

ANNUAL UPDATE TO THE MTFP  
DEPARTMENT ANNEX FOR 2015





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THE MTFP DEPARTMENT  
ANNEX FOR 2015

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ANNUAL UPDATE TO THE MTFP  
DEPARTMENT ANNEX FOR 2015  
(for information only)

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**Council of Ministers**

I.J. Gorst	Senator	Chief Minister
B.I. Le Marquand	Senator	Home Affairs and Deputy Chief Minister
P.F.C. Ozouf	Senator	Treasury and Resources
A.J.H. Maclean	Senator	Economic Development
P.J.D. Ryan	Deputy	Education, Sport and Culture
A.E. Pryke	Deputy	Health and Social Services
A.K.F. Green M.B.E.	Deputy	Housing
R.C. Duhamel	Deputy	Planning and Environment
F. du H. Le Gresley M.B.E	Senator	Social Security
K.C. Lewis	Deputy	Transport and Technical Services
Sir P.M. Bailhache	Senator	External Relations
J.D. Richardson	Chief Executive	
R. Bell	Interim Treasurer of the States	

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# Contents

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	PAGE
<b>Introduction</b> . . . . .	1
<b>Summary of States Revenue Expenditure Allocations 2015</b> . . . . .	7
<b>Consolidated Statement of Comprehensive Net Expenditure</b> . . . . .	8
<b>Estimates of States Funded Bodies 2015</b>	
Chief Minister . . . . .	9
Jersey Overseas Aid Commission . . . . .	25
Economic Development . . . . .	31
Education, Sport and Culture . . . . .	43
Department of the Environment . . . . .	53
Health and Social Services . . . . .	65
Home Affairs . . . . .	77
Social Security . . . . .	89
Transport and Technical Services . . . . .	103
Treasury and Resources . . . . .	115
Non-Ministerial States Funded Bodies . . . . .	133
States Assembly and its services . . . . .	153
Central Contingency Allocations . . . . .	161
Central Growth Allocations . . . . .	171
<b>Capital Programme 2015</b>	
Capital Programme Funding Sources . . . . .	182
Capital Programme for 2015 . . . . .	183
Capital Programme – narratives . . . . .	184
<b>States Trading Operations 2015</b>	
Summary of States Trading Operations 2015 . . . . .	191
Capital Allocations to States Trading Operations for 2015 . . . . .	192
Ports of Jersey . . . . .	193
<b>Economic Development</b>	
Jersey Airport . . . . .	197
Jersey Harbours . . . . .	207
<b>Transport and Technical Services</b>	
Jersey Car Parking . . . . .	217
Jersey Fleet Management . . . . .	227

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# Introduction

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## Introduction

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The States approved the first Medium Term Financial Plan for Jersey in November 2012. This represented a move to a 3-year planning framework, or Medium Term Financial Planning. For the first time the States of Jersey agreed total expenditure limits and minimum budgets for all departments 3 years in advance and moved away from short-term decision making. This change was intended to provide flexibility, deliver efficiencies and move to longer-term thinking within a more certain financial framework that will ultimately benefit the Island.

The Medium Term Financial Plan 2013–2015 was split into two parts:

- The formal lodged report providing the background to the financial and economic position, the revenue and capital expenditure proposals and details of the measures that are proposed to balance budgets and actively manage the balance sheet over the next three years.
- The first department annex to the Medium Term Financial Plan provided information to support the main report including a summary of each department's key objectives towards delivering the seven strategic priorities and the detail of how the proposed department expenditure limits would be allocated to services.

This **Annual Update to the Medium Term Financial Plan Department Annex for 2015** follows a similar document produced for 2015 and provides an essential update of the department revenue and capital expenditure allocations for any permanent approved changes since the MTFP was agreed in November 2012.

The annual updates to the MTFP expenditure allocations are important as they provide a revised position for departments and an updated point of reference for the Financial Report and Accounts. Importantly, ALL the changes in expenditure allocations reported in the annual updates remain within the total States expenditure limits agreed in the MTFP by the States.

The first Update was provided last year, giving a revised starting position for 2014. All of the changes in expenditure allocations were recurring and therefore appear again in the 2015 Update, accompanied by any further permanent changes which have been approved during 2014.

The Annual Update to the Medium Term Financial Plan Department Annex for 2015 includes permanent and approved changes in expenditure allocations for:

- allocations of Central Growth for 2015 – as agreed in the 2014 Budget,
- capital expenditure allocations to individual projects for 2015 – as agreed in the 2015 Budget,
- service transfers between departments,
- allocations from the Central Contingency (Pay Provision) to departments, and
- the allocation of Corporate Procurement Savings to departments.

The Annual Update to the Medium Term Financial Plan Department Annex for 2015 also includes:

- an introduction from each Minister including any changes to the main priorities, key objectives and success criteria for the department in 2015,



- a detailed service analysis for each department for 2015, including staffing levels and a split of gross expenditure and income across cash and near cash (which includes depreciation and other non-cash items),
- a statement of comprehensive net expenditure for each department for 2015,
- a reconciliation of the changes in expenditure allocations since the MTFP for 2015,
- a summary of the States net revenue expenditure for 2015, and
- a summary of the States proposed capital programme for 2015.

The Minister for Treasury and Resources is indebted to all departments for their co-operation in providing this information.

## 2015 Budget Measures

As part of the 2015 Budget it was identified that additional savings would be required from all Departments as part of a range of measures necessary to manage the consolidated fund balance in 2015. Each Department (excluding Overseas Aid and States Trading Departments) has been required to make savings equivalent to 2% of gross revenue expenditure. This quantum has been deducted from Departments' cash limits for 2015 although identification of the specific recurring savings may not be finalised until June 2015.

In addition to Departmental savings, the Council of Ministers agreed that the 2015 Central Pay Provision should be reduced by 1% as part of the 2015 Budget Measures.

These savings have been transferred to a specific area of the Central Contingency Allocations and will be used along with other contributions to manage the consolidated fund balance in 2015.

## Medium Term Financial Plan 2016–2019

This Annual Update will be the final document of the current MTFP 2013–2015.

Work has already begun on the next Medium Term Financial Plan which will cover the period 2016–2019. This is due to be lodged in late June 2015, for debate at the end of September 2015. A full MTFP Department Annex 2016–2019 will be produced at this time.



## Summary Tables

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## Summary of States Revenue Expenditure Allocations 2015

	2015 Revised Gross Expenditure Allocation £'000	2015 Revised Income Allocation £'000	2015 2% Savings £'000	2015 Reduction of Central Pay Provision by 1% £'000	2015 Revised Net Expenditure Allocation £'000
<b>States Funded Bodies</b>					
<b>Ministerial Departments</b>					
Chief Minister	23,919.7	(1,894.6)	(486.0)		21,539.1
– Grant to the Overseas Aid Commission	10,283.7	–	–		10,283.7
Economic Development	20,573.4	(1,723.9)	(420.0)		18,429.5
Education, Sport and Culture	130,398.8	(19,158.7)	(2,649.0)		108,591.1
Department of the Environment	10,397.2	(4,449.2)	(204.8)		5,743.2
Health and Social Services	230,288.8	(25,332.3)	(4,702.0)		200,254.5
Home Affairs	51,717.8	(2,127.3)	(1,033.2)		48,557.3
Social Security	194,731.4	(3,937.5)	(330.9)		190,463.0
Transport and Technical Services	45,284.8	(17,816.4)	(817.5)		26,650.9
Treasury and Resources	38,039.0	(7,543.1)	(1,773.2)		28,722.7
<b>Non Ministerial States Funded Bodies</b>					
– Bailiff's Chambers	1,860.4	(196.9)	(36.6)		1,626.9
– Law Officers' Department	9,820.9	(1,832.6)	(203.9)		7,784.4
– Judicial Greffe	8,337.2	(1,390.3)	(161.2)		6,785.7
– Viscount's Department	2,027.0	(601.2)	(39.3)		1,386.5
– Official Analyst	702.1	(63.0)	(13.1)		626.0
– Office of the Lieutenant Governor	829.0	(98.0)	(16.6)		714.4
– Office of the Dean of Jersey	26.3	–	(0.5)		25.8
– Data Protection Commission	391.2	(156.6)	(7.7)		226.9
– Probation Department	2,659.0	(445.0)	(53.1)		2,160.9
– Comptroller and Auditor General	777.2	–	(16.2)		761.0
States Assembly and its services	5,330.7	(94.7)	(98.0)		5,138.0
<b>Allocations for Contingencies</b>					
– Central Contingencies	7,000.0	–	–		7,000.0
– Central Pay Provision	7,244.4	–	–	(3,480.0)	3,764.4
– Provision for Restructuring Costs	7,170.0	–	–		7,170.0
– Corporate Procurement Savings Target	–	–	–		–
– 2015 Budget Measures	–	–	12,068.5	3,480.0	15,548.5
<b>Allocation for Growth</b>					
– Allocation for Growth for 2015	–	–	–	–	–
	<b>809,810.0</b>	<b>(88,861.3)</b>	<b>(994.3)</b>	<b>–</b>	<b>719,954.4</b>
Outstanding Service Transfers to/from ex-Housing Department to be balanced by adjustment to Andium Homes Return in 2015	675.2	–	–	–	675.2
<b>Net Revenue Expenditure Allocation</b>	<b>810,485.2</b>	<b>(88,861.3)</b>	<b>(994.3)</b>	<b>–</b>	<b>720,629.6</b>
Depreciation	44,684.7	–	–	–	44,684.7
Impairment of Fixed Assets	–	–	–	–	–
<b>Net Revenue Expenditure Allocation</b>	<b>855,169.9</b>	<b>(88,861.3)</b>	<b>(994.3)</b>	<b>–</b>	<b>765,314.3</b>

**Note:** The 2% figure for Treasury and Resources also contains a sum for Corporate Procurement Savings which are yet to be allocated.



## Consolidated Statement of Comprehensive Net Expenditure

2014 Revised Net Revenue Expenditure		2015 Revised Net Revenue Expenditure
£		£
<b>Income</b>		
(7,365,300)	Duties, Fees, Fines & Penalties	(7,556,800)
(109,144,300)	Sales of Goods and Services	(68,225,200)
(2,000)	Investment Income	(2,000)
(13,006,600)	Other Income	(13,077,300)
<b>(129,518,200)</b>	<b>Total Income</b>	<b>(88,861,300)</b>
<b>Expenditure</b>		
181,071,700	Social Benefit Payments	186,263,500
368,863,100	Staff Costs	367,999,800
129,339,600	Supplies and Services	133,353,200
5,907,100	Administrative Expenses	6,039,800
55,073,300	Premises and Maintenance	41,355,900
1,428,000	Other Operating Expenses	1,583,000
42,391,300	Grants and Subsidies Payments	43,249,100
116,100	Impairment of Receivables	118,900
6,261,100	Finance Costs	7,370,900
	– Foreign Exchange (Gain)/Loss	–
8,666,300	Contingency Expenses	21,481,600
	– Central Growth Allocation	–
<b>799,117,600</b>	<b>Total Expenditure</b>	<b>808,815,700</b>
<b>669,599,400</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>719,954,400</b>
	Outstanding Service Transfers to/from ex-Housing Department to be balanced by adjustment to Andium Homes Return in 2015	675,200
		<b>720,629,600</b>
59,858,600	Depreciation	44,684,700
5,498,100	Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>734,956,100</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>765,314,300</b>



# Chief Minister

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# Chief Minister

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## Minister's Introduction

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The Chief Minister's Department is structured into two main service areas, with separate Accounting Officers:

### 1. Chief Executive

- Policy Unit (policy support and research for the Council of Ministers and Chief Executive; economic advice, communications; statistics; the Population Office; Emergency Planning; Law Draftsman's Office)
- Information Services
- Human Resources
- Financial Services
- Public Sector Reform Programme Office

### 2. Director of External Relations and Constitutional Affairs

- UK, European and International relations support for the Chief Minister, Minister for External Relations and other Ministers;
- Policy advice and implementation to support the Chief Minister's responsibility within the executive branch of government for policy and resources in relation to the overall justice system, safeguarding human rights, external data protection issues, legal services, constitutional reform and strengthening democracy.

The prime focus of the department during the three years from 2013 to 2015 is to support and co-ordinate the Council of Ministers to deliver the priorities approved by the States in the Strategic Plan, to develop policy and prepare for further Public Sector Reform over the longer term.

The appointment of a Minister with responsibility for External Relations has fostered increased recognition of Jersey's international identity and development of the Island's beneficial relations with other countries. The clarification by the States Assembly that the office of Chief Minister is responsible for justice policy and resources, constitutional reform and strengthening democracy, has brought a new focus to reforming the workings of all branches of government to meet current standards of best practice whilst maintaining the best traditions of the Island.

The department will continue to deliver and develop its services to the public and other States departments in line with its twin objectives of improving quality and efficiency.

## 2015 Budget Measures

As part of the 2015 Budget it was identified that additional savings would be required from all Departments as part of a range of measures necessary to manage the consolidated fund balance



in 2015. The quantum of savings allocated to the Chief Ministers Department amounts to £486k and although the Department is fully committed to meeting this target, it is not yet known precisely how the Department will make these savings.

The core projects and issues for each area of the Department over the MTFP period are:

## 1. Chief Executive

### Policy

The Strategic Plan approved in 2012 has driven the department's policy programme. In support of this, the way policy is developed and monitored has been reviewed and enhanced to ensure appropriate co-ordination and sound performance management. The results of the 2011 census are being used to inform policy development.

Migration policy and the level of net migration, once approved by the States, will be monitored with the appropriate review mechanisms. The Control of Housing and Work Law and the draft Register of Names and Addresses Law is providing the mechanism for regulating inward migration therefore systems have been developed for their implementation.

A significant priority is to continue to progress policy initiatives designed to address the effects of the ageing population. This will require cross-department planning and working.

An important part of our work is to improve the transparency of government decisions and continue to increase public engagement in the development of policy. This includes co-ordinating the development of an implementation plan for the Freedom of Information legislation approved by the States in 2011. Funding for the project has been agreed and will be drawn down from Central Contingencies as required.

The provision of quality economic advice continues to support effective management of the economy, as will the production of relevant statistics and statistical bulletins.

The Emergencies Council will continue to lead a programme of improvements to the emergency planning and management structures and processes supported by the Emergency Planning Board.

### Law Drafting

The Law Draftsman's department is a vital service providing the legislative framework within which the States operates and services are provided. In 2013, the Law Draftsman's department underwent a recruitment process for additional resource to address urgent legislation required to deliver the CSR and support initiatives to grow the economy and protect jobs. Two additional draftsmen have been made permanent from 2014 to be able to meet the underlying demand for law drafting.



## Information Services

The Information Services Department (ISD) manages corporate IT services such as the network infrastructure, PC management, data centres, and provides the framework for managing IS projects and business projects with an IS element. Core business applications are managed by ISD at a Departmental level through embedded Business Support Groups (BSGs).

The priority for the MTFP period is to support the delivery of CSR savings and the new Strategic Plan objectives across the States where these are dependent on technology solutions, and in some cases improve the level of service provided.

Key activities in the MTFP period are:

- upgrade of PC office information systems
- consolidating existing data centres
- streamlining the support model for corporate systems and services
- supporting projects to improve finance and HR systems and processes
- continuing the development of web services and more citizen services online.

## Human Resources

Human Resources (HR) core purpose is to provide strategic and transactional people management support to States Departments to deliver their departmental and CSR objectives.

- In order to fulfil this accountability, the function is delivering a number of key activities during the MTFP period:
  - » completion and implementation of the Terms and Conditions Review
  - » harmonisation of policies and contracts of employment
  - » job evaluation of all roles to inform the creation of a new reward framework
  - » provide Organisational Development and Performance Management improvements
  - » upgrade or replace the Human Resources Information Systems (HRIS)
  - » reshape HR to support the future structure of the States organisation
  - » provide a Workforce Plan and Succession and Talent management process focussing on supplying the right successful local candidates for key roles.

## Public Sector Reform

In this period, the Department is providing a Programme Management Office to plan, co-ordinate, manage and monitor a programme of Public Sector Reform by developing wide-ranging policy and plans to modernise and prepare the organisation to meet the challenges of the future.



## 2. External Relations and Constitutional Affairs

During 2013, the importance of UK, European and international affairs was recognised by the establishment and appointment of a Minister for External Relations. Under these new arrangements the Department seeks to continue to protect Jersey's unique constitution and autonomy; to promote Jersey's international identity and good reputation as a responsible country committed to the rule of law, international standards and respect for internationally recognised human and labour rights; to develop Jersey's competitive position in the global economy; and to promote Jersey's cultural identity abroad.

Also during 2013, the States Assembly confirmed that the office of Chief Minister is responsible within the executive branch of government for policy and resources in relation to the overall justice system, safeguarding human rights, data protection, legal services, constitutional reform, and strengthening democracy. The focus of policy development includes the completion of the Machinery of Government Review in partnership with the Privileges & Procedures Committee and the Chairmen's Committee, initiating a review of Access to Justice in Jersey and issuing a green paper regarding the establishment of a Judicial and Legal Services Commission for Jersey.

## 3. Financial Services

During 2013, following the jurisdictional review undertaken, the importance of the finance industry was recognised by the transfer of the financial services department from Economic Development Department to the Chief Ministers Department.

### Central Growth Allocations

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#### **External Relations: International meetings, Monitoring, and visiting Dignitaries – £160,000 from 2014**

External Relations was established using non-recurring funding sources. During 2010 and 2011 this cost was met from Fiscal Stimulus. This budget has been reduced from £260,000 in 2011 after agreeing joint monitoring contracts with Guernsey from 2012 onwards, closing the London office space used previously by the Director of International Finance and cancelling the Paris monitoring contract. Whilst there is now a recurring budget for the 6 core staff and office expenses, the international operations programme is not funded. The international operations programme requires a recurring budget of £160,000 from 2014.

#### **External Relations: External specialist advice – £100,000 from 2014**

Since its establishment with non-recurring funding, External Relations has needed to commission specialist technical advice. Currently, technical expert advice from the London School of Economics Trade Policy Unit is required, for example, on the extension of the UK membership of the World Trade Organisation to include Jersey. £100,000 will buy on average 2 to 3 specialist reports per annum and recurring funding is required from 2014.



### **CSR: Fund permanent members of the CSR delivery team – £150,000 from 2014**

This team previously undertook the role of CSR Delivery Team but has now become the PSR Programme Office. The budget for the two members of staff was funded from the Restructuring Provision during the CSR process (2011–13) but now requires permanent funding of £150,000 from 2014 to support the Public Sector Reform programme. It is anticipated that this may need to be supplemented with additional temporary resource as required.

