysis as a mainstream policymaking approach
- implementing a responsive Island Plan performance framework that considers the impact of development on Future Jersey outcomes.

## ii. A modern and effective public sector

By 2023, our ambition is to have implemented the changes necessary to support a modern, innovative public sector. This requires the administrative arm of Government to organise itself and its activities to discharge its duties efficiently, affordably and effectively and in an open, transparent and accountable way – to Ministers, to the States Assembly and to the public.

Many departments contribute to this objective, although Treasury and Exchequer and the Chief Operating Office provide key services that underpin all departments, and therefore have a disproportionate role to play.

Historically, Jersey's government structures have resulted in disparate and duplicated internal and administrative services. In 2018, a new One Government structure was formed to centralise these services and create corporate centres of excellence for Information Technology Services, People Services, Commercial Services and Finance. These services have historically been characterised by long-term underinvestment and are under strain simply in maintaining business as usual to an acceptable standard. With the organisation now going through a period of unprecedented change, this is exposing significant gaps in both capacity and capability.

The foundations are not in place – from the basics through to a strategic direction. We need to rebuild and invest heavily over the next few years to address this underinvestment, and thereby enable the delivery of the modern and innovative public sector committed to in the Common Strategic Policy.

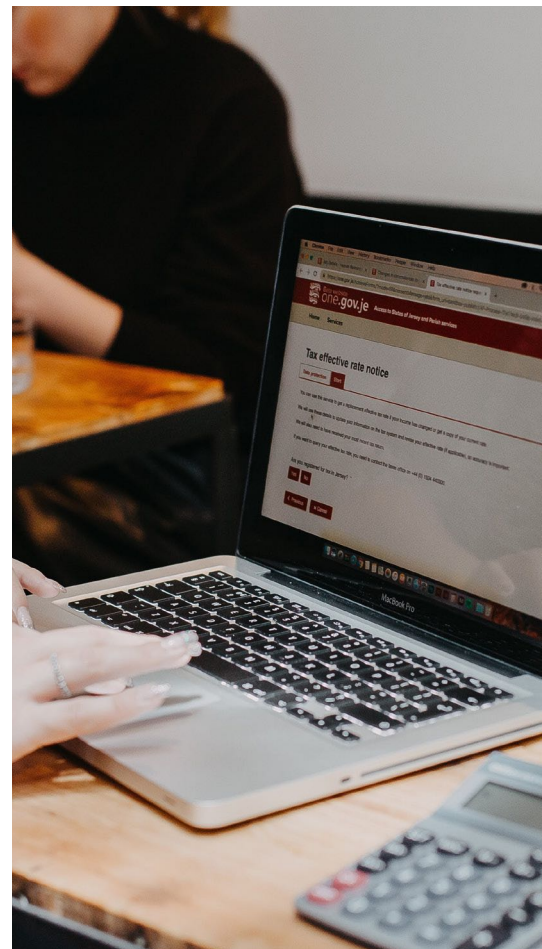
Failure to do so means that the underpinning foundations of modern, effective and affordable public services will not be delivered, putting both day-to-day and new initiatives at risk of deterioration, failure or of higher costs. Investment in modernising Government is an investment in better value-for-money services.

Better government also means building strong relationships with our delivery partners. For example, we plan to deliver more services closer to home, to intervene early where needed, and to offer increasingly-integrated care to the most vulnerable.

Delivering these plans hinges upon working well with the parishes, with the voluntary sector, and our contracted partners. Our commitments to extending specific initiatives can be found earlier in this plan.

We will underpin these initiatives by improving our approach to commissioning, for example across Children's Services.

This section primarily focuses on the transformation of the back-office functions in the Chief Operating Office – Modernisation and Digital, People and Corporate Services and Commercial.





In 2020 we will:

### Action

**Stabilise the current position within People Services** by sustaining the current capabilities within the service to support organisation-wide change through maturing services provided by:

- **Business Partners:** planning and supporting the delivery of Target Operating Models and the change programmes required to deliver benefits
- **Industrial Relations:** building capacity to plan and negotiate changes to pay, terms and conditions and develop trade union relations
- **Case Management:** building skills and capacity to improve our approach to improving and addressing performance, attendance and responding to disciplinary action and grievances
- **Resourcing:** providing capacity and support for senior-level resourcing, from attraction through to induction and embedding senior leadership behaviours
- **Systems:** stabilising people management systems, through upgrading to the latest versions, and releasing new functionality to improve efficiency.

CM

COO

Respond by addressing deficiencies within People Services and acting on recommendations for improvement:

- **Comptroller and Auditor General:** addressing key areas of concern within the remit of the States Employment Board and Jersey Appointments Commission for strategic planning and direction, assurance and risk management, people management frameworks, codes of practice, health and safety, pay and negotiations
- **Team Jersey (Phase One):** acting on the recommendations of the Team Jersey report into the culture and engagement within the organisation. Following through on our commitment to address allegations of bullying and harassment, poor staff morale and engagement
- **Public Accounts Committee:** delivering against the recommendations to see through the roll-out of Target Operating Models, delivering the benefits and embedding the change. Demonstrating our delivery through clearer performance indicators and performance management.

CM

COO

**Action**

**Develop a People Strategy** with all key stakeholders, under the direction of the States Employment Board, to reform the workforce and how we work, including:

- planning and designing key cultural interventions
- designing workforce frameworks and designing the plan and approach to modernising policy frameworks
- laying the foundations for People Strategy Delivery (2021+)
- key activities and products to include design and prototypes for:
  - performance management framework
  - leadership programmes across tier 1-3 leaders
  - management development programme
  - analytics for selected issues in departments
  - workforce planning
  - talent management
  - early in-careers recruitment.

CM

COO

**Invest in an increase to police numbers**, enabling the States of Jersey Police to enhance community policing across the Island in support of parishes, and to dedicate additional resources to greater problem solving, tackling serious and organised crime and enhancing public protection. Funding will be made available for the States of Jersey Police to recruit new officers, strengthening the force up to a maximum of 215 warranted officers in 2020.

MHA

JHA

**Enhancing policy capacity across the Government.** This project will improve policy capacity over the next four years through a process that will be led and co-designed in-house.

CM

SPPP

**Establish a rolling Efficiencies Programme**, designed to deliver a total of £100 million a year of efficiencies by the end of the Government Plan 2020-23.

CM

COO

## Action

Develop and start to implement enhanced capabilities for Modernisation and Digital, by delivering new and enhanced capabilities in:

- business architecture
- information management
- IT service support
- change management.

CT7

CM

COO

Develop and secure funding for a multi-year Technology Transformation Programme, initiating essential programmes of work to deliver our commitments and strengthen our capabilities to protect the organisation against cyber security threats, while preparing to deliver new Government-wide capability. This includes:

- deploying Windows 10 and Office 365
- enhanced cyber security
- initiating planning for other technology programmes, including:
  - electronic document management
  - integrated finance, payroll, Human Resources and procurement
  - electronic patient health records
  - public service digitisation.

CT7

CM

COO

Develop and start to implement enhanced capabilities for Commercial Services, including:

- sustaining the existing capability and capacity of Commercial Services
- delivering enhanced compliance with the Public Finances Manual
- developing a commercial strategy (see section iii, below) and the underpinning target operating model
- completing a review of existing contracts and commercial arrangements.

CM

COO

### Action

Continue to expand on the **Guernsey-Jersey Joint Working Programme**, which aims to increase the volume of joint working initiatives and improve success in the delivery and discharge of functions. The programme will deliver joint initiatives which will lead to efficiencies in both public services.

CM

OCE

## Investment in our infrastructure (capital investment)

### Action

#### Office strategy

The primary strategy is to **bring forward and invest in a new office facility** that can accommodate the Government of Jersey's needs. This will enable the Government to cease its ongoing lease liabilities across several properties and dispose of freehold buildings that are no longer required or are unfit for purpose.

CM

MINF

GHE

#### Technology Transformation Programme

Investment to replace outdated and legacy technology and transform the delivery of services, including delivering new capability to enable Islanders to deal with all parts of the Government digitally (as they would expect to deal with any other organisation). Additional investment in more efficient and effective back-office functions, through projects such as digitising existing paper records, electronic document management, process automation and enhanced data analytics.

CM

COO



Building on what we will deliver in 2020, by 2023 we will have created and delivered new capabilities, including:

- rigorous protection of our customers' data and our organisation's technology, by meeting and exceeding national and international standards for cyber security, data protection and records management
  - significantly improved online access and ease of use for citizens, and transformed competence across critical public service delivery
  - strategic governance and oversight of all substantial change programmes across the Government, improving alignment and prioritisation, as well as providing better returns on our investments in change
  - enhanced public service workforce capabilities, productivity and engagement. We will have responded to the critical recommendations presented in the Team Jersey Phase 1 report, including delivering a culture change programme, which will realise a valuable opportunity to establish the Government as an employer of choice on the Island
- a highly-capable commercial function, delivering better value from our suppliers and partners, and seeking out new commercial opportunities
  - establishing and delivering a corporate asset and property management strategy to ensure maximum social and economic return on investment from the full Government portfolio
  - an embedded culture of efficiency, which will deliver sustainable savings through a targeted programme of activities and end-to-end process improvement, including through new technology
  - a material reduction to the threats to the organisation, as described in the strategic risk assessment.

These capabilities will enable the administration to support current and future Councils of Ministers to deliver their common strategic policies through the best application of technology, people and commercial services.

---

### iii. Sustainable long-term public finances

By 2023, our ambition is to have implemented the changes necessary to support a sustainable fiscal framework, ensuring a long-term strategic approach to managing the Island's finances. This includes implementing a more efficient revenue collection model, supported by underpinning technology and operating procedures.

The need to transform finance within the Government is well documented. Recommendations have been made over a number of years by the Comptroller and Auditor General, and the Public Accounts Committee, all of which point to the need for change. We have already started our journey and plan to build on this work during the life of this plan.

In 2020, we will:



#### Action

Continue the review of our Fiscal Strategy and Fiscal Framework, in consideration of changes being introduced.

MTR

T&E

**Action**

As part of the Government Plan process, continue to strengthen the long-term management of public finances and assets, including developing our approach to using the strength of the balance sheet to allow for vital investment while protecting the long-term sustainability of the Island's finances.

MTR

T&amp;E

Delivering effective financial management, which builds on ongoing work as part of a three-to-five-year programme to support the substantial change needed to deliver the vision for Treasury and Exchequer, and enable it to fulfil its critical role in the Government, efficiently and effectively.

MTR

T&amp;E

Continue Finance Transformation, including embedding:

- our new operating model, especially in those areas which are new to the organisation
- best practice, in particular enhancing our approach to analytics of both financial and operational information
- the HM Treasury 5 Case Model, improving the quality of business cases and thereby better informing decision-making.

MTR

T&amp;E

Provide greater long-term financial insight, through the enhancement of our Strategic Finance team. This will strengthen our ability to ensure financial sustainability not only through the lifetime of this plan but for years to come

MTR

T&amp;E

Prepare for the implementation of an Integrated Technology Solution to replace the outdated and standalone systems, which are no longer fit for purpose.

CT7

CM

COO

**Action**

**Delivery of the Commercial Strategy**, which will enable cross-organisational commercial services that comply with the new Public Finances Law, and are aligned to Government priorities. It will also involve continued management of the supply chain and associated commercial and contractual opportunities and risks across the organisation, alongside the development of new income generating and cost saving models.

CM

COO

**Sustain and enhance Revenue Jersey's capabilities to develop tax policy**, to ensure ongoing International Tax compliance, and improve the collection of taxes. This will include responding to changes resulting from international tax agreements, maintaining Jersey's positive ratings from future OECD reviews and thereby securing Jersey's standing in the international tax community. Revenue Jersey will continue to re-develop the personal taxation components of the Revenue Management System and integrate the collection of Social Security contributions, creating a single revenue collection service and realising the associated benefits.

MTR

T&amp;E

**Implement a domestic tax compliance programme**, increasing tax revenues and therefore Government funds. This programme will include compliance projects that focus on general filing and payment compliance, employer joint contributions and tax compliance, smaller enterprises (self-employed) compliance, larger enterprise and higher-risk taxpayer compliance, improved debt management, and an overall upskilling and trainee development programme.

MTR

T&amp;E

**Conduct a further financial maturity assessment**

MTR

T&amp;E

**Implement faster closedown of the Government's annual report and accounts**, to enable more timely reporting, improved financial management, and to allow finance staff to turn their focus to continuous improvement and the new year sooner.

MTR

T&amp;E



## Action

Deliver fully-functioning digital Revenue Jersey systems and services, to collect revenues from people and businesses, including online services that, for example, will enable customers to complete personal tax returns online and receive assessments within minutes.

MTR

T&amp;E

Develop an Internal Audit strategy, aligned with the organisation's goals and enterprise-wide risk management framework.

MTR

T&amp;E

Develop, embed and monitor an enterprise-wide risk management framework.

MTR

T&amp;E

Provide enhanced strategic insight by embedding finance business partnering to:

- input into organisational strategy, working with Ministers and Directors General to create plans and ensure these are delivered
- aid financial planning by translating the Government Plan into outcomes
- make recommendations and resolve business problems
- provide cost-benefit and investment appraisals
- foster risk awareness and management.

MTR

T&amp;E

Foster a culture of continuous process improvement within Treasury and Exchequer, by adopting a Global Process Ownership Model to provide:

- end-to-end process oversight and ownership
- process performance monitoring and accountability for performance delivery
- process improvement by streamlining processes and reducing the number of people required to perform repetitive tasks
- exploration of different solutions such as robotic process automation and artificial intelligence.

MTR

T&amp;E

## Action

Training strategy to be developed and finalised:

- assessing the skills and training needs of staff to support new structures in Treasury and Exchequer
- strengthening skills in new areas of our organisation.

MTR

T&amp;E

Support budget holders to improve their financial management skills by investing in skills development and tools relevant to their roles, via:

- A Public Finances Manual eLearning module as part of the corporate induction
- Public Finances Manual training available for everyone who manages or spends public money
- self-directed eLearning portal available to all colleagues containing financial modules
- financial acumen training for those with financial responsibility.

MTR

T&amp;E

Building on our work in 2020, during 2021-23 we will work towards securing improved financial management, income collection and decision-making, by:

- implementing funding strategies for infrastructure investment that make the most of our strong balance sheet
- embedding timely and meaningful financial reporting to our stakeholders
- working with colleagues across Government to integrate financial and performance reporting
- introducing a zero-based budgeting assessment of current spending
- implementing fiscal levers which encourage behaviours that assist with the response to the Climate Emergency, and provide funding for costs necessary to deliver carbon neutrality by 2030
- continually improving the financial control framework, including the Public Finance Manual, and targeting internal audit programmes for the maximum impact
- implementing changes arising from the

review of personal taxation

- further developing the Revenue Jersey operating model, by assuming responsibility for further income streams, such as duties
- further closing the domestic tax gap, through risk-based compliance activity
- investing in the development and career progression of our people, to ensure continuity in service to our stakeholders, as well as making us an employer of choice for local finance professionals
- continually improving the governance and working relationships between the Government of Jersey and subsidiary companies, to ensure that value is maximised within the context of those organisations' contributions to the development of the local economy
- implementing the integrated technology solution to modernise financial management.

#### iv. A States Assembly and Council of Ministers that work together

We will work hard to further enhance governance and transparency in how we develop and deliver policy, and oversee the operation of the Government – supporting efficient working practices, promoting democratic accountability, and making sure that we support the work of the States Assembly.



In 2020 we will:

##### Action

Secure improved resources for non-executive States Members, including dedicated research and casework staff, centrally-funded IT equipment, a funded programme of professional development, and accommodation improvements leading to dedicated office space in Morier House.

NM

STG

GHE

Improve ways in which we engage the public in the work of the Assembly, including expanding communications support to meet Member demand and expectations, more digital development (especially in relation to Hansard and webcasting), and a funded education strategy.

NM

STG

CYPES

## Action

**Improve Ministerial boards.** We will work to improve the operation of these boards, supporting effective challenge, evidence-based practices, and increased transparency. For example, we will publish a full list of all boards and their memberships; we will produce more guidance on the role and appointment of non-Government members, helping to manage any potential conflicts of interest; and we will seek to increase inclusivity and diversity in the membership.

CT8

CM

OCE

SPPP

**Improve Government processes for briefing States Members.** Establish an annual programme of briefings, working with the States Greffe, covering scheduled events, such as the release of the accounts, topical updates around issues such as migration or housing, and open slots where initiatives can be launched. The intention is to increase the notice, quality of content, and participation in briefings.

CM

OCE

STG

**Develop a forward plan of Government business** for debate, working with the States Greffe, to work towards more Assembly sittings that are neither too full nor too light, engaging with Scrutiny to support their work at the same time.

CM

OCE

STG

**Develop new working protocols** between the Ministerial Offices, the Strategic Policy, Performance and Population department, and other departments, working closely with the States Greffe, as a foundation for closer working.

CM

OCE

**Introduce new systems and guidance around Ministerial decisions.** Increase consistency and enhance transparency and communications – helping Members and the public better understand the decisions that Ministers are making.

CM

OCE

STG



## v. An improved electoral system

By 2023 we will have engaged with the Privileges and Procedures Committee in its work examining potential improvements to our electoral system. This aims to increase turnout at the election in 2022 and ensure that the election observation mission in 2022 can see that recommendations made in the 2018 report have been appropriately considered.

In particular, we will support the Privileges and Procedures Committee in their work with Parishes, in introducing digital electoral registers, which will enable people to check online that they are registered to vote and to exercise a choice about where to vote at the next election. We will also work with the Committee to increase the number and diversity of candidates for election.

This is likely to include the following over the period of the Government Plan:



### Action

**More user-friendly system for electoral registration**, supporting the Privileges and Procedures Committee in their work with parishes, to replace the current, largely paper-based system of voter registration with a digital system, allowing voters to check online if they are registered, complete automatic or online registration, and be able to exercise a choice as to where they vote on election day.

CT7

PPC

STG

## Action

Increase the diversity of candidates and provide more assistance to them to stand. This is a funded strategy to support potential candidates, such as with better information provision, seminars, drop-ins, a helpline etc.

CT8

PPC

STG

Identify and address principal barriers to election turnout. This is a dedicated budget for the 2022 election, to employ a member of staff to drive both electoral law reforms and information provision, with the opportunity to professionalise election support further, ensuring that support matches voter needs.

PPC

STG

Invite election observers in 2022. Invitation to be made in 2021 plus monies to ensure the observation mission is fully funded.

PPC

STG

## Funding these initiatives

We will resource these activities through base departmental budgets and/or existing funds, together with additional expenditure in 2020 estimated to be £25.4 million. This additional expenditure will total £141.4 million over the four-year period of the Government Plan, broken down as follows:

- **A new, long-term strategic framework that extends beyond the Council of Ministers:** additional expenditure in 2020 of **£0.3 million**
- **A modern, innovative public sector that meets the needs of Islanders effectively and efficiently:** additional expenditure in 2020 of **£20.2 million**
- **A sustainable, long-term fiscal framework and public finances that make better use of our public assets:** additional expenditure in 2020 of **£2.3 million**
- **A States Assembly and Council of Ministers that work together for the common good:** additional expenditure in 2020 of **£0.5 million**
- **An electoral system that encourages voter turnout and meets international best practice:** additional expenditure in 2020 of **£0.1 million**
- **Non-ministerial additional expenditure in 2020 of £2 million.**

For further detail on the above additional expenditure, please see **Table 56**.

We will be investing in infrastructure associated with this priority, with capital expenditure of **£28.0 million** in 2020 and totalling **£98.6 million** over the four-year period (for further detail, please see **Table 14**).

## 7. The Efficiencies Programme

Delivering the Government Plan priorities requires substantial funding and investment over the next four years. In order to achieve this without significant increases in taxes, the Government must transform the way in which it delivers public services, to do more with less. More efficient services means services that are joined up, that can be accessed conveniently or online, and that respond to the needs of citizens and businesses more quickly.

The Government has therefore established an Efficiencies Programme, to deliver efficiencies worth £100 million over the period of the Government Plan. This means that more effective and efficient public services will contribute to funding both new commitments and ongoing initiatives, reducing the amount of additional revenue that the Government will need to seek from taxpayers.

More fundamentally, the programme will transform services for the benefit of Islanders and all service users both now and into the future. It will help to instigate a culture change across Government, putting service transformation and value for money at the heart of all decision making and planning.

We will achieve this by:

- reducing duplication
- streamlining processes and cutting waste
- integrating services and functions
- taking a smarter and more commercial approach to contract awards and management
- reducing non-essential spend and developing lower-cost alternatives
- improving compliance in revenue collection.

The Government also plans to deliver an ambitious Technology Transformation Programme, which by 2023 will deliver significant Government-wide operational

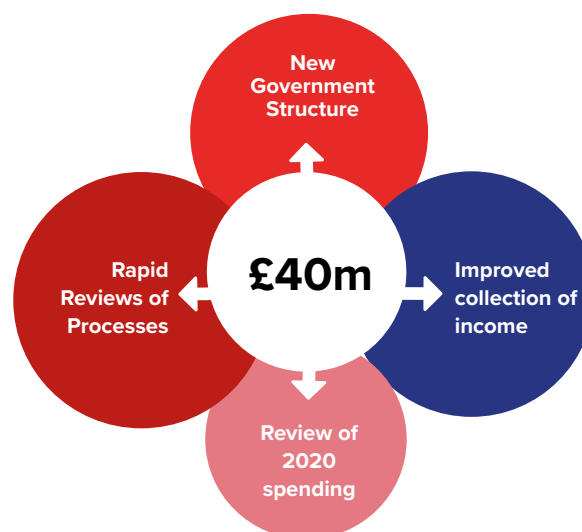
efficiencies that will underpin all public services. This includes process automation, digitising existing paper records, and the use of data analytics.

This section introduces the approach we are taking for the Efficiencies Programme.

### Efficiencies Programme delivery to date

In 2019, the programme identified four core areas where significant efficiencies can be made. Three are derived from step changes delivered by the One Government modernisation initiative and one is derived from enhanced continuous improvement activities.

The initial phase of the programme established an efficiency target to sustainably reduce expenditure by the end of 2020 by £40 million, which will be delivered through the following four areas of work:



Since January 2019, a small core Efficiencies Programme team has worked with colleagues across all departments, from Finance, Commercial and People Services, and teams working on Modernisation and Digital transformation, in order to define a comprehensive portfolio of projects in each of the four areas.

In order to deliver this programme the Government is taking a rigorous programme and project management approach supported by several core principles. These are:

- it builds transformational capability and capacity within the organisation
- it has the right individuals in place to drive and deliver the change (in terms of Senior Responsible Officers and workstream leads)
- it is supported by consistent and appropriate project documentation and governance which enables the Government to track delivery and monitor ongoing progress
- it is supported by robust risk management processes, to ensure that risks and issues are promptly identified and mitigated accordingly
- it is integrated with the Finance function, to ensure that financial profiling is accurate and being tracked consistently
- it is aligned across Government to share best practice and capitalise on any potential synergies.

This approach is intelligence and people led, and data driven. This enables the services, where necessary, to utilise and achieve the following:

- to capitalise on local intelligence and the experience of employees
- to make extensive use of benchmarking with peer organisations (island and international peers) to identify efficiency opportunities

- to build on the success and work delivered to date
- to draw on expertise to support the work (both external and from colleagues across the Government)
- to triangulate information from across the organisation (finance, activity and service-level information and costings)
- to build capability within the organisation, to continually evaluate and ensure that efficiency is delivered
- to improve the skills of colleagues in the use of project management methodologies and the use of data to inform management decisions
- to ensure that all proposals are quality assured through completion of Quality Impact Assessments, which must be signed off by the relevant professionals.

Progress has already been made towards achieving the 2020 target of £40 million, and £19.7 million of efficiencies had already been identified by the end of June 2019.

On 21 October 2019, the Government of Jersey published the Efficiencies Plan (R.130/2019) which sets out the approach to delivering £40m of sustainable efficiencies in 2020 and describes how efficiencies will be identified in 2021 and beyond.

The States Assembly has agreed that implementation of the Efficiencies Plan for 2020-23 will not, however, include any extension of standard car parking charging hours from the current 8.00 a.m. to 5 p.m. to 7.00 a.m. to 6.00 p.m. (as was initially proposed in the 'Efficiencies Plan 2020-23 (R1.30/2019)<sup>15</sup>.

<sup>15</sup>See Appendix 4 (8)



## Scaling up and accelerating efficiencies

Building on the achievements of 2019, a rolling programme of efficiency projects will deliver significant sustainable savings, and transform the Government into an efficient and technology-led organisation between 2020 and 2023.

Efficiency savings will be delivered through a series of projects, via blended teams. Each project will be delivered in three key phases:

1. Discover and scope: identify opportunities
2. Mobilise: develop Project Initiation Documents, teams and structures
3. Delivery: implement projects to deliver efficiencies for full impact in the next financial year, as well as any in-year savings.

The Efficiencies Programme 2020-23 is

based on four key themes:

- people and organisational development – building a modern and efficient workforce
- process, productivity and technology – establishing more efficient processes and transformation through modern technology
- commercial efficiency – smarter commercial practices to get a better deal for Islanders
- efficient organisational design – ensuring services are designed for efficiency and value for money.

Some examples of the activities which may be undertaken under each of these four headings as part of the Efficiencies Programme 2020-23 are below:

---

<b>People and organisational development</b>	<ul style="list-style-type: none"> <li>• Training and development for staff</li> <li>• Workforce planning and development to reduce the cost of agency and interim staff</li> <li>• Develop and implement the Government's Efficiency and Transformation team</li> <li>• Efficiencies through efficiency 'gain-share' arrangements</li> </ul>
<b>Process productivity and technology</b>	<ul style="list-style-type: none"> <li>• Reducing duplication of work across teams and departments</li> <li>• Intelligent automation and smarter use of technology</li> <li>• Better use of data to improve the targeting of resources</li> </ul>
<b>Commercial efficiency</b>	<p>Delivery of a Commercial Efficiency Programme:</p> <ul style="list-style-type: none"> <li>• Large-scale contract reviews and renegotiations with suppliers</li> <li>• Transformation of policies relating to spend and procurement</li> <li>• Development of commercial frameworks to deliver better value for money</li> <li>• Establishing a consistent cost effective approach to commissioning across Government</li> </ul>
<b>Efficient organisational design</b>	<p>Development of efficient shared service centres:</p> <ul style="list-style-type: none"> <li>• streamlined administrative support services</li> <li>• integration of similar transactional support services</li> <li>• further integration of back-office functions like IT, Finance and HR</li> <li>• Designing better services for the most vulnerable, and more effective early intervention and prevention</li> <li>• Transforming customer services to enable simpler, quicker and more cost effective access to services</li> </ul>

#### Efficiencies Programme 2020-23: four key themes

To drive transformation toward an efficient organisation, a sustained efficiency-led culture and capability is needed. To enable this, the Government is investing in its workforce to ensure that they have the skills and capability to find ways to work more efficiently, and change the way that services are designed and delivered to improve outcomes while lowering cost.