## **Service Transfers**

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### **Transfer of Rent and Service Charges – £21,100 to Housing Department**

As part of the Housing Transformation Programme it was agreed that rental and service charges budgets would be transferred from CMD to Housing.

### **Safeguarding Partnership Board – £274,700 from Health and Social Services**

The Council of Ministers agreed the allocation of sufficient budget to establish a Vulnerable Adults Policy Group and Jersey Vulnerable Adults Protection Committee. In addition, and by association, it was proposed that responsibilities for leading the Children's Policy Group and the Children's Protection Committee also transfer to the Chief Minister's Department from H&SS.

### **Transfer of grant for Bureau de Jersey – £75,000 from Economic Development**

In order to rationalise the management of overseas outposts and to better reflect the Chief Minister's legal responsibility, as well as the role played by the External Relations team in regional relations, EDD and CMD decided to transfer responsibility for the management of Bureau de Jersey.

### **Disbanding of the Customer Services Centre – £224,400 to Treasury and Resources, Housing and Transport and Technical Services**

Following a review of accommodation in the States and the effectiveness of the Cyril Le Marquand Customer Services Centre, it was identified that efficiencies could be achieved by closing the Customer Services Centre and budgets and resources were transferred back to the relevant departments.

### **Transfer of Financial Services – £1,016,500 from Economic Development**

Following the recommendations from the McKinsey Report and discussions with the Economic Development Minister and Treasury & Resources Minister, it was agreed that overall accountability and responsibility for financial services should reside with the Chief Minister.

### **Corporate Health and Safety Manager – £63,000 to Transport and Technical Services**

It was agreed that CMD would provide support to TTS in creating a Corporate Health and Safety function across the States and that the Chief Officer of TTS would be responsible for Corporate Health and Safety.



### **Strategic Housing Unit – £186,800 from Housing Department**

The Affordable Housing Gateway was set up using resources within the Housing Department, and following the approval by the States, the responsibility of the Gateway moved to the Chief Minister's Department, along with the team of officers.

### **Geospatial Information System – net income of £16,500 to Department of the Environment**

In 2014 and 2015 the Geospatial Information System (GIS) will be transferred from the Department of the Environment (DoE) to the Chief Minister's Department (CMD) and a net revenue recurring budget of £16,500 will transfer from CMD to the DoE. The use of geospatial information (GI) is increasing rapidly. There is a growing recognition amongst both governments and the private sector that an understanding of location and place is a vital component of effective decision-making.

The States GIS Service is a pre-requisite to improving States services provided to the citizens of Jersey. There is an investment cost to the organisation, both setting up the service, and on-going developments of the infrastructure and new applications. Since geospatial information is becoming embedded in any government information, the costs of running the GIS service should be seen as a necessary overhead, upon which further, more value-added services can be built.

### **Transfer of Additional Resource – £93,400 from Treasury & Resources**

Freedom of Information (FOI) comes into effect from January 2015, under the Freedom of Information (Jersey) Law 2011 adopted by the States of Jersey. In order to further strengthen the FOI team it was agreed that T&R would provide an additional resource to CMD.

## **Senator Ian Gorst**

Chief Minister



## Chief Minister

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### AIM:

- Support and advise the Chief Minister and Council of Ministers in establishing, co-ordinating, communicating and implementing States approved policies and objectives.
- Provide direction and leadership to the public service to ensure that policies and programmes are delivered in accordance with agreed priorities.
- Conduct external relations to further develop Jersey's international standing and strengthen business and cultural links which benefit Islanders.

### SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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## Chief Executive

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### Key Objective 1: The co-ordinated development and implementation of States policies.

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#### Success criteria:

- (i) A robust framework in place with clear processes defined for developing, co-ordinating and communicating policy to deliver the Strategic Plan and to achieve a balance of economic, social and environmental objectives;
- (ii) Housing Strategy developed and agreed;
- (iii) Co-ordinated long term (15+ years) socio/economic/environmental policy plan produced as a blueprint for the future.

#### Strategic Plan References:

– **Vision:** A safe and caring community; A strong and sustainable economy; Preparing for the future; Protecting the environment; A highly skilled workforce

– **Priorities:** Get people into work; Manage population growth and migration; House our community; Promote family and community values; Reform Health & Social Services; Reform government & the public sector; Sustainable long-term planning

### Key Objective 2: An efficient and effective public sector fit for the purpose of delivering the Council of Ministers' strategic vision and priorities.

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#### Success criteria:

- (i) Continued focus on delivering essential services through the prioritisation of budgets and manpower in accordance with strategic priorities;





- (ii) Agreed model for reformed public sector based on service redesign, workforce modernisation and cultural change;
- (iii) Public services matched to affordability and public expectation.

**Strategic Plan References:**

- **Vision:** Preparing for the future; A highly skilled workforce
- **Priorities:** Reform government & the public sector; Develop sustainable long-term planning

**Key Objective 3: Decision-making improved and debate better informed through the provision of accurate and timely professional advice and information.**

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**Success criteria:**

- (i) States assisted to meet its objectives through the provision of sound advice;
- (ii) Ministerial decisions supported by robust evidence;
- (iii) All Statistics Unit releases produced independently to pre-announced release dates and statistical information made available on an impartial basis;
- (iv) Structures in place to ensure proper governance processes and information management;
- (v) Successful implementation of Freedom of Information arrangements.

**Strategic Plan Reference(s):**

- **Vision:** A safe and caring community; A strong and sustainable economy; Preparing for the future
- **Priorities:** Get people into work; Manage population growth and migration; Promote family and community values; Develop sustainable long-term planning

**Key Objective 4: Population levels that achieve a balance between economic growth and the additional demand migration places on accommodation, infrastructure and resources.**

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**Success criteria:**

- (i) Revised migration/population policy agreed by the States;
- (ii) Improved mechanisms in place to control population.

**Strategic Plan Reference(s):**

- **Vision:** A safe and caring community; A strong and sustainable economy; Preparing for the future; Protecting the environment; A highly skilled workforce
- **Priorities:** Get people into work; Manage population growth and migration; House our community; Develop sustainable long-term planning



## Key Objective 5: Deliver £65 million Comprehensive Spending Review (CSR) savings target by the end of 2013.

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### Success criteria:

- (i) Agreed overall savings package delivered by the end of 2013;
- (ii) Agreed Chief Minister's Department CSR savings delivered by the end of 2013.

### Strategic Plan Reference(s):

- **Vision:** A strong and sustainable economy; Preparing for the future
- **Priorities:** Reform government and the public sector; Develop sustainable long-term planning

## External Relations and Constitutional Affairs

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### Key Objective 6: Jersey's international responsibilities fulfilled and beneficial relations advanced with the United Kingdom, other countries and international organisations.

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#### Success criteria:

- (i) International obligations met;
- (ii) Relevant international conventions and bi-lateral agreements are ratified/extended, recognising Jersey's autonomy and commitment to international standards;
- (iii) Close relationship with the UK maintained and our unique constitution and autonomy protected;
- (iv) Strengthened international relations and partnerships, supporting new and existing business and cultural links which benefit Islanders.

#### Strategic Plan Reference(s):

- **Vision:** A safe and caring community; A strong and sustainable economy; Preparing for the future
- **Priorities:** Get people into work; Manage population growth and migration; Develop sustainable long-term planning

### Objective 7: Jersey's constitutional arrangements are developed to reflect current best practice whilst maintaining the best traditions of the Island

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#### Performance/success criteria:

- (i) Machinery of Government reviewed and improvements proposed where necessary;
- (ii) Review of access to justice in Jersey is initiated and interim report completed;
- (iii) Green paper developed regarding a Judicial and Legal Services Commission.

**Strategic Plan Reference:**

- **Vision:** A safe and caring community;
- **Priorities:** Reform Government & the Public Sector

## Financial Services

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### Objective 8: Maintain and support the growth of financial services sector capacity.

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**Success criteria:**

- (i) Development of both existing (UK/EU) and new markets in line with the strategy agreed following the jurisdictional review;
- (ii) Alignment of Jersey Finance Ltd, the Jersey Financial Services Commission and Government operating within a set of common objectives;
- (iii) Contribute to increasing the speed of legislative development alongside the Law Officers Department;
- (iv) Maintain Jersey's international profile as a transparent and co-operative jurisdiction;
- (v) Legislation set by territories outside of Jersey does not have an adverse impact on the finance industry.

**Strategic Plan Reference(s):**

- **Vision:** A strong and sustainable economy
- **Priority:** Get People Into Work

## Chief Minister

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure							
£		£	£	£	£	£	
	<b>Policy Unit</b>						<b>47.6</b>
1,374,700	Chief Executive's Office	–	1,465,900	<b>1,465,900</b>	–	1,465,900	
229,800	Communications Office	(35,500)	264,600	<b>229,100</b>	–	229,100	
234,300	Population Office	(931,700)	1,161,000	<b>229,300</b>	–	229,300	
432,000	Statistics	–	440,900	<b>440,900</b>	–	440,900	
408,500	Economics	(60,000)	471,300	<b>411,300</b>	–	411,300	
9,900	Legislation Advisory Panel	–	10,100	<b>10,100</b>	–	10,100	
2,053,600	<b>External Relations</b>	–	2,063,300	<b>2,063,300</b>	–	2,063,300	<b>8.0</b>
1,029,700	<b>Financial Services</b>	–	1,029,700	<b>1,029,700</b>	–	1,029,700	<b>8.0</b>
1,011,200	<b>Law Drafting Department</b>	–	1,014,700	<b>1,014,700</b>	–	1,014,700	<b>10.0</b>
10,175,000	<b>Information Services</b>	(733,400)	10,286,700	<b>9,553,300</b>	455,400	10,008,700	<b>87.9</b>
5,361,100	<b>Human Resources</b>	(134,000)	5,478,600	<b>5,344,600</b>	–	5,344,600	<b>74.0</b>
	– Pensions	–	–	–	–	–	–
232,900	<b>CSR</b>	–	232,900	<b>232,900</b>	–	232,900	<b>2.0</b>
<b>22,552,700</b>	<b>Revised Net Revenue Expenditure</b>	<b>(1,894,600)</b>	<b>23,919,700</b>	<b>22,025,100</b>	<b>455,400</b>	<b>22,480,500</b>	<b>237.5</b>
	Reduction in funding for 2% savings			(486,000)		(486,000)	
				<b>21,539,100</b>		<b>21,994,500</b>	



## Chief Minister

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
(301,800)	Duties, Fees, Fines & Penalties	(311,700)
(1,436,400)	Sales of Goods and Services	(1,451,900)
	– Investment Income	–
(131,000)	Other Income	(131,000)
<b>(1,869,200)</b>	<b>Total Income</b>	<b>(1,894,600)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	–
15,044,000	Staff Costs	14,927,000
6,474,500	Supplies and Services	6,571,700
521,100	Administrative Expenses	519,500
529,200	Premises and Maintenance	533,700
800	Other Operating Expenses	800
1,367,000	Grants and Subsidies Payments	1,367,000
	– Impairment of Receivables	–
	– Finance Costs	–
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>23,936,600</b>	<b>Total Expenditure</b>	<b>23,919,700</b>
<b>22,067,400</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>22,025,100</b>
	Reduction in funding for 2% savings	(486,000)
		<b>21,539,100</b>
485,300	Depreciation	455,400
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>22,552,700</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>21,994,500</b>

## Chief Minister

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>19,756,600</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(32,400)	<b>Service Transfers</b>	
Price Inflation – Dept Expenditure	154,400	– Transfer of Rental and Service Charges budget for Jubilee Wharf to Housing Department	(21,100)
Price Inflation – Provision for Pay Award	–	– Transfer of Safeguarding Partnership Board from Health and Social Services Department	274,700
Commitments from Existing Policies	–	– Transfer of Bureau de Jersey from Economic Development	75,000
Department Savings	–	– Transfers upon the Disbanding of the Customer Services Centre to Housing Department, Treasury and Resources and Transport and Technical Services	(224,400)
Department User Pays	–	– Transfer of Financial Services from Economic Development	1,016,500
<b>Departmental Transfers</b>	<b>–</b>	– Transfer of Corporate Health and Safety Manager to Transport and Technical Services	(63,000)
<b>Capital to Revenue Transfers</b>	<b>–</b>	– Transfer of Strategic Housing Unit from Housing Department	186,800
<b>MTFP Growth</b>	<b>(30,000)</b>	– Transfer of Geospatial Information System from Department of the Environment	(16,500)
<b>Proposed Procurement Savings</b>	<b>–</b>	– Transfer of additional resource for Freedom of Information from Treasury & Resources	93,400
<b>Proposed Other Budget Measures</b>	<b>–</b>		
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>19,848,600</b>	<b>Allocations of Central Growth 2015</b>	
		– External Relations: International meetings, monitoring and visiting dignitaries	160,000
		– External Relations: External specialist advice	100,000
		– CSR: Fund permanent members of the CSR delivery team	150,000
		<b>Pay Provisions</b>	
		– Recurring effect of 2013 1% Consolidated Pay Award	130,400
		– Recurring effect of 2014 4% Consolidated Pay Award	539,900
		<b>Procurement Savings</b>	(225,200)
		<b>Capital to Revenue Transfers</b>	–
		<b>Other Variations</b>	
		– Reduction in funding for 2% savings	(486,000)
		<b>Revised Net Revenue Near Cash Expenditure</b>	<b>21,539,100</b>
		Depreciation per MTFP	455,400
		2015 Depreciation Adjustment	–
		Revised 2015 Depreciation	455,400
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>21,994,500</b>





# Jersey Overseas Aid Commission

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## Jersey Overseas Aid Commission

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The Jersey Overseas Aid Commission's grant from the States of Jersey was reviewed in 2010 when it was proposed that an increase of approximately 5% be awarded on the existing grant per annum.

The largest part of the Commission's budget is allocated to grant aid with approximately 80% allocated to the Commission's approved aid agencies submitting proposals for projects covering clean water, health, sanitation, education, agriculture, livestock and revolving credit schemes for small businesses. £1,500,000 of its grant is available for disaster and emergency relief due to ever increasing demands for both natural disasters and the emergencies arising through human conflict. The Commission will give preference to projects located in countries in Africa, Latin America or South-East Asia which are within the bottom 50 countries on the Human Development Index.

### **AIM:**

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

- assisting in the reduction of poverty;
- providing medical and healthcare;
- providing effective education and training;
- assisting in emergency and disaster needs, including the subsequent restoration of facilities; and
- other purposes, relating to the provision of humanitarian aid overseas, that the Commission may from time to time consider appropriate.

### **SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA**

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#### **Key Objective 1: To implement fully the Jersey Overseas Aid Commission (Jersey) Law 2005**

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##### **Success criteria**

The Commission will pursue this by:

- (i) working closely with the private and voluntary sectors;
- (ii) ensuring the consistency of policies affecting poorer countries;
- (iii) using resources efficiently and effectively;
- (iv) the provision of funding to large and medium sized relief projects, including that of emergency and disaster relief, implemented through internal recognised specialist aid agencies or through local charities working overseas;
- (v) the provision of funding for community work projects, where teams of local volunteers undertake specific aid projects.

## Jersey Overseas Aid Commission

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure		£	£	£	£	£	
9,794,200	Grant to Overseas Aid Commission	–	10,283,700	10,283,700	–	10,283,700	1.0
<b>9,794,200</b>	<b>Net Revenue Expenditure</b>	<b>–</b>	<b>10,283,700</b>	<b>10,283,700</b>	<b>–</b>	<b>10,283,700</b>	<b>1.0</b>
	Reduction in funding for 2% savings			–		–	
				<b>10,283,700</b>		<b>10,283,700</b>	

## Jersey Overseas Aid Commission

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
	<b>Income</b>	
	– Duties, Fees, Fines & Penalties	–
	– Sales of Goods and Services	–
	– Investment Income	–
	– Other Income	–
	<b>– Total Income</b>	<b>–</b>
	<b>Expenditure</b>	
	– Social Benefit Payments	–
78,600	Staff Costs	78,600
13,000	Supplies and Services	13,000
2,300	Administrative Expenses	2,300
	– Premises and Maintenance	–
	– Other Operating Expenses	–
9,700,300	Grants and Subsidies Payments	10,189,800
	– Impairment of Receivables	–
	– Finance Costs	–
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>9,794,200</b>	<b>Total Expenditure</b>	<b>10,283,700</b>
<b>9,794,200</b>	<b>Net Revenue Near Cash Expenditure</b>	<b>10,283,700</b>
	– Depreciation	–
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>9,794,200</b>	<b>Net Revenue Non Cash Expenditure</b>	<b>10,283,700</b>

## Jersey Overseas Aid Commission

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>9,790,300</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
<b>Commitments from Existing Policies</b>		<b>Service Transfers</b>	–
5% p.a. increase in Overseas Aid Funding	489,500	<b>Allocations of Central Growth 2015</b>	–
<b>Departmental Transfers</b>	–	<b>Pay</b>	
<b>Capital to Revenue Transfers</b>	–	– Recurring effect of 2013 1% Consolidated Pay Award	800
<b>Proposed MTFP Growth</b>	–	– Recurring effect of 2014 4% Consolidated Pay Award	3,100
<b>Proposed Procurement Savings</b>	–	<b>Procurement Savings</b>	–
<b>Proposed Other Budget Measures</b>	–	<b>Capital to Revenue Transfers</b>	–
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>10,279,800</b>	<b>Other Variations</b>	
		– Reduction in funding for 2% savings	–
		<b>Revised Net Revenue Near Cash Expenditure</b>	<b>10,283,700</b>
		Depreciation per MTFP	–
		2015 Depreciation Adjustment	–
		Revised 2015 Depreciation	–
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>10,283,700</b>



# Economic Development

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# Economic Development

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## Minister's Introduction

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The Medium Term Financial Plan (MTFP) came at a critical point in the development and evolution of our economy.

The effects of the worldwide economic crisis have lasted longer than most predicted and Jersey, as an international finance centre, has not been immune to its effects. Strenuous efforts have been made to tackle unemployment which having reached record levels are now falling to levels last recorded over three years ago. As getting people back into work was one of the key priorities identified in the States Strategic Plan, the combined efforts of many Government Departments can be seen to be having a positive effect for those Islanders affected.

We must however not be complacent. At a time when significant challenges still remain, we must continue to facilitate the creation of more jobs in our economy and take a strategic view as to what kind of jobs we wish those to be. In taking this view, it is clear that if we are to seek to generate new employment, we must do so with the aim that these jobs will contribute to the delivery of economic growth – growth specifically designed to deliver the tax receipts necessary to avoid having to raise taxes, whilst still being able to fund quality public services to the standard that we expect.

The Economic Growth and Diversification Strategy (EGDS) (P55/2012), set out how we intend to achieve this. With four priorities: to encourage innovation and improve Jersey's international competitiveness; to grow and diversify the financial services sector, capacity and profitability; to create new businesses and employment in high value sectors; and to raise the productivity of the whole economy and reduce the reliance on inward migration.

Without access to the growth bids put forward in the MTFP, this Strategy simply could not be delivered. A thorough assessment of our current and future work programme illustrated that to deliver growth we would have to reduce support for tourism and agriculture to unsustainable levels in order to invest in new higher-value sectors. This would have a highly damaging impact to these traditional sectors which are the source of great pride in the island and help shape its identity as well as supporting significant numbers of people who work within them.

This is not acceptable and therefore the growth in the Department's budget to continue to invest in economic growth is absolutely vital. Whilst recognising the financial constraints we must operate under, now more than ever we need to continue investing in developing the economy.

## Summary of Outline Business Cases for Growth

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The following table sets out our MTFP bids, all of which are directly aligned to the priorities in the EGDS, which are in turn aimed at achieving sustainable economic growth and getting people into work.





	2013 £000	2014 £000	2015 £000
<b>Potential Growth</b>			
JFL – increase grant to JFL	800	800	800
JFL additional	135	500	730
JFL – Saudi/GCC Financial Services	0	350	350
Inward Investment – Digital Jersey	500	500	500
Inward Investment – non-Financial Services	800	800	800
Jersey Business Limited – increase in grant	200	200	200
Skills & Workforce Development	290	500	500
Tourism Development Fund	500	500	500
<b>TOTAL</b>	<b>3,225</b>	<b>4,150</b>	<b>4,380</b>

Support for Jersey Finance Limited (JFL) and increased investment in developing finance legislation is vital if we are to enter new markets and develop new products so that we can grow and diversify our finance sector, which is and will remain absolutely critical to delivering future growth. As the industry which contributes 40% of our GVA, we cannot afford to neglect the sector which in turn funds such a substantial proportion of our public services.

Digital Jersey is one of the key components of our strategy to create new businesses in high value sectors. The e-commerce sector is set to have increasing significance on our economy and it is vital we can invest in and encourage its growth. Alongside this, strengthening our inward investment activities across all high value sectors is an essential driver in delivering diversification and creating jobs for local people.

We must accept however, that in seeking diversification into new and growing high value sectors, Jersey cannot operate in a vacuum. We need the external talent and investment as the catalyst for the creation of new jobs. As demonstrated by the successes over recent years, inward investment does create significant employment for local people – but to do this there needs to be a limited element of inward migration. This is good for our economy and good for Jersey.

Therefore, running in parallel to investment in growth, given the well-founded concerns of managing population growth on an island of limited resources, we must reduce our reliance on inward migration in other sectors. We should use the interim migration policy to encourage job creation and economic growth rather than to fill jobs which could be filled with local people. That is why we are aligning our future support for traditional sectors such as tourism, construction and agriculture with reduced reliance on inward migration. Investment in skills is critical to fill that gap, as well as develop a workforce that can capitalise on the new and exciting opportunities inward investors provide.

Across the whole range of new and established businesses, Jersey Business will be available to help organisations achieve their full potential. As an independent, grant-funded organisation, there is an opportunity to continue its step-change in business support provision, which additional funding will enable them to deliver to an increased number of companies as the Jersey economy continues to recover.



2015 will see significant changes to how destination marketing services will be delivered for the Island, with plans in place for the transfer to 'Visit Jersey', an independent, grant funded organisation sitting outside Government. In order to give confidence to the sector during this period of change, additional support, through a secure funding mechanism – the Tourism Development Fund – will help Jersey to compete in the global marketplace.

Each initiative is being progressed as far as possible in order to impact on job creation without delay once recurring funding is agreed. I would like to take this opportunity to thank all the staff at Economic Development for the work they have done to date as well as the significant continued work that this plan for growth and jobs requires over the MTFP period.

## 2015 Budget Measures

A 2% reduction to the EDD staff and non-staff budget will be mainly met in 2015 by a reduction in the non-staff budgets for Intellectual Property together with a reduction of grant funding for Jersey Finance Limited, Skills and Single Area Payments.

## Service Transfers

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### **Transfer of Rent and Service Charges – £35,700 to Housing Department**

As part of the Housing Transformation Programme it was agreed that rental and service charges budgets would be transferred from EDD to Housing.

### **Transfer of grant for Bureau de Jersey – £75,000 to Chief Minister's Department**

EDD and CMD decided to transfer responsibility for the management of the Bureau de Jersey in order to rationalise the management of overseas outposts and to better reflect the Chief Minister's legal responsibility, as well as the role played by the External Relations team in regional relations,

### **Transfer of Financial Services – £1,016,500 to Chief Minister's Department**

Following the recommendations of the McKinsey Report and discussions between the Economic Development Minister and Treasury & Resources Minister, it was agreed that overall accountability and responsibility for financial services should reside with the Chief Minister.

## **Senator Alan Maclean**

Minister for Economic Development



# Economic Development

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## AIM:

Deliver growth, improve competitiveness, diversify the local economy and create employment.

## SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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### Key Objective 1: Encourage innovation and improve Jersey's international competitiveness.

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#### Success criteria:

- (i) Work with the Treasury and Resources Department to establish a new Innovation Fund as a Separately Constituted Fund under the Public Finances (Jersey) Law 2005 – managed by EDD with an independent Board including EDD, Treasury and Resources and Chief Minister's Department representatives and Non-Executive Directors drawn from the private sector.

**Note:** Success for this objective will be to have established a fund and assessment framework that could be used for strategic investments into innovation and new technologies, in order to deliver a competitive advantage for Jersey, attract additional private sector investment and create new high value businesses resulting in significant new job opportunities in a more diversified economy.

#### Strategic Plan References:

- **Vision:** A strong and sustainable economy
- **Priority:** Get people into work

### Key Objective 2: Working across Government to grow the financial services sector capacity and profitability.

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#### Success criteria:

- (i) Develop both existing (UK/EU) and new markets (BRIC);
- (ii) Contribute to increasing the speed of legislative development alongside the Law Officers Department and Chief Minister's Department;
- (iii) Raise Jersey's international profile as a transparent and co-operative jurisdiction;
- (iv) Work with the Treasury and Resources Department to improve Jersey's competitiveness in international market place through continued development of tax policy.

**Note:** Success for this objective will be to improve productivity within the financial services sector and maintain employment numbers at, or above, current levels whilst diversifying into new products, services and markets.

#### Strategic Plan References:

- **Vision:** A strong and sustainable economy
- **Priority:** Get people into work



### Key Objective 3: Create new businesses and employment in high-value sectors.

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#### Success criteria:

- (i) Enhance efforts to secure high-value inward investment, exceeding previous levels of inward investment;
- (ii) Task Jersey Business to increase the rate of high-value business start-ups and the growth of existing high-value businesses;
- (iii) Develop a 'Whole of Government' approach to ensure that the education system, Social Security and benefits policies, Planning approvals process and Housing and Work Laws recognise, where appropriate, the creation of employment as a priority;
- (iv) Maximise the potential of Gigabit Jersey and further develop an internationally competitive telecoms offering.

**Note:** Success for this objective will be that by 2015, in addition to exceeding previous levels of business development and inward investment success, a minimum of 10 flagship projects will have been delivered, leveraging significant economic and growth opportunities for Jersey or Jersey businesses.

#### Strategic Plan References:

- **Vision:** A strong and sustainable economy
- **Priority:** Get people into work

### Key Objective 4: Raising the productivity of the whole economy and reducing the reliance on inward migration.

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#### Success criteria:

- (i) Align the education and training of the current and future workforce with the needs of employers;
- (ii) Remove the barriers to enterprise, encourage innovation and use of new technologies;
- (iii) Link continued support for the Tourism and Rural sectors to increased local employment and reduced reliance on inward migration.

**Note:** Success for this objective would be improvement in the productivity of existing business, increased number high-value start-up enterprises, reduced numbers of hard to fill vacancies and skills gaps reported by employers, and increases in the percentage of locally qualified staff working in the traditional sectors.

#### Strategic Plan References:

- **Vision:** A strong and sustainable economy; a highly skilled workforce
- **Priority:** Get people into work; Manage population growth and migration



## Key Objective 5: Continue to improve efficiency and effectiveness across the Department.

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### Success criteria:

- (i) Reform the mechanisms of delivery for areas of the Department where service can be improved and efficiencies delivered through a change in organisational structure;
- (ii) Continue to develop and improve regulatory and policy frameworks which support business whilst protecting the public's interests;
- (iii) Continue to drive efficiencies through the use of arms-length delivery organisations.

**Note:** Success for this objective would be private sector led organisations delivering more of EDD's services with the Department focused on developing and improving policy and regulation.

### Strategic Plan References:

– **Priority:** Reform government and the public sector

## Economic Development

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure		£	£	£	£	£	
	<b>Economic Growth &amp; Diversification</b>						<b>7.2</b>
600,000	Enterprise Support	–	600,000	<b>600,000</b>	–	600,000	
2,075,100	Investment and Diversification	–	1,977,500	<b>1,977,500</b>	–	1,977,500	
	<b>Tourism, Destination &amp; Marketing</b>						<b>24.3</b>
1,098,200	Joint Marketing	(298,500)	1,406,800	<b>1,108,300</b>	–	1,108,300	
3,794,100	Destination Marketing and Communication	(261,000)	4,121,000	<b>3,860,000</b>	–	3,860,000	
650,300	Events	–	663,200	<b>663,200</b>	–	663,200	
124,000	Research and Statistics	–	124,000	<b>124,000</b>	–	124,000	
367,600	Visitor Services	(208,000)	609,800	<b>401,800</b>	–	401,800	
500,000	Tourism Development	–	500,000	<b>500,000</b>	–	500,000	
	<b>Policy and Regulation</b>						<b>21.3</b>
300,000	Competition Law	–	300,000	<b>300,000</b>	–	300,000	
678,200	Consumer Affairs/Trading Standards	(106,100)	817,800	<b>711,700</b>	3,200	714,900	
353,500	Rural Sector	–	361,300	<b>361,300</b>	–	361,300	
608,900	Policy Development	(850,300)	1,626,600	<b>776,300</b>	–	776,300	
4,859,000	<b>Financial Services</b>	–	4,970,000	<b>4,970,000</b>	–	4,970,000	–
	<b>Rural Support</b>						<b>4.0</b>
887,800	Single Area Payment	–	892,800	<b>892,800</b>	–	892,800	
460,000	Dairy Service Support Payment	–	420,000	<b>420,000</b>	–	420,000	
317,400	Rural Initiative	–	320,000	<b>320,000</b>	–	320,000	
60,700	General Support	–	43,300	<b>43,300</b>	–	43,300	
	<b>Skills</b>						<b>1.5</b>
781,600	Training and Workforce Development	–	819,300	<b>819,300</b>	–	819,300	
<b>18,516,400</b>	<b>Revised Net Revenue Expenditure</b>	<b>(1,723,900)</b>	<b>20,573,400</b>	<b>18,849,500</b>	<b>3,200</b>	<b>18,852,700</b>	<b>58.3</b>
	Reduction in funding for 2% savings			(420,000)		(420,000)	
				<b>18,429,500</b>		<b>18,432,700</b>	



## Economic Development

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
(667,800)	Duties, Fees, Fines & Penalties	(667,800)
(981,100)	Sales of Goods and Services	(981,100)
	– Investment Income	–
(75,000)	Other Income	(75,000)
<b>(1,723,900)</b>	<b>Total Income</b>	<b>(1,723,900)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	–
3,493,300	Staff Costs	3,493,300
6,265,500	Supplies and Services	6,153,400
251,500	Administrative Expenses	251,500
356,100	Premises and Maintenance	354,000
390,000	Other Operating Expenses	700,500
9,480,700	Grants and Subsidies Payments	9,620,700
	– Impairment of Receivables	–
	– Finance Costs	–
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>20,237,100</b>	<b>Total Expenditure</b>	<b>20,573,400</b>
<b>18,513,200</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>18,849,500</b>
	Reduction in funding for 2% savings	(420,000)
		<b>18,429,500</b>
3,200	Depreciation	3,200
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>18,516,400</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>18,432,700</b>

## Economic Development

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>19,459,300</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(49,100)	<b>Service Transfers</b>	
Price Inflation – Dept Expenditure	334,600	– Transfer of Rental and Service Charges budget for Jubilee Wharf to Housing Department	(35,700)
Price Inflation – Provision for Pay Award	–	– Transfer of Bureau de Jersey to Chief Minister's Department	(75,000)
<b>Commitments from Existing Policies</b>	<b>–</b>	– Transfer of Financial Services to Chief Minister's Department	(1,016,500)
Department Savings	–	<b>Allocations of Central Growth 2015</b>	<b>–</b>
Department User Pays	–	<b>Pay</b>	
<b>Departmental Transfers</b>	<b>–</b>	– Recurring effect of 2013 1% Consolidated Pay Award	38,100
<b>Capital to Revenue Transfers</b>	<b>–</b>	– Recurring effect of 2014 4% Consolidated Pay Award	140,900
<b>MTFP Growth</b>	<b>230,000</b>	<b>Procurement Savings</b>	<b>(177,100)</b>
<b>Proposed Procurement Savings</b>	<b>–</b>	<b>Capital to Revenue Transfers</b>	<b>–</b>
<b>Proposed Other Budget Measures</b>	<b>–</b>	<b>Other Variations</b>	
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>19,974,800</b>	– Reduction in funding for 2% savings	(420,000)
		<b>Revised Net Revenue Near Cash Expenditure</b>	<b>18,429,500</b>
		Depreciation per MTFP	3,200
		2015 Depreciation Adjustment	–
		Revised 2015 Depreciation	3,200
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>18,432,700</b>





# Education, Sport and Culture

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# Education, Sport and Culture

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## Minister's Introduction

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Positive progress has been made across all sections of the department since the start of this MTFP but particularly in education and sport, where teams have been working towards two major events; a new curriculum and the 2015 NatWest Island Games.

In our schools the focus remains on improving standards. Our shared aspiration is for the highest quality of educational and wider opportunities for all of Jersey's children and young people. To achieve this, teachers and education advisers have been responding to rapid changes in the UK and planning for the introduction of a new curriculum and new GCSE and A-level exams.

As it has done previously, Jersey will take an 'adopt and adapt' approach to the changes. This means our schools will follow the new curriculum from September 2014, taking the essential elements but adapting certain aspects to reflect the Island's unique culture and history. This ensures our students are not disadvantaged compared to their UK counterparts when they take the first of the new exams in 2017 and then look towards university or employment.

Alongside this, the next steps have been taken to meet the demographic changes in our schools. Capital expenditure of £8.8 million was previously approved for a building programme and this will provide the additional primary school places the community will need from 2016. The projects are under way and contractors have started on some of the sites.

Overall, the education sector is in a period of change and a great deal of this is due to factors outside our control.

As a result of recent high unemployment, a new Skills Strategy has been created that works towards a medium to long-term plan for preparing our future workforce. Education initiatives are a major part of this. Some are already in place. ESC's IT strategy 'Thinking Differently' has put creative computing skills high on the agenda and has been prepared and delivered with input from the business community. The Trackers apprentice programme, launched at the end of 2012, continues to perform beyond expectations and is receiving positive feedback from employees and employers who take part. Further expansion is now taking place to meet demand. Also, the Prince's Trust is providing targeted support specifically to vulnerable young people to help them find work.

This is delivered in partnership with the Jersey Youth Service whose team have played a vital part in supporting our teenage community through difficult times recently. This was over and above their usual work and is ongoing. Their service is highly valued across the community and has a strong future. The completion of the St James Centre project, redevelopment of the Crabbe outdoor activity base and the opening of the Move On Café in town, will all improve still further their ability to meet their strategic aims.

The 'Fit for the Future' strategy has stimulated a surge of interest in sport and enabled us to encourage participation at an early age. It has launched a range of initiatives that include a focus on primary age swimming, childhood obesity and support for local sports clubs. The strategy also unlocked funding



to support the countdown to the 2015 NatWest Island Games. As a result there is a drive to prepare and improve a range of facilities in time for the event and to engage a wide range of Islanders in what should be a memorable national event for us. It will be an important showcase for the Island with the potential to highlight the best of Jersey, not just to visitors but to the Island community as well.

## 2015 Budget Measures

The proposed measures to balance the consolidated fund in 2015 – 2% cuts – would put significant pressure on our budget and is likely to have a direct impact on our ability to maintain frontline services. This is a particular concern in relation to standards, demographic pressures and the plans for Trackers, however we will continue to work on the effective delivery of these services within the constraints of the budget cut.

### **Deputy Patrick Ryan**

Minister for Education, Sport and Culture



## Education, Sport and Culture

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### AIM:

- Strengthen our community by providing a first class education service, supporting the development of skills and promoting sporting, leisure and cultural activities that enrich our lives.
- Ensure that our children enjoy the best start possible.
- Prepare our young people for the challenges of the future and encourage them to make a positive contribution to society.
- Encourage lifelong learning and active participation in sport and culture.
- Promote social inclusion and equal opportunity.

### SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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#### Key Objective 1: Provide opportunities for all learners to succeed.

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##### Success criteria:

- (i) The current vocational pilots offered across schools and Highlands College are extended and co-ordinated to provide a broader range of choice for up to 25% of 14–16 year olds in the non fee-paying schools;
- (ii) New skills strategy developed by the Skills Board and accepted by Skills Executive and Council of Ministers;
- (iii) Review the school curriculum for Information Technology to take account of changes to the UK curriculum and the needs of individuals and industry;
- (iv) Increase in the number of Higher Education programmes on offer locally through increased activity in the University Centre and greater partnership with private sector providers;
- (v) Development of the 4th ICT Strategy (2013–2015) to support proposed new curriculum, E-learning, E-safety, and administrative objectives;
- (vi) Governance arrangements in schools further improved to ensure adherence to agreed standards, e.g. health and safety, data security;
- (vii) Training, development and succession planning in place to ensure the sustainability of the Professional Partnering Scheme;
- (viii) A comprehensive programme for leadership and management development at all levels complements school self-evaluation, increases effectiveness and allows for succession planning;
- (ix) Early Years and Day Care Registration amalgamated to promote comprehensive support to Early Years providers;
- (x) The recommendations arising from the reviews of the curriculum, structure and funding of primary and secondary education assessed and implemented where appropriate;
- (xi) A new apprenticeship scheme for young people between 16 and 19 years old is introduced in partnership with employers.