The Efficiencies Programme will integrate with other Government initiatives, in particular:

- The **Technology Transformation Programme**, which will deliver new Government-wide capability to enable Islanders to deal with the Government digitally (as they would expect to deal with any other organisation), and more efficient and effective back-office functions, through things such as digitising existing paper records, electronic document management, process automation and enhanced data analytics
- The **Team Jersey Programme**, creating an

environment where colleagues are able to do their best work and are:

- valued – by their colleagues, their manager and the organisation as a whole
- included – are listened to, their views heard and involved in decisions that affect them
- inspired – by their colleagues and the work they do, where they recognise they are part of a bigger picture, which delivers public services that are the best they can be for Islanders
- focused – where they are clear what their jobs are, what they need to do to succeed and that they have the tools to do their job
- The **Finance Transformation Programme**, which will modernise the way in which the Government's finances operate, including delivering efficiencies through simplifying

and standardising key processes, automating transaction processing and enabling a shared service centre serving all departments

- The **One Government Office Modernisation Project**, which will consolidate our office estate into a single administrative headquarters, where all non-frontline colleagues will work, combined with a number of operational sites, such as the hospital, schools and other frontline and local services, based in parishes. This 'hub and spoke' model will facilitate more cost-effective use of accommodation, remove unnecessary rental costs already incurred by Government, release sites for redevelopment for alternative uses, including housing, and promote better teamwork and collaboration across functions and departments.
-





# **PART 3**

# **GOVERNMENT FINANCES**

---







# Foreword by Minister for Treasury and Resources

As Minister for Treasury and Resources, it is my job to ensure that the Government prioritises its expenditure to pay for public services and fund new initiatives that benefit Islanders. I must also ensure that we balance the books and that our long-term public finances are sustainable.

Following the agreement of the new Public Finances (Jersey) Law we have taken a new approach to our financial planning with the development of our first four-year rolling Government Plan, which brings together spending and revenue-raising decisions. This change also represents an opportunity for us to consider what outcomes we are delivering with the funds entrusted to us, taking a strategic long-term approach.

We are living in the most uncertain economic environment for a decade, with potential challenges relating to Brexit as well as wider economic trade and political uncertainties across the globe. The new Public Finances Law provides an opportunity to respond flexibly to any changes in circumstances by considering our plans every year.

We have been prudent, by underpinning this plan with principles informed by Fiscal Policy Panel advice. We will replenish the Stabilisation Fund. By 2023 we intend to have increased the balance of the fund by a further £75 million<sup>16</sup>.

We will achieve this at the same time as funding an ambitious programme to deliver the five strategic priorities agreed by the States Assembly, as well as initiatives that will develop a more modern, efficient and effective Government.

Spending limits were set for the four years of the current plan through to 2019. This did not allow the States Assembly the opportunity



**Deputy Susie Pinel**

Minister for Treasury and Resources

to adapt spending to the changing circumstances. Ministers were therefore faced with the challenge of funding new pressures and priorities as they emerged during the four years.

This has been achieved by using unspent budgets from previous years, enabling an out-turn spending forecast of £800 million in 2019, compared to the original £735 million budget, set in 2016.

Ministers have considered the cases for continuing this additional expenditure, as well as the need for further additional investment. The Council of Ministers has rigorously assessed the pressures and cases for new investment against its strategic priorities and the major risks facing the organisation, while maintaining responsible financial management.

Including allowing for inflation, we are proposing a modest net growth in forecast spend of 3% over 2019 to a total of £822 million in 2020<sup>17</sup>.

This does, however, represent £81 million more investment in our priorities than the 2019 budget set in the MTFP and further amounts for pay and inflation in particular.

Much of the additional expenditure is made affordable through modernising the public sector, delivering efficiencies in both

<sup>16</sup> See Appendix 4 (7)

<sup>17</sup> See Appendix 4 (4) and (7)

spending and taxation.

We will build upon the Efficiencies Programme announced at the time of the 2019 Budget Statement, increasing our target from £30-40 million in 2020 to a cumulative £100 million by 2023. A programme of this scale will also contribute to funding our agenda for change.

It is important for full transparency that States Members and the public are fully informed of the proposed investment on top of the budgets last approved by the States Assembly.

For this reason, we are providing full detail of the proposed investment on top of those base budgets, including the ongoing financial consequences of decisions made since those budgets were set.

In total, over the period, the Government Plan sets out investment of £136 million a year above the budgets for 2019 that were approved in the Medium-Term Financial Plan, before allowing for inflation.

Since 2016 we have been fortunate, through increased income resulting from Jersey's economic performance, to increase the Consolidated Fund balance. We are now able to access this facility to support investment of £349 million into capital projects. We will refurbish or replace outdated Island infrastructure and modernise our technology to support the delivery of vital services and to create a more efficient organisation.

We recognise that the way we have historically funded capital projects is not sustainable, so we must find new ways to use the strength of our balance sheet and external investment to fund major projects. In the coming year, we will propose the establishment of an Infrastructure Fund, which will be funded through a number of different opportunities. This will help alleviate pressure on the public sector finances, while making crucial improvements to our infrastructure.

In developing this plan we have been guided

by the Fiscal Policy Panel's advice to take the necessary decisions now to secure our longer-term future. As previously signalled, action is required to secure the Long-Term Care Fund, to ensure that the services that it supports can be delivered for decades to come. The States Assembly have agreed a 0.5% increase in contributions from January 2020, ring-fenced to the fund. In practice, most people will pay less than this on their total income and people who do not pay tax will not be affected, since they do not pay these contributions<sup>18</sup>.

We also acknowledge the key role of working parents, and therefore propose improved parental benefits from the Social Security scheme. To support this cost, we are increasing the Social Security liability of employers and Class 2 contributors above the Standard Earning Limit by 0.5%.

We are raising revenues through road fuel impôts, to ensure that action can start immediately to tackle the climate emergency. We are backing this up by proposing a transfer of £5 million from reserves in 2020. However, we are also signalling very strongly that the fuller response to that emergency will require considerable expenditure. New income streams will be needed to fund that expenditure, and influence our behaviour.

We are also proposing impôt duty increases to those products that are most damaging to Islanders' health, the consequence of which add to the costs that taxpayers have to bear. This will raise revenues, while supporting our priority to improve the wellbeing of Islanders.

As the Treasury Minister, I will continue to focus on ensuring that public finances are safe now, and into the future. This includes putting in place measures which provide for long-term uncertainties.

This Government Plan will deliver improved outcomes for Islanders, while ensuring that we take the right decisions for long-term financial sustainability, and the responsible stewardship of public funds.

<sup>18</sup> See Appendix 4 (6)



# Finances at a glance

**Responsible spending** + **Revenue growth and efficiencies** = **Investment**

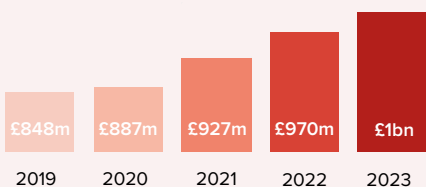


We will not spend more than our income

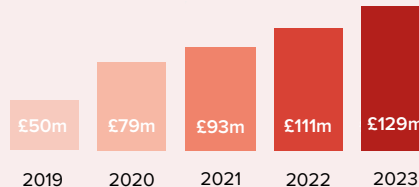


We will have a sound financial base and save for the future to protect us against uncertainty

Strategic Reserve growth

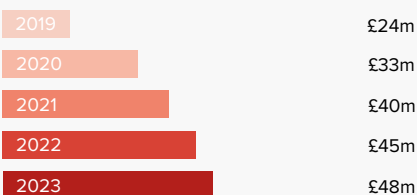


Stabilisation Fund growth<sup>7</sup>

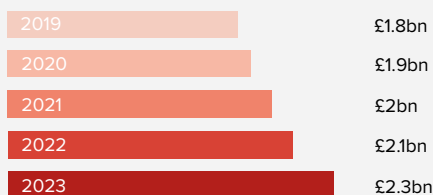


We will save to meet our future needs. Investing more now secures more funds for the future

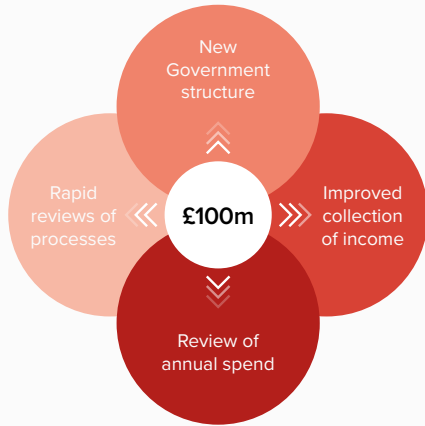
Long-Term Care Fund balance<sup>6</sup>




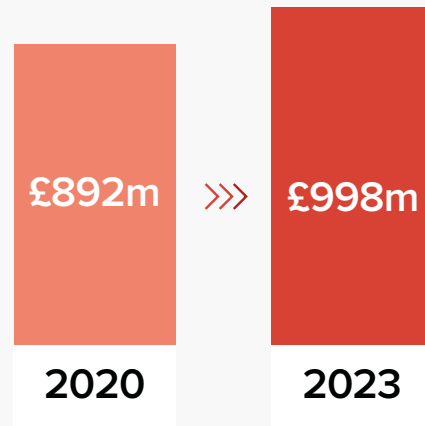
Social Security Reserve Fund balance




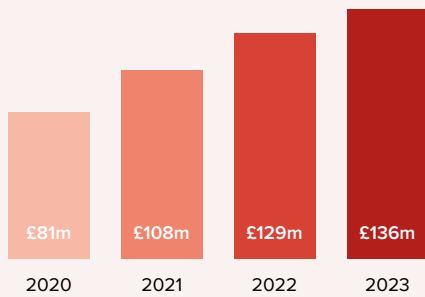
 **We will deliver efficiencies**




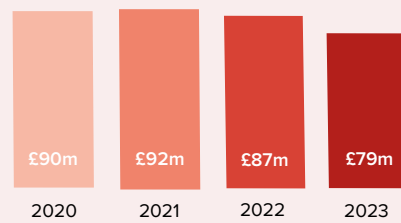
 **We will grow our revenues with the economy<sup>7</sup>**



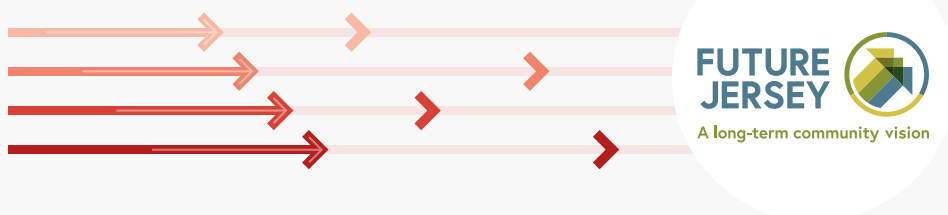
 **We will invest in services for Islanders**



 **We will make additional investment in infrastructure for the long term**

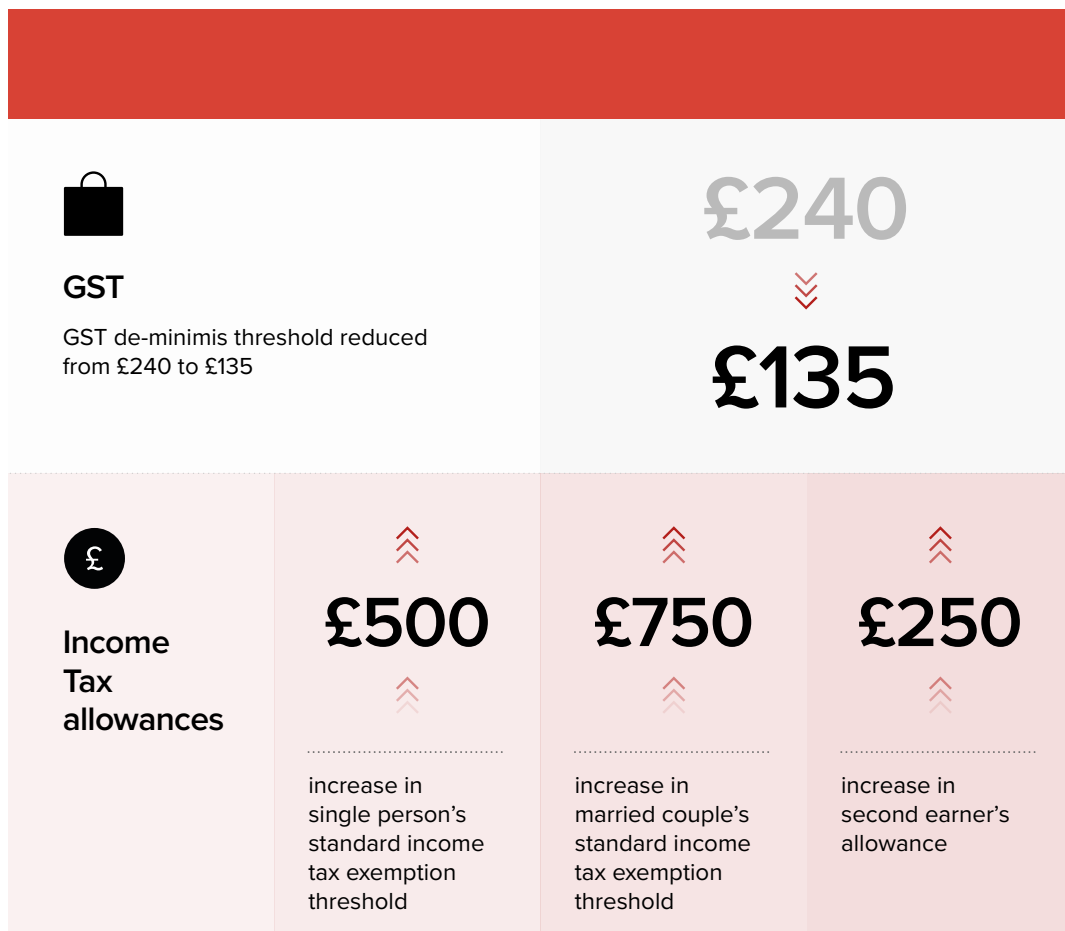


 **Our destination**



## Budget measures for 2020

<b>Beer and cider</b> Per pint	<b>Low strength</b>  <b>&lt;1p</b> RPI increase	<b>Standard strength</b>  <b>+1p</b> RPI increase	<b>High strength</b>  <b>+8p</b> RPI + 8.9% increase	
	<b>Wine</b> Per 75cl bottle	<b>Low strength</b>  <b>+2p</b> RPI increase	<b>Standard strength</b>  <b>+6p</b> RPI + 1% increase	<b>High strength</b>  <b>+23p</b> RPI + 8.9% increase
	<b>Spirits</b> Per litre	<b>+£2.08</b> RPI + 10.9% increase in spirits duty		
	<b>Tobacco</b> 20 king size cigarettes  <b>+49p</b> RPI + 5% increase in standard tobacco duty	<b>50g tobacco pouch</b>  <b>+£2.42</b> RPI + 8% increase in hand-rolling tobacco duty	<b>Fuel</b> Per litre  <b>+6p</b> per litre increase in road fuel duty (4p goes into Climate Emergency Fund)	



### Ringfenced funds — not for general expenditure



#### Social Security

⇓ **0.5%**

0.5% increase in employer Social Security contributions for earnings between £53,304 and £250,000



#### Long-Term Care<sup>6</sup>

⇓ **0.5%**

0.5% increase in Long-term Care Fund contributions.

The upper income cap for contributions is also increased, from £176,232 to £250,000



## 1. Summary of finances

This is the first-ever Government Plan for Jersey as set out in the new Public Finances (Jersey) Law. It is a four-year rolling financial plan, which means more flexibility to respond to changing circumstances than the previous fixed four-year financial plan allowed. This is still a plan for four years, although the Assembly is only being asked to approve expenditure for the first year, allowing flexibility for future years.

The Government Plan also brings together decisions on expenditure with those necessary to ensure sufficient funding of that spending; in particular, taxation decisions which would previously have been subject to a separate decision by the States Assembly.

Additionally, the Government Plan also enhances the view of the finances of the wider government, compared to the Medium-Term Financial Plan – moving towards consistency with the States Accounts, to enable greater transparency of the Government's finances. This includes consideration of the plan for the Government Balance Sheet, including the finances of Government funds, alongside the elements that are subject to States Assembly approval.

As an example of this, decisions relating to the Long-Term Care and Social Security schemes are brought together with tax and spending decisions in respect of departments. Future Government Plans will further develop this direction of travel by including forecasts relating to the arms-length organisations owned by the Government.

PART 2 of the Government Plan outlined how the Government will invest in the five strategic priorities that the States Assembly unanimously agreed in approving the Common Strategic Policy, while modernising Government and driving efficiency across the organisation.

PART 3 sets out how the Government will ensure sound financial sustainability to deliver this investment, while generating

surpluses across the period to enable transfers to be made to replenish the Stabilisation Fund.

### Uncertain economic environment

This Government Plan is set against the backdrop of the most uncertain economic environment for a decade, with uncertainty around Brexit, and wider economic, trade and political uncertainties across the globe.

Although predictions for Jersey remain robust for 2019 and for our economy to remain buoyant over the next five years, we are by no means immune from the wider environment. This context could have a significant impact on both the level of resources available to the Government to deliver outcomes for Islanders, and the demand on the vital services that the Government provides.

These risks and concerns were highlighted by the Fiscal Policy Panel, who provide an independent view of where the Island's economy is in the economic cycle. The panel fulfils a vital role in providing independent objective recommendations to help sustain the Island's finances.

The Government Plan is underpinned by principles, taking the Fiscal Policy Panel's recommendations into account, as well as a number of wider operational risks, ranging from keeping vulnerable people safe and supported, through to protecting Islanders' data and keeping the Government's infrastructure safe from malicious cyber-attacks.

### Revenue measures

In particular, we have noted the advice of the Fiscal Policy Panel that the early part of the Government Plan period is an appropriate time to increase the Long-Term Care contribution rate. Additionally the Fiscal Policy Panel indicate that a larger increase in the rate should be considered now, in order to provide additional flexibility regarding

future increases in the rate.

Our proposed revenue-related matters in this plan include:

- with an increase in the income cap from £176,000 to £250,000, to place the Long-Term Care Fund on a long-term sustainable basis, preventing the need for further increases in the rate of Long-Term Care contribution within the next 25 years. As the contribution is calculated on income tax principles we note that, due to availability of marginal relief, the vast majority of taxpayers will not suffer the full 1% increase. This measure secures the sustainability of the fund and, importantly, the additional revenue cannot be used to fund ordinary Government expenditure
- an increase of 0.5% in the employer and Class 2 Social Security contributions paid in respect of those earnings in excess of £53,000 up to the new income cap of £250,000, to help fund a range of family-friendly benefits from the Social Security Fund
- inflation-linked increases in income tax exemption thresholds, benefiting lower and middle-income earners
- above-inflation increases in road fuel duty, as part of the immediate response to the climate emergency and to provide a stream of funding to a new Climate Emergency Fund
- above-inflation increases in alcohol and tobacco duties, to raise revenue while supporting the Government's health objectives
- a reduction to £135 of the 'de minimis' value of goods that can be imported before taxes become payable.

Alongside the Government Plan, the Council of Ministers will also consider overdue changes to the personal income tax system and proposals will be lodged in time for them

to be considered with the plan.

## Investment in public services

Over the period of the Government Plan, we intend to invest in operating expenditure to deliver our priorities. The Government also recognises the imperative to deliver more effective and efficient services (see PART 2, sections 6 and 7). This is also a key part of balancing the plan – making the investment in priorities possible and ensuring that the Government is able to deliver more in the context of limited resources.

We will also use accumulated balances in the Consolidated Fund to fund much-needed investment in infrastructure and technology to drive that more effective organisation, with £349 million of planned capital projects over the period.

The plan also creates the initial response to the climate emergency, providing funding and mechanisms to allow a fast response in implementing the climate plan once that is agreed by the States Assembly, treating it with the urgency that an emergency dictates,

## Sustainability

The Government has a legal requirement, as set out in the new Public Finances Law, to have regard to the long-term sustainability of our Island and to ensure that Jersey remains a vibrant, prosperous and safe place into future generations.

The Fiscal Policy Panel recommended putting additional funds into the Stabilisation Fund, to rebuild it to an appropriate level. We will make transfers in line with FPP recommendations in each year, and balance our budgets after this transfer. Shortfalls in 2021 and 2022 will be addressed in the Government plan 2021-2024. In addition, we have been able to make a further £20 million in 2020 to be transferred out of the accumulated consolidated fund balance. Future Government Plans will continue to consider additional transfers based on what

is appropriate and affordable at the time<sup>19</sup>.

This is summarised in the table below and the infographic on page 120-21.

It is vital that we ensure the long-term sustainability of our Island's finances, and this plan will ensure this is being driven through our careful stewardship of our balance sheet, transforming financial

management, and making critical decisions now rather than later.

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
General Revenue Income	882,459	919,402	959,662	998,010
Net departmental expenditure	(822,416)	(853,538)	(887,828)	(911,496)
Depreciation	(52,702)	(56,410)	(59,779)	(63,608)
<b>Forecast operating surplus</b>	<b>7,341</b>	<b>9,454</b>	<b>12,055</b>	<b>22,906</b>
In-year <sup>7</sup> transfer to Stabilisation Fund	(8,000)	(14,000)	(16,000)	(17,000)
<b>Forecast (deficit) / surplus</b>	<b>(659)</b>	<b>(4,546)</b>	<b>(3,945)</b>	<b>5,906</b>

Table 2 – Overall position (financial forecast)<sup>20</sup>

<sup>19</sup> See Appendix 4 (7)

<sup>20</sup> See Appendix 4 (4) and (7)

## 2. Financial and economic context

### Ensuring long-term sustainability

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

The Fiscal Policy Panel provides the Minister for Treasury and Resources and States Members with independent economic advice on matters relating to tax and spending policy, including the use of the Stabilisation Fund, as well as objective recommendations to help to sustain our finances. The Fiscal Policy Panel acknowledged, in their advice for the Government Plan, that it was being prepared at a time of significant uncertainty regarding the UK's exit from the European Union and the potential impacts that this may have on Jersey.

This report contained nine clear recommendations. These recommendations, were considered by the Council of Ministers and are reflected in the financial principles used to prepare the Government Plan. Within this plan there are a number of initiatives that address long-term structural issues, including the sustainability of the Long-Term Care Fund and balance of the Stabilisation Fund. Increases in contributions to the Long-Term Care Fund are separate from tax-funded expenditure.

In September 2019 the Fiscal Policy Panel issued updated economic assumptions and, in October 2019, published its annual report. The impact of the changes to economic forecasts on the Government Plan were set out in the Addendum to the Government Plan. (P.71 Add.)

### The international outlook

Global growth slowed in 2018 and remains significantly below pre-2008 financial crisis levels. The Organisation for Economic Co-operation and Development (OECD) points to trade tensions as the primary cause for the recent slowdown, with trade growth having dropped to its lowest level for three years and investment slowing sharply, particularly in Europe and Asia. However, low unemployment has led to a slight pick-up in wages in advanced economies.

There has been significant divergence between sectors – with weakness in the manufacturing sector, but continuing growth in services – and between countries – with export and manufacturing-focused economies feeling the strain, for example Germany and Japan. The United States continues to see strong growth, driven by recent fiscal stimulus.

The OECD points to a number of risks to this forecast:

- the potential for further trade disruption through renewed tensions between China and the US, or any increase in barriers between the US and the EU
- the high level of debt in the corporate sector in many countries
- ongoing uncertainty in China.

While Brexit is unlikely to affect the global economy significantly, it continues to cause significant uncertainty in the UK. The majority of forecasts are for weak growth if the UK is able to achieve an orderly exit from the EU. In the event of a sudden disorderly exit, the impact has the potential to be much more severe.



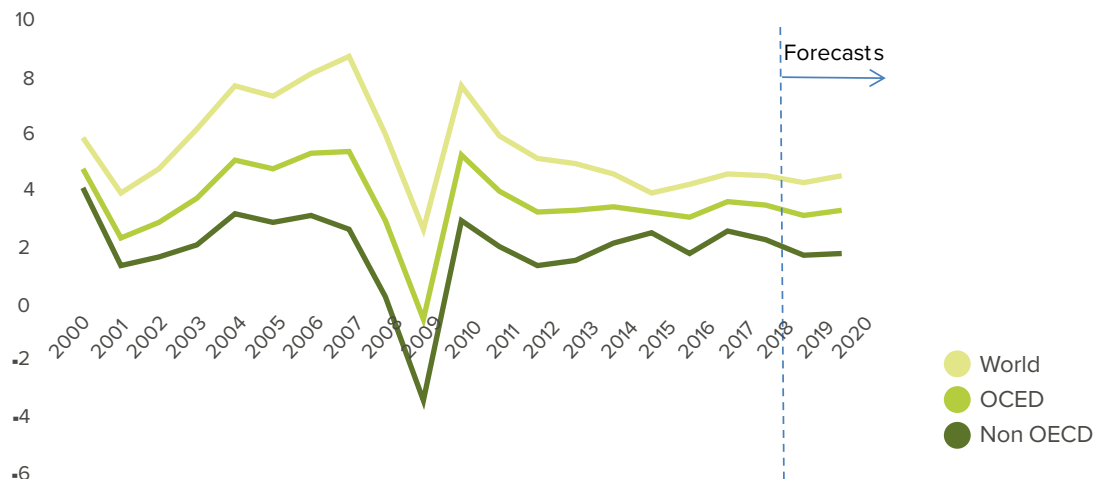


Figure 3 – World economic growth annual average % change  
Source: OECD Economic Outlook May 2019

## The Jersey outlook

While the Jersey economy slowed in 2017, it still delivered a fourth consecutive year of growth. This followed a period of decline from 2008 to 2013. The non-financial sector saw a fifth year of robust growth, although the financial services sector contracted in 2017, mainly driven by falling profits in a number of banks with a relatively small presence in Jersey.

While Gross Value Added (GVA) data for 2018 have not yet been published, the indicators available suggest a further year of growth. Employment (as measured by full-time equivalent employees) grew by around 1.5% and earnings grew by 3.5%, although strong inflation meant that real wages fell. Output of the financial services sector grew by 2.2% in real terms, the first year of growth since 2014. The Fiscal Policy Panel has estimated GVA growth of 1.6% in 2018.

Responses from the Business Tendency Survey have continued to remain robust in 2019. Responses from the finance sector suggest particularly positive sentiment, with the headline 'business activity' reading from March 2019 being the strongest for three years. The sector remains strongly positive on new business and future business activity and is reporting the strongest employment growth since the survey began in 2009

– with 44% of businesses (weighted by employment) reporting increasing staff numbers and only 9% contracting. However, the forecast for full-year profitability in 2019 was weak relative to recent years, when firms were surveyed on this indicator in December 2018.

Non-finance sectors have tended to be less positive in their responses to the Business Tendency Survey. The headline indicator has fallen since the middle of 2018, and was relatively neutral in March 2019 – suggesting that an equal number of firms (weighted by employment) are reporting a decline in business activity as those who are reporting an increase. The construction sector, in particular, has seen falling sentiment, and business optimism for the sector has turned negative for the first time since 2013. Responses from wholesale and retail have been volatile, and while it appears that cost pressures remain for the sector, there is some positivity around future business activity.

The Fiscal Policy Panel's latest forecast from March 2019 is for the economy to remain relatively buoyant over the next five years, with growth easing to 1% this year due to uncertainties over Brexit, before bouncing back to 1.4% in 2020. The Panel has forecast

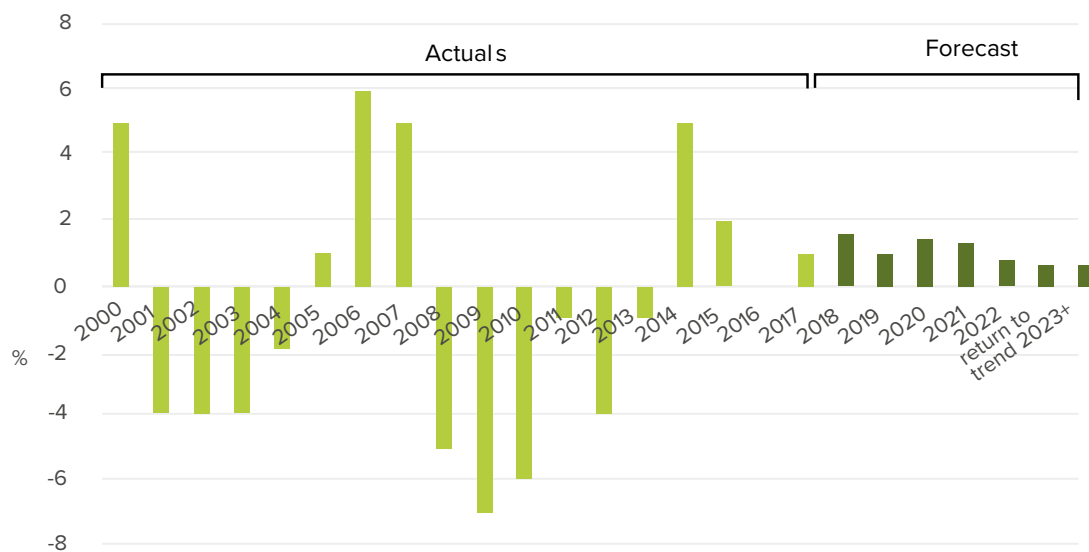


Figure 4 – GVA trends: percentage change in real GVA, actuals and forecast

Source: Statistics Jersey; Fiscal Policy Panel

the economy to slowly return to trend growth (0.6%) over the following two years. However, this is subject to a number of risks relating to Brexit, poor recent productivity performance, and risks around the finance sector.