**Strategic Plan References:**

– **Priority:** Get people into work; Develop sustainable long-term planning

**Key Objective 2: Promote social inclusion and equal opportunity for all.**

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**Success criteria:**

- (i) Educational support arrangements for vulnerable children and young families are delivered within the framework of the Children and Young People's Plan;
- (ii) School-based support for parents further developed in partnership with the Parenting Service;
- (iii) Central database enables early identification, assessment and monitoring of children who require intervention and additional support;
- (iv) Language support in place for individuals who do not speak English as a first language;
- (v) New Prince's Trust programmes delivered according to plan;
- (vi) Research and assess needs for library services for housebound people contributing to improved quality of life and independent living for frail/elderly.

**Strategic Plan References:**

– **Priority:** Reform Health & Social Services; Develop sustainable long-term planning; Promote family and community values;

**Key Objective 3: Work in partnership with local and national organisations, promote healthy lifestyles and to increase opportunities for the local community to participate in sport, leisure and cultural activities.**

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**Success criteria:**

- (i) A new strategy for sport is developed;
- (ii) Increased collaboration between cultural organisations leads to sustained levels of participation and activity;
- (iii) Youth Service reorganisation completed and partnerships with Parishes sustained;
- (iv) Community sport programmes increased in targeted areas;
- (v) 2015 Organising Committee develops plans with Sport Governing Bodies to host NatWest Island Games in 2015;
- (vi) Individuals and teams continue to compete in Regional, National and International competitions;
- (vii) All sport centres continue to achieve Quest accreditation ensuring the operation of high quality facilities and good customer care;
- (viii) Schools supported to review their Travel Plans as part of the Safer Routes to School initiative;



- (ix) Exercise referral continues to develop programmes with Health and Social Services targeted at those in need;
- (x) Smoking reduction program targeted at Year 8 pupils developed and delivered with Health Promotion.

**Strategic Plan References:**

– **Priority:** Promote family and community values

**Key Objective 4: Plan effectively for the future.**

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**Success criteria:**

- (i) Results of public consultation on the future of education in Jersey published and way forward determined;
- (ii) Data and performance reporting functions further developed to meet the requirements of the ESC service;
- (iii) Action plans arising from a review of the ESC property portfolio implemented;
- (iv) Governance arrangements reviewed to support the introduction of the new Control of Housing and Work (Jersey) Law and Register of Names and Addresses (Jersey) Law;
- (v) Comprehensive Spending Review and other savings delivered in accordance with agreed timescales and as approved by the States;
- (vi) Demographic changes monitored, analysed and assessed, and appropriate solutions identified to respond to present and future demands on the service;
- (vii) Records management systems further developed and improved to support the work of the ESC service and prepare for the introduction of the new Freedom of Information Law;
- (viii) ESC Communications Strategy implemented to improve communication with internal and external stakeholders;
- (ix) Support provided to bring forward proposals for the Future of Fort Regent.

**Strategic Plan References:**

– **Priority:** Develop sustainable long-term planning





## Education, Sport and Culture

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure		£	£	£	£	£	
	<b>Schools and Colleges</b>						
	Non Fee Paying Provided Schools						
3,813,000	Pre-School Education	(528,300)	4,360,600	<b>3,832,300</b>	–	3,832,300	<b>47.7</b>
26,299,900	Primary Education	(151,600)	26,517,100	<b>26,365,500</b>	42,700	26,408,200	<b>450.1</b>
25,169,800	Secondary Education	(344,800)	25,194,700	<b>24,849,900</b>	46,900	24,896,800	<b>392.9</b>
8,304,000	Special Educational Needs and Special Schools	(76,700)	8,352,500	<b>8,275,800</b>	49,500	8,325,300	<b>145.3</b>
585,200	Instrumental Music Service	(339,300)	918,500	<b>579,200</b>	–	579,200	<b>13.4</b>
5,802,400	Fee Paying Provided Schools	(9,545,200)	15,031,400	<b>5,486,200</b>	44,700	5,530,900	<b>209.5</b>
4,877,300	Non Provided Schools	–	4,799,300	<b>4,799,300</b>	–	4,799,300	<b>–</b>
	<b>Culture and Lifelong Learning</b>						
11,590,900	Further and Higher Education	(2,694,200)	14,268,000	<b>11,573,800</b>	10,500	11,584,300	<b>215.6</b>
10,642,400	Higher Education	–	11,613,800	<b>11,613,800</b>	–	11,613,800	<b>4.8</b>
1,510,300	Youth Service	(821,600)	2,289,600	<b>1,468,000</b>	26,700	1,494,700	<b>35.2</b>
904,100	Careers Jersey	–	906,400	<b>906,400</b>	–	906,400	<b>28.3</b>
	Child Care Support						
199,900	Child Care Registration	–	200,500	<b>200,500</b>	–	200,500	<b>3.7</b>
185,300	Jersey Child Care Trust	–	188,900	<b>188,900</b>	–	188,900	<b>–</b>
1,736,100	Public Libraries	(61,300)	1,801,900	<b>1,740,600</b>	1,800	1,742,400	<b>30.2</b>
2,727,800	Heritage (Grant to the JHT)	–	2,778,200	<b>2,778,200</b>	–	2,778,200	<b>–</b>
1,868,700	Culture (including the Grant to the JAT)	–	1,902,100	<b>1,902,100</b>	–	1,902,100	<b>1.4</b>
	<b>Sports Division</b>						
1,781,600	Sports Centres	(3,579,100)	5,206,500	<b>1,627,400</b>	64,200	1,691,600	<b>70.7</b>
1,369,800	Playing Fields and Schools Sports	(779,100)	2,134,300	<b>1,355,200</b>	6,200	1,361,400	<b>8.9</b>
517,600	Sport Development	(179,600)	694,200	<b>514,600</b>	–	514,600	<b>15.6</b>
896,000	Grants and Advisory Council	–	912,800	<b>912,800</b>	–	912,800	<b>–</b>
166,300	Playschemes and Outdoor Education	(57,900)	223,600	<b>165,700</b>	–	165,700	<b>2.2</b>
102,000	Minor Capital Expenditure	–	103,900	<b>103,900</b>	–	103,900	<b>–</b>
<b>111,050,400</b>	<b>Revised Net Revenue Expenditure</b>	<b>(19,158,700)</b>	<b>130,398,800</b>	<b>111,240,100</b>	<b>293,200</b>	<b>111,533,300</b>	<b>1,675.5</b>
	Reduction in funding for 2% savings			(2,649,000)		(2,649,000)	
				<b>108,591,100</b>		<b>108,884,300</b>	

## Education, Sport and Culture

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure £		2015 Revised Net Revenue Expenditure £
<b>Income</b>		
(21,100)	Duties, Fees, Fines & Penalties	(21,600)
(18,307,500)	Sales of Goods and Services	(18,795,300)
–	Investment Income	–
(333,500)	Other Income	(341,800)
<b>(18,662,100)</b>	<b>Total Income</b>	<b>(19,158,700)</b>
<b>Expenditure</b>		
10,194,600	Social Benefit Payments	11,168,500
88,218,600	Staff Costs	88,009,500
10,238,300	Supplies and Services	10,292,700
901,400	Administrative Expenses	919,400
6,882,600	Premises and Maintenance	6,920,300
25,500	Other Operating Expenses	26,000
12,952,100	Grants and Subsidies Payments	13,038,100
–	Impairment of Receivables	–
23,900	Finance Costs	24,300
–	Foreign Exchange (Gain)/Loss	–
–	Contingency Expenses	–
<b>129,437,000</b>	<b>Total Expenditure</b>	<b>130,398,800</b>
<b>110,774,900</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>111,240,100</b>
	Reduction in funding for 2% savings	(2,649,000)
		<b>108,591,100</b>
275,500	Depreciation	293,200
–	Impairment of Fixed Assets	–
–	Asset Disposal (Gain)/Loss	–
<b>111,050,400</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>108,884,300</b>



## Education, Sport and Culture

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>106,177,900</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(480,000)	<b>Service Transfers</b>	
Price Inflation – Dept Expenditure	859,200	– Transfer of Child and Family Centre from Health and Social Services	60,000
Price Inflation – Provision for Pay Award	–		
<b>Commitments from Existing Policies</b>		<b>Allocations of Central Growth 2015</b>	–
CSR Growth and Other Growth	–		
Ongoing Savings Shortfall	158,000	<b>Pay</b>	
CSR Savings shortfall Agreed May 2012	(597,000)	– Recurring effect of 2013 1% Consolidated Pay Award	912,100
Department Savings	(158,000)	– Recurring effect of 2014 4% Consolidated Pay Award	3,684,900
Department User Pays	–		
<b>Departmental Transfers</b>		<b>Procurement Savings</b>	(178,000)
<b>Capital to Revenue Transfers</b>	–	<b>Capital to Revenue Transfers</b>	–
<b>MTFP Growth</b>	<b>801,000</b>	<b>Other Variations</b>	
		– Reduction in funding for 2% savings	(2,649,000)
<b>Proposed Procurement Savings</b>	–		
		<b>Revised Net Revenue Near Cash Expenditure</b>	<b>108,591,100</b>
<b>Proposed Other Budget Measures</b>	–	Depreciation per MTFP	293,200
		2015 Depreciation Adjustment	–
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>106,761,100</b>	Revised 2015 Depreciation	293,200
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>108,884,300</b>



# Department of the Environment

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# Department of the Environment

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## Minister's Introduction

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A high quality environment is at the heart of all of our lives. A good environment is one of the key ingredients to Jersey and why we all love to live, work and play here. A healthy environment underpins a strong economy, a happier and healthier lifestyle and a more diverse and robust ecosystem.

As the Minister for Planning and the Environment, I will ensure that the environment is not forgotten. Jersey has already signalled its commitment to a number of International Environmental commitments. These, and the environment they seek to enhance, must not be taken for granted and must be at the forefront of our decision-making along with social and economic issues.

On a small Island, the issues of good spatial planning and meeting development needs – whilst protecting eco-system services and the natural and historic environment – will always be a challenge.

To maintain economic diversity, there is a desire to sustainably expand economic growth in sectors dependent on the environment such as fisheries and farming, so that natural resources are protected for future generations as well as maintaining a vibrant town centre and Parish communities.

It is likely that energy prices will continue to rise in the future. The need to develop more secure and sustainable energy supplies is a challenge which might be partially met by natural, renewable energy resources in the medium to long term when technology and economic feasibility is proven. The role of government to develop these resources or to facilitate private development needs to be considered.

The regulation of clean air and water, waste management, natural habitats and special places and buildings is a challenge against a requirement for increased housing and economic growth. Overall economic, social and environmental decision-making needs to be co-ordinated to mitigate the impacts of climate change.

The provision of housing is a key challenge for the Island in the face of increased demand. Housing in Jersey is an expensive commodity and there is a need to ensure that a greater proportion of new homes in the Island are more affordable.

Our key challenge is managing the requirements of an increasing population against their resource requirements, whilst maintaining key ecosystem services and the need to recognize and manage the social, economic and environmental interactions. All of this has to be achieved with limited resources during a time when the island is experiencing significant social and economic challenges.

## Summary of Outline Business Cases for Growth

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The following summary presents the five priority Outline Business Cases (OBCs), along with their associated cost projections:

- » Succession planning



- » Strengthening the protection of the Island's environment
- » Masterplanning
- » Countryside infrastructure
- » Island Plan

#### SUMMARY OF MTFP GROWTH REQUESTS 2013–2015

	Note	2013 £000	2014 £000	2015 £000
<b>MTFP Growth Requests</b>				
Succession planning	1	36	75	100
Strengthening the protection of the Island's environment	2	200	–	–
Countryside infrastructure	2	50	–	–
Masterplanning	3 & 4	100	–	–
Island Plan	4	–	–	150
<b>TOTAL</b>		<b>286</b>	<b>175</b>	<b>350</b>

#### Funding position:

1. Funded from MTFP Growth Allocation
2. Funded in 2013 from Central Contingencies
3. Funding earmarked in Central Contingencies
4. To be funded from Central Planning Vote in 2015

#### Alternative Funding Measures

During the MTFP debate the Council of Ministers agreed to a number of compromises to amendments to the MTFP proposals brought forward by States members.

In response to a proposal to increase States total expenditure limits to provide three schemes for the Environment department that had not been prioritised for growth funding (Countryside infrastructure, Masterplanning and Strengthening the protection and regulation of the Island's environment), the Council of Ministers proposed alternative funding measures including use of the Central Planning Vote, allocations for back to work and employment initiatives and the opportunity to carry forward 2012 underspends. (More information on these and other MTFP compromises is contained in R114/2013).

#### Get People into Work

##### Succession planning – £36,000 to £100,000

The age profile of DoE staff is such that succession planning needs to be addressed. It would also support job opportunities for the younger generation and the strategy to provide more on-the-job



training for school leavers. The proposal would be to recruit two trainees (school leavers / graduates) in each of Planning and Countryside Rural. This could be funded through the Back to Work funding carry forward within Social Security.

## Sustainable Long Term Planning

### **Strengthening the protection of the Island's environment – £200,000**

The existing financial and manpower resource of Environmental Protection is increasingly stretched to effectively meet the demands of regulating and enforcing compliance with the Island's environmental legislation which is under Environmental Protection's remit. These laws provide fundamental tools to protect the Island's environment against increasing environmental, developmental and social pressures. The Environment Scrutiny Panel recognised the resource constraints within Environmental Protection during their recent Review of Marine Waters. The Panel further endorsed Environmental Protection's strategy and the importance to the Island of securing environmental goals through the implementation of widely recognised and proven EU Directives (Water Framework Directive, Marine Strategy Directive, Bathing Water Directive). These provide a vital and holistic (cross-departmental) framework and approach that will deliver recognised environmental protection goals in line with EU best practise and will safeguard the future of the Island's environment. Environmental Protection have initially assessed the resource implications and require two additional staff to ensure compliance.

### **Masterplanning – £100,000**

There is an increasing political pressure to undertake masterplanning. This could cost upwards of £100,000 per year and require additional staff.

### **Countryside infrastructure – £50,000**

Current resources are insufficient to adequately maintain the national park and environmental car parks. There is a need for an additional staff member and maintenance budget to further improve the environment in which we live. There is also a need to invest in additional infrastructure, e.g. footpaths. This would enable an improvement network for walking encouraging people to live a healthier lifestyle.

## Service Transfers

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### **Geospatial Information System (GIS) – £16,500 from Chief Minister's Department**

In 2014 and 2015 the Geospatial Information System (GIS) will be transferred from the Department of the Environment (DoE) to the Chief Minister's Department (CMD) and a net revenue recurring budget of £16,500 will transfer from CMD to the DoE. The use of geospatial information (GI) is increasing rapidly. There is a growing recognition amongst both governments and the private sector that an understanding of location and place is a vital component of effective decision-making.





## 2015 Budget Measures

As part of the debate around the 2015 Budget, it was identified that additional savings totaling £12.1 million would be required to be made by all Departments in 2015. The DoE share of this is £204,800 and work has started to identify where these savings can be made. Until this work is substantially complete it is unknown how this will impact on the delivery of our existing services, or whether any additional user pays charges might need to be considered.

### **Deputy R.C. Duhamel**

Minister for Planning and Environment



# Department of the Environment

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## AIM:

Look after the environment. This includes our sea, water, air, land and buildings. It also means working to ensure that Jersey has a thriving, sustainable community and economy that does not unnecessarily harm the environment.

## SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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### Key Objective 1: Manage and regulate the natural and built up environment.

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#### Success criteria:

- (i) Continue to regulate the environment, including water, waste, animal health, plant health, planning and building, biodiversity and 800 square miles of territorial sea.

#### Strategic Plan References:

- **Vision:** A safe and caring community, A strong and sustainable economy, Preparing for the future, Protecting the environment
- **Priorities:** Manage population growth and migration, House our community, Promote family and community values, Develop sustainable long-term planning

### Key Objective 2: Develop existing and new legislation, strategies and policies to protect the environment.

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#### Success criteria:

- (i) Deliver the new Island Plan and a range of new and revised supplementary planning guidance to support and complement the new Plan;
- (ii) Develop the approved Island Plan Policy H3: Affordable Housing;
- (iii) Develop an energy policy in order to achieve a secure, affordable and sustainable energy supply;
- (iv) Develop an Air Quality Action Plan (with the Department of Health and Social Services);
- (v) Develop a Contaminated Land Strategy;
- (vi) Develop a Climate Change Adaptation Plan (to follow Energy Policy);
- (vii) Develop further the potential of sustainable energy resources such as tidal power and off-shore wind power;
- (viii) Deliver a new historic environment protection regime;
- (ix) Review the Wildlife Law;
- (x) Update Animal Health legislation;



- (xi) Develop a Landscape Strategy and Environmental Action Plan and Coastal National Park Management plan;
- (xii) Deliver the Rural Economy Strategy (2011–2015);
- (xiii) Carry out a review of the Countryside and Rural Economy;
- (xiv) Deliver regulation under the Convention on International Trade in Endangered Species (CITES) Law;
- (xv) Deliver and implement the Fisheries and Marine Resources Strategy;
- (xvi) Develop and implement an Integrated Coastal Management Strategy and Ramsar management plan;
- (xvii) Review and amend the Planning and Building Law and subordinate legislation.

**Strategic Plan References:**

- **Vision:** A safe and caring community, Preparing for the future, Protecting the environment
- **Priorities:** Manage population growth and migration, House our community, Promote family and community values, Develop sustainable long-term planning

**Key Objective 3: Deliver department efficiencies and contribute towards States activities and Comprehensive Spending Review savings.**

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**Success criteria:**

- (i) Explore the possible benefits of consolidating environmentally based policies across the States, such as land, air, waste and transport;
- (ii) Develop and deliver a strategy for a Low Carbon Economy (in partnership with EDD);
- (iii) Deliver department savings towards the States Comprehensive Spending Review;
- (iv) Continue to lead and co-ordinate the Eco-Active States programme.