Jersey's productivity has been on a downward trend for most of the past 20 years, though much of the overall fall occurred during the years immediately following the global financial crisis. Productivity in financial services is much higher than for non-finance, but has fallen by a third since 2008, while productivity in non-finance has been stable over the same period. The Fiscal Policy Panel's central forecast for future productivity growth has increased slightly, but remains low, with the finance sector forecast to see a 0.5% growth each year over 2020-30, but with no clear evidence to suggest any significant improvement in the non-finance sector. Combined with ageing demographics, this is the key challenge to Jersey's budgetary position in the medium-to-long term.

## Jersey's fiscal framework for 2020 and beyond

The fiscal framework was last published in 2015 and has operated successfully over the period of the last Medium-Term Financial Plan (2016-19), with the budget broadly balanced over the economic cycle. The 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; in particular regarding the balance of income and expenditure (ie budget deficits or surpluses).

There have been a number of developments since 2015 that necessitate a refresh of the fiscal framework:

- The new Public Finances Law approved by the States Assembly in June 2019
- Recent advice from the Fiscal Policy Panel on the appropriate size of the Strategic Reserve and Stabilisation Fund
- The recent actuarial reviews of the Social Security Fund, Long-Term Care Fund and Health Insurance Fund.

The Treasury Minister intends to publish a new fiscal framework before the Government Plan debate. The key points from this are summarised here.

## The balance sheet

Key to assessing the sustainability of the public sector finances is the balance sheet – ie the assets available to help ensure that Jersey can meet its liabilities. There are a number of different key metrics that inform this assessment:

- public sector net worth (ie total assets minus liabilities)
- public sector net financial assets (ie financial assets minus liabilities)
- gross external debt (ie borrowing)
- gross financial assets (ie the size of reserves/funds).

The Fiscal Policy Panel has set an ambition that the Strategic Reserve should be not less than 30% of GVA. While there are a range of options to increase the size of the Strategic Reserve (including transferring from other reserves or borrowing), the preferred approach is to retain the investment returns and make further contributions from the budget as appropriate. This leads to an ‘anchor’ for the Government Plan period, that the Strategic Reserve should grow as a proportion of GDP, while also raising the overall level of net assets / net worth.

The Fiscal Policy Panel will be asked to monitor how this is achieved, and the impact on the four metrics above, in line with its remit under the new Public Finances Law to report on “the medium-term and long-term sustainability of the States’ finances, in light of... financial assets and liabilities”.

**Fiscal guideline: 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.**

### The current budget position

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.

Taking each of these terms in turn:

**Primary:** this means that investment returns and, conversely, debt interest, are not included in the calculation. The Social Security Funds are ring-fenced, so both revenue (contributions) and expenditures are excluded. Both the Social Security Funds and the Strategic Reserve are hypothecated and so retain investment income.

**Current budget:** this is the ‘operating budget’ (ie income minus revenue expenditure plus depreciation). Because this budget excludes capital expenditure, this means that some adjustment needs to be made to ensure that capital expenditure cannot be reduced in order to find a budget balance – as this would reduce the value of physical assets and therefore negatively impact on net public sector worth. Increasing assets (physical or financial) must therefore be at least the amount of depreciation.

**Structural:** this means that the budgetary position is adjusted, depending on the stage of the economic cycle, to remove the temporary effects on revenue and expenditure. As the economic cycle cannot be directly observed, the advice of the Fiscal Policy Panel will be required to make this ‘cyclical adjustment’ and estimate the structural budget balance. This means that when the economy is weak, a cyclical adjustment can be made to account for any temporary reduction in revenue or increase in expenditure in response to the economic weakness; conversely when the economy is stronger the higher revenues and lower expenditure can be removed.

**Fiscal guideline: to run a primary structural current balance or surplus in the long term until the Strategic Reserve is judged large enough to meet its mandate.**

### **Borrowing and use of financial assets**

Borrowing should not generally be used to fund current expenditure, as this would lead to a reduction in public sector net worth. There are four situations in which borrowing or use of financial assets could be appropriate:

- to fund capital expenditure – this would mean that a physical asset is created in return for reducing the level of net financial assets. This could be justified if the asset to be created either provides a financial return in future or if it provides a service for residents, who will then pay for the borrowing through their taxes to refinance existing borrowing
- for the purposes set out specifically for each fund
- for fiscal stimulus if the Stabilisation Fund is exhausted.

However, even if borrowing is restricted to funding only capital expenditure, there is an inevitable tension between debt sustainability and higher levels of borrowing that lowers net financial assets. For example, an increase in public investment would increase debt, but may deliver non-monetary benefits and may strengthen future public revenues. 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 Fiscal Policy Panel, who will be consulted on any significant borrowing or use of reserves.

**Fiscal guideline: borrow only to finance investment (or refinance liabilities), except under times of economic duress, and monitor the impact on net financial assets**



### 3. Guiding principles

#### Financial principles

In developing the Government Plan, we adopted a series of principles and good practice:

<b>Long-term financial sustainability, with balanced budgets in the medium term</b>	The Government Plan should be consistent with the aim of ensuring long-term financial sustainability and have regard to Fiscal Policy Panel recommendations
	Provide flexibility to be able to make investment 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
<b>Investment</b>	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
<b>Efficiency and effectiveness</b>	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
<b>Fees and taxation</b>	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 efficiencies and prioritisation have been addressed
	For new areas of significant investment, 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.

### Tax policy principles

In determining the tax structure for the Government Plan, the Government has rolled forward and adapted the long-term tax policy principles as follows:

<b>Fair and sustainable</b>	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
<b>Support broader Government policy</b>	Taxes must be internationally competitive
	Taxation should support economic, environmental and social policy
<b>Efficient and effective</b>	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

## 4. Public sector spending 2020-23

The Medium-Term Financial Plan (MTFP) 2016-19 was developed at a time of continuing economic uncertainty which necessitated continuing savings. It included more than £60 million of investment in operational expenditure by 2019, which was funded largely by an efficiency programme. However, the rigidity of the MTFP meant that it has not been possible to reflect the impact of emerging areas where recurring investment has been required. An example of this is the investment resulting from the Independent Jersey Care Inquiry, where permanent recurring funding can only now be put in place, having previously been funded from contingency monies.

This was recognised in the Transition Report 2019, and subsequently additional budget allocations have been made. Taking into account the most up-to-date information, the 2019 budget approved in the MTFP of £735 million has been increased to allowable spend of £800 million. The additional funding for this was provided from unspent funds in previous years.

The new Public Finances Law and the shift to a Government Plan means that we now have the ability to include such ongoing commitments in our base budgets. The Council of Ministers has decided to continue to fund the majority of additional spend agreed to previously, as funding will continue to deliver core services and is linked closely to objectives that underpin Government priorities.

To ensure transparency of decision making, we have included these amounts as investments, to recognise all changes since the last approval by the States Assembly. In addition, there will be new investment to support the delivery of the Common Strategic Policy priorities. Resources released by the efficiency programme help make this investment possible.

Over the period 2020-23, we will increase the amount that we spend meeting our commitments and delivering day-to-day services to Islanders to £924 million by 2023. In addition, we will be investing £349 million in our Island's infrastructure and technology over the period.

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Opening base budget</b>	<b>734,845</b>	<b>822,416</b>	<b>853,538</b>	<b>887,828</b>
New investment in CSP priorities	80,734	27,755	20,713	6,358
Inflation and Legislative Decisions	39,837	20,767	31,277	36,210
Efficiencies	(33,000)	(17,400)	(17,700)	(18,900)
<b>Total net departmental expenditure</b>	<b>822,416</b>	<b>853,538</b>	<b>887,828</b>	<b>911,496</b>
Capital programme	90,640	91,801	87,478	78,868
<b>Total Government Net Expenditure</b>	<b>913,056</b>	<b>945,339</b>	<b>975,306</b>	<b>990,364</b>

Table 5 – Government expenditure<sup>21</sup>

<sup>21</sup>See Appendix 4 (4) and (7)

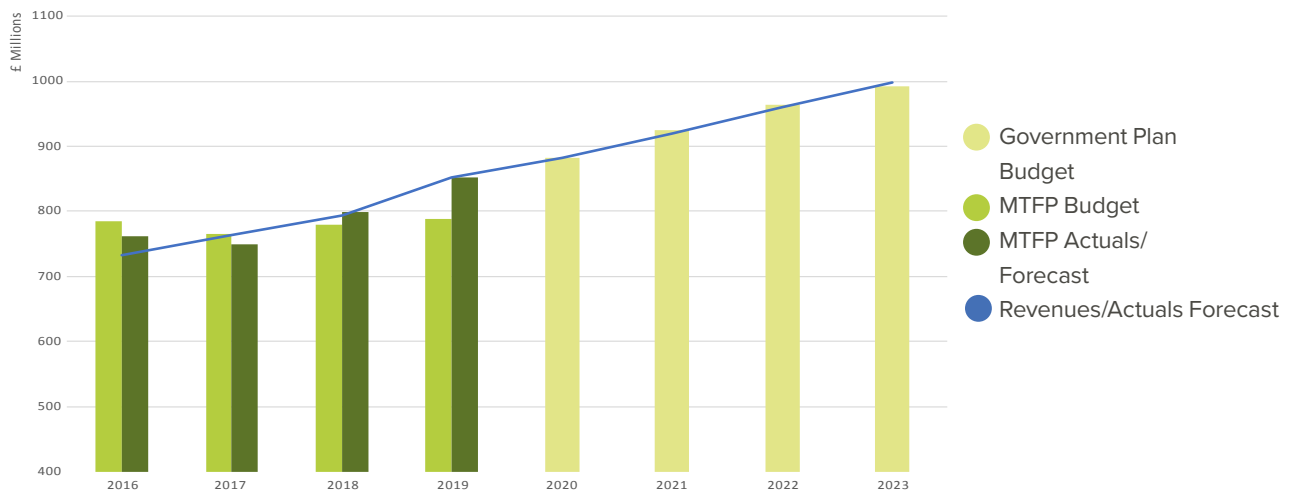


Figure 6 – Income and expenditure trends<sup>22</sup>

Figure 6 shows how the budget is forecast to be broadly balanced by 2019, and throughout the Government Plan period, after allowing for depreciation and in-year transfers to the Stabilisation Fund. It also illustrates how forecast spend and available budgets exceed the budget for 2019 in the Medium-Term Financial Plan.

### Investment in the Common Strategic Policy priorities

The Government Plan sets out investment worth £136 million by 2023 in operating activities above the last position agreed by the States Assembly, that will directly

contribute to improving the outcomes of the Common Strategic Policy. This is in addition to annual spending as part of the existing budget, which will also contribute to delivering activities and outcomes associated with the five strategic priorities.

The table below illustrates the total value of investment proposals in each of the Common Strategic Policy priorities over the Government Plan period. These investments include decisions made during the Medium-Term Financial Plan that the Council of Ministers have agreed to continue, alongside new investment.

	2020 Allocation (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
Put children first	20,676	23,531	24,895	25,310
Improve wellbeing	12,716	23,476	28,823	34,849
Vibrant economy	14,964	19,353	22,445	23,511
Reduce inequality	3,922	6,541	6,276	6,141
Protect our environment	3,095	3,365	4,365	4,340
Modernising Government	25,361	32,223	42,398	41,409
<b>Total</b>	<b>80,734</b>	<b>108,489</b>	<b>129,202</b>	<b>135,560</b>
Net movement	80,734	27,755	20,713	6,358

Table 7 – Investment by CSP priority<sup>23</sup>

Further information about these investments is included in PART 2.

<sup>22</sup> See Appendix 4 (4) and (7)

<sup>23</sup> See Appendix 4 (4)



## Inflation and legislative decisions

It is both prudent and good financial management to plan for the impact of economic influences on Government finances. As such, we have set aside amounts to cover inflationary pressures, including pay, benefits, and non-staff inflation. We have also reflected the impact of previously-agreed changes to ensure that public sector pension schemes are sustainable (£8 million), as well as proposed changes to return the value of the States Grant made to the Social Security Fund to its full value (an increase of £28 million), and addressed the financial impact of the waste and health charges assumed in the previous MTFP not being implemented (£9 million). See Section 8 for more information.

## Revenue heads of expenditure

The Government Plan is required, by the Public Finances Law, to set out the proposed amount to be spent from the Consolidated Fund by each head of expenditure, after allowing for any income earned (estimated at £100 million in 2020). Heads of expenditure within this Government departmental plan relate to each department in the Target Operating Model, non-Ministerial departments, and of those covering central items and reserves.

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 2020, and estimates produced for 2021 to 2023. The departmental expenditure limits incorporate both existing resource requirements and investments.

There are a number of items that also contribute to total net expenditure, summarised below:

- **Reserve for centrally-held items:** some

elements of expenditure, for example those relating to inflation, 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. In practice, the 2020 amount will be reflected as fully allocated to departments in the 2021 Government Plan, and so on in each subsequent Government Plan.

- **General reserve:** the reserve is held outside of operational expenditure limits, and can be used to meet unforeseen pressures, or to provide advance funding for urgent expenditure in the public interest. In each year, amounts are held to manage fluctuations in benefit expenditure due to economic changes, and to allow one-off investment for emerging priorities. In 2020 an additional provision has been made to meet potential redundancy costs of implementing the new Target Operating Model. We have agreed that to ensure that Jersey remains a safe place to live, work and visit we will increase the number of States of Jersey Police officers. If required, up to £730,000 will be made available from the reserve once the phasing of this is agreed, and after taking into account vacancies.

## Efficiencies

More detail about the Efficiencies Programme is included in PART 2 Section 7.

	2020 Allocation (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
<b>Departments</b>				
Chief Operating Office	37,704	42,539	53,240	53,093
Children, Young People, Education & Skills	147,637	150,851	153,060	153,992
Customer and Local Services	90,661	93,367	95,086	97,042
Growth, Housing and Environment	64,402	70,408	72,823	72,598
Health and Community Services	211,387	221,979	227,125	233,133
Jersey Overseas Aid	12,431	13,311	14,231	15,211
Justice and Home Affairs	54,119	55,373	55,548	55,693
Office of the Chief Executive	18,951	18,816	18,626	18,806
Strategic Policy, Performance and Population	12,508	11,548	10,225	9,706
Treasury and Exchequer	129,763	133,237	146,135	164,306
<b>Departments total</b>	<b>779,563</b>	<b>811,429</b>	<b>846,099</b>	<b>873,580</b>
<b>Non Ministerial States Bodies</b>				
Bailiff's Chamber	2,222	1,737	1,737	1,737
Comptroller & Auditor General	857	857	857	857
Judicial Greffe	7,474	7,488	7,510	7,434
Law Officers Department	8,657	8,665	8,677	8,690
Office of the Lieutenant Governor	757	757	887	757
Official Analyst	585	585	585	585
Probation	2,113	2,113	2,113	2,113
States Assembly	7,542	7,477	7,677	7,316
Viscount's Department	1,824	1,825	1,828	1,831
<b>Non-Ministerial States Bodies total</b>	<b>32,031</b>	<b>31,504</b>	<b>31,871</b>	<b>31,320</b>
<b>Reserves</b>				
Reserve for centrally held items	32,172	53,005	69,958	85,596
General reserve	11,650	8,000	8,000	8,000
<b>Reserves Total</b>	<b>43,822</b>	<b>61,005</b>	<b>77,958</b>	<b>93,596</b>
Efficiencies	(33,000)	(50,400)	(68,100)	(87,000)
<b>Total net revenue expenditure</b>	<b>822,416</b>	<b>853,538</b>	<b>887,828</b>	<b>911,496</b>

Table 8 – Heads of expenditure 2020-23<sup>24</sup><sup>24</sup> See Appendix 4 (4) and (7)

## Resources mapped to Ministerial portfolios

Under the new Target Operating Model, 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.

	2020 Allocation (£000) <sup>4,7</sup>	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
<b>Minister</b>				
Chief Minister	48,397	52,671	62,754	62,279
Minister for Children and Housing	31,557	35,759	35,589	35,639
Minister for Economic Development, Tourism, Sport and Culture	23,832	28,268	31,083	31,133
Minister for Education	120,798	121,786	123,784	124,496
Minister for External Relations	11,946	11,461	11,151	11,131
Minister for Health and Social Services	213,430	223,920	229,081	235,107
Minister for Home Affairs	54,364	55,579	55,762	55,915
Minister for Infrastructure	38,976	38,976	38,976	38,976
Minister for International Development	12,431	13,311	14,231	15,211
Minister for Social Security	184,572	188,482	202,355	222,307
Minister for the Environment	7,259	7,479	8,429	8,354
Minister for Treasury and Resources	33,674	35,421	34,613	34,668
Non-Ministerial	30,358	29,820	30,162	29,684
<b>Total Departmental Net Revenue Expenditure</b>	<b>811,594</b>	<b>842,933</b>	<b>877,970</b>	<b>904,900</b>
<b>Reserves (regulated by the Minister for Treasury and Resources)</b>				
Reserve for centrally held items	32,172	53,005	69,958	85,596
General reserve	11,650	8,000	8,000	8,000
<b>Reserves Total</b>	<b>43,822</b>	<b>61,005</b>	<b>77,958</b>	<b>93,596</b>
Efficiencies	(33,000)	(50,400)	(68,100)	(87,000)
<b>Total Net Revenue Expenditure</b>	<b>822,416</b>	<b>853,538</b>	<b>887,828</b>	<b>911,496</b>

Table 9 – Net revenue expenditure by Minister<sup>25</sup>

<sup>25</sup> See Appendix 4 (4) and (7) - Following the lodging of the Government Plan, it was identified that some amounts had been incorrectly mapped. This table shows the corrected position.

## 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 over the period 2020-23 reflects an estimated uplift in asset values, as a result of either assets being created or replaced.

	2020 Estimate (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
Depreciation	52,702	56,410	59,779	63,608

Table 10 – Depreciation

## Planning for the impact of future policies

We have an ambitious programme of policy development over the period of the Government Plan, which will define a number of key future and integral programmes of investment. These policies are not at the stage where resources can be accurately assigned to individual activities. As part of the Government Plan, the resources required to complete these reviews are included within the departmental expenditure limits and, where appropriate, future year resource allocations have been notionally assigned. .

The three significant areas are:

### **The Climate Change Emergency Fund:**

To respond to the climate emergency and ensure early implementation of the Carbon Neutral Strategy, we will create a new Climate Emergency Fund. The fund will be established with an initial allocation, in 2020, of £5 million from the Consolidated Fund. Acknowledging the long-term nature of the climate emergency, we also wish to provide sustainable sources of income to the Climate Emergency Fund. The Government Plan proposes increases to fuel duty and to deposit the element of the duty increase above inflation into the Climate Emergency Fund.

**Assisted Home Ownership Scheme:** The Housing Policy Development Board is taking a long-term view of the housing market and is considering options to ensure appropriate renting and ownership choices are available in Jersey to help with housing costs, to increase the supply of land and finance, to maximise the use of existing stock and to consider options to reduce the cost of building new homes. £10 million has been earmarked from the Consolidated Fund in 2021 to support home ownership schemes for households who are unable to purchase a home in the open market.

### **Government of Jersey Independent Review of School Funding:**

How schools are funded is currently being reviewed. The Council of Ministers will take action on the outcome and recommendations of this review and ensure that any cost implications form part of the next proposed Government Plan. Any identified need for increased school funds that is agreed by the Council of Ministers for the start of the 2020 – 2021 academic year in September 2020 will be allocated from available reserves or departmental underspent budgets in the first instance.



## 5. Capital 2020-23

### The capital programme

The Government Plan includes a programme of investments in our Island's infrastructure and other assets. The capital programme covers projects starting during the four years of the plan and includes funding for those projects that extend beyond this period.

The capital programme invests Government funds into the creation, improvement and extension of assets that support the delivery of services in Jersey and have a life of a more than a year and, in some cases, will last for decades.

Funding proposals for 2020-23 are targeted to projects that address the priorities in the Government's Common Strategic Policy. This will result in improvement to our Island's public buildings, such as schools, healthcare facilities and the prison. It also directs funding to Jersey's infrastructure, such as roads, sewers and sea defences, which we all rely upon, and to improving the look and feel of our Island through a programme of regeneration in St Helier and across the parishes.

Funding is also allocated to replace essential equipment that supports the services that the Government provides. From hospital CT scanners to fishery protection vessels, sports equipment to fire appliances, the capital programme provides for their replacement to ensure that the equipment we use is up to date and right for the job.

In order to enable an efficient Government and the delivery of our efficiencies it is essential in this plan that we make significant investment in technology. From modern systems and tools to enable our workforce to have the infrastructure they require, through to investing in essential cyber security to keep our information safe.

### Previous investments and key live projects

Investment proposed for the next four years, and beyond, builds on the investment made in previous funding cycles. In the last decade, we have seen significant investment in some of our Island's estates and built infrastructure, although this has been insufficient overall to redress the impacts of historic underinvestment.

The redevelopment and refurbishment of schools has created a strong education property portfolio, including ongoing major projects at Les Quennevais, St Mary and Grainville. Demands on space and modern teaching methods change, so facilities have to grow and adapt.

Modernisation of solid and liquid waste facilities continues to provide Jersey with robust systems for dealing with the waste that Islanders and business generate into the foreseeable future. But these facilities will need continual replacement and upgrading to meet demands on capacity and ensure continued compliance with environmental standards.

Through innovative funding mechanisms and working with arms-length and partner bodies, our affordable housing stock is increasing and the catalyst for regeneration, through the creation of the Finance Centre, is changing the urban landscape.

Yet more needs to be done – and at pace. There are areas of severe under-investment, particularly in Health and Community Services, resulting in unacceptable service delivery. There is an urgent need for a level of investment that exceeds that previously allocated to the capital programme.

## 2020-23 capital programme

The proposed capital programme invests in our Island's infrastructure across the four years of the Government Plan and includes funding for projects that extend beyond this period.

The programme provides for expenditure grouped under the following programme areas:

Capital programme area	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)	Total (£000)
Pre-feasibility vote	11,200	1,700	250	0	13,150
Discrimination law, safeguarding and regulation of care	2,500	2,600	2,600	2,000	9,700
Schools extensions and Improvements	2,000	5,701	5,650	1,750	15,101
Infrastructure including the Rolling Vote	24,050	22,370	20,650	23,150	90,220
Information technology	25,461	31,393	23,871	10,100	90,825
Replacement assets	10,085	8,360	5,884	8,627	32,956
Other estates including new schools	14,344	18,177	26,773	31,241	90,535
Reserve for central risk and inflation funding	1,000	1,500	1,800	2,000	6,300
<b>Sub total</b>	<b>90,640</b>	<b>91,801</b>	<b>87,478</b>	<b>78,868</b>	<b>348,787</b>

Table 11 – Capital programme 2020-23

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

such as the Jersey Car Parking Trading Fund, over the four years of the plan.

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)	Total (£000)
Trading Funds	1,553	1,022	7,040	4,058	13,673

Table 12 – Trading Funds capital 2020-23

## What has changed

The approval of the new Public Finances (Jersey) Law in June 2019 provided, among other things, for a change in the way funding is allocated for projects within the Government's Capital Programme

### Grouped heads of expenditure

The law requires the creation of heads of expenditure to which a budget can be allocated. Previously, a head of expenditure was created for each individual capital

project, with the exception of 'rolling vote' allocations for programmes of works, such as infrastructure. This approach provided clarity as to the funding allocated to each project, but limited flexibility across the Capital Programme.

For example, a school project may be delayed as a result of achieving planning approval, acquiring land or another reason that impacts on the critical path. At the same time an 'urgent' project may be identified

that is required but cannot be progressed as it has no funding approval and specific head of expenditure.

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

### Annual allocation of funding

The new law also enables funding for projects to be allocated on an annual cash requirement, replacing the current system whereby the States Assembly allocates the full budget upfront for a project. The previous allocation process means that the Government has large amounts of cash tied up in projects which it is not able to utilise, resulting in the delay of some high-priority projects, while the public accounts show that the Government is holding large cash balances. This is not an efficient and effective use of public monies.

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

### Risk funding

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

### Pre-feasibility vote

Setting an appropriate and prudent level of funding will require a more mature approach to the development of project business cases and feasibility assessment. To facilitate this, a head of expenditure called 'pre-feasibility vote' has been created, which provides funding to undertake assessment of proposals for projects and develop robust and comprehensive business cases.

### Major projects and projects requiring alternative funding sources

The new Public Finances Law defines 'major projects' under Article 1 as follows:

'major project' means –

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

The Government Plan has therefore deemed four projects, to be funded by the Consolidated Fund, as 'major projects':

- Microsoft Foundation (Information Technology)
- Integrated Technology Solution (Information Technology)
- Cyber Security (Information Technology)
- Vehicle Testing Centre (Estates)

In addition, funding is allocated in 2020 to move schemes forward that modernise the Government's office estate; invest in the Island's sporting facilities and determine the future of Fort Regent; develop a way forward for a new further education campus; develop a plan for the Rouge Bouillon site; and produce new plans for 'Our Hospital' and mental health services. These projects are also likely to be deemed major projects in future plans.

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

Funding has been allocated in the pre-feasibility vote head of expenditure to

develop thinking around the important and complex projects, in order that robust business cases can be prepared, which clearly identify the preferred way forward for each, setting out affordable funding options and appropriate mechanisms for delivery.

These allocations can be summarised as follows:

Capital Programme area	Department	2020 (£000)	2021 (£000)	Total (£000)	Decision (£000)
Office modernisation strategy	Growth, Housing and Environment	1,000	0	1,000	1,000
Further education campus	Children, Young People, Education and Skills	400	0	400	400
Fort Regent	Growth, Housing and Environment	2,000	0	2,000	2,000
Our Hospital	Health and Community Services	5,000	1,600	6,600	6,600
Island sport facilities	Growth, Housing and Environment	700	0	700	700

Table 13 – Major projects requiring alternative funding sources

## IT Infrastructure

The Government has ambitious plans to improve services, coupled with the need to achieve sustainable savings in operating costs.

We will be critically dependent on technology to achieve our future aims, but we also have to deal with a substantial ‘technology debt’, an historical lack of investment in capability and a shortfall in the capacity to handle current demand.

Without significant and strategic investment in technology, we will fail to achieve our commitments to the Common Strategic Policy and the longer-term aims of the One Government initiative.

We have identified five key strategic elements of the vision for a modern and effective Government that are underpinned by technology:

- every Islander will be able to engage with the Government through paying tax, accessing Social Security and accessing health services digitally
- the Government will establish a record which allows a single view of Islanders’ data
- an efficient and effective billing and collection approach will support Islanders’ experience of transacting financially with the Government



- this will be supported by an effective and efficient workforce, with the tools required to operate flexibly in a digital world
- our infrastructure systems and data will be resilient, and protected against cyber-attack.

These elements have informed and been utilised in developing a proposal for a prioritised investment in technology. The proposed investment will be used to enable and support the objectives outlined above through the introduction of technology capabilities in the following areas:

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

## Office modernisation strategy

The existing office arrangements do not provide an environment to enable the One Government service model to be delivered.

The office environments are outdated, based on a variety of cellular spaces and standard desk types, alongside formal meeting rooms. While some have been configured as open-plan spaces (such as the Broad Street interim HQ), this is not the norm and there are limited other work settings to choose from across the estate. This does not support the ways of working that department's need in a modern, collaborative Government. Workplaces also fail to offer any flexibility for growth or change without significant cost or churn activity.

The primary strategy is to develop a new office facility which can accommodate the Government's needs. This will enable the Government to cease its ongoing lease liabilities across several properties and dispose of freehold buildings that are no

longer required or which are no longer fit for purpose.

## Further education campus

The current Highlands Campus buildings are approaching the end of their economic life and in some cases are obsolete. More importantly, the learning environments are not fit for purpose and do not meet the reasonable expectations of students of all ages and abilities. Nor do they allow the college to respond positively to the evolving skills needs of the Island's businesses and workforce. Further education cannot fulfil its ambition to be forward looking and technically current in buildings that are in poor condition and unsuitable for 21st century learning.

Capital investment will enable the Government to invest strategically in the first-ever purpose-built further education provision in the Island, enabling and encouraging economic diversification and improving job opportunities for local people in a world-class education and skills establishment.

## Fort Regent

Fort Regent is one of Jersey's historic assets, and while it has suffered from under-investment over decades, the Government believes that it has the potential once again to become an integral part of the Island's community, while also appealing to a wider UK and international market, particularly through visitor and business tourism.

A key aspiration is to make Fort Regent more accessible for both Islanders and visitors and provision for hosting large numbers of people at events.

An initial option appraisal has been undertaken to explore options to redevelop the Fort considering three key overarching objectives:

- create a meaningful use for the Fort
- ensure that there is public access – accessible to all
- deliver complimentary uses to support and

grow the business and tourism economy.

The options for the Fort's redevelopment are varied. However, the primary case for change is that the investment costs simply to keep the facility open in its current state may not present good value for money or meet future objectives.

An initial long list of ten emerging options were developed and three key themes emerged as preferred for further development, testing, and appraisal:

1. **Conference, Leisure and Community**  
The potential to include large conference, events, hotel, casino and leisure facilities.
2. **Botanical Gardens and Heritage**  
Place making and meaningful uses for a botanical 'Tivoli Gardens' type of development.
3. **Sports Village**  
Redevelop the existing provision with the potential for a 50m pool and associated facilities.

## Our Hospital

In response to the States Assembly's approval of P.5/2019 to rescind the designation of Gloucester Street as the preferred site for the Future Hospital, the Chief Minister set out, in his report to the States Assembly in May 2019 (R54), the process for design, public engagement, site selection and planning application for a new hospital project, to be called 'Our Hospital'.

The project has been set a challenging 20-month timeline to get to the submission of an outline planning application and business case, in order to deliver a new hospital broadly to the timetable of the withdrawn Gloucester Street proposal. This will be the single biggest capital undertaking in Jersey's history, and will include investment in a digital care strategy.

## Mental Health Services

The Island's Mental Health Services have been the subject of sustained review and

assessment for a number of years and are recognised as being functionally obsolete, in terms of the way in which services are delivered in best performing organisations. Many of the buildings currently used are also physically obsolete, so capital investment is needed alongside service improvements.

## Island sports facilities

This project will ensure Jersey delivers Inspiring Places to be Active by delivering modern sports, leisure and fitness facilities that are an essential component of Jersey having a highly active population. There are three main work streams which make up this project:

- Island sport campus
- wider sporting estate improvements and lifecycle planning
- netball facility.

Once these projects have been sufficiently progressed and an outline business case has been developed, given the Government's scale of ambition and the range of potential future development opportunities that it has to consider, these major projects are unlikely to be contained within the funding available in the Consolidated Fund, and will probably require innovative funding and procurement solutions to be developed as part of the feasibility assessment and full business case production.

Alternative funding opportunities will be considered in 2019 and 2020 with the aim of accelerating the delivery of Common Strategic Policy priorities, maximising funding opportunities and creating a sustainable funding platform.

## An Infrastructure Fund for Jersey

Many places have successfully established infrastructure funds to finance major projects. These funds typically take the form of a recyclable or evergreen fund, whereby funds are reinvested over a medium to long term to create a sustainable fund. These funds not only reduce the dependency on public sector finances, but can also be used to strengthen skills and resource planning capability and drive collaboration with the third-party investors, including Government arms-length bodies, sovereign wealth funds, high-net-worth individuals, pension funds, the private sector and other institutional investors. The Government can choose to invest at a fund or project-level, or both.

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

Consideration will be given to the case for an Infrastructure Fund in Jersey, potential investment opportunities and options for fund structure, scale, evaluation criteria and governance arrangements. Moving to new funding arrangements of this nature can take place either by taking small steps through pilot initiatives, or by taking one bold step to establish a larger-scale fund.

Robust transparency and accountability is an essential prerequisite of any fund where decisions are taken by elected Members following independent advice. This will not

only underpin the legitimacy of decision-making, but will enable elected Members to exercise strict control over funding and long-term investment strategy. The decision to establish a new fund will be informed by a business case and can only be taken by the States Assembly.

Funding is included in the pre-feasibility vote to work towards the establishment of a fund and sets out how it could operate, the necessary safeguards, governance and transparency measures prior to a proposition being lodged for debate in 2020.

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

A full list of the capital programme is shown in table 14.

Capital Programme area	Department	CSP					Total	Decision
			2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)	2020-23 (£000)	(£000)
<b>Pre-feasibility Vote</b>	<b>T&amp;E</b>		<b>11,200</b>	<b>1,700</b>	<b>250</b>	<b>-</b>	<b>13,150</b>	<b>11,200</b>
Jersey Instrumental Music Service Premises		1	150					
VCP Replacement School		1	150					
North of St Helier Youth Centre		1	500					
Le Squez Youth Centre/Community Hubs		1	250					
Rouge Bouillon site review		1	150					
Mont à l'Abbé secondary school		1			250			
Review of Greenfields		1		100				
Office Strategy		OI3	1,000					
Piquet House - Family Court		1	150					
Further Education Campus		3	400					
Fort Regent		3	2,000					
Our Hospital		2	5,000	1,600				
Learning Difficulties		2	250					
Island Sports Facilities, Inspiring Places		3	700					
Infrastructure Funding		OI4	500					
<b>Discrimination Law, safeguarding and Reg of Care</b>	<b>GHE</b>		<b>2,500</b>	<b>2,600</b>	<b>2,600</b>	<b>2,000</b>	<b>9,700</b>	<b>2,500</b>
Schools		1						
Children's residential homes		1						
Youth Centre /Community Hubs		1						
Community Site Improvements		2						
<b>Schools extensions and Improvements</b>	<b>GHE</b>		<b>2,000</b>	<b>5,701</b>	<b>5,650</b>	<b>1,750</b>	<b>15,101</b>	<b>2,000</b>
Le Rocquier - school & community sports facilities		1		1,305	2,400	1,000	4,705	
School 3G Pitch replacements		1	750	750	750	750	3,000	
School Field development - Grainville, St John		1	400	400			800	
Les Landes Nursery		1		500	500		1,000	
Mont à l'Abbé extension		1	850	650			1,500	
Extend La Moye Hall and 2 additional classrooms		1		1,000	1,000		2,000	
Extension to JCG School Hall		1		260			260	
JCG and JCP additional music facilities		1		500	1,000		1,500	
JCG and JCP new playing fields		1		336			336	

Table 14 – Capital &amp; Major Projects Eol



Capital Programme area	Department	CSP	2020	2021	2022	2023	Total	Decision
			2020-23			2020-23		
			(£000)	(£000)	(£000)	(£000)	(£000)	(£000)
<b>Infrastructure including the Rolling Vote</b>	<b>GHE</b>		<b>14,700</b>	<b>16,870</b>	<b>19,150</b>	<b>21,650</b>	<b>72,370</b>	<b>14,700</b>
Rolling Vote		5	12,650	12,370	13,650	13,650	52,320	
STW Odour Mitigation (P.115/2017)		5		1,500			1,500	
Bellozanne STW Outfall Rehabilitation		5				1,000	1,000	
First Tower Pumping Station Upgrade		5	650				650	
Inert Waste Site Feasibility		5	500				500	
La Collette Waste Site Development		5	500	500	500	500	2,000	
Island Public Realm including St Helier		5	400	2,500	5,000	6,500	14,400	
Sewage Treatment Works (Existing Major Project)		5	7,850	4,000			11,850	11,850
Drainage Foul Sewer Extensions		5	1,500	1,500	1,500	1,500	6,000	1,500
<b>Information Technology</b>			<b>25,461</b>	<b>31,393</b>	<b>23,871</b>	<b>10,100</b>	<b>90,825</b>	
MS Foundation (Major Project)	COO	OI3	3,330	5,670			9,000	9,000
Integrated Tech Solution (Major Project)	COO	OI3	7,400	9,200	11,400		28,000	28,000
Replacement assets	COO	OI3	5,000	5,000	5,000	5,000	20,000	5,000
Pride Software - JG	NON MIN	OI3			200		200	
Phoenix Software - Viscounts	NON MIN	OI3	45			300	345	45
Court Digitisation	NON MIN	OI3	500	1,093	1,043	1,300	3,936	500
Regulation Group Digital Assets	GHE	OI3	120	1,230	1,230		2,580	120
Next Passport Project	JHA	OI3			998		998	
Combined Control IT	JHA	OI3	2,299				2,299	2,299
Electronic Patient Records	JHA	OI3	667				667	667
Electronic Document Management Solution	COO	OI3		500	1,000	1,000	2,500	
Cyber (Major Project)	COO	OI3	6,100	7,700			13,800	13,800
Customer Relationship Management	COO	OI3			2,000	2,500	4,500	
Service Digitisation	COO	OI3		1,000	1,000		2,000	
<b>Replacement Assets</b>			<b>10,085</b>	<b>8,360</b>	<b>5,884</b>	<b>8,627</b>	<b>32,956</b>	
Replacement Assets and Minor Capital	CYPES	1	200	200	200	250	850	200
Replacement Assets (Various)	HCS	2	2,900	2,750	2,600	2,750	11,000	2,900
Sports Division Refurbishment	GHE	3	300	1,300			1,600	300
New Skatepark (net of PoJ Funding)	GHE	3	250	535			785	250
Refit & Replacement of Fisheries Protection Vessel & Auxiliary Vessels	GHE	5	580			2,800	3,380	580
Replacement Assets and Minor Capital	GHE	5	4,333	2,862	2,668	2,565	12,428	4,333

Capital Programme area	Department	GSP	2020	2021	2022	2023	Total	Decision
			(£000)	(£000)	(£000)	(£000)	2020-23	(£000)
Minor Capital	JHA	None	561	236	166	62	1,025	561
Minor Capital-Police	JHA -Police	None	200	200	200	200	800	200
Equipment Replacement	JHA -Police	None	170	100	50		320	170
Replacement of Aerial Ladder Platform	JHA	None	591	177			768	591
<b>Estates including new Schools</b>			14,344	18,177	26,773	31,241	90,535	
Jersey Instrumental Music Service Premises	CYPES	1			2,000	1,120	3,120	
VCP Replacement School	CYPES	1			1,000	2,000	3,000	
Le Squez Youth Centre/Community Hubs	CYPES	1			2,000	2,300	4,300	
North of St. Helier Youth Centre	CYPES	1		2,000	1,250	1,000	4,250	
St Aubin Fort Upgrade	CYPES	1			500	500	1,000	
Mont à l'Abbé secondary school	CYPES	1				1,350	1,350	
Review of Greenfields	CYPES	1			1,250	2,500	3,750	
Elizabeth Castle Development	GHE	5			1,265	2,425	3,690	
Vehicle Testing Centre (Major Project)	GHE	5	250	2,000	2,925	1,300	6,475	6,475
Prison Improvement Works - Phase 6b	GHE	None	1,714	90			1,804	1,714
Prison Phase 7	JHA	None				2,263	2,263	
Prison Phase 8	JHA	None		666	1,609	133	2,408	
Conversion Courtroom 1 Magistrates Court	NON-MINS	None	450				450	450
Dewberry House SARC	JHA -Police	1	1,000	1,550			2,550	1,000
Piquet House - Family Court	NON-MINS	None		1,071	779		1,850	
Mental Health Improvements	GHE	2	3,930				3,930	3,930
Health Services Improvements (including vital IT Investment)	HCS	2	5,000	5,000	5,000	5,000	20,000	5,000
Five Oaks Refurbishment	HCS	2	2,000	1,500			3,500	2,000
Learning Difficulties	HCS	2		2,300	2,195	2,350	6,845	
Rouge Bouillon Site review outcome	GHE	None		2,000	5,000	7,000	14,000	
<b>Reserve for Central Risk and Inflation Funding</b>			1,000	1,500	1,800	2,000	6,300	1,000
<b>Total</b>			<b>90,640</b>	<b>91,801</b>	<b>87,478</b>	<b>78,868</b>	<b>348,787</b>	<b>134,835</b>
Jersey Fleet Management - Vehicle and Plant Replacement	JFM	5	1,000	1,000	1,000	1,000	4,000	1,000
Jersey Car Parking - Car Park Enhancement and Refurbishment	JCP	5	553	22	6,040	3,058	9,673	553
<b>Trading Funds</b>			<b>1,553</b>	<b>1,022</b>	<b>7,040</b>	<b>4,058</b>	<b>13,673</b>	<b>1,553</b>

## 6. General Revenue Income

### General tax revenues

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

Tax	Description
Income tax	The Government levies a tax on two sources of income. Firstly, the income earned by individuals in the form of personal income taxation 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 Transaction Tax is levied on share transfers involving shares which give the owner the right to occupy property in Jersey.

### Funding public expenditure

The Government has two main sources of general income to fund ongoing, annual expenditure. We are also proposing a

number of revenue measures that will increase this income.

2019 Forecast (£000)		2020 Estimate (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
778,481	General tax revenue	816,364	854,053	892,705	928,672
74,505	Other Government income	66,095	65,349	66,957	69,338
<b>852,986</b>	<b>Total States Income</b>	<b>882,459</b>	<b>919,402</b>	<b>959,662</b>	<b>998,010</b>

Table 15 – Proposed General Revenue Income<sup>26</sup>

<sup>26</sup> See Appendix 4 (7)

## Income forecasts for Spring 2019 and Autumn 2019<sup>27</sup>

The proposed Government Plan 2020-2023 as lodged on 23rd July 2019 was based on the income forecasts for spring 2019. This information is provided at 'Income forecasts for spring 2019' below.

In September 2019, the Fiscal Policy Panel subsequently published updated

economic assumptions from which updated forecasts were made. Details were given to the States Assembly prior to the debate in the Addendum to the Government Plan (P.71/2019(Add)) and are summarised at 'Revised income forecasts for autumn 2019' below.

## Income forecasts for spring 2019

A new forecast of general tax revenues for the years 2019-23 has been prepared by the Income Forecasting Group to inform the development of this plan. Revised forecasts are informed in particular by the latest revenue receipts (from 2018) and the latest economic forecasts endorsed by the Fiscal Policy Panel. These economic assumptions will be revised over the summer and a forecast update will be prepared by the Income Forecasting Group; this may give rise to amendments to the Government Plan.

The revised forecast shows an increase in general tax revenues across each year of the forecast, compared to the previous forecast produced in September 2018. The main reasons for this increase are outlined in detail below, but in summary include stronger outturn than expected in 2018, particularly in corporate income tax and GST, and the impact of the stronger economic assumptions provided by the Fiscal Policy Panel, particularly in relation to the later years of the Government Plan period. In addition a change in accounting treatment has 'accelerated' the recognition of some personal income tax forward by one financial year.

The Income Forecasting Group's forecast is produced as a central scenario within a range for 2019-23, the range reflecting the risks around the forecast. Those risks are

broadly consistent with those identified in the Fiscal Policy Panel's advice for the 2020-23 Government Plan. At a high level, these risks included Brexit, risks to financial services, challenges around productivity and demographic pressures.

The Income Forecasting Group considers that each of these risks result in considerable uncertainty in the forecasts – with the balance to the downside, but also with some upside potential. Productivity and demographic pressures are likely to be more long-term risks, but Brexit and risks to financial services have more potential to cause uncertainty over the forecast period to 2023.

However, the Income Forecasting Group notes a modest improvement in the Fiscal Policy Panel's longer-term forecasts for productivity growth in financial services.

The table below sets out the central scenario provided by the Income Forecasting Group, which we have used in planning, after allowing for proposed budget measures. But it is recognised that uncertainty in the economy could have an impact on the amount of tax revenues collected, leading to a potential impact on expenditure.

<sup>27</sup> See Appendix 4 (7)



2019 Forecast (£000)	Tax/duty	2020 Estimate (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
586,000	Income Tax	614,000	645,000	675,000	706,000
93,443	GST	95,919	98,353	100,551	102,689
65,756	Impôt duties	70,365	72,806	75,313	77,025
35,891	Stamp duty	37,118	38,105	39,769	41,020
<b>781,090</b>	<b>Central scenario</b>	<b>817,402</b>	<b>854,264</b>	<b>890,633</b>	<b>926,734</b>
4.70%	Annual growth %	4.60%	4.50%	4.30%	4.10%
2,000	Domestic Compliance	7,000	9,600	11,900	13,000
<b>783,090</b>	<b>General Tax Revenue</b>	<b>824,402</b>	<b>863,864</b>	<b>902,533</b>	<b>939,734</b>

Table 16 – Revised forecast (spring 2019) for Government income from tax and duty

The range around the central forecast has been extended, along with the central forecast, to 2023, and has been updated and re-modelled to reflect the revised range of economic assumptions (see Figure 17).

The Income Forecasting Group continues to emphasise the need to include flexibility within future financial planning given the risks above, and this is particularly reflected by the range around the income forecast.

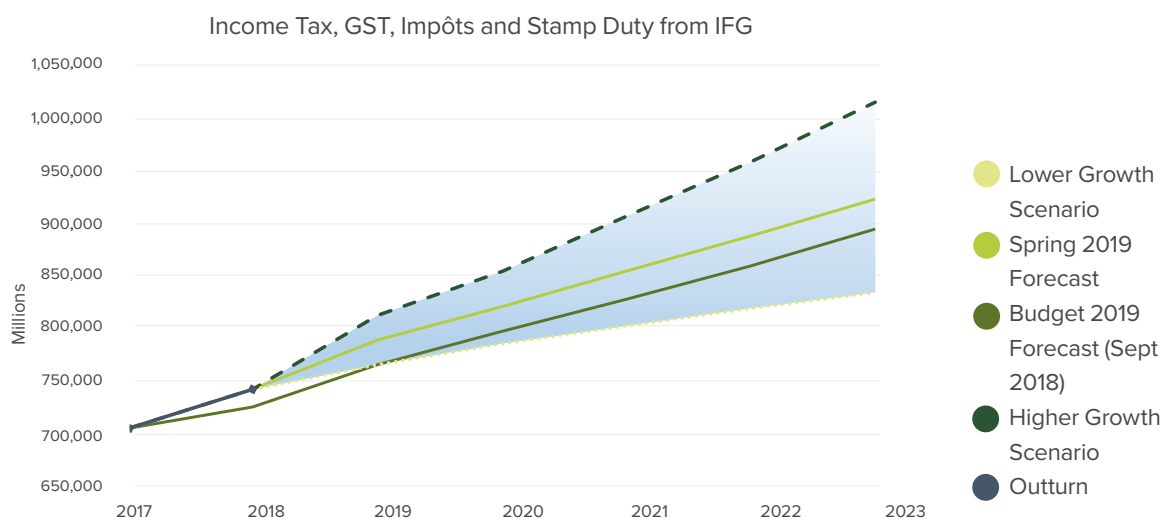


Figure 17 – Range of income forecasts from tax and duty (spring 2019)<sup>28</sup>

As noted above, the revised forecast shows a number of variations compared to the September 2018 forecast and which in overall terms produce an improvement in 2019 and all forecast years to 2023. The main forecast variations are as follows:

### Personal income tax

The revised forecast is broadly consistent with the previous forecast, although there

are a number of changes within the forecast which broadly net to zero.

The outturn data for 2018 suggests around £1 million less tax in the 2018 year of assessment, with the impact of this rising to £4 million by the 2022 year of assessment. However, the latest employment income data from ITIS for 2018 supports a £3 million increase to the forecast in each year.

<sup>28</sup>See Appendix 4 (7)

The combination of new economic assumptions from the Fiscal Policy Panel and updated estimations of their relationship with taxable income results in a net decrease of £2 million in the forecast from the 2019 year of assessment onward.

### Change in accounting treatment of personal income tax

Consistent with international accounting standards, the Treasury and Exchequer is now at a stage where it considers that we should be recognising all personal income tax in the year in which the income being taxed arises (ie the tax arising on income earned in the 2019 year of assessment should be recognised in the Government's accounts for 2019).

This change in accounting approach has the effect of accelerating the 'remaining' personal income tax forward by one year in the Government's accounts, as previously this treatment only applied to those taxpayers who pay tax by way of ITIS on current year basis.

The impact over the period of this acceleration is to increase the forecast in 2020 by £11 million and by £13 million by 2023.

### Corporate income tax

The improved outturn for 2018 and intelligence from the 2018 year of assessment appeals result in an improved base forecast of £98 million. This improvement in the base broadly recurs across the forecast period.

The small downward revision in financial services profits growth in 2019 has resulted in slower growth in corporate income tax across the forecast period.

### GST, International Services Entities fees and import GST

Island GST revenues are forecast to increase beyond the September 2018 forecast, due

to higher levels in 2018 and the updated Fiscal Policy Panel assumption that there will be real GVA growth in the years 2020-23, resulting in additional growth in GST revenues from 2020 onwards.

### Impôts duties

The duty increases agreed in Budget 2019 and the updated Fiscal Policy Panel assumptions increase the September 2018 forecast by around £1.5 million in 2019 onwards.

### Stamp duty

Stamp duty is forecast to increase beyond the September 2018 forecast, as a result of the 2018 outturn in house prices and housing turnover, and the updated Fiscal Policy Panel assumptions relating to the housing market.

### Revised Income Forecasts for Autumn 2019

Following the release of updated economic assumptions by the Fiscal Policy Panel ("FPP") a revised forecast of income from taxation (including from duties) for the years 2019 – 23, before allowing for revenue measures proposed in the government plan, was prepared by the IFG. The revised forecast reflects:

- the FPP's economic assumptions of September 2019<sup>29</sup> and other related updated economic data for Jersey;
- relevant outturn data available for the period January to August 2019;
- an update to the accounting treatment for the recognition of personal income tax; and
- intelligence from the IFG affecting future forecasts.

The revised forecast shows a decrease in general tax revenues across each year of the forecast period compared to that produced in spring 2019 and used to inform the development of the Government Plan 2020 - 2023.

The FPP's advice in October 2019<sup>30</sup> sets out

<sup>29</sup> See FPP Updated Economic Assumptions - September 2019

a number of risks around Jersey's economy and fiscal position over the short, medium and long term including further analysis of risks to financial services and challenges around productivity and demographic pressures.

The IFG consider that each of these risks result in considerable uncertainty in the

income forecasts – with the balance to the downside, but also with some upside potential.

The IFG forecast does not include amounts raised through the proposed changes to taxation and duty in the Government Plan. The table below sets out the revised income forecast provided by the IFG for 2019 - 2023,

2019 Forecast (£000)	Tax / Duty	2020 Estimate (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
585,000	Income Tax	609,000	638,000	668,000	698,000
94,100	GST	96,700	99,700	102,000	104,000
63,738	Impôt duties	68,263	70,499	72,998	74,698
33,643	Stamp duty	35,401	36,254	37,807	38,974
<b>776,481</b>	<b>Central scenario</b>	<b>809,364</b>	<b>844,453</b>	<b>880,805</b>	<b>915,672</b>
5.70%	Annual growth %	4.20%	4.30%	4.30%	4.00%
2,000	Domestic Compliance	7,000	9,600	11,900	13,000
<b>778,481</b>	<b>General Tax Revenue</b>	<b>816,364</b>	<b>854,053</b>	<b>892,705</b>	<b>928,672</b>

Table 16A – Revised forecast (Autumn 2019) for Government income from tax and duty<sup>31</sup>

adjusted to include the impact of those measures:

The downturn in income from taxation is explained by the following variations:

## Personal Income Tax

There is an overall decrease in the forecast ranging from £4 million in 2019 to £11 million in 2023 due to a number of components:

- New economics data for the 2018 outturn of GVA and FTE employment, 2019 outturn data on earnings, and partial employment outturn figures have resulted in a net decrease to the forecast £6 million in 2019 to £9 million in 2023.
- The latest FPP economic assumptions have resulted in a further small reduction to the forecast (£1 million to £2 million per year). This is primarily due to the lower forecast for earnings and employment in 2020 but lower interest rates also have a negative impact by the end of the period,

as they reduce the forecast of income from bank interest.

- Following a review of the modelling assumptions applied to High Value Residents an increase of £1 million has been included in the first three years of the forecast.

The forecast includes a significant increase in personal tax in 2019, when compared to the 2018 outturn, reflecting the recent change in accounting policy for the recognition of personal tax (described further on page 154 of the Government Plan. The difference between the 2018 outturn and the 2019 forecast reflects two years of growth in taxable income. The impact of this change was not included in the opening Consolidated Fund balance in the Government Plan, and as the Treasury is planning to progress the adjustment to the in 2019, this opening position is expected to improve by £12 million.

<sup>30</sup> See FPP Annual Report - October 2019

<sup>31</sup> See Appendix 4 (7)

## Corporate Income Tax

IFG's established approach to forecasting corporate tax is to assume that tax grows in line with the FPP economic assumption for financial services profit growth as most corporate tax is raised from financial services firms.

Updated data from Statistics Jersey shows a 9.6 per cent increase in 'gross operating surplus' ("GOS" – a national accounts measure of profits) in 2018 for financial services. After applying this growth rate to the forecast and utilising in-year data from Revenue Jersey the IFG agreed an additional £3 million of corporate tax should be included in the forecast from 2019 onward. This is on top of the additional £9 million included in the Budget 2018 for the extension of corporate tax and definition of financial services.

## GST, International Services Entities and import GST

Following analysis by the Government of Jersey's Economics Unit an updated model, approved by the IFG, has been produced for the forecasting of "normal" and import GST. Compared against historical outturns the new model has an error rate of 1% whereas the previous methodology had an error rate of 3%.

The updated forecast is solely based on the new methodology and provides a slight (£0.7 million) increase to the spring forecast for 2019 used in the Government Plan

## Impôts duties

In-year data indicates a decline in the importation volumes of items subject to duty, particularly tobacco. The reduced volumes and the updated economic assumptions result in a decrease of around £2 million in each year of the forecast.

## Stamp duty

A decline in property transactions subject to stamp duty, and a decrease in the FPP assumption for housing transactions in 2020

has resulted in a reduction in the estimated income due from stamp duty of around £2 million for each year of the forecast.