**Strategic Plan References:**

- **Vision:** A strong and sustainable economy, Preparing for the future, Protecting the environment
- **Priorities:** Get people into work, Promote family and community values, Reform government & the public sector, Develop sustainable long-term planning



## Key Objective 4: Improve the customer and stakeholder experience of Department of the Environment services.

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### Success criteria:

- (i) Develop further the performance culture within the department;
- (ii) Continue to provide and enhance the provision of weather services (forecasting, observing and climate monitoring across the Channel Islands);
- (iii) Develop and implement a new Planning appeals system;
- (iv) Introduce more permitted development;
- (v) Deliver a new 3D model of St Helier;
- (vi) Develop further the online planning service.

### Strategic Plan References:

- **Vision:** Preparing for the future, Protecting the environment
- **Priorities:** Reform government & the public sector, Develop sustainable long-term planning

## Key Objective 5: Promote environmentally conscious decision-making in all sectors.

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### Success criteria:

- (i) Develop the Eco-Active Energy Efficiency Service;
- (ii) Continue to lead and co-ordinate the Eco-Active programme;
- (iii) Contribute to the delivery of initiatives that reduce waste, energy use, pollution and the effects of climate change.

### Strategic Plan References:

- **Vision:** A safe and caring community, A strong and sustainable economy, Preparing for the future, Protecting the environment
- **Priorities:** Promote family and community values, Reform government & the public sector, Develop sustainable long-term planning



## Department of the Environment

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		2014 Revised Net Revenue Expenditure £	Income £	Expenditure £	2015 Revised Net Revenue Expenditure £	Expenditure £	
<b>Planning and Building</b>							<b>53.9</b>
(68,600)	Development Control	(1,881,100)	1,780,800	<b>(100,300)</b>	–	(100,300)	
(45,900)	Building Control	(1,401,700)	1,325,800	<b>(75,900)</b>	–	(75,900)	
1,011,100	Policy and Projects	(24,100)	994,000	<b>969,900</b>	45,100	1,015,000	
<b>Environment</b>							<b>63.6</b>
1,807,700	Environmental Management and Rural Economy	(28,000)	1,661,900	<b>1,633,900</b>	200,000	1,833,900	
1,235,200	Environmental Policy and Awareness	(5,300)	1,260,300	<b>1,255,000</b>	–	1,255,000	
956,500	Environmental Protection	(288,800)	1,244,800	<b>956,000</b>	–	956,000	
497,800	Fisheries and Marine Resources	(25,000)	488,100	<b>463,100</b>	36,200	499,300	
280,100	States Veterinary Officer	(4,000)	283,900	<b>279,900</b>	1,000	280,900	
680,900	Meteorology	(791,200)	1,357,600	<b>566,400</b>	101,500	667,900	
<b>6,354,800</b>	<b>Revised Net Revenue Expenditure</b>	<b>(4,449,200)</b>	<b>10,397,200</b>	<b>5,948,000</b>	<b>383,800</b>	<b>6,331,800</b>	<b>117.5</b>
	Reduction in funding for 2% savings			(204,800)		(204,800)	
				<b>5,743,200</b>		<b>6,127,000</b>	

## Department of the Environment

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
(3,442,100)	Duties, Fees, Fines & Penalties	(3,558,800)
(824,900)	Sales of Goods and Services	(850,100)
–	– Investment Income	–
(39,900)	Other Income	(40,300)
<b>(4,306,900)</b>	<b>Total Income</b>	<b>(4,449,200)</b>
<b>Expenditure</b>		
–	– Social Benefit Payments	–
7,424,200	Staff Costs	7,477,500
1,395,800	Supplies and Services	1,426,800
104,400	Administrative Expenses	105,600
357,100	Premises and Maintenance	365,900
–	– Other Operating Expenses	–
996,400	Grants and Subsidies Payments	1,021,400
–	– Impairment of Receivables	–
–	– Finance Costs	–
–	– Foreign Exchange (Gain)/Loss	–
–	– Contingency Expenses	–
<b>10,277,900</b>	<b>Total Expenditure</b>	<b>10,397,200</b>
<b>5,971,000</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>5,948,000</b>
	Reduction in funding for 2% savings	(204,800)
		<b>5,743,200</b>
383,800	Depreciation	383,800
–	– Impairment of Fixed Assets	–
–	– Asset Disposal (Gain)/Loss	–
<b>6,354,800</b>	<b>Revised Revenue Non Cash Expenditure</b>	<b>6,127,000</b>



## Department of the Environment

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>5,605,700</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(106,700)	<b>Service Transfers</b>	
Price Inflation – Dept Expenditure	70,600	– Transfer of Geospatial Information System to Chief Minister’s Department	16,500
Price Inflation – Provision for Pay Award	–		
<b>Commitments from Existing Policies</b>	<b>–</b>	<b>Allocations of Central Growth 2015</b>	<b>–</b>
Department Savings	–	<b>Pay</b>	
Department User Pays	–	– Recurring effect of 2013 1% Consolidated Pay Award	69,200
<b>Departmental Transfers</b>	<b>–</b>	– Recurring effect of 2014 4% Consolidated Pay Award	279,600
<b>Capital to Revenue Transfers</b>	<b>–</b>	<b>Procurement Savings</b>	<b>(11,900)</b>
<b>MTFP Growth</b>	<b>25,000</b>	<b>Capital to Revenue Transfers</b>	<b>–</b>
<b>Proposed Procurement Savings</b>	<b>–</b>	<b>Other Variations</b>	
<b>Proposed Other Budget Measures</b>	<b>–</b>	– Reduction in funding for 2% savings	(204,800)
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>5,594,600</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>5,743,200</b>
		Depreciation per MTFP	383,800
		2015 Depreciation Adjustment	–
		Revised 2015 Depreciation	383,800
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>6,127,000</b>



# Health and Social Services

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# Health and Social Services Department

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## Minister's Introduction

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2014 has been a year in which the Health and Social Services Department has continued to drive forward the change programme set out in P82/2012 Health and Social Services: A new way forward. In addition to introducing the new and enhanced services, progressing the Future Hospital planning, the sustainable Primary Care review and the Mental Health review the Department has continued to refine plans for inclusion in the next Medium Term Financial Plan. All this has been done while the Department has continued to deliver business as usual within the MTFP spending limits.

## Developments and Achievements in 2014

2014 saw significant progress on the introduction of new and enhanced services, as outlined in P82/2012. The aim is to increase independence for Islanders, enabling them to remain at home for as long as possible, to offer choice and to identify needs and provide integrated services early. The key focus for 2015 is to move to a more integrated whole system approach through the development of the 'Out Of Hospital System' which will aim to keep people out of hospital; both avoiding admission and facilitating discharge.

Progress has been made to develop an Acute Services Strategy. Work on the future hospital has moved to the feasibility stage with detailed work ongoing on options and plans for both the buildings and the services. The States of Jersey last year approved in principle the allocation of £297m allocated from the Strategic Reserve for this ambitious project, the largest ever embarked upon by the States of Jersey.

The Sustainable Primary Care project made good progress during 2014, with GPs, Pharmacists, Opticians and Dentists working with the department, and with Treasury and Social Security, to develop options for the Primary Care model of the future. This has been mirrored in the Mental Health System review work; these projects are due to report in 2015 and will be followed by public consultations.

Cross departmental working has been key in the introduction of the Long Term Care Benefit which commenced in July 2014. Joint working with organisations across health and social care, including the Community and Voluntary sector and Primary Care, has been further progressed, with partners working together, including Mind Jersey, Jersey Hospice Care, Family Nursing & Home Care and Citizen's Advice Bureau. This collaborative working across the entire health community is, and will continue to be, critical to the successful delivery of the vision set out in P82/2012.

## Changes to original MTFP budget for 2015

**Service transfers:** in 2013 there was a transfer of budget from the previous Jersey Child Protection Committee to the Chief Minister's Department to fund the new Safeguarding Partnership Board for children and adults. In addition there were other smaller transfers between the department and other departments for other changes in scope of services.



**£8,020,000 pay awards:** the department's budget has increased by the pay awards agreed for nurses, doctors and other pay groups for 2013 and 2014. The pay awards for 2015 have not yet been agreed and therefore have not been included at this stage in the department's budget.

**£750,000 Procurement savings:** this represents the department's share of the remaining procurements savings identified in the MTFP.

**£4,702,000 2% savings:** as set out in the Budget 2015, all departments have agreed to identify savings of 2% of gross expenditure budgets as part of the measures to bring the Consolidated Fund into balance.

Health and Social Services is working hard to identify sustainable solutions for delivering this savings target. Detailed proposals have not yet been identified but it is likely that some of the following impacts will be felt:

- Re-phasing of the planned implementation of P82/2012
- Delays in other planned developments
- Reduction in provision of existing services
- Risk of HSS no longer being able to follow UK standards for technologies, treatments and drugs
- Potential increase in waiting times / reduction in patient satisfaction

The Department is planning to set up a programme board to oversee a systematic review of services in order to identify opportunities for efficiencies and productivity gains across the service.

In all this I am confident that Health and Social Services will continue to prioritise resources in order to deliver our overriding objective of safe, sustainable and affordable care.

## Departmental Objectives for 2015

Our high level business objectives remain unchanged; some of our success criteria have been updated to reflect the ongoing development of our work.

During 2015 the key areas of focus for P82 will be the development of the 'Out Of Hospital system', which will aim to keep people out of hospital; both avoiding admission and facilitating discharge. This will be delivered through integrated services across all care providers.

Both the Mental Health systems review and the Sustainable Primary Care project will report in 2015. The resulting strategies and proposals will then be consulted on before final decisions and plans are made.

The priority investments for 2016–2019 will be developed into outline plans, ready to commence implementation in early 2016, subject to budget allocations.

With agreed additional funding we have been able to continue our focus on continuous improvement using the Jersey Lean System. This is led by a specialist team, who support individuals and teams across health and social care.



Work is ongoing to develop the Outline Business Case for the Future Hospital. A proposition and report on the future hospital will be presented to the States in 2015.

I would like to thank all the staff for their continued hard work and commitment in what has been a very busy and demanding year. 2015 undoubtedly will be the same and I am confident the staff will rise to the challenges it will bring.

**Deputy Anne Pryke**

Minister for Health and Social Services



# Health and Social Services

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## AIM:

Improve the health and well being of the population of Jersey with particular emphasis on children and older people.

## SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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### Objective 1: Redesign of the health and social care system to deliver safe, sustainable and affordable health and social services.

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#### Success criteria

- (i) Continued implementation of the 10 year transition plan based on the 2012 White Paper;
- (ii) In conjunction with the Social Security Department, implementation of mechanisms for the funding of long term care;
- (iii) Have an approved plan for the future development of HSSD Estate requirements including hospital, mental health and community based children and adult facilities;
- (iv) Informed by the acute service strategy and detailing delivery of new models of care, develop plans for future hospital provision including plans to deliver transitional capacity;
- (v) Working in partnership with Primary care practitioners, the Social Security Department and Treasury and Resources develop a sustainable model for Primary Care;
- (vi) Working in tandem with Social Security colleagues, advance Primary Care governance, local regulation and the quality agenda according to commitments in P36/2010;
- (vii) Continue to build robust commissioning of services to meet the needs of islanders, which supports a vibrant provider market, including the Community and Voluntary Sector and the Parishes;
- (viii) Joint working with Education Sports and Culture and Home Affairs on implementing the Children's and Young People's Strategic framework, and with Social Security and the Housing Department in relation to the older adults' agenda;
- (ix) Joint working with the Treasury and Resources and Social Security Departments to identify proposals for a sustainable funding mechanism for health and social care, according to commitments in P82/2012;
- (x) Implementation of a Workforce Plan and Workforce Development Plan that supports the redesign of the health and social care system and development of a future hospital provision;
- (xi) Undertake a review of mental health services.

#### Strategic Plan References:

– **Vision:** A safe and caring community; Preparing for the future

– **Priorities:** Promote family and community values; Reform Health & Social Services; Develop long-term planning



## Objective 2: Improved health outcomes by reducing the incidence of mortality, disease and injury in the population.

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### Success criteria

- (i) Monitor, understand, improve and protect the health and wellbeing of islanders through:
  - a. Health Intelligence: Publication of the 2nd Joint Channel Islands Health Profile
  - b. Health Improvement:
    - Development of a Food and Nutrition Strategy;
    - Complete and commence implementation of a Skin Cancer Strategy;
    - Create a working group to develop a new Tobacco Strategy from 2015 onwards;
    - Continue to support the health aspects of the States wide Alcohol and Licencing Strategy led by the Chief Minister's Department.
  - c. Health Care Programmes:
    - Introduction of an infant rotavirus immunisation programme, other new immunisation programmes as recommended and funded, explore the possibility of a new contract for immunisation delivery;
    - Development and introduction of a surveillance programme for women at high risk from breast cancer;
  - d. Public Health legislation:
    - Professional and Care Regulation:
      - Regulation of Care Law [see objective 4 (vi)];
      - Creation and implementation of a new system of medical practitioners' registration and revalidation;
    - Environmental Health – if adopted by the States:
      - Implementation of legislation associated with food supplements, nutritional health claims and food safety;
      - Implementation of the Public Health and Safety (dwellings) Law.
- (ii) Develop services which promote early intervention across a variety of services, commencing with psychological therapies, support for those suffering from alcohol dependency and those services aimed at promoting 'school readiness'.

### Strategic Plan References:

- **Vision:** A safe and caring community; Preparing for the future
- **Priorities:** Reform Health & Social Services; Reform government & the public sector



### Objective 3: Improved consumer experience of Health and Social Services.

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**Success criteria:**

- (i) Develop services which support personalised care in a variety of settings, giving choice to individuals and providing support for their carers;
- (ii) Improve the consumer experience of health and social services by supporting our staff to implement the “Jersey Lean System” of service improvement;
- (iii) Increase patient and public involvement with services as described by the recommendations made in the Francis, Keogh, Berwick and Winterbourne Reports of 2013.

**Strategic Plan References:**

- **Vision:** A safe and caring community; A highly skilled workforce
- **Priorities:** Promote family and community values; Reform Health & Social Services

### Objective 4: Promotion of an open culture based on good clinical and corporate governance with a clear emphasis on safety.

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**Success criteria**

- (i) Continued development of an organisational culture which promotes a positive and open environment in which staff are empowered to make challenges to achieve improvements in services and patient care;
- (ii) Availability of the necessary staffing levels with appropriate performance management in place to support safe and effective care whilst providing for the required succession planning;
- (iii) Evidence of the Department’s commitment to the importance of promoting children’s and adults’ welfare through the development of a safeguarding plan updated in line with local and national developments;
- (iv) Embed external inspection and internal self evaluation models across Health and Social Services, strengthening the assurance structure;
- (v) Develop performance information that provides accurate information to promote informed changes and develop reports to assure HSSD that safety is maximised;
- (vi) Develop new legislation providing a framework for the regulation of all health and social care activities in Jersey.

**Strategic Plan References:**

- **Vision:** Preparing for the future; A highly skilled workforce
- **Priorities:** Reform Health & Social Services



## Objective 5: Manage the Health and Social Services budget to deliver services in accordance with the Medium Term Financial Plan

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### Success criteria:

- (i) Sustainable, efficient and cost effective services delivered within approved cash limits;
- (ii) Effective resource and workforce planning, development, deployment and productivity in both hospital and community settings;
- (iii) Agreed savings schemes achieved.

### Strategic Plan References:

- **Vision:** Preparing for the future; A highly skilled workforce
- **Priorities:** Reform Health & Social Services; Develop sustainable long-term planning





## Health and Social Services

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure		£	£	£	£	£	
3,942,300	Public Health Services	(583,000)	4,613,200	4,030,200	23,400	4,053,600	61.0
<b>Hospital Services</b>							
28,397,300	Hospital Inpatient Services	(5,188,700)	33,952,300	28,763,600	286,800	29,050,400	502.0
16,402,300	Theatres	(1,599,300)	17,852,300	16,253,000	519,700	16,772,700	237.0
11,146,700	Women & Children	(1,415,000)	12,663,400	11,248,400	140,900	11,389,300	186.0
7,321,200	Unscheduled and Emergency Care	(401,300)	7,773,900	7,372,600	61,200	7,433,800	168.0
17,812,700	Day Stay and Outpatient Services	(1,024,100)	19,336,100	18,312,000	191,500	18,503,500	227.0
12,020,600	Tertiary Care	(43,600)	13,219,200	13,175,600	–	13,175,600	0.0
22,102,800	Clinical Support	(3,469,000)	23,903,100	20,434,100	1,605,700	22,039,800	277.0
5,031,500	Ambulance Emergency Services	(139,600)	5,049,600	4,910,000	187,300	5,097,300	57.0
<b>Community &amp; Social Services</b>							
25,511,200	Older Peoples Services	(9,510,200)	36,774,100	27,263,900	116,600	27,380,500	493.0
27,879,000	Adults Services	(1,292,600)	29,606,700	28,314,100	82,900	28,397,000	376.0
16,536,000	Children's Services	(401,500)	17,220,200	16,818,700	59,400	16,878,100	272.7
7,661,200	Therapy Services	(264,400)	8,324,700	8,060,300	31,100	8,091,400	106.0
<b>201,764,800</b>	<b>Revised Net Revenue Expenditure</b>	<b>(25,332,300)</b>	<b>230,288,800</b>	<b>204,956,500</b>	<b>3,306,500</b>	<b>208,263,000</b>	<b>2,962.7</b>
	Reduction in funding for 2% savings			(4,702,000)		(4,702,000)	
				<b>200,254,500</b>		<b>203,561,000</b>	

## Health and Social Services

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure £		2015 Revised Net Revenue Expenditure £
<b>Income</b>		
(4,000)	Duties, Fees, Fines & Penalties	(4,100)
(16,052,400)	Sales of Goods and Services	(16,419,600)
–	Investment Income	–
(8,843,600)	Other Income	(8,908,600)
<b>(24,900,000)</b>	<b>Total Income</b>	<b>(25,332,300)</b>
<b>Expenditure</b>		
1,007,300	Social Benefit Payments	1,028,100
143,812,900	Staff Costs	146,590,400
67,395,100	Supplies and Services	71,230,900
1,133,300	Administrative Expenses	1,167,500
7,773,800	Premises and Maintenance	8,008,600
12,300	Other Operating Expenses	12,700
2,188,500	Grants and Subsidies Payments	2,216,600
–	Impairment of Receivables	–
33,300	Finance Costs	34,000
–	Foreign Exchange (Gain)/Loss	–
–	Contingency Expenses	–
<b>223,356,500</b>	<b>Total Expenditure</b>	<b>230,288,800</b>
<b>198,456,500</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>204,956,500</b>
	Reduction in funding for 2% savings	(4,702,000)
		<b>200,254,500</b>
3,308,300	Depreciation	3,306,500
–	Impairment of Fixed Assets	–
–	Asset Disposal (Gain)/Loss	–
<b>201,764,800</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>203,561,000</b>



## Health and Social Services

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>190,621,400</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation - Dept Income	(593,300)	<b>Service Transfers</b>	
Price Inflation - Dept Expenditure	1,635,000	- Transfer to Chief Minister's Department for Safeguarding Partnership Board	(274,700)
Price Inflation - Provision for Pay Award	-	- Transfer of staff budget for Finance Resource from Treasury and Resources	89,800
<b>Commitments from Existing Policies</b>		- Transfer to Home Affairs for Independent Domestic Violence Advisers	(50,000)
CSR Growth and Other Growth	300,000	- Transfer of Child and Family Centre to Education, Sport and Culture	(60,000)
2% Growth Allocation	3,627,200		
Replacement of Original HIF funding	161,100	<b>Allocations of Central Growth 2015</b>	-
Replacement of HIF funding	-		
Department Savings	-	<b>Pay</b>	
Department User Pays	-	- Recurring effect of 2013 1% Consolidated Pay Award	1,199,000
<b>Departmental Transfers</b>	-	- Recurring effect of 2013 Doctors' and Consultants' Pay Award	189,000
<b>Capital to Revenue Transfers</b>	-	- Recurring effect of Additional Funding for 2012 Nurses' Pay Award	550,000
<b>MTFP Growth</b>	<b>2,230,000</b>	- Recurring effect of Additional Funding for 2013 Nurses' Pay Award	1,050,000
<b>Proposed Procurement Savings</b>	-	- Recurring effect of 2014 4% Consolidated Pay Award (including Nurses' Pay Awards)	5,032,000
<b>Proposed Other Budget Measures</b>	-	<b>Procurement Savings</b>	(750,000)
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>197,981,400</b>	<b>Capital to Revenue Transfers</b>	-
		<b>Other Variations</b>	
		- Reduction in funding for 2% savings	(4,702,000)
		<b>Revised Net Revenue Near Cash Expenditure</b>	<b>200,254,500</b>
		Depreciation per MTFP	3,550,500
		2015 Depreciation Adjustment	(244,000)
		Revised 2015 Depreciation	3,306,500
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>203,561,000</b>



## Home Affairs

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# Home Affairs Department

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## Minister's Introduction

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My introduction included in the Annex to the 2013 – 2015 Medium Term Financial Plan set out the Department's key role in ensuring the overall safety of the Island community and core function of helping to ensure the safety of our community.