## Summary of proposed tax and duty changes in this Government Plan

The general tax revenue figures above also reflect the following proposed tax and duty changes:

- inflation-linked increases in standard income tax exemption thresholds for 2020, reducing the income tax payable by the vast majority of taxpayers who benefit from the availability of marginal tax relief. The forecast for the other years of the plan assumes that this policy continues. However, this will be revisited in the proposals for modernising the personal tax system, which will be lodged in the coming months
- a £250 increase in second earner's allowance, to help maintain parity between married couples and cohabiting couples, where both partners are earning
- RPI plus 5% increase for 2020 in respect of tobacco duties, with a signal of intent that this will be repeated for each year of Government Plan period, raising additional revenue, while giving clarity over the future direction of tobacco duties, to encourage reduced consumption and providing industry with greater certainty
- a range of increases in alcohol duties for 2020, raising additional revenue while helping to deliver on the Government's alcohol health objectives
- a reduction in the GST de-minimis threshold, applied when goods are imported into Jersey by individuals, from £240 to £135 (effective from 1 July 2020), aligning with changes to the customs duties de-minimis threshold, while helping to level the playing field between local and online retailers and acknowledging the global direction-of-travel to eventually remove GST de-minimis thresholds entirely



- as part of the response to the climate emergency, a 6p per litre increase in the duty applied on road fuels – with the majority of the additional revenue raised from this increase (around 4p per litre) being ring-fenced into the Climate Emergency Fund – together with proposals for 2p per litre above-inflation increases in road fuel in 2021 and 2022, to continue to fund the response to the climate emergency.

In addition, the Government Plan contains further ring-fenced revenue-raising proposals, where the revenue raised is paid directly into the Long-Term Care Fund and the Social Security Fund, rather than into general tax revenues:

- a 0.5% increase in the headline rate of Long-Term Care contributions from 2020, together with an increase in the income cap from £176,232 to £250,000, to place the Long-Term Care Fund on a sustainable

basis, preventing the need for further increases in the rate of Long-Term Care contribution within the next 15-20 years<sup>32</sup>

- an increase of 0.5% in the employer and Class 2 Social Security contributions paid in respect of those earnings in excess of £53,304 up to the new income cap of £250,000, to help fund a range of family-friendly benefits from the Social Security Fund.

More details on each of these proposals is provided below (see section 6 for details of the measures which impact on General Revenue Income and section 7 for details of the measures which impact on the Long-Term Care Fund and the Social Security Fund).

---

<sup>32</sup> See Appendix 4 (6)

## 7. Budget proposals

### Income tax (personal taxation) Income tax exemption thresholds

The income tax exemption thresholds set the income level at which an individual or married couple or civil partnership<sup>33</sup> start to pay personal income tax. An individual or married 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, nor will they 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<sup>34</sup>. This means that the relevant income tax exemption threshold reduces the amount of income that is subject to tax at the marginal rate. This represents close to 90% of taxpayers, so increasing the income tax exemption threshold benefits the vast majority of taxpayers.

Established policy has been to increase the standard income tax exemption thresholds for the next year of assessment by the lower of the June figures published by Statistics Jersey for: (i) the increase in the Retail Price Index; and (ii) the increase in average earnings. The Government Plan is being lodged earlier in the year than Budgets have

historically been published, so at the date of lodging the relevant statistical data for June 2019 is not yet available.

The States Assembly agreed that the standard income tax exemption thresholds for the 2020 year of assessment are increased by 3.1%, being the lower of the Fiscal Policy Panel's forecasts for: (i) the assumed increase in the Retail Price Index for 2019 (3.1%); and (ii) the assumed increase in average earnings for 2019 (4.0%) at the time of lodging.

On the basis that a 3.1% increase in the standard income tax exemption thresholds for the 2020 year of assessment was factored into the spring 2019 income forecast, there is no cost implication from the income forecast of this proposal.

The impact of this proposal on the standard income tax exemption thresholds is shown in the table below:

Type of taxpayer	2019 actual	2020 proposed	Proposed increase	Tax reduction @ 26%
Single person	£15,400	£15,900	£500	£130
Married couple / civil partnership	£24,800	£25,550	£750	£195

Table 18 – Standard income tax exemption thresholds for 2019 and 2020 year of allowances

As the following table highlights, the income tax exemption thresholds in Jersey are generous compared to the equivalent tax

allowances in Guernsey, the UK and the Isle of Man.

<sup>33</sup> In the remainder of this document, the term 'married couple' should be read as also referring to civil partnerships.

<sup>34</sup> Taxpayers born before 1952 are entitled to an enhanced income tax exemption threshold.

Jersey (2020 proposed)	Guernsey (2019)	UK (2019/20)	Isle of Man (2019/20)
£15,900	£11,000	£12,500	£14,000

Table 19 – Single person exemption thresholds/personal allowance across comparable jurisdictions

Over recent years, the established policy has been to move towards a single set of income tax exemption thresholds for all taxpayers, regardless of when they were born. There are currently higher income tax exemption thresholds for those born before 1952.

With the proposed increase to the standard income tax exemption thresholds for the 2020 year of assessment, alignment of thresholds will have been achieved in the context of single persons. If the existing policy is maintained, the alignment of the married couple income tax exemption threshold would be achieved in the 2021 year of assessment.

### Second earner's allowance

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

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

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

In the Budget 2018, second earner's allowance was increased, so that the married couple's income tax exemption threshold, plus the second earner's allowance, was equal to two single person's income tax exemption thresholds – removing the tax benefit of cohabiting in these circumstances. This policy was maintained in the 2019 Budget and Ministers propose to maintain this policy by increasing second earner's allowance, so that for the 2020 year of assessment the married couple's income tax exemption threshold, plus the second earner's allowance, is equal to two single persons' income tax exemption thresholds.

In light of Ministers' proposals regarding standard income tax exemption thresholds (see above), to maintain this policy requires a £250 increase to second earner's allowance, taking it to £6,250 for the 2020 year of assessment.

Second earner's allowance (2019)	Proposed second earner's allowance (2020)	Increase (and tax benefit at 26%)
£6,000	£6,250	£250 (£65)

Table 20 – Second earner's allowance proposal for 2020

Type of taxpayer		Income tax exemption threshold (2020) proposed	Second earner's allowance (2020) proposed	Total
Single person x 2	£31,800	N/A	£31,800	£31,800
Married couple / civil partnership	£25,550	£6,250	£31,800	£31,800

Table 21 – Comparison of proposed 2020 year of assessment allowances – married vs cohabiting (both earning)

This increase in the second earner's allowance, as existing policy, was factored into the spring 2019 income forecast and hence there is no cost implication from the income forecast of this proposal.

While this is an improvement on the position prior to the 2018 year of assessment, the now-established policy does not fully equalise the tax treatment of married couples and cohabiting couples in all situations. For some households, it will remain tax beneficial to be married, while for other households it will remain tax beneficial to cohabit. Information regarding the progress of the personal tax review has been provided below.

The legislative amendments to give effect to Ministers' proposals on income tax exemption thresholds and second earner's allowance will be included in the annual Finance Law, which will be lodged with the States Assembly in time for it to be debated immediately after the Government Plan debate.

### The de-minimis threshold on the importation of goods

Jersey currently applies a de-minimis threshold to the importation of goods. It is widely referred to as a '£240 threshold', which applies to goods imported up to the value of £240. However, the threshold is actually a taxes threshold of £12 (5% of £240), which applies to the combined total of Goods and Services Tax (GST), customs duties and excise duties. If the total of these taxes on importation amounts to less than £12, then no taxes are collected by Customs.

Ministers are proposing that this combined £12 taxes threshold be de-coupled and reduced with effect from 1 July 2020, in the following way:

- i. a £135 value threshold would apply to both GST and customs duties. If a good valued below £135 is imported after this date, neither GST nor customs duties would be collected, and
- ii. a £6.75 excise duties threshold to coincide with the GST and customs duties changes. If a good is imported after this date that is subject to excise duties (such as alcohol or tobacco) then excise duties will not be collected if the excise duties are below £6.75.

There are a number of reasons for proposing these changes.

1. A £135 GST threshold would align with the customs duties threshold

During 2018, Jersey entered into a Customs Arrangement with the UK to ensure that no customs duties will be levied on the trade of goods between the UK and Jersey post-Brexit. Under the terms of this Customs Arrangement Jersey needs to 'correspond' with the UK's 'at border' customs duties measures, in particular the UK's de-minimis threshold of £135 for the collection of customs duties on goods from 'third countries', and hence Ministers propose that Jersey will correspond with the UK on the collection of customs duties in this regard



2. A first step towards alignment by Jersey with international standards

Governments have historically used de-minimis thresholds to avoid incurring high tax collection costs on low-value imports, where these costs would exceed tax revenues generated. However, the rise of internet shopping means that individuals now import many more goods than ever before. International policymakers, including the OECD, have become concerned about the impact of these thresholds on domestic retailers and are clear that such de-minimis thresholds are no longer appropriate.

*“Over recent years, many VAT/GST countries have seen a significant and rapid growth in the volume of low-value imports of goods on which VAT/GST is not collected resulting in decreased VAT/GST revenues and potentially unfair competitive pressures on domestic retailers who are required to charge VAT/GST on their sales to domestic consumers.”*

The EU is seeking to completely remove VAT de-minimis thresholds across EU Member States from 2021 (only six months after the proposed reductions in Jersey would take effect). It is likely that a global standard to abolish de-minimis thresholds will also be introduced in the near future and Jersey should be a ‘fast-follower’ to this global standard.

3. At a de-minimis level of £135, additional GST revenues collected would still exceed the costs of detaining extra parcels

Technological developments and improved productivity at Customs and Jersey Post mean that the additional GST generated from detaining extra parcels will still exceed the additional costs involved, at a de-minimis level of £135. The extra GST collected at £135 would be approximately £800,000

annually, whereas additional costs are estimated to be £200,000.

To ensure that the de-minimis thresholds for GST, customs duties and excise duties are amended in an orderly manner, Ministers propose making the necessary changes with effect from 1 July 2020.

The legislative amendments to give effect to Ministers’ proposals on de-minimis thresholds will be included in the annual Finance Law, which will be lodged with the States Assembly in time for it to be debated immediately after the Government Plan.

## Impôt (excise) duties

Excise duties are levied on the importation/manufacture of tobacco products, alcoholic beverages, road fuels and motor vehicles. Ministers’ proposals regarding each of these duties for 2020 and subsequent years are outlined below.

In addition, detailed comments on the establishment of a Climate Emergency Fund and the ring-fencing of an element of the proposed increase in the excise duty levied on road fuels have been provided in the Government’s interim response to the climate emergency and hence have not been reproduced below.

The legislative amendments to give effect to Ministers’ proposals on excise duties will be included in the annual Finance Law, which will be lodged with the States Assembly in time for it to be debated immediately after the Government Plan debate. It is proposed that the increases in excise duties will take effect at midnight on 31 December 2019.

## Tobacco

Ministers intend to adopt an integrated approach to achieving their health and well-being goals with a renewed focus on prevention. In this context Ministers recognise that smoking-related illness remains a significant burden on our health care system and society as a whole.

While a whole package of measures are required, as set out in the Government's Tobacco Strategy, reliable evidence indicates that the price of tobacco products is strongly linked to consumption, particularly regarding the uptake among children and young people, and population harm; hence Ministers are proposing a 8.1% (equating to the Fiscal Policy Panel's forecast RPI for 2019 plus 5%) increase in the duty levied on tobacco products (with the exception of hand-rolling tobacco – see below) for 2020. This above-RPI increase is consistent with the Government's commitment to continue to increase price through the Tobacco Strategy.

In recent Budgets, Ministers have established a policy of closing the differential between the duty charged on hand-rolling tobacco and the tobacco contained in cigarettes, on the basis that hand-rolling tobacco is no less harmful than other tobacco products. In 2019 there is a nearly £50 per kg of tobacco differential in the amount of impôts duty charged on hand-rolling tobacco versus the tobacco contained in cigarettes.

In order to continue the policy of closing this differential, Ministers propose to increase the duty on hand-rolling tobacco by 11.1% (equating to the Fiscal Policy Panel's forecast increase in RPI plus 8%). Provided this policy is maintained, modelling indicates that the duty on the tobacco in cigarettes and hand-rolling tobacco should be aligned in about 2023.

The proposed increase in duty for tobacco products for 2020 of 8.1% equates to a 49p increase in the duty on a standard packet of 20 cigarettes (up from £6.04 per packet to £6.53); while the increase on hand-rolling tobacco of 11.1% equates to a £2.42 increase per 50g pouch (up from £21.79 per pouch to £24.21).

Ministers are aware that the duty on tobacco products has been subject to a wide range of increases in the recent past (over the last five Budgets, increases have ranged from under 5% to nearly 10%). As part of this Government Plan, Ministers consider that there are benefits from indicating their proposals on tobacco duty across the Government Plan

period – providing stability for industry, while clearly signposting to consumers how much the duty on tobacco products will increase by 2023, in the expectation that this signposted increase might create a step change in behaviour.

As a result Ministers are indicating that they are proposing to increase the rate of duty on tobacco products by prevailing RPI plus 5% in each of 2021, 2022 and 2023. If this policy is maintained the duty on a standard packet of 20 cigarettes is forecast to be £8.13 in 2023 – an increase of £2.09 over the duty currently charged.

As a result of these proposals, it is estimated that the duty collected on all tobacco will be increased by £0.9 million in 2020, £1.8 million in 2021, £2.7 million in 2022 and £3.7 million in 2023.

## Road fuel

The Government has carefully considered the impact of fossil fuels on the environment, both in terms of air pollution and in their contribution to global warming. In the light of the declaration by the States Assembly of a climate emergency, we have therefore decided to increase road fuel duty, for both petrol and diesel, to encourage drivers to switch from fossil fuel vehicles to cleaner vehicles, and to public transport, cycling and walking, and to provide pump-priming for the Climate Emergency Fund.

The Government is proposing to increase road fuel duty by 6p a litre from 2020. Part of this increase will be to keep pace with inflation, but around 4p a litre will be invested directly into the Climate Emergency Fund, to be used to pay for initiatives that will accelerate Jersey's move to carbon neutrality by 2030.

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

The Government is also signalling that it intends to maintain above-inflation increases in road fuel duty, with plans to increase road

fuel duty by 2p above inflation in both 2021 and 2022.

Further details on the Climate Emergency Fund and the impact of the proposed fuel duty increases can be found in the Government's interim response to the climate emergency.

## Alcohol

In determining their proposals on excise duties on alcoholic beverages, Ministers have considered the overall financial position and the advice that they have received from public health.

Jersey has some of the highest levels of alcohol consumption in Europe. Of those who drink (9 out of 10 people), roughly a quarter do so at a hazardous or harmful level. This is a validated measure which indicates consumption that is likely to cause, or may already be causing, physical and/or mental health harms.

One in five crimes are linked to alcohol use and over 100 cases of domestic violence were reported as being alcohol-related last year. Jersey also has a high rate of alcohol-specific hospital admissions, when compared to the English average (around 900 per 100,000 in Jersey, compared to 500 per 100,000 in England).

Prevention strategies to reduce the impact of alcohol-related harm in populations have been well researched, with some, such as public education campaigns, proving to be weaker and some proving much more reliable in bringing about behaviour change. The evidence for the impact of the price of alcohol is abundant and extremely robust. Price regulation through measures such as taxation are advocated by the World Health Organisation as one of the most effective tools governments can use to reduce alcohol-related harm in populations with high consumption levels such as Jersey.

In terms of the future level of alcohol duties, since 1995 duty on wine and spirits has not increased in line with the duty on beer and cider, which has seen increases of almost

two-fold comparatively. As a result wine duty rates in Jersey are now much lower than both Guernsey and the UK. In Jersey, wine is the type of alcohol most often consumed in a hazardous and harmful way, by a much larger number of people.

Regarding spirits, this is the type of alcohol consumed most by children and young people, almost a quarter of whom reported in the recent school survey that they would reduce their consumption of alcohol if price was to increase. Given the increased harm of alcohol to the developing adolescent brain and risks of developing dependence into adulthood, there are significant public health gains consistent with putting children first by ensuring duty reflects harm and reduces consumption among this vulnerable group.

In the context of beer and cider it is noted that products with higher alcohol content have an increased potential for alcohol-related physical and social harm and hence duty rates should reflect this.

Ministers acknowledge that reform of the Licensing (Jersey) Law 1974 has taken longer than originally anticipated. Consequently, consideration is being given to the lodging of a suitable in-principle proposition later this year or, alternatively, inviting the Assembly to hold an in-committee debate on liquor and alcohol licensing in either 2019 or 2020.

After considering the full range of issues, including the need to raise additional revenue to fund the expenditure proposals contained in this plan, Ministers proposals on duty on alcohol are summarised in the following table with differentiated increase being applied depending on the type and strength of the particular alcoholic beverage:

Commodity	Duty for 2020 proposed increase (%)
Spirits	14.0% (RPI +10.9%)
Wine (ABV exceeding 1.2%, but not exceeding 5.5%)	3.1% (RPI)
Wine (ABV exceeding 5.5%, but not exceeding 15%)	4.1% (RPI +1.0%)
Wine (ABV exceeding 15%)	12.0% (RPI +8.9%)
Beer/cider (ABV exceeding 1.2%, but not exceeding 2.8%) ('low alcohol')	3.1% (RPI)
Beer/cider (ABV exceeding 2.8%, but not exceeding 4.9%) ('standard')	3.1% (RPI)
Beer/cider (ABV exceeding 4.9%) ('strong')	12% (RPI +8.9%)

Table 22 – Proposed increases in alcohol duty for 2020

Commodity	Impôts duty 2020 proposed increase (p)*
Spirits – litre bottle at 40% abv	208p
Wine – 75cl bottle of table wine	6p
Pint of standard strength beer/cider	1p
Pint of 'strong' beer/cider	8p

Table 23 – Proposed increases in alcohol duty for 2020 on certain commodities

As a result of these proposals, it is estimated that the duty collected on all alcohol will total approximately £23.7 million in 2020. The Income Forecasting Group forecast is based on the assumption that all alcohol duties in 2020 will increase in line with inflation (ie 3.1%), in accordance with minimum-expected increases under recent policy. Therefore, this increase in alcohol duties will result in an additional income of approximately £1.0 million in 2020 against forecast – which broadly recurs across 2021, 2022 and 2023.

The impact of the duty proposals on the commodities across the Island are set out in the tables below.

Commodity	2019 Impôts duty	Proposed increase	Proposed 2020 Impôts duty
Litre bottle of whisky at 40% abv	£14.89	14.00%	£16.97
Bottle of table wine	£1.58	4.10%	£1.64
Pint of standard strength beer/cider	38p	3.10%	39p
Pint of 'strong' beer/cider	65p	12.00%	73p
Packet of 20 king size cigarettes	£6.04	8.10%	£6.53
Litre of unleaded petrol/diesel	50p	12.00%	56p

Table 24 – Impôts duty increases proposed for 2020 on certain commodities



## Stamp duty/land transaction tax

The Housing Policy Development Board is continuing to develop its work around housing policy. Stamp duty/land transaction tax are within the scope of the board's work. No changes are proposed to stamp duty

or land transactions tax at the current time. However, proposals for changes may be brought forward in subsequent years.

## Summary of revenue measures

2020 Proposed revenue measures	(Benefit for taxpayers) / cost for taxpayers versus base (£000)	(Benefit for taxpayers) / cost for taxpayers versus forecast (£000)
Personal income tax threshold increases	(6,000)	Nil
GST de-minimis reduction	400	400
Alcohol duty increases	1,646	966
Tobacco duty increases	1,242	792
Road fuel duty increases	922	922
<b>General Revenue Total before earmarked road fuel duty increases</b>	<b>(1,790)</b>	<b>3,080</b>
Earmarked Road fuel duty increases - Climate Emergency Fund	1,845	1,845
<b>General Revenue Total</b>	<b>55</b>	<b>4,925</b>
<b>Social Security Contributions</b>		
Long-Term Care charge	12,200	12,200
Social Security Contribution rates - family friendly benefits	3,350	3,350
<b>Contributions Total</b>	<b>15,550</b>	<b>15,550</b>

Table 25 – Summary of revenue measures (Autumn 2019 Forecast)<sup>35</sup>

The income forecast is prepared based on a number of policy assumptions; namely (i) that income tax exemptions thresholds will be increased each year, and (ii) that alcohol and tobacco duties will keep pace with inflation each year to maintain their real value.

The financial impact of the revenue measures proposed in this Government Plan are correctly shown against the income forecast (ie the Income Forecasting Group independently produce the income forecast and then the impact of Ministers' proposals on that income forecast is presented).

However, this presentation does not

allow stakeholders to understand the financial impact of the policy assumptions included within the income forecast. Table 25 addresses that concern, helping stakeholders to understand the financial impact of those policy assumptions by outlining the financial impact of the revenue measures proposed in this Government Plan, on the basis that the income forecast contained no policy assumptions (described as 'base' in the table).

In particular, this table highlights the tax reduction that will be experienced by taxpayers through the proposed increase in standard income tax exemption thresholds/

<sup>35</sup> See Appendix 4 (6) and (7)

second earner's allowance. If Ministers were not proposing this increase in thresholds, general tax revenues would be £6 million higher in 2020. Instead this money is being kept in the pockets of taxpayers.

The table further highlights that in the context of General Revenue Income (monies used to fund general Government expenditure), before the proposed road fuel duty increase (which is earmarked for the Climate Emergency Fund), Ministers' proposals are overall beneficial for taxpayers – and even after the earmarked increase they are broadly revenue neutral.

## Progress of tax reviews

### Personal tax review

Over the past couple of years the Treasury has been reviewing the structure of the Island's personal tax system. This review is considering how the personal income tax system could be modernised to create a system that:

1. continues to raise a similar amount of personal income tax
2. better reflects modern society
3. is more equitable where similar households pay similar amounts of income tax
4. is simple (for taxpayers and the tax authority)
5. is understandable for taxpayers.

During the course of this review, the following aspects of the personal tax system have been examined and the views of the public gathered (primarily through a survey undertaken earlier this year):

- Unmarried people's and married man's taxation
- The dual tax calculation approach
- Income tax exemption thresholds
- Tax allowances and reliefs
- Tax rates.

The review is now concluding and Ministers will shortly be bringing in-principle recommendations for change to the States Assembly. Once the States Assembly has determined the changes that should be introduced, law drafting to amend the Income Tax Law will commence, such that the modernised personal income tax system can be introduced from the 2021 tax year. We will implement actions to modernise the Island's personal income tax system, in particular to address the historic imbalance that currently exists in the tax treatment of married women and people in same sex relationships.

### Current year payment basis

Ministers are concerned that many taxpayers who, on a prior year payment basis, are often unaware that they have a latent tax liability that will need to be paid at some point in the future, their assumption being that their income tax is being fully settled through their ITIS deductions. In many cases, the first time the taxpayer becomes aware of their latent tax liability is when they retire, take a career break or leave the Island; ITIS deductions correspondingly stop and Revenue Jersey subsequently issues a demand for the outstanding tax.

It is therefore preferable for taxpayers to pay their tax on a current year basis, such that taxpayers are up to date with their tax payments and the risk of default on tax bills is minimised. Steps have been taken over recent years to bring more taxpayers on to a current year payment basis (eg all taxpayers returning to the Island after an extended absence are put on a current year payment basis, irrespective of how they have previously paid tax in the Island). However, to prevent the issues caused when taxpayers have to pay their latent liability, often at a time when they are experiencing a reduction in their income, this Government will consider the options for bringing all taxpayers on to a current year payment basis.

### Taxation of profits from cannabis

Applications to cultivate cannabis in the Island are currently being processed, with licenses likely to be issued later this year. Under current rules any potential future corporate profits arising from the cultivation of cannabis in the Island would be subject to tax at 0%, this being the standard rate of corporate income tax. Consideration is being given to changing the rules so that profits arising from such activities are subject to a positive rate of corporate income tax. As part of this review, the Treasury is seeking to ascertain the profile of future profits and hence the timing and quantum of the potential additional tax revenues.

### Consultation regarding stamp duty on “enveloped properties”

Under current rules neither stamp duty nor land transaction tax is due where ownership of Jersey commercial real estate is transferred by way of a share transfer. As a result there is a tax incentive to hold Jersey commercial real estate within a company (the real estate is said to be “enveloped” within the company), so that no stamp duty/land transaction tax is payable when the ownership effectively changes due to the transfer of the shares in the company.

The Treasury is examining whether there is a way of removing the tax incentive to envelop commercial property in this way and is launching a consultation alongside the Government Plan describing some outline proposals for comment/feedback.

### Improved income collection

Revenue Jersey, which is responsible for all taxation and duty collection within the Treasury and Exchequer department, is implementing a new Revenue Management System, replacing an aged legacy system, and modernising its ways of working. This allows for improved risk-focused collection methods.

The related investment in resources to improve collection as part of the Efficiencies Programme, is estimated to increase revenues by £7 million in 2020, rising to £13 million in 2023.

### Administrative measures

In previous years, Budget Statements have outlined details of any administrative tax changes being proposed. Due to the earlier lodging date of the Government Plan, details of any administrative tax changes will be contained within the annual Finance Law – which will contain the proposed law changes. As outlined above, the annual Finance Law will be lodged with the States Assembly in time for it to be debated immediately after the Government Plan debate

### Other Government incomes

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

The figures in Table 26 have been updated to reflect the updated income forecast for autumn 2019 as described in the Addendum to the Government Plan.

General tax revenue	Description
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.
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 the Housing Trusts arise from the incorporation of the housing department in July 2014. The company is obliged to make a return based on the transfer agreement and an agreed rental and return policy.</p> <p>Agreements are already in place with those Housing Trusts that have moved to the 90% market rent level policy. This income stream reflects the historic income contribution made from the housing stock that was transferred to Andium.</p>

2019 Forecast (£000)		2020 Estimate (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
13,460	Island-wide rates	13,800	14,100	14,500	14,900
19,370	Income from dividends and returns	11,200	9,800	9,900	10,300
11,727	Non-dividends	10,195	9,649	9,957	10,638
29,948	Returns from Andium Homes and Housing Trusts	30,900	31,800	32,600	33,500
<b>74,505</b>	<b>Central scenario</b>	<b>66,095</b>	<b>65,349</b>	<b>66,957</b>	<b>69,338</b>

Table 26 – Other Government income<sup>36</sup><sup>36</sup> See Appendix 4 (7)



## 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 £100 million in 2020. The number of different sources of income reflects the variety of services provided by the Government. This includes fees for private patients at the hospital, school fees, fees for the disposal of inert

waste, planning fees, and income from rents and our sports facilities.

Special Funds also receive income designated to them, as well as the investment returns on fund balances. This is then used for expenditure in line with the purpose of the fund. This is covered in more detail in section 10.

---

## 8. The Government of Jersey Balance Sheet and States funds

The balance sheet provides a snapshot of the Government's financial position at the end of any given year. It sets out what the Government owns, what it owes and what is owed at any that point in time. This provides an understanding of the long-term financial risks that the Government faces.

The balance sheet is comprised of four main components:

1. **Non-current assets:** This considers the longer-term assets that the Government has available to deliver services and outcomes. It includes the buildings that the Government owns, along with other equipment that will be used over many years (eg IT, vehicles, roads, sea defences, and other infrastructure), the long-term strategic investments that the Government has made in order to deliver a return, and loans that it has issued to other organisations.
2. **Working capital or net current assets:** These represent the net day-to-day resources available to the Government. These include the cash that is held in the Government's bank accounts, the amount owed to it from creditors within the next 12 months; and the amount it needs to repay to individuals and organisations within the next 12 months. The Government has high net working capital, which means that it has more than enough current assets to meet all of its short-term financial obligations.
3. **Non-current liabilities:** Conversely, the
4. **Taxpayers' equity:** Taxpayers' equity represents the accumulation of previous surpluses and deficits and is equal to the total net assets that the Government holds.

liabilities of the Government include loans and bonds that have been taken out to fund capital projects, the long-term liabilities related to our Pension funds and any other provisions that we need to make as a result of past actions and activities where there is a strong obligation that these will need to be repaid.

### Balance sheet forecast

In recent years, our Island has maintained a strong balance sheet position, and this is forecast to be maintained throughout this Government Plan<sup>37</sup>. Our property and equipment assets will increase as we invest in capital projects. At the same time, we will protect our capital reserve funds, reinvesting returns to ensure that our investment balance grows to help manage risks and protect the long-term sustainability of the Island's finances.

<sup>37</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
- No changes in the underlying assumptions for calculating pension liabilities
- Stability of provisions and working capital throughout the period.

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Non-current assets				
Property and equipment	2,601,579	2,640,903	2,674,142	2,690,921
Loans to external organisations and other assets	204,427	225,257	221,567	216,287
Strategic investments	393,700	393,700	393,700	393,700
Investments	3,030,950	3,089,740	3,191,065	3,332,418
<b>Total non-current assets</b>	<b>6,230,666</b>	<b>6,349,620</b>	<b>6,480,504</b>	<b>6,633,366</b>
<b>Working capital (net current assets)</b>	<b>247,128</b>	<b>247,128</b>	<b>247,128</b>	<b>247,128</b>
Non-current liabilities				
Provisions	(27,898)	(27,898)	(27,898)	(27,898)
Borrowing	(243,580)	(243,680)	(243,780)	(243,880)
Pension liabilities	(421,337)	(428,063)	(434,521)	(440,665)
<b>Total non-current liabilities</b>	<b>(692,815)</b>	<b>(699,641)</b>	<b>(706,199)</b>	<b>(712,443)</b>
<b>Total net assets</b>	<b>5,784,979</b>	<b>5,897,107</b>	<b>6,021,433</b>	<b>6,168,051</b>
<b>Taxpayers' equity</b>	<b>5,784,979</b>	<b>5,897,107</b>	<b>6,021,433</b>	<b>6,168,051</b>

Table 27 – Balance Sheet forecast<sup>38</sup>

## Consolidated Fund

The Consolidated Fund is the main fund through which the Government collects tax, other revenues, and spends money in providing services.

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

During the period of the MTFP 2016-19 income exceeded forecasts, and expenditure has generally been lower than approvals to spend, which has resulted in a larger-than-forecast balance in the Consolidated

Fund at the beginning of this period. This is being used to invest in a larger capital programme and make transfers to replenish the Stabilisation Fund.

It is also planned to invest in the outcomes of the Housing Policy Development Board in 2021. It has been assumed that this will require balance sheet funding, for example if it were to take the form of a loan scheme, and the exact details will be presented in the next Government Plan.

Due to the economic uncertainties facing the Island related to Brexit and other external pressures, a larger working balance has been retained in the fund to provide flexibility. Equally, monies in the Stabilisation Fund can be drawn down if appropriate to economic circumstances.

<sup>38</sup> See Appendix 4 (4),(6)and (7)

Should income exceed expectations over the course of the plan monies could be retained in the Consolidated Fund, thereby

increasing the closing balance in the relevant years.

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Opening balance</b>	<b>168,342</b>	<b>106,459</b>	<b>62,312</b>	<b>30,668</b>
General revenues income	882,459	919,402	959,662	998,010
Departmental expenditure	(822,416)	(853,538)	(887,828)	(911,496)
<b>Forecast operating surplus</b>	<b>60,043</b>	<b>65,864</b>	<b>71,834</b>	<b>86,514</b>
<b>Major projects</b>				
Capital Programme	(90,640)	(91,801)	(87,478)	(78,868)
<b>Transfers</b>				
Consolidated Fund to Stabilisation Fund	(28,000)	(14,000)	(16,000)	(17,000)
Consolidated Fund to Climate Emergency Fund	(5,000)	0	0	0
Loans Fund to Consolidated Fund	0	5,700	0	0
Allocation for Assisted Home Ownership Scheme	0	(10,000)	0	0
<b>Capital financing</b>				
Criminal Offences Confiscation Fund to Consolidated Fund	1,714	90	0	0
<b>Closing balance</b>	<b>106,459</b>	<b>62,312</b>	<b>30,668</b>	<b>21,314</b>

Table 28 – Consolidated Fund Forecast <sup>39</sup>

<sup>39</sup> See Appendix 4 (4) and (7)



## Trading Funds

### Jersey Car Parking Trading Fund

The Jersey Car Parking trading operation manages the provision of the public parking places that are within the functions of the Minister for Infrastructure. The Government

Plan includes projects to modernise car parks, utilising the existing trading fund balance.

Jersey Car Parking Trading Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Opening balance</b>	<b>13,897</b>	<b>8,518</b>	<b>6,025</b>	<b>1,947</b>
Trading Income	8,202	8,346	8,533	8,731
Expenditure	(5,753)	(5,817)	(5,882)	(5,968)
Capital Expenditure	(7,828)	(5,022)	(6,729)	(3,058)
<b>Closing balance</b>	<b>8,518</b>	<b>6,025</b>	<b>1,947</b>	<b>1,652</b>

Table 29 – Jersey Car Parking Trading Fund

### Jersey Fleet Management Trading Fund

The Jersey Fleet Management Trading Fund manages the acquisition, maintenance, servicing, fuelling, garaging and disposal

of vehicles and mobile plant machinery on behalf of the Government.

Jersey Fleet Management Trading Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Opening balance</b>	<b>5,666</b>	<b>5,376</b>	<b>5,410</b>	<b>5,519</b>
Trading Income	4,755	4,902	5,042	5,195
Expenditure	(2,935)	(3,008)	(3,073)	(3,149)
Capital Expenditure	(2,250)	(2,000)	(2,000)	(1,750)
Asset Disposals	140	140	140	140
<b>Closing balance</b>	<b>5,376</b>	<b>5,410</b>	<b>5,519</b>	<b>5,955</b>

Table 30 – Jersey Fleet Management Trading Fund

## Special funds

The Government has a number of special funds established by individual legislation. This provides the public with the confidence that the funds remain ring-fenced and used for the specific purpose for which they were established. However, for the purposes of investment the funds are pooled together into the Common Investment Fund, thus achieving the benefits of economies of scale

and more effective risk management of the overall Government investment portfolio. Each individual fund has its own investment strategy which reflects the long-term aims of that fund, and investment returns are estimated based on the target investment return for each fund.

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Opening Balance</b>	<b>3,321,100</b>	<b>3,517,291</b>	<b>3,688,837</b>	<b>3,880,795</b>
Returns on Investments	158,700	165,000	176,300	185,000
Operational Income	402,950	416,886	440,258	468,640
Operational Expenditure	(396,745)	(418,550)	(440,600)	(462,800)
Transfers	31,286	8,210	16,000	17,000
<b>Closing Balance</b>	<b>3,517,291</b>	<b>3,688,837</b>	<b>3,880,795</b>	<b>4,088,635</b>

Table 31 – Movements in special funds<sup>40</sup>

Special funds balances	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Strategic Reserve Fund	887,200	927,200	969,800	1,014,400
Stabilisation Fund	78,500	93,400	110,600	129,000
The Health Insurance Fund	107,300	116,900	126,100	135,300
The Long-Term Care Fund	32,900	40,200	45,100	47,900
The Social Security Fund	101,350	100,436	102,794	113,734
The Social Security (Reserve) Fund	1,923,300	2,029,000	2,142,700	2,262,800
The Currency and Coinage Funds	115,400	115,400	115,400	115,400
The Jersey Reclaim Fund	16,500	16,500	16,500	16,500
Housing Development Fund	226,200	227,400	228,700	229,800
Climate Emergency Fund	4,455	4,005	4,705	5,405
Other Special Funds	24,186	18,396	18,396	18,396
<b>Total</b>	<b>3,517,291</b>	<b>3,688,837</b>	<b>3,880,795</b>	<b>4,088,635</b>

Table 32 – Special fund balances<sup>41</sup>

## Strategic Reserve Fund

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

million of funding, if called upon, for the Bank Depositors Compensation Scheme. In line with Fiscal Policy Panel recommendations, we will review the appropriate balance to be held in the Strategic Reserve, and when this has been completed, the Government can consider transfers to the Strategic Reserve in future plans.

<sup>40</sup> See Appendix 4 (6) and (7)

<sup>41</sup> See Appendix 4 (6) and (7)

Strategic Reserve Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening balance	848,200	887,200	927,200	969,800
Return on investments	39,000	40,000	42,600	44,600
Closing balance	887,200	927,200	969,800	1,014,400

Table 33 – Strategic Reserve Fund

## Stabilisation Fund

The Stabilisation Fund exists to support the Island through major economic shocks, such as the effects of the financial crisis. As explained above, the Government is acting on the Fiscal Policy Panel's advice to replenish the Stabilisation Fund, and includes

a £20 million transfer in 2020, in addition to the recommended annual transfers over the period. Further transfers to the Stabilisation Fund will be considered in future plans if these are affordable.

Stabilisation Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening balance	50,000	78,500	93,400	110,600
Return on investments	500	900	1,200	1,400
Transfers	28,000	14,000	16,000	17,000
Closing balance	78,500	93,400	110,600	129,000

Table 34 – Stabilisation Fund<sup>42</sup>

## 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 costs of services as they are presently provided, in the context of the current primary care system and the range of out-of-pocket fees met by patients.

During this Government Plan, there will be a significant shift to providing more health care through primary care practitioners, with new community-based services and modern technological solutions. The costs to be met by the fund and the level of patient out-of-pocket fees for primary care services will be reviewed over this period. The fund is well placed to support this transformation.

<sup>42</sup> See Appendix 4 (7)

Health Insurance Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening balance	98,300	107,300	116,900	126,100
Return on investments	4,100	4,200	4,500	4,700
Contributions Income	38,100	39,900	40,600	41,600
Benefits and other expenditure	(33,200)	(34,500)	(35,900)	(37,100)
Closing balance	107,300	116,900	126,100	135,300

Table 35 – Health Insurance Fund

## Long-Term Care Fund

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

At the end of 2018, 1,300 people were being supported by the Long-Term Care Fund. In order to provide these benefits, it is vitally important that the long-term sustainability of the Long-Term Care Fund is monitored and that appropriate steps are taken to ensure that sufficient monies are held within the Long-Term Care Fund now and in the future.

The Long-Term Care Fund was established in 2013 and the current contribution headline rate of 1% was set in 2016 with a political guarantee that it would not be increased for at least three years. It was anticipated that contributions would rise in future years.

An actuarial review of the Long-Term Care Fund was completed (as at 31 December 2017)<sup>43</sup>. The key conclusions from the actuarial review are as follows:

- the Long-Term Care Fund balance is in surplus, but is estimated to reduce to just three months' worth of Fund expenditure by 2023 and become negative in 2027
- current Long-Term Care contributions

are expected to be inadequate in the medium term, with the break-even contribution rate rising to 1.5% by 2028 and up to 2.5% by the end of the projection period (ie 2043)

- as the Long-Term Care Fund was set up in 2013, there is substantial uncertainty over these projections, partly because there is limited historic data on which to base estimates for the future, and partly because there are a relatively small number of people in care at any time
- for any immature fund where such uncertainty is present, it is important to acknowledge the volatility of future income and expenditure, while taking prompt action to safeguard the future sustainability of the fund when financial concerns are clearly highlighted following actuarial reviews. This is particularly important when operating on a pay-as-you-go basis and with a small reserve balance
- the 2018 Budget anticipated an increase to the Long-Term Care contribution rate, from 1% to 1.5% from 2020. This is estimated to extend the time until the Long-Term Care Fund reaches the level of three months average expenditure by 13 years (from 2023 to 2036). This change, or a change of similar magnitude, is vital to ensure the ongoing viability of the

<sup>43</sup> Article 9(6) Public Finances (Jersey) Law 2019

<https://statesassembly.gov.je/assemblyreports/2018/r.136-2018.pdf>



Long-Term Care Fund.

In March 2019 the Fiscal Policy Panel released their report on the Government Plan 2020-23, in which they recommended:

“...that the early part of the forthcoming Government Plan period is an appropriate time to plan an increase in the long-term care contribution, while the economy is running above trend. Consideration should also be given to whether a larger increase could be appropriate in order to provide additional flexibility regarding future increases in the rate”<sup>44</sup>.

In addition, Ministers have considered how the Long-Term Care Fund will help current and future generations, and how the impact of increasing long-term care costs and contributions might affect those different generations. The Long-Term Care Fund currently helps hundreds of people every year who have only paid into the Fund for a few years. The more that the current generation pays into the fund, the less the burden will be on future generations who will

contribute to the fund for many more years.

Having considered the findings of the actuarial report, the Fiscal Policy Panel’s advice and their commitment to ensuring the long-term sustainability of the Long-Term Care Fund, Ministers proposed a 1.0% increase in the headline rate to 2.0%, effective from 1 January 2020. This would have increased the income into the fund by approximately £22 million a year. During the debate of the Government Plan, the States Assembly approved an amendment to reduce the increase to 0.5%, which raises approximately £11.5 million a year<sup>45</sup>.

The following chart shows the impact of both the original 1% increase proposed, and the 0.5% agreed on the balance of the fund. The agreed increase places the fund on a sustainable basis for the next 15-20 years, after which further increases may be necessary.

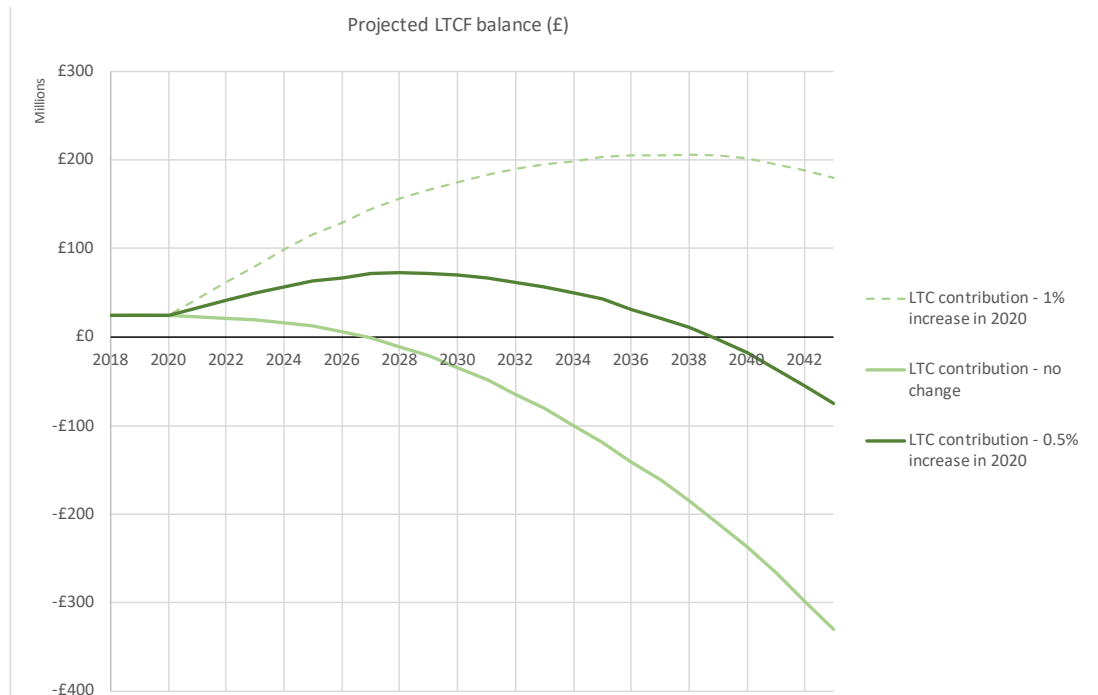


Figure 36 – Projected Long-Term Care Fund balance<sup>45</sup>

<sup>44</sup> See <https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/Fiscal%20Policy%20Panel%20Advice%20for%20the%202020-23%20Government%20Plan.pdf>

<sup>45</sup> See Appendix 4 (6)

The Long-Term Care Fund is a social insurance scheme within which an income cap places an overall limit on the amount of contribution that any one taxpayer makes in a single year. However, Ministers consider that those taxpayers with income higher than the current income cap of £176,232 should make a small additional contribution to the Long-Term Care Fund, over and above the increase in the headline rate outlined above.

Ministers therefore also propose to extend the income cap applied for Long-Term Care contribution purposes from £176,232 to £250,000 with effect from 1 January 2020. It is calculated that this will raise approximately £1.5 million a year of additional contributions

into the Long-Term Care Fund, and will help to ensure the long-term sustainability of the Fund and help future generations meet the cost of long-term care.

The impacts of the agreed increase on a range of taxpayers are shown in Figure 36.

Household type	Income level	Income £/year	Long-Term Care contribution increase	
			£/year	%
Single	Median earnings	23,000	45	0.2%
Single	1.5 x median earnings	35,000	118	0.3%
Single	Minimum income for 20% tax rate	69,000	334	0.5%
Single, one child, £200k mortgage	Median earnings	31,000	0	0.0%
Single, one child, £200k mortgage	1.5 x median earnings	47,000	61	0.1%
Single, one child, £200k mortgage	Minimum income for 20% tax rate	160,000	777	0.5%
Married couple	Median earnings	52,000	130	0.3%
Married couple	1.5 x median earnings	78,000	295	0.4%
Married couple	Minimum income for 20% tax rate	137,000	669	0.5%
Married, £300k mortgage	Median earnings	52,000	61	0.1%
Married, £300k mortgage	1.5 x median earnings	78,000	226	0.3%
Married, £300k mortgage (50/50 earnings)	Minimum income for 20% tax rate	184,000	920	0.5%

Table 37 – Impact of Long-Term Care charge by household type<sup>46</sup>

Most people currently pay far less than 1% of their income into the Long-Term Care Fund each year, because of the availability of allowances and reliefs, particularly marginal relief within the personal income tax system. Therefore, although the headline rate will increase by 0.5%, most people would pay less than this as a percentage of their total income.

For married couples and civil partners, each person's income is compared to their own income cap for LTC purposes, although their overall income tax liability is based on their combined income.

Increasing the income cap will only affect individuals with an income above £176,232. For example, a single person with £200,000

<sup>46</sup> See Appendix 4 (6)

a year income would see an increase in their Long-Term Care contribution of £1,116, which is 0.6% of their income.

The legislation required to make the legal changes to the Long-Term Care contribution rate and the income cap will be lodged separately.

Long-Term Care Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening balance	23,700	32,900	40,200	45,100
Return on investments	400	400	400	500
Existing Long-Term Care charge	22,200	22,900	23,500	24,200
Proposed changes to Long-Term Care Charge	12,200	12,900	13,600	14,400
Grant to Long-Term Care Fund	29,900	31,000	32,100	33,300
Benefits and other expenditure	(55,500)	(59,900)	(64,700)	(69,600)
<b>Closing balance</b>	<b>32,900</b>	<b>40,200</b>	<b>45,100</b>	<b>47,900</b>

Table 38 – Long-Term Care Fund <sup>47</sup>

## Social Security Fund

The Government Plan reinstates the States Grant to the Social Security Fund to its full value by 2023. Based on actuarial projections, this approach will ensure the long-term sustainability of the Social Security Fund, with the Fund showing a stable balance well into the middle of this century, while meeting the increasing costs of Social Security old-age pensions over this period due to the ageing population.

The staged reinstatement of the States Grant over the years 2020, 2021 and 2022 – rather than immediately reinstating it at its full value – releases a total of £50 million to invest in the agreed priorities set out in the Government Plan, while still ensuring the long-term sustainability of the Fund.

Figure 39 shows the overall fund balance in terms of years of expenditure with the impact of the staged reinstatement in the States Grant shown as the dashed red line,

compared with the balance if the Grant is returned to its full value in 2020 (black line). This chart is based on a net migration scenario of +700 a year.

As part of the Social Security Review the future balance of funding between the States Grant, employer contributions and employee contributions will be considered, with the outcomes included in the Government Plan 2021.

Alongside steps being taken to fully establish family-friendly employment rights, the existing contributory maternity allowance, paid from the Social Security Fund, will be replaced by a parental allowance, with both parents able to claim a contributory benefit.

<sup>47</sup> See Appendix 4 (6)



Figure 39 – Social Security Fund years of cover

To support this additional cost, the liability of employers and class two contributors, paying contributions above the Standard Earnings Limit of £53,304 will be increased.

- the Upper Earnings Limit is the maximum level of earnings that is taken into account for contribution purposes. This will increase from £176,232 to £250,000

- the percentage rate levied on earnings above the Standard Earnings Limit (£53,304-£250,000) will increase by 0.5% from 2% to 2.5%.

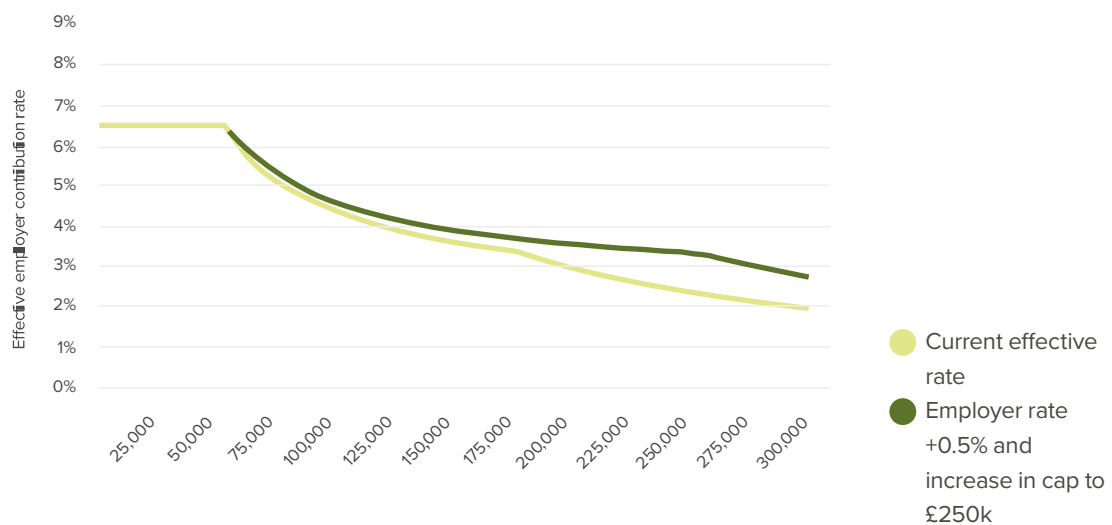


Figure 40 – Current and new employer contribution rates at different earnings levels

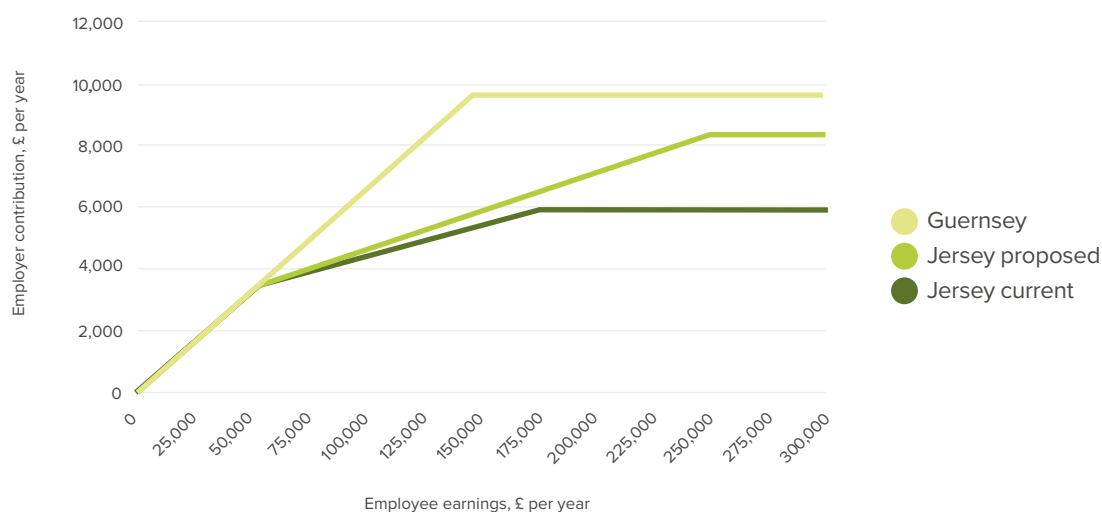


Figure 41 – Employee contribution by income

The overall impact of these two changes is additional contributions into the Social Security Fund of £3.35 million a year.

The legislation required to make the legal changes to the Social Security contribution rate and earnings cap, and the legislation to provide for parental benefits, will be lodged separately.

The future balance of funding between the States Grant, employer contributions and employee contributions will be considered, with the outcomes included in the Government Plan 2021.

Social Security Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Opening balance</b>	<b>95,700</b>	<b>101,350</b>	<b>100,436</b>	<b>102,794</b>
Existing Contributions income	209,800	218,300	226,600	234,200
Proposed Changes to Contribution rates	3,350	3,486	3,618	3,740
Grant to Social Security Fund	65,300	65,300	76,140	93,100
Existing benefits and other expenditure	(269,800)	(284,900)	(300,800)	(316,800)
New Benefits proposed	(3,000)	(3,100)	(3,200)	(3,300)
<b>Closing balance</b>	<b>101,350</b>	<b>100,436</b>	<b>102,794</b>	<b>113,734</b>

Table 42 – 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 the Government is managing the impact of an ageing population on future pension costs.

Consideration is being given to changing the investment strategy of the Reserve Fund to allow it to invest in local infrastructure, providing greater benefit to the Island while still providing a good return to the fund.



Social Security (Reserve) Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening balance	1,821,300	1,923,300	2,029,000	2,142,700
Return on investments	102,000	105,700	113,700	120,100
Closing balance	1,923,300	2,029,000	2,142,700	2,262,800

Table 43 – Social Security (Reserve) Fund

## Currency and Coinage Funds

The Currency and Coinage Funds' principal purpose is to hold assets to match the value of Jersey currency in circulation, such that the holder of Jersey currency could, on request, be repaid. The Currency and Coinage Funds can also invest in Jersey infrastructure. The fund currently has

investments in Jersey infrastructure, such as Gigabyte Jersey, totalling £11.2 million. Surplus monies from the fund are generally transferred to the Consolidated Fund annually, giving a stable balance in the fund.

Currency and Coinage Funds	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening balance	115,400	115,400	115,400	115,400
Return on investments	2,700	2,800	3,000	3,000
Expenditure	(2,700)	(2,800)	(3,000)	(3,000)
Closing balance	115,400	115,400	115,400	115,400

Table 44 – Currency and Coinage Funds

## Jersey Reclaim Fund

The Jersey Reclaim Fund receives the balances of dormant accounts held in Jersey banks for distribution for charitable and other purposes, subject to reclaim by transferring banks under certain conditions.

The fund was only set up in 2017 and has initially received transfer of dormant account monies from local banks, along with a small volume of customer reclaims. The fund is required by legislation to ensure that monies are managed prudently, so as to enable the payment of claims when they are made. It is anticipated that the flow of monies into the fund will slow considerably during the period of this Government Plan, so the capital balance is unlikely to change significantly.

In line with Article 20 of the Dormant Bank Accounts (Jersey) Law 2017, and mindful of the need to be prudent, the Government proposes to consider allocating funding to provide the staff, accommodation and equipment required by the Commissioner to discharge his functions.

The proposed total for 2020 is £314,000, followed by an estimated £349,000 in 2021; £413,000 in 2022; and £434,000 in 2023. Should there be any outstanding balance on the return on investments, consideration will then be given to allocating that to further charitable purposes.

Jersey Reclaim Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening balance	16,500	16,500	16,500	16,500
Return on investments	500	500	500	500
Expenditure	(500)	(500)	(500)	(500)
Closing balance	16,500	16,500	16,500	16,500

Table 45 – Jersey Reclaim Fund

## Housing Development Fund

The Housing Development Fund exists to help support the development of social rented and first-time buyer homes. In June 2014, the States issued a £250 million bond with a 40-year maturity, the proceeds of which were placed in the Housing Development Fund and issued to Andium Homes, or equivalent facilitating agencies, to fund construction and improvement works on social housing.

Drawdowns and repayments from the Housing Development Fund are made in accordance with individual loan agreements and coupon payments to bond investors are deducted from the Fund. The proceeds of the bond will soon be fully drawn and the Fund's purpose will change to ensure that investors' capital can be fully repaid in 2054.