The key objectives and success criteria have been updated to reflect their alignment to the Strategic Plan and relevance to 2015. A new success criteria has been added to promote the Lean initiative to support public sector reform.

With regard to anticipated changes in 2015, there will be a new Ministerial Team for Home Affairs following the elections in October 2014. It will fall to that Ministerial Team to set the work flow priorities; however, the Department is aware already of important tasks that need addressing.

The States have approved legislation recently which will need to be implemented in 2015, most notably the new Young Offenders Law and the Explosives Law. The Fireworks Regulations and the Regulations and Orders under the States of Jersey Police Force Law 2012 will also need to be brought forward at an early stage.

In terms of policy, there is important multi-agency work required to develop a new community safety strategy to replace the Building a Safer Society Strategy. There are important challenges to address such as cyber-crime, new psychoactive substances and the rise in domestic violence offences. A new Criminal Justice Policy is required which will entail significant cross-agency liaison.

## Approved Variations to Expenditure Limits since the MTFP

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### Variations approved in the 2014 Annex

#### Service Transfers

##### **Cadet and Military Support Officer – £8,000 to Office of the Lieutenant Governor**

The transfer of funds for the Cadet and Military Support Officer is the Department's contribution to the new post created within the Lieutenant Governor's Office to co-ordinate forces cadet work and ceremonial functions that have a military element.



## Central Growth Allocations

### **Maritime Response Team (MRT) – £25,000**

The funding for a UK Maritime off-shore ship fire-fighting capability has not been re-instated by either the UK Department for Transport or the Department of Communities and Local Government. There remains no UK provision to assist with emergency fire-fighting, industrial accidents or chemical incidents at sea. Many UK Fire and Rescue Services and their Authorities with notable maritime risk have taken the decision to fund the shortfall in order to maintain such a capability in and around their coastal waters. Furthermore, Guernsey has withdrawn from the previous jointly provided Maritime Incident Response Group arrangements.

However, the States of Jersey Fire and Rescue Service (JFRS) has developed and implemented a new local Marine Response Strategy (MRS), supported by capability, tactics and operations at a reduced cost. These have been incorporated into the Jersey Coastguard and Condor Marine Services Emergency Response Plan.

Funding is required in order that the JFRS can fulfil the new MRS. This will also enable the JFRS to access mutual assistance from those Services that have a maritime response capability, if required.

### **Increased Running Costs of New Prison Facilities – £25,000**

The Prison was designed in the late 1960s and was opened in 1974. A programmed redevelopment (Masterplan) commenced in 2003 to address some of the Prison estate's shortcomings which were reinforced in previous inspections. The first five phases of the Masterplan have been delivered or are currently on site.

New facilities consisting of a visit room and staff facility (phase four), stores and engineers' facility (phase five) and a new classroom, boiler house and greenhouse constructed in the horticultural area of the Prison have increased the running costs of the Prison which cannot be accommodated within the Home Affairs Department's net revenue expenditure.

## Pay Awards

**Recurring cost of the 2013 1% Consolidated Pay Award – £345,000**

**Recurring cost of the 2013 Firefighters Pay Award – £83,300**

**Recurring cost of the 2014 4% Consolidated Pay Award – £1,397,100**



## 2015 Variations

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### Service Transfers

#### **Independent Domestic Violence Advisors – £50,000 from the Health and Social Services Department**

Transfer of funding to the States of Jersey Police following a commitment made by the Childrens Policy Group to establish a Multi-Agency Risk Assessment Conference (MARAC) in Jersey.

### Procurement Savings

The Department's contribution of £120,400 to the balance of notional procurement savings required to meet the Corporate Procurement target of £6.5 million savings as part of the CSR process.

## 2015 Budget Measures

Following approval of the 2015 Budget there is a requirement for all Departments to deliver 2% savings in 2015 as part of the measures required to balance the Consolidated Fund. The impact on the Home Affairs Department is £1,033,200. Whilst I am supportive of this proposal it is important to note, however, that with staff costs accounting for over 84% of the net budget it will take time to identify and deliver savings.

As it is likely that Departments will be required to make savings from 2016 as part of the next MTFP process, officers are therefore reviewing statutory obligations and considering sustainable options for recurring savings of 2% to be delivered in 2015 and future years.

All increases to the expenditure limits agreed in the MTFP are not new projects or initiatives but are necessary if the Department is to continue to deliver its core functions. The challenge, as ever, will be seeking ways of reducing cost where 84% of the budget relates to staff costs.

### **Senator B I Le Marquand**

Minister for Home Affairs





## Home Affairs

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### AIM:

- Provide for a safe, just and equitable society, thus improving people's quality of life.

### SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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**Note:** Since the publication of the Medium Term Financial Plan 2013 – 2015, the alignment of the Department's objectives to the Strategic Plan References (Vision and Priorities) have been refined.

**Key Objective 1: To secure the capacity and capability required to deliver and sustain effective services for the purpose of protecting the public and providing a safe and caring community**

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#### Success criteria:

- (i) The maintenance of an adequate and efficient Police Force for the Island as prescribed by the Police Force (Jersey) Law, 1974, as amended, which is to be superseded in due course by the States of Jersey Police Force Law 2012, some Articles of which are already in force;
- (ii) The maintenance of an adequate and efficient Fire and Rescue Service for the Island as prescribed by the Fire and Rescue Service (Jersey) Law, 2011;
- (iii) The maintenance of an adequate and efficient Customs and Immigration Service for the Island as prescribed by the Customs and Excise (Jersey) Law, 1999 and the Immigration (Jersey) Order, 1993;
- (iv) The maintenance of an adequate and efficient Prison Service for the Island as prescribed by the Prison (Jersey) Law, 1957.

#### Strategic Plan References:

– **Vision:** A safe and caring community; Protecting our environment

– **Priorities:** Manage population growth and migration; Promote family and community values; Reform government and the public sector

**Key Objective 2: Underpin the vision of a safe and caring community by providing:**

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- (a) a Police Service which will work in partnership to:
  - provide visible, responsive community policing,
  - protect our community from harm,
  - bring offenders to justice,
  - build public trust and confidence.



- (b) a Fire and Rescue Service which will work in partnership to:
- eliminate preventable fire casualties,
  - reduce the effect of fire,
  - respond effectively to emergency calls,
  - assist in safeguarding property and the environment.
- (c) a Customs and Immigration Service which will work in partnership to:
- protect Jersey from the threat of illegal immigration and the import/export of prohibited or restricted goods,
  - collect Customs and Excise duties, including import GST, while preventing loss of government revenue from fraud or evasion,
  - honour the Island's external Customs, Immigration, Passport and Nationality obligations.
- (d) a Prison Service which will work in partnership to:
- keep in custody those persons committed to the Prison by the Courts in a safe, decent and healthy environment,
  - reduce re-offending by providing constructive regimes for prison inmates, which address offending behaviour and improve educational and work skills,
  - contribute to Multi Agency Risk Assessment forums to help manage those persons that are considered to be a risk to the general public.

**Success criteria:**

- (i) Delivery of the performance targets set out in the States of Jersey Police Annual Policing Plan for 2015;
- (ii) Delivery of performance targets set out in the current States of Jersey Fire and Rescue Service Integrated Risk Management Plan (IRMP);
- (iii) Delivery of the performance targets set out in the States of Jersey Customs and Immigration Service Annual Action Plan for 2015;
- (iv) Delivery of the performance targets set out in the States of Jersey Prison Service Annual Business Plan for 2015.

**Strategic Plan References:**

– **Vision:** A safe and caring community; Protecting our environment

– **Priorities:** Manage population growth and migration; Promote family and community values; Reform government and the public sector



### Key Objective 3: To ensure effective development and delivery of partnership arrangements to:

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- ensure that the Island is as resilient as possible to threats to its security and way of life,
- help people feel secure in their homes and local communities by driving down levels of crime, anti-social behaviour and disorder, vulnerability and harm,
- provide people with opportunities to develop their potential as lifelong learners and active and responsible members of society,
- support the efficient and effective delivery of justice.

#### Success criteria:

- (i) Reduced levels of recorded crime;
- (ii) Improved perception of public safety (Jersey Annual Social Survey);
- (iii) Reduced rates of re-offending behaviour;
- (iv) Reduced rates of fire and associated injury and loss.

#### Strategic Plan References:

– **Vision:** A safe and caring community

– **Priorities:** Promote family and community values; Reform Health and Social Services; Reform government and the public sector

### Key Objective 4: To maintain Jersey's Defence contribution to the United Kingdom

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#### Success criteria:

- (i) A Royal Engineer Squadron prepared to deliver individual reinforcements or a formed group to support UK Operations.

#### Strategic Plan References:

– Vision: A safe and caring community

– Priorities: Promote family and community values

### Key Objective 5: To maintain and preserve a register of all births, marriages, civil partnerships, adoptions and deaths in Jersey

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#### Success criteria:

- (i) A register of all births, marriages, civil partnerships, adoptions and deaths in Jersey is maintained.



**Strategic Plan References:**

- **Vision:** A safe and caring community
- **Priorities:** Promote family and community values

**Key Objective 6: To ensure that staff and resources are managed so as to deliver high standards of performance and provide value for money**

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**Success criteria:**

- (i) Financial balance achieved and total budget and spend profile consistent with forecast;
- (ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions;
- (iii) Management costs minimised to ensure maximum resources are directed to front line services whilst ensuring that our public services are delivered in a way which is effective, fair and in keeping with the States' environmental and social objectives;
- (iv) Adequate financial provision is made in the Medium and Long Term Financial Plans to meet Home Affairs requirements in order to support the States of Jersey Strategic Plan;
- (v) Explicit link between budget prioritisation process and States of Jersey Strategic Plan Priorities demonstrated;
- (vi) Staff developed to help them achieve their full potential;
- (vii) All identified Comprehensive Spending Review savings are met and are sustainable;
- (viii) Provide appropriate training to staff in order to promote and adopt Lean ways of working throughout Home Affairs.

**Strategic Plan References:**

- **Vision:** A safe and caring community; A strong and sustainable economy; Preparing for the future; Protecting the environment; A highly skilled and motivated workforce
- **Priorities:** Promote family and community values; Reform government and the public sector; Develop sustainable long term planning



## Home Affairs

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure							
£		£	£	£	£	£	
<b>Home Affairs</b>							
79,800	Explosives Officer / Explosives Licensing	–	81,600	<b>81,600</b>	–	81,600	–
17,500	Statutory and Legislative Provisions	–	17,800	<b>17,800</b>	–	17,800	<b>1.2</b>
	– Vetting and Barring Office	–	–	–	–	–	<b>3.0</b>
125,000	Communications Data (Police and Customs)	–	125,000	<b>125,000</b>	–	125,000	–
300,000	Criminal Injuries Compensation Scheme	–	300,000	<b>300,000</b>	–	300,000	–
100,000	Police Authority	–	100,000	<b>100,000</b>	–	100,000	<b>1.0</b>
67,500	Grants	–	67,500	<b>67,500</b>	–	67,500	–
190,400	Superintendent Registrar	(102,600)	292,100	<b>189,500</b>	–	189,500	<b>3.5</b>
<b>Police</b>							
11,780,600	Response and Reassurance Policing	(25,300)	11,553,600	<b>11,528,300</b>	169,800	11,698,100	<b>169.3</b>
4,435,700	Specialist Crime Investigation	(21,000)	4,517,200	<b>4,496,200</b>	28,200	4,524,400	<b>63.7</b>
1,418,100	Manage Offenders through Custody	(19,600)	1,412,800	<b>1,393,200</b>	1,200	1,394,400	<b>10.1</b>
1,853,500	Supporting the Criminal Justice System	(43,900)	2,122,800	<b>2,078,900</b>	1,200	2,080,100	<b>33.6</b>
1,744,500	Manage Intelligence	(19,400)	1,754,000	<b>1,734,600</b>	1,200	1,735,800	<b>30.9</b>
2,082,200	Financial Crime Investigation	(19,600)	2,108,100	<b>2,088,500</b>	1,200	2,089,700	<b>21.6</b>
1,560,300	National Security Policing	(19,600)	1,566,600	<b>1,547,000</b>	1,200	1,548,200	<b>20.5</b>
<b>Fire and Rescue</b>							
4,753,400	Emergency Response	(136,500)	4,808,400	<b>4,671,900</b>	168,700	4,840,600	<b>67.5</b>
383,700	Fire Protection	–	404,000	<b>404,000</b>	–	404,000	<b>7.0</b>
287,200	Community Safety	–	232,700	<b>232,700</b>	–	232,700	<b>4.0</b>
<b>Customs and Immigration</b>							
1,135,800	Revenue Collection	–	1,114,300	<b>1,114,300</b>	53,600	1,167,900	<b>13.8</b>
4,654,200	Enforcement	(1,277,600)	5,797,000	<b>4,519,400</b>	53,500	4,572,900	<b>54.2</b>
189,900	External Obligations	(16,000)	213,400	<b>197,400</b>	53,500	250,900	<b>14.5</b>
<b>HM Prison</b>							
8,333,300	Residential Accommodation	–	8,233,900	<b>8,233,900</b>	175,100	8,409,000	<b>118.1</b>
1,306,300	Prisoner Activity	(285,000)	1,591,300	<b>1,306,300</b>	–	1,306,300	<b>22.5</b>
1,525,200	Operations and Administration	(141,200)	1,718,000	<b>1,576,800</b>	–	1,576,800	<b>25.5</b>
<b>Jersey Field Squadron</b>							
1,077,400	UK Defence	–	1,083,800	<b>1,083,800</b>	1,400	1,085,200	<b>6.0</b>
	– IMLO and Careers Office	–	–	–	–	–	–
496,800	Building a Safer Society	–	501,900	<b>501,900</b>	–	501,900	<b>1.0</b>
<b>49,898,300</b>	<b>Revised Net Revenue Expenditure</b>	<b>(2,127,300)</b>	<b>51,717,800</b>	<b>49,590,500</b>	<b>709,800</b>	<b>50,300,300</b>	<b>692.5</b>
	Reduction in funding for 2% savings			(1,033,200)		(1,033,200)	
				<b>48,557,300</b>		<b>49,267,100</b>	

## Home Affairs

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
(1,346,600)	Duties, Fees, Fines & Penalties	(1,376,800)
(705,400)	Sales of Goods and Services	(723,500)
	Investment Income	–
(27,000)	Other Income	(27,000)
<b>(2,079,000)</b>	<b>Total Income</b>	<b>(2,127,300)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	
41,567,900	Staff Costs	41,744,900
5,280,600	Supplies and Services	5,271,400
1,404,700	Administrative Expenses	1,512,400
2,643,400	Premises and Maintenance	2,704,300
308,800	Other Operating Expenses	308,800
168,000	Grants and Subsidies Payments	164,000
	– Impairment of Receivables	–
12,000	Finance Costs	12,000
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>51,385,400</b>	<b>Total Expenditure</b>	<b>51,717,800</b>
<b>49,306,400</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>49,590,500</b>
	Reduction in funding for 2% savings	(1,033,200)
		<b>48,557,300</b>
591,900	Depreciation	709,800
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>49,898,300</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>49,267,100</b>



## Home Affairs

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>47,439,000</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(49,400)	<b>Service Transfers</b>	
Price Inflation – Dept Expenditure	253,900	– Transfer of budget for part-funding of Cadet and Military Support Officer to Office of the Lieutenant Governor	(8,000)
Price Inflation – Provision for Pay Award	–	– Transfer for Independent Domestic Violence Advisors from Health and Social Services	50,000
<b>Commitments from Existing Policies</b>		<b>Allocations of Central Growth 2015</b>	
Department Savings	–	– Maritime Incident Response Group	25,000
Department User Pays	–	– Increased running costs of new Prison facilities	25,000
<b>Departmental Transfers</b>		<b>Pay Provisions</b>	
<b>Capital to Revenue Transfers</b>		– Recurring effect of 2013 1% Consolidated Pay Award	345,000
<b>MTFP Growth</b>	<b>150,000</b>	– Recurring effect of 2013 Firefighters' Pay Award	83,300
<b>Proposed Procurement Savings</b>	<b>–</b>	– Recurring effect of 2014 4% Consolidated Pay Award (including Firefighters' Pay Award)	1,397,100
<b>Proposed Other Budget Measures</b>	<b>–</b>	<b>Procurement Savings</b>	<b>(120,400)</b>
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>47,793,500</b>	<b>Capital to Revenue Transfers</b>	<b>–</b>
		<b>Other Variations</b>	
		– Reduction in funding for 2% savings	(1,033,200)
		<b>Revised Net Revenue Near Cash Expenditure</b>	<b>48,557,300</b>
		Depreciation per MTFP	556,100
		2015 Depreciation Adjustment	153,700
		Revised 2015 Depreciation	709,800
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>49,267,100</b>



## Social Security

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# Social Security

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## Minister's Introduction

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The Department's overall aims over the period of the MTFP can be summarized as:

- getting people back to work by assisting people in gaining employment in order to support themselves and their families;
- keeping people in work by maintaining legislation that supports a safe and fair working environment and providing contributory benefits that support people during breaks from the workplace;
- protecting Islanders from the impacts of low income by providing an Income Support Scheme and other tax funded-benefits;
- assisting older Islanders to maintain their standard of living by means that are financially sustainable for future generations;
- maintaining and building upon current service standards, improving ease of use, efficiency and effectiveness; and
- supporting the plans of other departments, including the reform of Health and Social Services, the Housing Transformation Programme and the management of population growth and migration.