Housing Development Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening balance	226,100	226,200	227,400	228,700
Return on investments	9,500	10,600	10,700	10,500
Expenditure	(9,400)	(9,400)	(9,400)	(9,400)
Closing balance	226,200	227,400	228,700	229,800

Table 46 – Housing Development Fund

## Climate Emergency Fund

To tackle the climate emergency and ensure early implementation of the Carbon Neutral Strategy, once agreed by the States Assembly, we propose to create a new Climate Emergency Fund. The fund will be established with an initial allocation, in 2020, of £5 million from the Consolidated Fund.

Acknowledging the long-term nature of the climate emergency, we also wish to provide sustainable sources of income to the Climate Emergency Fund. The Government Plan proposes increases to fuel duty and to deposit the balance of the income raised above Retail Prices Index (RPI) into the Climate Emergency Fund.

Climate Emergency Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening balance	0	4,455	4,005	4,705
Income	2,000	3,000	4,000	4,000
Expenditure	(2,545)	(3,450)	(3,300)	(3,300)
Transfers	5,000	0	0	0
<b>Closing balance</b>	<b>4,455</b>	<b>4,005</b>	<b>4,705</b>	<b>5,405</b>

Table 47 – Climate Emergency Fund

Expenditure from the fund includes the development of a carbon neutral plan, the sustainable transport policy and other relevant expenditure. As the carbon neutral

plan is developed, further schemes will be developed in line with the terms of reference of the fund.

Climate Emergency Fund	2020 (£000)
Policy Development on Carbon Neutral and Sustainable Transport Plan	500
Strengthening Environmental Protection	495
Sustainable Transport Initiatives <sup>48</sup>	1,550
<b>Closing balance</b>	<b>2,545</b>

Table 48 – 2020 expenditure from Climate Emergency Fund

<sup>48</sup> This expenditure will be dependent upon the States Assembly's approval of a Sustainable Transport Strategy as agreed in P.52/2019.

## 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. the government. Income and expenditure are generally equal.

Other Funds	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Opening balance</b>	<b>25,900</b>	<b>24,186</b>	<b>18,396</b>	<b>18,396</b>
Lottery and Other Income	20,100	20,100	20,100	20,100
Expenditure	(20,100)	(20,100)	(20,100)	(20,100)
Transfers	(1,714)	(5,790)	0	0
<b>Closing balance</b>	<b>24,186</b>	<b>18,396</b>	<b>18,396</b>	<b>18,396</b>

Table 49 – Other special funds

## Government of Jersey Group – forecast

The financial forecast for the Government of Jersey Group takes into account the income and expenditure through trading operations and special funds. An operational surplus is forecast to be generated over the period of

the Government Plan. Investment returns of the funds also form part of the accounting surplus, although the use of these returns is restricted.

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Forecast (Deficit) / Surplus</b>	<b>(659)</b>	<b>(4,546)</b>	<b>(3,945)</b>	<b>(5,906)</b>
Trading Operations Net Income	2,839	2,939	3,039	3,139
Funds Net Operational Income/Expenditure	6,205	(1,664)	(342)	5,840
<b>Group Operational Surplus / (Deficit)</b>	<b>8,385</b>	<b>(3,271)</b>	<b>(1,248)</b>	<b>14,885</b>
Transfer to Stabilisation Fund	8,000	14,000	16,000	17,000
Target Investment Returns	158,700	165,000	176,300	185,000
<b>Group Surplus</b>	<b>175,085</b>	<b>175,729</b>	<b>191,052</b>	<b>216,885</b>

Table 50 – Government of Jersey Group forecast<sup>49</sup>

<sup>49</sup> See Appendix 4 (4), (6) and (7)

## 9. Key fiscal measures for consideration in 2020

### An Infrastructure Fund for Jersey

Many places have successfully established infrastructure funds to finance major projects. These funds typically take the form of a recyclable or evergreen fund, whereby funds are reinvested over a medium to long term to create a sustainable fund.

These funds not only reduce the dependency on public sector finances, but can also be used to strengthen skills and resource planning capability and drive collaboration with the third-party investors, including Government arms-length bodies, sovereign wealth funds, high-net-worth individuals, pension funds, the private sector and other institutional investors. The Government can choose to invest at a fund or project-level, or both.

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

Consideration will be given to the case for an Infrastructure Fund in Jersey, potential investment opportunities and options for fund structure, scale, evaluation criteria and governance arrangements. Moving to new funding arrangements of this nature can take place either by taking small steps through pilot initiatives, or by taking one bold step to establish a larger-scale fund.

Robust transparency and accountability is an essential prerequisite of any fund where decisions are taken by elected Members following independent advice. This will not only underpin the legitimacy of decision-making, but will enable elected Members to exercise strict control over funding and long-term investment

strategy. The decision to establish a new fund will be informed by a business case and can only be taken by the States Assembly.

Funding is included in the pre-feasibility vote to work towards the establishment of a fund and sets out how it could operate, the necessary safeguards, governance and transparency measures prior to a proposition being lodged for debate in 2020.

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

### Mutual and incentivisation funding

There are a number of ways to drive a modern and effective Government, and to encourage new innovative ideas and solutions to be developed across the Government. To help support the development of these, we have provided for funding that will be available to underpin ideas, ahead of consideration of more permanent funding solutions agreed in future Government Plans. We have identified £1 million for 2020, and will explore how this can become sustainable and self-funding in the future.

We also plan to review how we can work collectively as a Government to generate funding from efficiency schemes that can be made available for further efficiency projects.



## Refinancing of pension debt

The Government of Jersey has two pension schemes which currently operate with a debt, which is being repaid through annual sums. These are the Public Employees Contributory Scheme (PECRS) Pre-87 Debt and the Jersey Teachers Superannuation Fund (JTSF) Pension Increase Debt (PID).

The repayment of the PECRS Pre-87 Debt has been set within regulations with a fixed repayment date of 2053 and a defined method of calculating annual repayments. Repayments increase annually by the actual increase in pensionable salaries for members employed throughout the previous financial year.

The repayment of the JTSF PID has not been formalised and there is no fixed repayment date. The repayment arrangement established in 2007, pending formal agreement to the repayment mechanism, involves the Government paying 5.6% of pensionable salaries towards the PID as part of the overall employer contribution rate.

Options are being explored that would achieve significant long-term cost savings by repaying the debts by other methods. At the moment, these are being analysed, as they may require short-term investment to finance them and legal, actuarial, accounting and investment advice is also being sought to ensure any issues that may arise are addressed before they are formally considered.

## Review of personal income tax

The review is now concluding and Ministers will shortly be bringing in-principle recommendations for change to the States Assembly. Once the States Assembly has determined the changes that should be introduced, law drafting to amend the Income Tax Law will commence such that the modernised personal income tax system can be introduced from the 2021 tax year.

We will implement actions to modernise the Island's personal income tax system, in particular to address the historic imbalance that currently exists in the tax treatment of married women and people in same-sex relationships.

## Current year payment basis

Ministers are concerned that many taxpayers who on a prior year payment basis are often unaware that they have a latent tax liability that will need to be paid at some point in the future, their assumption being that their income tax is being fully settled through their ITIS deductions. In many cases, the first time the taxpayer becomes aware of their latent tax liability is when they retire, take a career break or leave the Island; ITIS deductions correspondingly stop and the Revenue Jersey subsequently issues a demand for the outstanding tax.

It is therefore preferable for taxpayers to pay their tax on a current year basis, such that taxpayers are up to date with their tax payments and the risk of default on tax bills is minimised. Steps have been taken over recent years to bring more taxpayers on to a current year payment basis (e.g. all taxpayers returning to the Island after an extended absence are put on a current year payment basis, irrespective of how they have previously paid tax in the Island). However, to prevent the issues caused when taxpayers have to pay their latent liability, often at a time when they are experiencing a reduction in their income, this Government will consider the options for bringing all taxpayers on to a current year payment basis.

## Review of Social Security contributions

The future balance of funding between the States Grant, employer contributions and employee contributions will be considered, with the outcomes included in the Government Plan 2021.

## Review of fuel duty

In Budget 2019 it was identified by the Council of Ministers that a shift towards increased purchase and usage of electric and hybrid vehicles will at some point in the future result in reducing revenues from road fuel duty and Vehicle Emission Duty. It is therefore necessary to consider options to deliver the fairest and most sustainable means of taxing vehicle usage and ownership in the longer run. Tackling the climate emergency is likely to accelerate this decline in revenues and increases the urgency for options to be considered. Work will continue and be considered over the period of this plan.

## IT Investment Fund

This Government Plan proposes significant investment in the IT assets that our people use to deliver services to Islanders.

Modernisation of this infrastructure is essential if we are to transform and deliver excellent public services. Further projects will be needed in future Government Plans, so it will also be considered whether the establishment of an IT Investment Fund is appropriate.

## Financial consequences arising from the economic framework

The Fiscal Policy Panel has highlighted a number of challenges facing Jersey in the future.

These include the following:

- uncertainties arising from Brexit, which may result in a recession in the UK and a fall in value of Sterling, increasing the cost of our imports
- our dominant financial services sector faces challenges resulting from the ever-changing global regulatory environment, weak banking profits resulting from low interest rates and Brexit uncertainties
- people in Jersey are also living longer, which will result in a fall in the proportion of our population who work, and therefore

a reduction in the proportion of our population generating tax revenues. This will also result in increasing demand on our public services

- there has been little growth in Jersey's productivity in the last 20 years, and minimal growth is currently forecast in the next 10-15 years. This means that, without intervention, there will be less money to spend on public services in the future.

It is therefore vitally important that Jersey sets out a long term economic plan to develop an environment that facilitates sustainable improvements in growth and productivity in each of our sectors; to enable our current standard of living to be maintained. This will be done through continuing to adapt to the significant challenges ahead in a coordinated way, both across government and in partnership with industry.

The Future Economy Programme is intended to build on our evidence base to identify opportunities and threats facing each of our sectors, and our economy as a whole. Policy and plans will be developed, based on this evidence base, to maximise opportunities and mitigate threats; and to maximise productivity in each of our sectors.

This suite of detailed evidence and policy will provide an Economic Framework for Jersey and will help us to facilitate sustainable improvements in growth and productivity across the economy.

## Sustainable public finances

These fiscal considerations will be supported by our ambition to implement the changes necessary to support a sustainable fiscal framework, ensuring a long-term strategic approach to managing the Island's finances. Delivering effective financial management that increases levels of transparency and accountability is critical to this. This will include introducing a zero-based budgeting assessment of current spending, to commence in 2020.



# APPENDICES

---







## Appendix 1: Key to abbreviations

CSP Common Themes	
CT1	We will enable Islanders to lead active lives and benefit from the arts, culture and heritage
CT2	We will promote and protect Jersey's interests, profile and reputation internationally
CT3	We will work in partnership with Parishes, Churches, community groups, the third sector, volunteers, businesses and key stakeholders
CT4	We will make St Helier a more desirable place to live, work, do business and visit
CT5	We will improve transport infrastructure and links
CT6	We will prepare for more Islanders living longer
CT7	We will explore and use the opportunities offered by digital
CT8	We will nurture a diverse and inclusive society

Minister	
CM	Chief Minister
MEDTSC	Minister for Economic Development, Tourism, Sport and Culture
MTR	Minister for Treasury and Resources
MEDU	Minister for Education
MER	Minister for External Relations
MID	Minister for International Development
MINF	Minister for Infrastructure
MSS	Minister for Social Security
MCH	Minister for Children and Housing
MHA	Minister for Home Affairs
MTR	Minister for Treasury and Resources
MHSS	Minister for Health and Social Services
MENV	Minister for the Environment



<b>CSP Ongoing Initiatives</b>	
<b>O11</b>	A new long-term strategic framework that extends beyond the term of a Council of Ministers
<b>O12</b>	A States Assembly and Council of Ministers that work together for the common good
<b>O13</b>	A modern, innovative public sector that meets the needs of Islanders effectively and efficiently
<b>O14</b>	A sustainable long-term fiscal framework and public finances that make better use of our public assets
<b>O15</b>	An electoral system which encourages voter turnout and meets international best practice

<b>Department</b>	
<b>OCE</b>	Office of the Chief Executive
<b>CE(ER)</b>	- External Relations
<b>OCE(FSD)</b>	- Financial Services and Digital
<b>T&amp;E</b>	Treasury and Exchequer
<b>COO</b>	Chief Operating Office
<b>SPPP</b>	Strategic Policy, Performance and Population
<b>GHE</b>	Growth, Housing and Environment
<b>CLS</b>	Customer and Local Services
<b>CYPES</b>	Children, Young People, Education and Skills
<b>HCS</b>	Health and Community Services
<b>JHA</b>	Justice and Home Affairs
<b>NM</b>	Non-Ministerial Departments:
<b>BC</b>	- Bailiff's Chambers
<b>LOD</b>	- Law Officers' Department
<b>STG</b>	- States Greffe
<b>JG</b>	- Judicial Greffe
<b>VD</b>	- Viscount's Department
<b>SG</b>	- States Greffe
<b>C&amp;AG</b>	- Comptroller and Auditor General
<b>JOA</b>	Jersey Overseas Aid
<b>PPC</b>	Privileges and Procedures Committee

## Appendix 2: Supplementary tables

Investment in CSP Priorities		2020 Allocation (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
Put children first	Revenue	20,676	23,531	24,895	25,310
Put children first	Capital	5,050	10,151	14,700	13,570
<b>Put Children First Total</b>	<b>Total</b>	<b>25,726</b>	<b>33,682</b>	<b>39,595</b>	<b>38,880</b>
Improve wellbeing	Revenue	12,716	23,476	28,823	34,849
Improve wellbeing	Capital	21,080	15,150	11,795	11,300
<b>Improve Wellbeing Total</b>	<b>Total</b>	<b>33,796</b>	<b>38,626</b>	<b>40,618</b>	<b>46,149</b>
Vibrant economy	Revenue	14,964	19,353	22,445	23,511
Vibrant economy	Capital	3,650	1,835	0	0
<b>Vibrant Economy Total</b>	<b>Total</b>	<b>18,614</b>	<b>21,188</b>	<b>22,445</b>	<b>23,511</b>
Reduce inequality	Revenue	3,922	6,541	6,276	6,141
Reduce inequality	Transfers	0	10,000	0	0
<b>Reduce Inequality Total</b>	<b>Total</b>	<b>3,922</b>	<b>16,541</b>	<b>6,276</b>	<b>6,141</b>
Protect our environment	Revenue	3,095	3,365	4,365	4,340
Protect our environment	Capital	29,213	27,232	27,508	32,240
Protect our environment	Transfers	5,000	0	0	0
<b>Protect our Environment Total</b>	<b>Total</b>	<b>37,308</b>	<b>30,597</b>	<b>31,873</b>	<b>36,580</b>
Modernising Government	Revenue	25,361	32,223	42,398	41,409
Modernising Government	Capital	27,961	32,893	25,671	12,100
<b>Modernising Government Total</b>	<b>Total</b>	<b>53,322</b>	<b>65,116</b>	<b>68,069</b>	<b>53,509</b>
<b>Subtotal</b>		<b>172,688</b>	<b>205,750</b>	<b>208,876</b>	<b>204,770</b>
Supporting services outside CSP	Capital	3,686	4,540	7,804	9,658
<b>Total</b>		<b>176,374</b>	<b>210,290</b>	<b>216,680</b>	<b>214,428</b>
<b>Total Revenue</b>		<b>80,734</b>	<b>108,489</b>	<b>129,202</b>	<b>135,560</b>
<b>Total Capital</b>		<b>90,640</b>	<b>91,801</b>	<b>87,478</b>	<b>78,868</b>
<b>Total Transfers</b>		<b>5,000</b>	<b>10,000</b>	<b>0</b>	<b>0</b>
<b>Total Investment in CSP</b>		<b>172,688</b>	<b>205,750</b>	<b>208,876</b>	<b>204,770</b>

Table 51 – Total additional investment in CSP priorities over MTFP budgets

Expenditure		2020 Allocation (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
Put children first	Revenue	137,876	140,731	142,095	142,510
Put children first	Capital	5,050	10,151	14,700	13,570
<b>Put Children First Total</b>	<b>Total</b>	<b>142,926</b>	<b>150,882</b>	<b>156,795</b>	<b>156,080</b>
Improve wellbeing	Revenue	223,916	234,676	240,023	246,049
Improve wellbeing	Capital	21,080	15,150	11,795	11,300
<b>Improve Wellbeing Total</b>	<b>Total</b>	<b>244,996</b>	<b>249,826</b>	<b>251,818</b>	<b>257,349</b>
Vibrant economy	Revenue	65,964	70,353	73,445	74,511
Vibrant economy	Capital	3,650	1,835	0	0
<b>Vibrant Economy Total</b>	<b>Total</b>	<b>69,614</b>	<b>72,188</b>	<b>73,445</b>	<b>74,511</b>
Reduce inequality	Revenue	188,922	191,541	191,276	191,141
Reduce inequality	Transfers	0	10,000	0	0
<b>Reduce Inequality Total</b>	<b>Total</b>	<b>188,922</b>	<b>201,541</b>	<b>191,276</b>	<b>191,141</b>
Protect our environment	Revenue	22,795	23,065	24,065	24,040
Protect our environment	Capital	29,213	27,232	27,508	32,240
Protect our environment	Transfers	5,000	0	0	0
<b>Protect our Environment Total</b>	<b>Total</b>	<b>57,008</b>	<b>50,297</b>	<b>51,573</b>	<b>56,280</b>
Modernising Government	Revenue	76,761	83,623	93,798	92,809
Modernising Government	Capital	27,961	32,893	25,671	12,100
<b>Modernising Government Total</b>	<b>Total</b>	<b>104,722</b>	<b>116,516</b>	<b>119,469</b>	<b>104,909</b>
<b>Subtotal</b>		<b>808,188</b>	<b>841,250</b>	<b>844,376</b>	<b>840,270</b>
Supporting services outside CSP	Revenue	99,345	99,345	99,345	99,345
Supporting services outside CSP	Capital	3,686	4,540	7,804	9,658
Inflation and Legislative	Revenue	39,837	60,604	91,881	128,091
Efficiency	Revenue	(33,000)	(50,400)	(68,100)	(87,000)
<b>Total</b>		<b>918,056</b>	<b>955,339</b>	<b>975,306</b>	<b>990,364</b>
<b>Total revenue</b>		<b>822,416</b>	<b>853,538</b>	<b>887,828</b>	<b>911,496</b>
<b>Total capital</b>		<b>90,640</b>	<b>91,801</b>	<b>87,478</b>	<b>78,868</b>
<b>Total transfers</b>		<b>5,000</b>	<b>10,000</b>	<b>0</b>	<b>0</b>

Table 52 – Total expenditure by CSP priorities

	2020 Allocation (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
Put children first	20,676	23,531	24,895	25,310
Improve wellbeing	12,716	23,476	28,823	34,849
Vibrant economy	14,964	19,353	22,445	23,511
Reduce inequality	3,922	6,541	6,276	6,141
Protect our environment	3,095	3,365	4,365	4,340
Modernising Government	25,361	32,223	42,398	41,409
	<b>80,734</b>	<b>108,489</b>	<b>129,202</b>	<b>135,560</b>
Net movement	80,734	27,755	20,713	6,358

Table 53 – Revenue investment in CSP priorities over MTFP budgets

Revenue Investment by Department	2020 Allocation (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
Chief Operating Office	15,870	20,705	31,406	31,259
Children, Young People, Education and Skills	16,895	20,109	22,318	23,250
Customer and Local Services	3,435	4,072	3,884	3,869
Growth, Housing and Environment	3,144	9,150	11,565	11,340
Health and Community Services	11,499	22,091	27,237	33,245
Jersey Overseas Aid	2,090	2,970	3,890	4,870
Justice and Home Affairs	1,900	3,154	3,329	3,474
Office of the Chief Executive	6,376	6,241	6,051	6,231
Strategic Policy, Performance and Population	6,311	5,351	4,028	3,509
Treasury and Exchequer	8,368	10,327	10,808	10,378
Non-Ministerial	4,846	4,319	4,686	4,135
	<b>80,734</b>	<b>108,489</b>	<b>129,202</b>	<b>135,560</b>
Annual net movement in CSP investments	80,734	27,755	20,713	6,358

Table 54 – Revenue investment by department over MTFP budgets

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Minister</b>				
Chief Minister	21,544	25,016	34,361	33,642
Minister for Children and Housing	5,728	9,804	9,815	10,009
Minister for Economic Development, Tourism, Sport and Culture	4,990	9,426	12,241	12,291
Minister for Education	11,167	12,155	14,103	14,841
Minister for External Relations	3,872	3,387	3,077	3,057
Minister for Health and Social Services	11,499	22,091	27,237	33,245
Minister for Home Affairs	1,900	3,154	3,329	3,474
Minister for Infrastructure	0	0	0	0
Minister for International Development	2,090	2,970	3,890	4,870
Minister for Social Security	3,435	4,072	3,884	3,869
Minister for the Environment	195	215	165	90
Minister for Treasury and Resources	9,468	11,880	12,414	12,037
Non-Ministerial	4,846	4,319	4,686	4,135
	<b>80,734</b>	<b>108,489</b>	<b>129,202</b>	<b>135,560</b>
Net movement	80,734	27,755	20,713	6,358

Table 55 – Revenue investment by Minister over MTFP budgets



	2019 Base Budget (£'000)	Inflation and Legislative Decisions (£'000)	Investment (£'000)	Efficiencies (£'000)	Transfers (£'000)	2020 Allocation (£'000)	Inflation and Legislative Decisions (£'000)	Investment (£'000)	Efficiencies (£'000)	2021 Estimate (£'000)
<b>Departments</b>										
Chief Operating Office	21,834	0	15,870	0	0	37,704	0	4,835	0	42,539
Children, Young People, Education and Skills	130,742	0	16,895	0	0	147,637	0	3,214	0	150,851
Customer and Local Services	90,153	(2,927)	3,435	0	0	90,661	2,069	637	0	93,367
Growth, Housing and Environment	54,335	6,923	3,144	0	0	64,402	0	6,006	0	70,408
Health and Community Services	197,888	2,000	11,499	0	0	211,387	0	10,592	0	221,979
Jersey Overseas Aid	10,341	0	2,090	0	0	12,431	0	880	0	13,311
Justice and Home Affairs	52,804	0	1,900	0	(585)	54,119	0	1,254	0	55,373
Office of the Chief Executive	12,062	0	6,376	0	513	18,951	0	(135)	0	18,816
Strategic Policy, Performance and Population	6,197	0	6,311	0	0	12,508	0	(960)	0	11,548
Treasury and Exchequer	119,319	2,076	8,368	0	0	129,763	1,515	1,959	0	133,237
<b>Departments Total</b>	<b>695,675</b>	<b>8,072</b>	<b>75,888</b>	<b>0</b>	<b>(72)</b>	<b>779,563</b>	<b>3,584</b>	<b>28,282</b>	<b>0</b>	<b>811,429</b>
<b>Non-Ministerial States Bodies</b>										
Bailiff's Chamber	1,737	0	485	0	0	2,222	0	(485)	0	1,737
Comptroller and Auditor General	832	0	25	0	0	857	0	0	0	857
Judicial Greffe	6,476	0	998	0	0	7,474	0	14	0	7,488
Law Officers Department	7,422	0	1,235	0	0	8,657	0	8	0	8,665
Office of the Data Protection Commissioner	513	0	0	0	(513)	0	0	0	0	0
Office of the Lieutenant Governor	757	0	0	0	0	757	0	0	0	757
Official Analyst	0	0	0	0	585	585	0	0	0	585
Probation	2,078	0	35	0	0	2,113	0	0	0	2,113
States Assembly	5,908	0	1,634	0	0	7,542	0	(65)	0	7,477
Viscount's Department	1,390	0	434	0	0	1,824	0	1	0	1,825
<b>Non-Ministerial States Bodies Total</b>	<b>27,113</b>	<b>0</b>	<b>4,846</b>	<b>0</b>	<b>72</b>	<b>32,031</b>	<b>0</b>	<b>(527)</b>	<b>0</b>	<b>31,504</b>
<b>Reserves</b>										
Reserve for centrally held items	0	32,172	0	0	0	32,172	20,833	0	0	53,005
General reserve	12,057	(407)	0	0	0	11,650	(3,650)	0	0	8,000
<b>Reserves Total</b>	<b>12,057</b>	<b>31,765</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,822</b>	<b>17,183</b>	<b>0</b>	<b>0</b>	<b>61,005</b>
Efficiencies	0	0	0	(33,000)	0	(33,000)	0	0	(17,400)	(50,400)
<b>Total net revenue expenditure</b>	<b>734,845</b>	<b>39,837</b>	<b>80,734</b>	<b>(33,000)</b>	<b>0</b>	<b>822,416</b>	<b>20,767</b>	<b>27,755</b>	<b>(17,400)</b>	<b>853,538</b>

Table 56 – Changes to Departmental Heads of Expenditure

	2021 Estimate (£'000)	Inflation and Legislative Decisions (£'000)	Investment (£'000)	Efficiencies (£'000)	2022 Estimate (£'000)	Inflation and Legislative Decisions (£'000)	Investment (£'000)	Efficiencies (£'000)	2023 Estimate (£'000)
<b>Departments</b>									
Chief Operating Office	42,539	0	10,701	0	53,240	0	(147)	0	53,093
Children, Young People, Education and Skills	150,851	0	2,209	0	153,060	0	932	0	153,992
Customer and Local Services	93,367	1,907	(188)	0	95,086	1,971	(15)	0	97,042
Growth, Housing and Environment	70,408	0	2,415	0	72,823	0	(225)	0	72,598
Health and Community Services	221,979	0	5,146	0	227,125	0	6,008	0	233,133
Jersey Overseas Aid	13,311	0	920	0	14,231	0	980	0	15,211
Justice and Home Affairs	55,373	0	175	0	55,548	0	145	0	55,693
Office of the Chief Executive	18,816	0	(190)	0	18,626	0	180	0	18,806
Strategic Policy, Performance and Population	11,548	0	(1,323)	0	10,225	0	(519)	0	9,706
Treasury and Exchequer	133,237	12,417	481	0	146,135	18,601	(430)	0	164,306
<b>Departments Total</b>	<b>811,429</b>	<b>14,324</b>	<b>20,346</b>	<b>0</b>	<b>846,099</b>	<b>20,572</b>	<b>6,909</b>	<b>0</b>	<b>873,580</b>
<b>Non-Ministerial States Bodies</b>									
Bailiff's Chamber	1,737	0	0	0	1,737	0	0	0	1,737
Comptroller and Auditor General	857	0	0	0	857	0	0	0	857
Judicial Greffe	7,488	0	22	0	7,510	0	(76)	0	7,434
Law Officers Department	8,665	0	12	0	8,677	0	13	0	8,690
Office of the Data Protection Commissioner	0	0	0	0	0	0	0	0	0
Office of the Lieutenant Governor	757	0	130	0	887	0	(130)	0	757
Official Analyst	585	0	0	0	585	0	0	0	585
Probation	2,113	0	0	0	2,113	0	0	0	2,113
States Assembly	7,477	0	200	0	7,677	0	(361)	0	7,316
Viscount's Department	1,825	0	3	0	1,828	0	3	0	1,831
<b>Non-Ministerial States Bodies Total</b>	<b>31,504</b>	<b>0</b>	<b>367</b>	<b>0</b>	<b>31,871</b>	<b>0</b>	<b>(551)</b>	<b>0</b>	<b>31,320</b>
<b>Reserves</b>									
Reserve for centrally held items	53,005	16,953	0	0	69,958	15,638	0	0	85,596
General reserve	8,000	0	0	0	8,000	0	0	0	8,000
<b>Reserves Total</b>	<b>61,005</b>	<b>16,953</b>	<b>0</b>	<b>0</b>	<b>77,958</b>	<b>15,638</b>	<b>0</b>	<b>0</b>	<b>93,596</b>
Efficiencies	(50,400)	0	0	(17,700)	(68,100)	0	0	(18,900)	(87,000)
<b>Total net revenue expenditure</b>	<b>853,538</b>	<b>31,277</b>	<b>20,713</b>	<b>(17,700)</b>	<b>887,828</b>	<b>36,210</b>	<b>6,358</b>	<b>(18,900)</b>	<b>911,496</b>