## Summary of Outline Business Cases for Growth

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This summary presents the Business Cases along with their associated cost projections:

- Back to Work Projects
- Employment Schemes & Incentives
- Discrimination Legislation
- Private Sector Rental Support

## Summary of Growth requests 2013–2015

### **Back to Work Projects – £2.16m by 2015; and**

### **Employment Schemes and Incentives – £4.66m by 2015**

Current economic conditions are starting to show signs of improvement and unemployment figures have started to flatten out. However, these still remain at historically high levels and the Strategic Plan's most urgent priority remains to 'Get People into Work'. Government has implemented a 'Back to Work' programme which has already proved to be successful and unemployment did not reach the levels previously expected.



This has been achieved through investment in a broad range of support schemes to help locally qualified unemployed people improve their employability and find employment in order to support themselves and their families.

This activity has included further investment in existing schemes to support the increasing levels of those unemployed:

- Workzone
- Advance to Work
- Advance Plus
- WorkWise

We have also created a central Back To Work Employer Engagement team to maximise opportunities with employers for the recruitment of locally qualified unemployed people. This team works across all support schemes and initiatives.

Additionally we have invested in schemes to improve the employability of those groups furthest away from unemployment (e.g. Long Term unemployed) and to encourage employers to take on those who are locally unemployed and reduce reliance on migrant labour (Job Substitution). Investment has been made in the following initiatives:

- Employment Grant – incentive for employers to recruit the long term unemployed;
- Youth Incentive – grants for employers to recruit those under 25;
- Long Term Unemployed Unit – focused support to improve employability of the long term unemployed;
- Sector Specific Training Initiatives – extensive programme of training developed with specific industries to place higher numbers of unemployed locals into work (e.g. Hospitality and Construction);
- Job Training Fund – fund to source short term interventions to improve employability;
- Work Readiness Fund – fund to provide training in areas such as motivation, C.V. writing, confidence building, numeracy and literacy;
- Job Clubs – supported group sessions to improve employment search;
- Employment Projects – activities to improve employability for those with significant barriers that limit commercial work placements opportunities (e.g. Environment projects); and
- Community Jobs Fund – a subsidy scheme to place specific unemployed groups into positions with employers – aimed at those furthest from employment. Positions also create additional community benefit.

### **Discrimination Legislation – £200k by 2015**

In 2011, the States took the decision (P.118/2011) to transfer responsibility for the development of discrimination legislation to the Minister for Social Security and to provide funding for the implementation and operation of this new law.



Development of the law is on track. The Discrimination (Jersey) Law 2013 was registered by the Royal Court on 18 October 2013. Subordinate legislation has now all been approved and the law will be operational in relation to the first protected characteristic of Race from 1 September 2014. Consultation for the next phase (sex discrimination) is complete and regulations will be debated in 2015. The growth bid for 2014 provided for part year administration costs and the full cost of administration is provided for in 2015, including the cost of the Tribunal service and advice and conciliation services provided by the Jersey Advisory and Conciliation Service and the Citizens' Advice Bureau.

### **Private Sector Rental Support – £1m by 2015**

From April 2014, the Housing Transformation Programme has started to increase rent levels in States-owned housing accommodation to 90% of the market value as new tenancies are created. Income support rates for these tenants are automatically adjusted in line with the new rental values.

In parallel with the public sector changes, private sector rental components were also adjusted in April 2014. The additional costs associated with these adjustments are estimated at £1 million in 2015, with the 2014 bid at the lower level of £750,000 to cover the new system from April to December.

The Corporate Services Scrutiny Panel proposed an amendment to the MTFP to create a central growth allocation for 2014 and 2015 by removing growth that had been allocated directly to departments in the original proposals from the Council of Ministers. The impact was to remove a sum of £750,000 in 2014 and £1,000,000 in 2015 from Social Security – originally earmarked for Private Sector Rental Support – and place it into a central growth allocation. Following States approval in the 2014 Budget, both sums have been re-allocated back to the Department in their respective years.

## **Summary of Business Cases for Base Estimate Changes**

This summary presents the justification along with their associated cost projections:

- Employment Tribunal
- Staff Costs – Impact of FSR Implementation

### **Employment Tribunal – £50k by 2015**

This line item continues the provision of administrative support to the Employment Tribunals.

### **Staff Costs – Impact of FSR Implementation – £230k by 2015**

This line item details an adjustment needed to previous base budgets following the staffing changes that were agreed as part of the Fiscal Strategy Review.

## **Summary of Business Cases for Other Growth/Base Budget Changes**

This summary presents the justification along with their associated cost projections:



### Income Support – Staff Costs – £460k by 2015

There is a forecasted annual increase in the Income Support weekly Benefit (AME) expenditure for the duration of this MTFP from £74M in 2012 to £82M in 2013; £84M in 2014; and £86M in 2015. These increases to expenditure reflect the forecasted increase in the number and value of claims above current levels in addition to an annual allowance for inflation. However, the MTFP included a requirement for the Department to make £3M of savings in 2014; therefore the forecasted increases reduce to £81M in 2014 and £83M in 2015.

The current economic conditions have and will continue to increase the number of new claims and the volume of changes to claims. Additional staff have been required to maintain service levels against this increased level of activity.

#### SUMMARY OF GROWTH BIDS/BASE ESTIMATE CHANGES REQUESTS 2013–2015

	2013 £000	2014 £000	2015 £000
<b>Potential Growth</b>			
Back to Work Projects	2,345	2,270	2,161
Employment Schemes & Incentives	3,060	4,660	4,660
Discrimination Legislation	0	150	200
Private Sector Rental Support	0	750	1,000
<b>Base Budget Changes</b>			
Employment Tribunal	45	50	50
Staff Costs – Impact of FSR Implementation	207	230	230
Other Growth/Base Budget Changes			
Income Support – Staff Costs	414	460	460
<b>TOTAL</b>	<b>6,071</b>	<b>8,570</b>	<b>8,761</b>

### Financial Implications to Social Security of Housing Incorporation

There are a number of financial impacts resulting from the Housing Transformation Programme.

#### Income Support Costs

The financial impact of the return to near market rent levels in the Social Sector is now significantly reduced from that previously detailed in the MTFP as the implementation will be phased over many years as new tenancies are created.



The additional Income Support costs arising from the return to near market rent levels will be met as follows:

- In the States sector, the additional cost estimated to be £300,000 in 2014, £700,000 in 2015 and potentially increasing to £2m by 2043 will be met from the Social Security budget for Income Support. The increases in Income Support in 2014 and 2015 will be topped up from Central Contingencies, if the current MTFP funding levels prove to be inadequate.
- In the Housing Trust sector, there is estimated to be a small additional cost of Income Support in 2014 and 2015, increasing to £1m by 2043. The increases in Income Support in 2014 and 2015 will be topped up from Central Contingencies, if the current MTFP funding levels prove to be inadequate.
- In the Private sector the revised rates of Income Support have been implemented with effect from April 2014. This additional cost has been provided as a growth bid in the current MTFP of £750,000 in 2014 and £1 million in 2015 which is proposed to be allocated to Social Security Income Support as part of the 2015 Budget allocation of Central Growth.

### **Proposals to agree the required changes to the MTFP 2013–2015**

The changes required to the MTFP to reflect the financial impact as a result of the Housing Transformation Programme will be lodged by the Council of Ministers under Article 9(1) of the Public Finances (Jersey) Law 2005, as prescribed by Article 10 of the Social Housing (Transfer) Law 2013.

In summary the proposals will be:

- to increase States total net revenue expenditure in 2014 and 2015 to reflect the transfer of the contribution from Housing Department net revenue expenditure budget;
- to increase States Income targets to reflect the new annual return from the new incorporated Housing Association in 2014 and 2015;
- to consider whether the States total net expenditure limit and the Social Security net revenue head of expenditure need to be increased to reflect the increase in income support estimated in the States sector and Housing Trust sector in 2014 and 2015; and
- the increases of £750,000 in 2014 and £1m in 2015 to Social Security from the Central Growth Allocation were agreed in the 2014 Budget.

### **Long Term Care Scheme**

Until the LTC contribution rate is set at 1% in 2016, the supplementary report for the LTC States contribution regulations P.140/2013 sets out the additional payments into the LTC Fund needed to ensure that the LTC scheme can operate.

It is estimated that a 1% rate starting in 2014 would yield £33.2 million up to the end of 2015. With LTC contributions starting at 0.5% in 2015, this equates to a loss of income into the LTC Fund over the first two years of £24.7 million.



Due to the level of provision for the costs of the recession within tax-funded benefit budgets and actual costs being lower than originally anticipated, the Medium Term Financial Plan includes funding for the Social Security Department in 2013, 2014 and 2015, which is unlikely to be spent fully.

There is currently a proposal for an element of the forecast underspends in Social Security budgets to be transferred to supplement the contributions to the Long Term Care Fund in 2014 and 2015. These proposals are intended to ensure there is sufficient funding for the Long Term Care scheme from July 2014, ahead of the introduction of the new Long Term Care contributions starting at 0.5% in 2015. Consideration will be given to deferring the transfer of this funding in 2014 providing sufficient funds exist in the Long Term Care Fund to manage expected commitments in 2014 and 2015.

## Service Transfers

In 2015, the Department will be making Service Transfers totalling £672,300.

These include £622,300 to Housing as a result of lower than forecast increases proposed for Income Support and Housing rents from October 2013.

There will also be £50,000 transferred to the Judicial Greffe as continued support for the Employment Tribunal administrative costs.

## Senator F. du H. Le Gresley

Minister for Social Security



## Social Security

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### AIM:

Help people to achieve and maintain financial independence and provide social benefits to protect those unable to support themselves.

### SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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#### Key Objective 1: Back to work, keep people in work.

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Provide support for people to gain and retain employment in order to support themselves and their families.

#### Success criteria:

- (i) Policies, schemes and services developed and implemented to assist, in particular the long term unemployed and the young, to access the work place through the back to work initiative;
- (ii) Services are further developed and introduced to improve the employment opportunities for those with long term health conditions;
- (iii) The Skills Strategy is successful in providing local residents with the skills required by employers to facilitate a reduced dependency on imported labour;
- (iv) Income Support scheme continues to encourage and incentivise work, such that work always pays;
- (v) Modifications to the Trainee Minimum Wage are effective in encouraging a growth in the employment and training of young adults.

#### Strategic Plan References:

– **Priorities:** Get people into work; Promote family and community values; Develop sustainable long-term planning

#### Key Objective 2: Protect Islanders from the impacts of low income

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#### Success criteria:

- (i) Income Support scheme and other tax-funded benefits continue to provide targeted financial support to low income households, appropriate and flexible to their individual needs;
- (ii) Income Support scheme continues to encourage and incentivise work, such that work always pays;
- (iii) Income Support scheme successfully adapted to provide appropriate assistance to tenants in both social and private housing sectors;





- (iv) Health Service reforms include support to low income groups and those with long term conditions to enable them to access health services, including Primary Care.

**Strategic Plan References:**

– **Priorities:** Get people into work; House our community; Promote family and community values; Reform government and the public sector

**Key Objective 3: Adequate income for old age, affordable for our children.**

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Assist older Islanders to maintain standards of living by means that are financially sustainable for future generations.

**Success criteria:**

- (i) Strategy developed ensuring the medium to long term sustainability of pension funding;
- (ii) The Skills Strategy ensures that older residents have the current skills and opportunities necessary to continue to be productive members of the Island's workforce;
- (iii) Discrimination and Employment Law protects older workers from discrimination and exclusion from the workplace;
- (iv) Long-term care funding scheme successfully introduced;
- (v) Increasing number of individuals benefiting from care packages provided in their own home;
- (vi) Health Service reforms include support to low income groups and those with long term conditions to enable them to access health services, including Primary Care;
- (vii) Income Support and other tax funded schemes provide targeted financial support to low income households.

**Strategic Plan References:**

– **Priorities:** Get people into work; Reform Health and Social Services; Reform government & the public sector; Promote family and community values; Develop sustainable long-term planning

**Key Objective 4: Improving our Customer Service.**

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Maintain and build upon current service standards, improving ease of use, efficiency and effectiveness.

**Success criteria:**

- (i) Improving the information accessible in respect of benefits available, to ensure customers are better informed;
- (ii) Increased transparency of Social Welfare expenditure through the publication of a comprehensive annual report;
- (iii) Reduced levels of fraud and error within the benefit system;



- (iv) Increased use of electronic payments;
- (v) New Long-term care contribution collected by Income Tax Department;
- (vi) Services of other Departments accessible through the facilities at the Department, particularly where synergies exist.

**Strategic Plan References:**

– **Priorities:** Reform government & the public sector; Develop sustainable long-term planning

**Key Objective 5: Delivering the Strategic Plan.**

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Contribute fully to other initiatives of the Council of Ministers, where success requires our participation.

**Success criteria:**

- (i) Development of Primary Health Care Strategy, including effective governance;
- (ii) Sustainable and appropriate funding of Primary Care Services;
- (iii) Implementation and delivery of changes to Income Support to sustain the Housing Transformation;
- (iv) Integrated service to deliver administration of Names and Addresses register on behalf of Population Office;
- (v) Delivery of integrated Social Policy Framework and joint working with Health and Social Services and the Housing Department in relation to the older adults agenda.

**Strategic Plan References:**

– **Priorities:** Get people into work; House our community; Reform Health and Social Services; Reform government & the public sector; Promote family and community values; Manage population growth/migration; Develop sustainable long-term planning



## Social Security

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash		2015 Revised Net Revenue Expenditure	Non Cash		2015 FTE
		Income	Expenditure		Expenditure	2015 Revised Net Revenue Expenditure	
£		£	£	£	£	£	
63,700,000	<b>States Contribution to Social Security Fund</b>	–	65,300,000	<b>65,300,000</b>	–	65,300,000	–
	<b>Income Support</b>						–
80,846,600	Weekly Benefit	–	82,676,400	<b>82,676,400</b>	–	82,676,400	
1,447,600	Special Payments	–	1,504,800	<b>1,504,800</b>	–	1,504,800	
19,413,700	Residential Care	–	20,093,100	<b>20,093,100</b>	–	20,093,100	
697,000	Winter Fuel	–	724,600	<b>724,600</b>	–	724,600	
682,700	Transitional Relief	–	532,700	<b>532,700</b>	–	532,700	
556,400	<b>Health and Safety at Work</b>	–	564,500	<b>564,500</b>	–	564,500	<b>5.0</b>
11,165,700	<b>Employment Services</b>	–	11,155,900	<b>11,155,900</b>	–	11,155,900	<b>95.0</b>
	<b>Other Benefits</b>						–
–	Invalid Care Allowance	–	–	–	–	–	–
1,468,900	Christmas Bonus	–	1,541,700	<b>1,541,700</b>	–	1,541,700	
805,000	Food Costs Bonus	–	845,000	<b>845,000</b>	–	845,000	
328,800	Jersey 65+ Health Plan	–	345,100	<b>345,100</b>	–	345,100	
252,100	TV Licence	–	264,600	<b>264,600</b>	–	264,600	
18,800	Non Contributory Death Grant	–	19,700	<b>19,700</b>	–	19,700	
53,600	Social Fund	–	56,300	<b>56,300</b>	–	56,300	
53,600	Child Care Support	–	56,300	<b>56,300</b>	–	56,300	
101,500	Dental Benefit Scheme	–	106,600	<b>106,600</b>	–	106,600	
8,037,700	<b>Staff Costs and Administration</b>	–	7,882,600	<b>7,882,600</b>	–	7,882,600	<b>142.5</b>
1,033,200	<b>Contingency</b>	–	1,061,500	<b>1,061,500</b>	–	1,061,500	–
(4,043,500)	<b>Social Security and Health Funds Payroll</b>	(3,937,500)	–	<b>(3,937,500)</b>	–	(3,937,500)	<b>(81.9)</b>
<b>186,619,400</b>	<b>Revised Net Revenue Expenditure</b>	<b>(3,937,500)</b>	<b>194,731,400</b>	<b>190,793,900</b>	–	<b>190,793,900</b>	<b>160.6</b>
	Reduction in funding for 2% savings			(330,900)		(330,900)	
				<b>190,463,000</b>		<b>190,463,000</b>	

## Social Security

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
	<b>Income</b>	
	– Duties, Fees, Fines & Penalties	–
(4,043,500)	Sales of Goods and Services	(3,937,500)
	– Investment Income	–
	– Other Income	–
<b>(4,043,500)</b>	<b>Total Income</b>	<b>(3,937,500)</b>
	<b>Expenditure</b>	
169,869,800	Social Benefit Payments	174,066,900
12,107,800	Staff Costs	11,846,800
1,684,800	Supplies and Services	1,684,300
187,200	Administrative Expenses	190,800
122,100	Premises and Maintenance	124,700
214,700	Other Operating Expenses	214,700
5,433,300	Grants and Subsidies Payments	5,531,500
	– Impairment of Receivables	–
10,000	Finance Costs	10,200
	– Foreign Exchange (Gain)/Loss	–
1,033,200	Contingency Expenses	1,061,500
<b>190,662,900</b>	<b>Total Expenditure</b>	<b>194,731,400</b>
<b>186,619,400</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>190,793,900</b>
	Reduction in funding for 2% savings	(330,900)
		<b>190,463,000</b>
	– Depreciation	–
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>186,619,400</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>190,463,000</b>