Table 56 – Changes to Departmental Heads of Expenditure

CSP Priority	Sub-priority	Programme	2020 Allocation (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
Put Children First	Protecting and supporting children	Children's Change Programme	1,490	1,525	1,566	1,605
		Independent Jersey Care Inquiry P108	1,686	1,609	1,570	1,611
		Policy/legislation service delivery	2,714	3,330	3,355	3,212
		P82 Children's Services Early Intervention	2,813	4,636	4,775	4,919
		Redress Scheme	2,230	1,180	320	0
		Protecting and supporting children Total	10,933	12,280	11,586	11,347
	Improving educational outcomes	Higher education	6,000	6,199	6,395	6,598
		Improving educational outcomes	1,918	3,579	5,472	5,939
		Les Quennevais school IT equipment	580	0	0	0
		Primary School Meals Feasibility Pilot	150	0	0	0
Improving educational outcomes Total	8,648	9,778	11,867	12,537		
Involving and engaging children	Involving and engaging children	1,095	1,095	1,045	1,025	
	Public Services Ombudsman	0	378	397	401	
Involving and engaging children Total		1,095	1,473	1,442	1,426	
<b>Total Put Children First</b>			<b>20,676</b>	<b>23,531</b>	<b>24,895</b>	<b>25,310</b>
Improve Wellbeing	Support Islanders to live healthier, active, longer lives	Inspiring an 'Active Jersey'	509	779	965	965
		Preventable diseases	300	1,200	2,500	2,800
	Support Islanders to live healthier, active, longer lives Total		809	1,979	3,465	3,765
		Adult Safeguarding Improvement Plan	102	102	102	102
		Mental Health	3,200	4,800	4,100	4,200
	Improve the quality of and access to mental health services	Mental Health legislation	629	634	652	672
		Improve the quality of and access to mental health services Total	3,931	5,536	4,854	4,974
	Put patients, families and carers at the health of Jersey's health and care system	Digital Health and Care Strategy	0	700	800	800
		Health P82 reinstate 2019 new and recurring	3,597	3,597	3,597	3,597
		Maintaining health and community care standards	4,179	11,464	15,907	21,513
Regulation of Care - income deferred		200	200	200	200	
Put patients, families and carers at the health of Jersey's health and care system Total		7,976	15,961	20,504	26,110	
<b>Total Improve Wellbeing</b>			<b>12,716</b>	<b>23,476</b>	<b>28,823</b>	<b>34,849</b>

Table 57 – Details of revenue investment in CSP priorities over MTFP budgets

CSP Priority	Sub-priority	Programme	2020 Allocation (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
Vibrant Economy	Enhancing our international profile and promoting our Island identity - Brexit response	Brexit – Constitutional implications policy resource	78	82	86	90
		Brexit and International Trade	110	110	110	110
		Future Economic Partnership Goods and Borders Cluster	450	450	450	450
		JCIS Brexit Officers	100	0	0	0
		Settlement Scheme Brexit officers	91	0	0	0
	Enhancing our international profile and promoting our Island identity	Enhancing our international profile and promoting our Island identity - Brexit response Total	829	642	646	650
		Continuation of External Relations funding	1,201	1,407	1,347	1,347
	Enhancing our international profile and promoting our Island identity	Reversing the decline in Jersey's Overseas Aid contributions	2,090	2,970	3,890	4,870
		Tax Policy and International Team investment	1,427	1,753	1,813	1,854
		Trade & Export function	0	169	187	195
	Enhancing our international profile and promoting our Island identity Total		4,718	6,299	7,237	8,266
		Bailliff's Chambers 75th Anniversary Liberation Day	485	0	0	0
		Competition policy and JCRA	200	250	270	270
		Delivering the Digital Policy Framework	541	541	541	541
		Digital Jersey Academy	539	366	243	252
		Digital Jersey growth	697	897	1,097	1,197
		Economic Framework and Productivity Support	500	1,000	1,000	1,000
		Financial Crimes Unit	977	994	1,012	1,031
		Jersey Financial Stability Board	150	150	150	150
		Migration Policy	78	186	78	78
		Promoting Jersey	500	1,000	900	850
		Rural Economy Strategy	65	272	473	680
		Future economy programme Total	4,732	5,656	5,764	6,049
Protect and build our financial services industry		AML / CFT	1,500	1,000	750	730
	Jersey Finance Growth	830	830	830	830	
Protect and build our financial services industry Total	2,330	1,830	1,580	1,560		
Growing skills in Jersey	Skills Jersey	655	675	695	716	
Growing skills in Jersey Total		655	675	695	716	

		Cyber Security growth	500	600	500	600	600
	Infrastructure investment	Heritage, Arts & Culture	700	3,065	5,425	5,060	5,060
		Jéerriais	375	386	398	410	410
		Sport division - minor capital replacements	125	200	200	200	200
	Infrastructure investment Total		1,700	4,251	6,523	6,270	6,270
	<b>Total Vibrant Economy</b>		<b>14,964</b>	<b>19,353</b>	<b>22,445</b>	<b>23,511</b>	<b>23,511</b>
		Compensation for Mesothelioma	150	155	159	164	164
	Reduce income inequality and improve the standard of living	Financial independence in old age	150	200	200	200	200
		Food costs bonus	340	351	361	372	372
		Single Parent Component P.113/2017	2,531	2,539	2,530	2,524	2,524
	Reduce Inequality	Reduce income inequality and improve the standard of living Total	3,171	3,245	3,250	3,260	3,260
		Housing PDB and long term plan	140	1,425	1,450	1,450	1,450
	Improving the quality and affordability of housing	Tenants' rights	110	680	380	380	380
	Improving the quality and affordability of housing Total		250	2,105	1,830	1,830	1,830
	Improving social Inclusion	Care Needs at Home	150	620	620	620	620
		Disability social inclusion	351	571	576	431	431
	Improving social Inclusion Total		501	1,191	1,196	1,051	1,051
	<b>Total Reduce Inequality</b>		<b>3,922</b>	<b>6,541</b>	<b>6,276</b>	<b>6,141</b>	<b>6,141</b>
	Embracing environmental innovation and ambition	Climate Emergency Fund	2,000	3,000	4,000	4,000	4,000
	Embracing environmental innovation and ambition Total		2,000	3,000	4,000	4,000	4,000
	Protecting the natural environment	Assessment of public infrastructure and resources	150	0	0	0	0
		Countryside access	195	215	165	90	90
		Jersey National Park	100	150	200	250	250
	Protecting the natural environment Total		445	365	365	340	340
	Improving the built environment	Island Plan review	650	0	0	0	0
	Improving the built environment Total		650	0	0	0	0
	<b>Total Protect our Environment</b>		<b>3,095</b>	<b>3,365</b>	<b>4,365</b>	<b>4,340</b>	<b>4,340</b>

Table 57 – Details of revenue investment in CSP priorities over MTFP budgets



CSP Priority	Sub-priority	Programme	2020 Allocation (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)	
Modernising Government	Non-Ministerial expressions of interest	Comptroller and Auditor General additional funding	25	25	25	25	
		Government House refurbishment	0	0	130	0	
		Judicial Greffe additional funding	158	158	158	158	
		States Assembly additional funding	1,035	1,001	1,034	904	
		Viscount's Department additional funding	325	325	325	325	
		Legal Aid Office	400	412	424	437	
		Probation Service additional funding	35	35	35	35	
		<b>Non-Ministerial expressions of interest Total</b>	<b>1,978</b>	<b>1,956</b>	<b>2,131</b>	<b>1,884</b>	
		A new, long-term strategic framework	250	450	0	0	
		<b>A new, long-term strategic framework Total</b>	<b>250</b>	<b>450</b>	<b>0</b>	<b>0</b>	
	A States Assembly and Council of Ministers that work together for the common good	A States Assembly and Council of Ministers that work together for the common good	States Greffe extended services	539	534	729	504
			<b>A States Assembly and Council of Ministers that work together for the common good Total</b>	<b>539</b>	<b>534</b>	<b>729</b>	<b>504</b>
	A modern, innovative public sector	A modern, innovative public sector	Building Revenue Jersey Team	2,012	2,545	1,716	1,245
			Commercial Services - enhanced capabilities	1,000	1,450	1,500	1,550
			Domestic Compliance ('Spend to Raise')	1,562	1,562	1,562	1,562
Enabling policy excellence across the Government			81	80	87	71	
Government of Jersey Bank charges			300	300	300	300	
GST de-minimis changes			150	200	200	200	
Guernsey-Jersey Joint Working Programme			63	63	63	63	
Increased audit fees			75	75	75	75	
Modernisation and Digital - enhanced capabilities			3,750	5,000	4,950	5,050	
<b>People and Corporate Services - enhanced capabilities</b>			<b>5,400</b>	<b>7,900</b>	<b>7,600</b>	<b>7,300</b>	

	Policing 2020-23	821	1,919	2,073	2,196
	Supply Jersey Maintenance, Licencing and Procure to Pay analysis	100	103	106	109
	Supporting One Gov - Team Jersey (HR/OD strategic partner)	1,870	252	0	0
	Technology Transformation Programme	3,000	5,000	17,000	17,000
	<b>A modern, innovative public sector Total</b>	<b>20,184</b>	<b>26,449</b>	<b>37,232</b>	<b>36,721</b>
	A sustainable, long-term fiscal framework and public finances	2,350	2,800	2,300	2,300
	<b>A sustainable, long-term fiscal framework and public finances Total</b>	<b>2,350</b>	<b>2,800</b>	<b>2,300</b>	<b>2,300</b>
	An electoral system which encourages voter turnout	60	34	6	0
	<b>An electoral system which encourages voter turnout Total</b>	<b>60</b>	<b>34</b>	<b>6</b>	<b>0</b>
	<b>Total Modernising Government</b>	<b>25,361</b>	<b>32,223</b>	<b>42,398</b>	<b>41,409</b>
	<b>Total</b>	<b>80,734</b>	<b>108,489</b>	<b>129,202</b>	<b>135,560</b>

Table 57 – Details of revenue investment in CSP priorities over MTFP budgets

## Appendix 3: Proposition and Summary Tables

THE STATES are asked to decide whether they are of opinion –

to receive the Government Plan 2020–2023 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 2020 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 the Minister for Treasury and Resource is requested to publish an estimate of the effect on General Tax Revenue of decreasing the rate of GST levied on –
  - i. solar panels,
  - ii. electric space heating replacement of oil heating,
  - iii. electric cars, motorbikes, scooters and vans,
  - iv. electric bikes and cargo bikes,
  - v. loft and cavity wall insulation,
  - vi. double glazing, and
  - vii. installation of air and ground source heating to 0%, so that the Assembly can consider the financial effects of zero-rating those items in the Government Plan 2021; and
- b. to approve each major project that is to be started or continued in 2020 and the total cost of each such project, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 – Summary Table 2 to the Report; and
- c. to approve the proposed amount to be appropriated from the Consolidated Fund for 2020, 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 3(i) and (ii)

of the Report, except that –

- i. in Summary Table 3(i) the Head of Expenditure for Reserve for centrally held items should be decreased by £1,400,000, with other affected lines in Summary Table 3(i) to be amended accordingly;
  - ii. to allow for greater investment in minor capital replacements within the Sport Division, £125,000 will be allocated to the division from within existing resources available to the Minister for Economic Development, Tourism, Sport and Culture, within Growth, Housing and Environment;
  - iii. in Summary Table 3(i) the Head of Expenditure for Children, Young People, Education and Skills must include an allocation of £106,000 to allow for the Youth Service to run a pilot scheme to engage with young people from communities with English as a second language, with, in the first instance, a focus on the Portuguese, Polish and Romanian communities; and to request the Minister for Treasury and Resources to investigate whether the additional spending can be funded from the Criminal Offences Confiscation Fund or other similar Fund if possible and, if not, then from existing resources;
  - iv. in Summary Table 3(i), the Expenditure and Head of Expenditure for Customer and Local Services shall be increased by £41,374 by increasing the amount of the Food Costs Bonus to £258.25, with other affected lines in Summary Table 3(i) to be updated accordingly; and
- d. to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2020 in line

- with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 4 to the Report; and
- e. to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2020 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 5 to the Report; and
  - f. to approve –
    - i. the establishment of a “Climate Emergency Fund”, in accordance with the provisions of Article 6 of the Law, as set out at Appendix 3 to the Report; and
    - ii. the estimated income and expenditure proposals for the Climate Emergency Fund for 2020 as set out in Appendix 2 – Summary Table 6 to the Report; and
  - g. to approve the amounts to be transferred from one States fund to another for 2020 in line with Article 9(2)(b) as set out in Appendix 2 – Summary Table 7 to the Report, except that, in Summary Table 7 the transfer from Consolidated Fund to Stabilisation Fund should be amended to £28,000,000, with other affected lines in Summary Table 7 to be amended accordingly; and
  - h. to approve the estimated income and expenditure of the Social Security, Health Insurance and Long-Term Care Funds for 2020 set out in Appendix 2 – Summary Tables 8(i), (ii) and (iii) to the Report, except that, in Summary Table 8(iii), the income in the line entitled “Proposed changes to Long-Term Care Charge” shall be reduced by £11,500,000 by reducing the proposed increase in contributions to the Long-Term Care Charge to 0.5%, with other affected lines in Summary Table 8(iii) to be updated accordingly; with –
    - i. the estimated income to be raised from existing social security contributions defined in the Social Security Law and the proposed changes to contribution liability; and
    - ii. the estimated expenditure to be paid to support the existing benefits and functions defined in the Social Security Law, the Health Insurance Law and the Long-Term Care Funds and new benefits, if any, to be paid from the Funds; and
  - i. to agree that the Justice and Home Affairs Department should increase the annual funding for the Island’s 4 cadet force organisations to £20,000 each for the years 2020 to 2023; and
  - j. to approve, in accordance with Article 9(1) of the Law, the Government Plan 2020–2023, as set out at Appendix 4 to the Report except that, on page 111 of Appendix 4, after the words “prior to the debate of the Government Plan.” there should be inserted the following words –
 

“Implementation of the Efficiencies Plan for 2020–23 will not, however, include any extension of standard car-parking charging hours from the current 8.00 a.m. to 5.00 p.m. to 7.00 a.m. to 6.00 p.m. (as was initially proposed in ‘Efficiencies Plan 2020–23’ (R.130/2019)).”

2019 Forecast (£000)		2020 Estimate (£000)
	Income Tax	
475,000	Personal Income Tax	497,000
113,000	Companies	115,000
(3,000)	Provision for Bad Debt	(3,000)
<b>585,000</b>	<b>Income Tax Total</b>	<b>609,000</b>
	Goods & Services Tax (GST)	
79,299	Goods & Services Tax (GST)	80,996
5,801	Import GST	6,704
9,000	ISE Fees	9,000
<b>94,100</b>	<b>GST Total</b>	<b>96,700</b>
	Impôt Duties	
6,375	Impôt Duties Spirits	7,268
8,442	Impôt Duties Wine	8,795
796	Impôt Duties Cider	834
6,339	Impôt Duties Beer	6,628
15,081	Impôt Duties Tobacco	15,720
23,557	Impôt Duties Fuel	26,088
200	Impôt Duties Goods (Customs)	200
2,948	Vehicle Emissions Duty (VED)	2,730
<b>63,738</b>	<b>Impôt Duties</b>	<b>68,263</b>
	Stamp Duty	
28,080	Stamp Duty	29,568
2,400	Probate	2,400
3,163	Stamp Duty on Share Transfer (LTT)	3,433
<b>33,643</b>	<b>Stamp Duty</b>	<b>35,401</b>
776,481	Central Scenario	809,364
5.7%	Annual growth %	4.2%
2,000	Increased collections - Domestic Compliance	7,000
778,481	General Tax Revenue	816,364
13,460	Island Rate Income from Parishes	13,800
19,370	Other States Income - Dividends	11,200
11,727	Other States Income - Non-Dividends	10,195
29,948	Other States Income - return from Andium Homes and Housing Trusts	30,900
74,505	Other Government Income	66,095
<b>852,986</b>	<b>Total States Income</b>	<b>882,459</b>

Summary Table 1

Estimate of total States income to be paid into the Consolidated Fund for 2020



Major Projects	Department	Full Cost (£000)
MS Foundation	COO	9,000
Integrated Tech Solution	COO	28,000
Cyber	COO	13,800
Vehicle Testing Centre	GHE	6,475
Sewage Treatment Works (Existing Major Project - additional cost)	GHE	11,850
<b>Total</b>		<b>69,125</b>

Summary Table 2

Full cost, or additional cost of those Major Projects to be started or continued in 2020

	Income (£000)	Expenditure Allocation (£000)	Head of Expenditure (£000)
<b>Departments</b>			
Chief Operating Office	742	38,446	37,704
Children, Young People, Education and Skills	17,422	165,059	147,637
Customer and Local Services	9,761	100,422	90,661
Growth, Housing and Environment	37,975	102,377	64,402
Health and Community Services	22,401	233,788	211,387
Jersey Overseas Aid	0	12,431	12,431
Justice and Home Affairs	2,320	56,439	54,119
Office of the Chief Executive	648	19,599	18,951
Strategic Policy, Performance and Population	50	12,558	12,508
Treasury and Exchequer	5,814	135,577	129,763
<b>Departments total</b>	<b>97,133</b>	<b>876,696</b>	<b>779,563</b>
<b>Non-Ministerial States bodies</b>			
Bailiff's Chamber	68	2,290	2,222
Comptroller and Auditor General	64	921	857
Judicial Greffe	1,291	8,765	7,474
Law Officers Department	288	8,945	8,657
Office of the Lieutenant Governor	107	864	757
Official Analyst	53	638	585
Probation	214	2,327	2,113
States Assembly	31	7,573	7,542
Viscount's Department	806	2,630	1,824
<b>Non-ministerial States bodies total</b>	<b>2,922</b>	<b>34,953</b>	<b>32,031</b>
<b>Total Departments and Non-Ministerial States bodies</b>	<b>100,055</b>	<b>911,649</b>	<b>811,594</b>
<b>Revenue Reserves Heads of Expenditure</b>			
Reserve for centrally held items	0	32,172	32,172
General reserve	0	11,650	11,650
Total Revenue Reserves Heads of Expenditure	0	43,822	43,822
<b>Total Revenue Heads of Expenditure</b>	<b>100,055</b>	<b>955,471</b>	<b>855,416</b>
Efficiencies to be allocated	0	(33,000)	(33,000)
<b>Total income/expenditure after efficiencies</b>	<b>100,055</b>	<b>922,471</b>	<b>822,416</b>

Summary Table 3(i)

Proposed 2020 Revenue Heads of Expenditure

Capital Programme Area	Department	Head of Expenditure (£000)
Pre-feasibility Vote	T&E	11,200
Discrimination law, safeguarding and regulation of care	GHE	2,500
Schools extensions and Improvements	GHE	2,000
Infrastructure including the Rolling Vote	GHE	14,700
Drainage Foul Sewer Extensions	GHE	1,500
Information Technology		
Replacement assets	COO	5,000
Phoenix Software - Viscounts	NON MIN	45
Court Digitisation	NON MIN	500
Regulation Group Digital Assets	GHE	120
Combined Control IT	JHA	2,299
Electronic Patient Records	JHA	667
Replacement Assets		
Replacement Assets and Minor Capital	CYPES	200
Replacement Assets (Various)	HCS	2,900
Sports Division Refurbishment	GHE	300
New Skatepark (net of PoJ Funding)	GHE	250
Refit & Replacement of Fisheries Protection Vessel & Auxiliary Vessels	GHE	580
Replacement Assets and Minor Capital (1)	GHE	4,333
Minor Capital	JHA	561
Minor Capital-Police	JHA -Police	200
Equipment Replacement	JHA -Police	170
Replacement of Aerial Ladder Platform	JHA	591
Estates including new Schools		
Prison Improvement Works - Phase 6b	GHE	1,714
Conversion Courtroom 1 Magistrates Court	NON-MINS	450
Dewberry House SARC	JHA-Police	1,000
Mental Health Improvements	GHE	3,930
Health Services Improvements (including vital IT Investment)	HCS	5,000
Five Oaks Refurbishment	HCS	2,000
Reserve for Central Risk and Inflation Funding	T&E	1,000
<b>Total</b>		<b>65,710</b>
<b>Major Projects</b>		
MS Foundation (Major Project)	COO	3,330
Integrated Tech Solution (Major Project)	COO	7,400
Cyber (Major Project)	COO	6,100
Vehicle Testing Centre (Major Project)	GHE	250
Sewage Treatment Works (Existing Major Project)	GHE	7,850
<b>Total Major Projects Heads of Expenditure</b>		<b>24,930</b>
<b>Total Capital Heads of Expenditure</b>		<b>90,640</b>

Summary Table 3(ii)  
Proposed 2020 Capital Heads of Expenditure

2020			
	Income (£000)	Annual Operating Costs (£000)	Estimated Income to be paid into trading fund (£000)
Jersey Car Parking	8,202	(5,753)	2,449
Jersey Fleet Management	4,755	(2,935)	1,820
<b>Total</b>	<b>12,957</b>	<b>(8,688)</b>	<b>4,269</b>

Summary Table 4

Trading Operations – 2020 Estimated Income to be paid into a trading operation's trading fund

Trading Fund - Project Head of Expenditure	Trading Fund	Head of Expenditure (£000)
Jersey Car Parking - Car Park Enhancement and Refurbishment	JCP	553
Jersey Fleet Management - Vehicle and Plant Replacement	JFM	1,000

Summary Table 5

2020 Project Heads of Expenditure for States trading operations projects

Climate Emergency Fund	2020 (£000)
<b>Opening Balance 1/1/2020</b>	<b>0</b>
Income	2,000
Expenditure:	
Policy Development on Carbon Neutral and Sustainable Transport Strategies	(500)
Strengthening Environmental Protection	(495)
Sustainable Transport Initiatives *	(1,550)
Transfers	5,000
<b>Closing balance</b>	<b>4,455</b>

Summary Table 6

2020 Income and Expenditure from Climate Emergency Fund

Transfers to/from Consolidated Fund	(£000)
From Consolidated Fund to Stabilisation Fund	(28,000)
From Consolidated Fund to Climate Emergency Fund	(5,000)
<b>Total transfers</b>	<b>(33,000)</b>

Summary Table 7

Proposed Transfer of Monies between States Funds

<b>Social Security Fund</b>	<b>2020 (£000)</b>
Estimated Opening balance 1/1/2020	95,700
Existing Contributions income	209,800
Proposed Changes to Contributions rates	3,350
Grant to Social Security Fund	65,300
Existing Benefits and other expenditure	(269,800)
New Benefits proposed	(3,000)
<b>Estimated Closing balance</b>	<b>101,350</b>

Summary Table 8(i)  
Social Security Fund

<b>Health Insurance Fund</b>	<b>2020 (£000)</b>
Estimated Opening balance 1/1/2020	98,300
Return on investments	4,100
Contributions income	38,100
Benefits and other expenditure	(33,200)
<b>Estimated Closing balance</b>	<b>107,300</b>

Summary Table 8(ii)  
Health Insurance Fund

<b>Long-Term Care Fund</b>	<b>2020 (£000)</b>
Estimated Opening balance 1/1/2020	23,700
Return on investments	400
Existing Long-Term Care charge	22,200
Proposed changes to Long-Term Care Charge	12,200
Grant to Long-Term Care Fund	29,900
Benefits and other expenditure	(55,500)
<b>Estimated Closing balance</b>	<b>32,900</b>

Summary Table 8(iii)  
Long-Term care Fund

Summary Table 8(i), (ii) and (iii)  
Income and Expenditure from the Social Security, Health Insurance and Long-Term Care Funds

## Appendix 4 - Amendments to the Proposed Government Plan

**(1) The States Assembly adopted, in part, an amendment to the Government Plan 2020-2023 (P.71 Amd.(11), as amended by P.71 Amd.(11)Amd., and P.71 Amd.(11)Amd.(2)) which agreed that:**

“the Head of Expenditure for Children, Young People, Education and Skills must include an allocation of £106,000 to allow for the Youth Service to run a pilot scheme to engage with young people from communities with English as a second language, with, in the first instance, a focus on the Portuguese, Polish and Romanian communities; and to request the Minister for Treasury and Resources to investigate whether the additional spending can be funded from the Criminal Offences Confiscation Fund or other similar Fund if possible and, if not, then from existing resources;”

**(2) The States Assembly adopted an amendment to the Government Plan 2020-2023 (P.71 Amd.(8)), which agreed that:**

“the Justice and Home Affairs Department should increase the annual funding for the Island’s 4 cadet force organisations to £20,000 each for the years 2020 to 2023”

**(3) The States Assembly adopted an amendment to the Government Plan 2020-2023 (P.71 Amd.(5)Amd., as amended by P.71 Amd.(5)Amd.), which agreed that:**

“to allow for greater investment in minor capital replacements within the Sport Division, £125,000 will be allocated to the division from within existing resources available to the Minister for Economic Development, Tourism, Sport and Culture, within Growth, Housing and Environment”

**(4) The States Assembly adopted an amendment to the Government Plan 2020-2023 (P.71 Amd.(18)), which agreed that:**

“the Expenditure and Head of Expenditure for Customer and Local Services shall be increased by £41,374 by increasing the amount of the Food Costs Bonus to £258.25 with other affected lines in Summary Table 3(i) to be updated accordingly”

**(5) The States Assembly adopted, in part, an amendment to the Government Plan 2020-2023 (P.71 Amd.(10), as amended by P.71 Amd.(10)Amd.) which agreed that.**

The Minister for Treasury and Resources is requested to publish an estimate of the effect on General Tax Revenue of decreasing the rate of GST levied on –

- i. solar panels,
  - ii. electric space heating replacement of oil heating,
  - iii. electric cars, motorbikes, scooters and vans,
  - iv. electric bikes and cargo bikes,
  - v. loft and cavity wall insulation,
  - vi. double glazing, and
-



vii. installation of air and ground source heating to 0%, so that the Assembly can consider the financial effects of zero-rating those items in the Government Plan 2021”

**(6) The States Assembly adopted an amendment to the Government Plan 2020-2023 (P.71 Amd.(16)) which agreed that:**

“in Summary Table 8(iii), the income in the line entitled “Proposed changes to Long-Term Care Charge” shall be reduced by £11,500,000 by reducing the proposed increase in contributions to the Long-Term Care Charge to 0.5%, with other affected lines in Summary Table 8(ii) to be updated accordingly”

**(7) The States Assembly debated the Government Plan on the basis of the updated income forecast set out in P.71 Add., and as amended by P.71 Amd. (22), which agreed:**

“in Summary Table 3(i) the Head of Expenditure for Reserve for centrally held items should be decreased by £1,400,000, with other affected lines in Summary Table 3(i) to be amended accordingly” and

“in Summary Table 7 the transfer from the Consolidated Fund to Stabilisation Fund should be amended to £28,000,000, with other affected lines in Summary Table 7 to be amended accordingly”

**(8) The States Assembly adopted an amendment to the Government Plan 2020-2023 (P.71 Amd.(2)) which agreed that:**

“on page 111 of Appendix 4, after the words “prior to the debate of the Government Plan.” there should be inserted the following words –

“Implementation of the Efficiencies Plan for 2020–23 will not, however, include any extension of standard car-parking charging hours from the current 8.00 a.m. to 5.00 p.m. to 7.00 a.m. to 6.00 p.m. (as was initially proposed in ‘Efficiencies Plan 2020–23’ (R.130/2019)).”