## Social Security

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>186,207,000</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(96,000)	<b>Service Transfers</b>	
Price Inflation – Dept Expenditure	120,800	– Transfer of Jersey Employment Tribunal budget to Judicial Greffe	(50,000)
Price Inflation – Provision for Pay Award	–	– Transfer in Relation to Rental Increase in October 2013 to Housing Department	(622,300)
Net provision for Income Support, Benefits and Supplementation	5,063,200		
<b>Commitments from Existing Policies</b>	<b>–</b>	<b>Allocations of Central Growth 2015</b>	
Department Savings	–	– Private Sector Rental Support	1,000,000
Department User Pays	–		
<b>Departmental Transfers</b>	<b>–</b>	<b>Pay</b>	
<b>Capital to Revenue Transfers</b>	<b>–</b>	– Recurring effect of 2013 1% Consolidated Pay Award	62,000
		– Recurring effect of 2014 4% Consolidated Pay Award	250,600
<b>MTFP Growth</b>		<b>Procurement Savings</b>	(16,400)
– DEL	300,000	<b>Capital to Revenue Transfers</b>	–
– AME	(359,000)	<b>Other Variations</b>	
<b>Proposed Procurement Savings</b>	<b>–</b>	– Increase to cash limit as a result of Housing Incorporation	134,000
<b>Proposed Other Budget Measures</b>		– Reduction in funding for 2% savings	(330,900)
Over Achievement of CSR Savings Targets	–	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>190,463,000</b>
Savings to be Delivered by New Measures in Addition to CSR Targets	–	Depreciation per MTFP	–
Extend Supplementation Certainty Calculation for Period of MTFP	(1,200,000)	2015 Depreciation Adjustment	–
Remove Supplementation Contingency	–	Revised 2015 Depreciation	–
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>190,036,000</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>190,463,000</b>



# Transport and Technical Services

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# Transport and Technical Services

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## Minister's Introduction

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The main areas of operation for Transport and Technical services are:

- Operational Services
  - Waste
  - Municipal
- Engineering and Highways
- Transport

The key projects and issues for the Department in 2015 are as follows:

Following the adoption by the States of P39/2014 “Waste Water Strategy” on 3 June 2014, the department has been preparing pre-qualification questionnaire and tender documents for the redevelopment of the Sewage Treatment Works at Bellozanne. During 2015 the department will work with the preferred contractor to finalise the design prior to award of the main contract in early 2016. Early contractor involvement seeks to ensure that the plans developed prior to award of contract are sufficiently progressed to minimise the risk of cost escalation during the course of the project.

In parallel with the design work being undertaken in 2015, enabling works on the Bellozanne site to ensure that space is released to permit construction of phase I of the main works will progress. Replacement of the existing Clinical Waste Incinerator with a new plant co-located at the Energy from Waste facility at La Collette, together with a new purpose built household recycling centre near the organic waste recycling facility will enable phase I to commence.

The Capital Allocation of £25,494,000 in 2015 is the first major tranche of funding required for the replacement of the Sewage Treatment works which, together with a further £38,152,000 planned for 2016 allocation, will see the commencement of a major civil engineering project to be undertaken whilst minimising the impact on the existing works.

The Infrastructure Capital Allocation of £11 million in 2015 will enable the department to continue its programme of maintenance and upgrade of the highways, drainage network, sea defences and associated infrastructure.

The completion of the North of St Helier Flood Alleviation Scheme (Philips Street Shaft) will mean that the risk of flooding in Minden Place, Bath Street, Beresford Street and surrounding areas will be minimised. Provision has been made to enable further surface water separation schemes in that area of town to be connected to the scheme as funding permits.

Commencement of the first Village Enhancement Scheme at St Aubin in 2014 heralded the start of the programme of schemes that will see other villages receiving traffic calming and street treatments to enhance the lives of people living, working and visiting the areas, whilst also providing valuable employment opportunities for locals.





Significant changes have occurred to the Island's bus service since LibertyBus took over at the beginning of 2013. The Department will continue to work with the new company to further improve the service and increase patronage.

## Service Transfers

### **Disbanding of the Customer Services Centre – £53,800 from Chief Minister's Department**

Following the decision to disband the Customer Services Centre at Cyril Le Marquand House, the funds allocated by the TTS Department to the project in 2009 have been returned to TTS from the Chief Minister's Department.

### **Corporate Health and Safety Manager – £63,000 from Chief Minister's Department**

In the 2013 MTFP, additional growth was allocated to the Chief Minister's Department to fund the provision of a corporate Health and Safety service. The budget for the Health and Safety Manager has been transferred to the TTS Department following the decision to nominate the Chief Executive of TTS as Corporate Lead on Health and Safety.

## Funding Pressures

Included within the cash limit allocation for 2015 is the sum of £1.5 million income in respect of receipt and treatment of municipal waste from Guernsey. This was included in the MTFP in early 2012 as a net reduction in the 2015 TTS departmental budget. Guernsey has indicated that they will be unable to commence any waste export operations until 2016 at the earliest and the States Assemblies of both Islands would need to support such a proposal. In addition, agreement of the Waste Regulators in both Islands and the UK would need to be sought. As such, the Treasury and Resources department has given assurance that resources will be found to offset this shortfall in TTS departmental income in 2015.

## 2015 Budget Measures

As part of the debate around the 2015 Budget, it was identified that additional savings totaling £12.1 million would be required to be made by all Departments in 2015. The TTS share of this is £817,500 and work has started to identify where these savings can be made. Until this work is substantially complete it is unknown how this will impact on the delivery of our existing services, or whether any additional user pays charges might need to be considered.

## Deputy Kevin Lewis

Minister for Transport and Technical Services



# Transport and Technical Services

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## AIM:

- Ensure minimum impact of waste on the environment;
- Develop on-Island travel networks which meet the needs of the community;
- Provide attractive and well maintained public amenities and infrastructure.

## SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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### Key Objective 1: Improvement in solid waste management and recycling processes.

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#### Success criteria:

- (i) Implementation of the Solid Waste Strategy according to the agreed timetable;
- (ii) Implementation of the Ash Management Strategy according to agreed milestones;
- (iii) Improvement of asset utilisation and reduction in operating costs;
- (iv) Decommissioning of the Bellozanne Energy from Waste Plant according to programme;
- (v) Construction of the new Clinical Waste facility according to programme and within budget;
- (vi) Identification of a suitable site for the Island's inert waste following completion of filling at La Collette;
- (vii) Development of clear financial management plans indicating long-term view on sustainability and funding;
- (viii) The most harmful elements of the waste stream (e.g. TVs, electrical goods, end of life vehicles, plaster board) segregated for recycling;
- (ix) Improvement of the recycling system to expand recycling and composting to levels defined in the Solid Waste Strategy Model, subject to funding and partnership working with the parishes;
- (x) Measured increase in levels of community awareness of recycling through JASS, subject to funding;
- (xi) Investigation of the options of closer working with Guernsey on the importation of waste.

#### Strategic Plan Reference:

- **Vision:** A safe and caring community; Preparing for the future; Protecting the environment
- **Priorities:** Develop sustainable long-term planning



## Key Objective 2: Liquid waste treated and disposed of in a manner that minimises the impact on the environment.

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### Success criteria:

- (i) Implementation of the Liquid Waste Strategy according to the agreed timetable;
- (ii) Improvement of asset utilisation and reduce operating costs, implementing energy saving projects;
- (iii) Identification of a long term sustainable funding route for liquid waste to ensure proper support for the provision of the service;
- (iv) Construction of new Sludge Treatment Facilities maintained according to programme and within budget;
- (v) Reduction to the risk of flooding in St Helier by the construction of the Phillips Street shaft drainage scheme;
- (vi) Reduction in the amount of waste treatment required by undertaking as many surface water separation projects as budgets will allow;
- (vii) Reduction in the risk of foul sewage spills by undertaking as many foul sewer and rising main upgrade projects as budgets will allow;
- (viii) Effluent quality maintained or improved.

### Strategic Plan Reference:

- **Vision:** A safe and caring community; Preparing for the future; Protecting the environment
- **Priorities:** Reform government & the public sector; Develop sustainable long-term planning

## Key Objective 3: The highway network maintained to maximise the lifespan of highways and associated infrastructure.

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### Success criteria:

- (i) Best use is made of the funds available through the allocation of budget prioritised against condition assessment;
- (ii) Disruption to the travelling public affected by road works minimised through liaison with utility companies and careful management of traffic arrangements.

### Strategic Plan Reference:

- **Vision:** A safe and caring community; A strong and sustainable economy; Preparing for the future; Protecting the environment
- **Priorities:** Develop sustainable long-term planning



## Key Objective 4: Sustainable on-Island transport for Jersey.

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### Success criteria:

- (i) Implementation plan of the Sustainable Transport Policy (STP) prioritised, approved and resourced;
- (ii) Proportion of travel by private car is reducing towards STP targets.

### Strategic Plan Reference:

- **Vision:** A safe and caring community; A strong and sustainable economy; Preparing for the future; Protecting the environment
- **Priorities:** Develop sustainable long-term planning

## Key Objective 5: The integrity of the Island's sea defences is maintained.

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### Success criteria:

- (i) Sea defences not breached;
- (ii) Scheduled implementation of the Sea Defence Strategy;
- (iii) Continual review of climate change predictions to inform the Sea Defence Strategy.

### Strategic Plan Reference:

- **Vision:** Preparing for the future; Protecting the environment
- **Priorities:** Develop sustainable long-term planning

## Key Objective 6: Provide leadership and expertise for States of Jersey Capital projects.

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### Success criteria:

- (i) Productive partnership working with other States departments;
- (ii) Delivery of projects on time and within budget, minimising and sharing risks;
- (iii) Delivery of projects through the consistent implementation of best practice project management and governance.

### Strategic Plan Reference:

- **Vision:** A safe and caring community; A strong and sustainable economy; Preparing for the future; Protecting the environment
- **Priorities:** Develop sustainable long-term planning



## Key Objective 7: Well maintained public places and amenities.

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### Success criteria:

- (i) Positive public feedback on cleanliness of municipal areas;
- (ii) Investigate methods to improve income generation;
- (iii) Customer satisfaction with facilities.

### Strategic Plan Reference:

– **Vision:** A safe and caring community; Protecting the environment

## Key Objective 8: Road users are safe and comply with legislation.

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### Success criteria:

- (i) Proportion of vehicles in road checks being issued with defect notices is reducing;
- (ii) Proportion of vehicles in road checks with invalid documentation is reducing;
- (iii) Number of casualties resulting from road traffic incidents is reducing;
- (iv) Road Safety Strategy implemented according to plan.

### Strategic Plan Reference:

– **Vision:** A safe and caring community; A strong and sustainable economy  
– **Priorities:** Develop sustainable long-term planning

## Key Objective 9: Deliver allocated savings to contribute to achieving the £65 million Comprehensive Spending Review savings target by 2013.

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### Success criteria:

- (i) Sustainable, efficient and cost effective services;
- (ii) Business Plans delivered within agreed Cash Limits.

### Strategic Plan Reference:

– **Vision:** A strong and sustainable economy



## Key Objective 10: Staff and resources managed so as to improve performance and provide value for money.

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### Success criteria:

- (i) Financial balance achieved;
- (ii) Explicit link between budget prioritisation process and Strategic Plan objectives demonstrated;
- (iii) Staff developed to help them achieve their full potential;
- (iv) Business improvement projects undertaken to ensure that processes are efficient, display value for money, are customer focussed and deliver tangible benefit;
- (v) Continued programme of commercialisation in TTS and improve the relationship with staff to allow collaborative working at all levels.

### Strategic Plan Reference:

- **Vision:** A strong and sustainable economy; Preparing for the future; A highly skilled workforce
- **Priorities:** Develop sustainable long-term planning

## Transport and Technical Services

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure		£	£	£	£	£	
	<b>Operational Services: Waste</b>			-		-	<b>188.9</b>
15,786,200	Liquid Waste	(632,300)	7,654,600	<b>7,022,300</b>	7,747,500	14,769,800	
12,735,400	Solid Waste	(9,091,600)	15,516,500	<b>6,424,900</b>	5,744,800	12,169,700	
	<b>Operational Services: Municipals</b>						<b>219.8</b>
1,857,100	Cleaning	(2,186,200)	4,015,200	<b>1,829,000</b>	-	1,829,000	
2,320,200	Parks and Gardens	(1,652,900)	3,928,800	<b>2,275,900</b>	30,800	2,306,700	
(159,900)	Jersey Harbours	(2,659,900)	2,451,200	<b>(208,700)</b>	-	(208,700)	
10,008,300	<b>Engineering and Highways</b>	(384,400)	4,954,600	<b>4,570,200</b>	5,418,000	9,988,200	<b>66.3</b>
5,535,900	<b>Transport</b>	(1,209,100)	6,763,900	<b>5,554,800</b>	74,600	5,629,400	<b>24.1</b>
<b>48,083,200</b>	<b>Revised Net Revenue Expenditure</b>	<b>(17,816,400)</b>	<b>45,284,800</b>	<b>27,468,400</b>	<b>19,015,700</b>	<b>46,484,100</b>	<b>499.1</b>
	Reduction in funding for 2% savings			(817,500)		(817,500)	
				<b>26,650,900</b>		<b>45,666,600</b>	

## Transport and Technical Services

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
(881,800)	Duties, Fees, Fines & Penalties	(902,100)
(15,021,400)	Sales of Goods and Services	(16,749,900)
(1,000)	Investment Income	(1,000)
(160,200)	Other Income	(163,400)
<b>(16,064,400)</b>	<b>Total Income</b>	<b>(17,816,400)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	–
20,603,900	Staff Costs	20,610,500
14,653,400	Supplies and Services	15,875,500
262,800	Administrative Expenses	266,500
8,367,100	Premises and Maintenance	8,443,700
42,800	Other Operating Expenses	41,900
	– Grants and Subsidies Payments	–
1,100	Impairment of Receivables	1,100
44,900	Finance Costs	45,600
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>43,976,000</b>	<b>Total Expenditure</b>	<b>45,284,800</b>
<b>27,911,600</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>27,468,400</b>
	Reduction in funding for 2% savings	(817,500)
		<b>26,650,900</b>
20,171,600	Depreciation	19,015,700
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>48,083,200</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>45,666,600</b>





## Transport and Technical Services

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	25,792,300	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(498,000)	<b>Service Transfers</b>	
Price Inflation – Dept Expenditure	636,500	– Transfer upon the Disbanding of the Customer Services Centre from Chief Minister's Office	53,800
Price Inflation – Provision for Pay Award	–	– Transfer of Corporate Health and Safety Manager from Chief Minister's Department	63,000
<b>Commitments from Existing Policies</b>	–	<b>Allocations of Central Growth 2015</b>	–
Department Savings	–	<b>Pay Provisions</b>	
Department User Pays	–	– Recurring effect of 2013 1% Consolidated Pay Award	199,200
<b>Departmental Transfers</b>	–	– Recurring effect of 2014 4% Consolidated Pay Award	804,600
<b>Capital to Revenue Transfers</b>	–	<b>Procurement Savings</b>	(91,600)
<b>MTFP Growth</b>	2,000,000	<b>Capital to Revenue Transfers</b>	–
<b>Proposed Procurement Savings</b>	–	<b>Other Variations</b>	
<b>Proposed Other Budget Measures</b>		– Reduction in funding for 2% savings	(817,500)
Removal of Impôts Fuel Duty Rebate from Bus Contract	8,600	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>26,650,900</b>
Net Income from Guernsey Waste Disposal	(1,500,000)	Depreciation per MTFP	18,991,700
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>26,439,400</b>	2015 Depreciation Adjustment	24,000
		Revised 2015 Depreciation	19,015,700
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>45,666,600</b>



# Treasury and Resources

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# Treasury and Resources

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## Minister's Introduction

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The Treasury and Resources Department consists of the following sections:

- Treasury functions;
- Taxes Office;
- Jersey Property Holdings;
- Corporate Procurement;
- Insurance; and
- Pensions.

The Minister also has responsibility for all contingencies in addition to his Departmental accountabilities.

The Treasury and Resources Department manages the Island's finances and assets, ensuring the protection and good use of public funds. It is responsible for all taxation, States budgets and financial policies. It also manages States property and represents the States shareholder interests in publicly owned companies.

The Department's financial plan over the three years of the MTFP is to deliver its objectives largely within its existing resources except for an additional £700,000 necessary to maintain community health and social care facilities to an acceptable standard.

This additional sum will support the States Strategic Priority 'Reform Health and Social Services' by boosting the maintenance budget required to keep community buildings fit to deliver modern models of care, as described in the HSS White Paper 'Caring for each other, Caring for ourselves'.

In addition to business as usual during the MTFP period, the Department will:

- effectively manage insurance risks and make use of the improved contract terms to exceed its CSR savings target;
- provide professional procurement advice to departments to help them to secure savings and achieve better value for money;
- manage the balance sheet as well as the budget through continued improvements in the management of its property portfolio and returns on investments and strategic shareholdings;
- support departments in achieving their strategic aims and delivering their infrastructure projects through funding advice;
- continue to improve financial performance reporting;
- support departments in the move to longer term financial planning and the delivery of the MTFP;



- implement the Tax Transformation Programme which includes “must do” projects of Long Term Care (LTC) contributions and Foreign Account Tax Compliance Act (FATCA) and original components aimed at improving the efficiency of tax administration and maximising tax receipts;
- deliver a fair and affordable public sector pension scheme; and
- keep tax policy under review in order to protect and grow the Island’s economy.

The sections below expand on a selection of the more substantial projects which are being undertaken by the Department during the MTFP period in support of the States strategic priorities.

## 2015 Budget Measures

As part of the 2015 Budget it was identified that additional savings would be required from all Departments as part of a range of measures necessary to manage the consolidated fund balance in 2015. The total value of savings allocated to the Treasury and Resources Department (including Jersey Property Holdings and the Taxes Office) amounts to £778.8k and the Department is fully committed to achieving this target.

Specifically within the Taxes Office provisional proposals are currently under consideration and work will continue over the coming months in order to implement the required measures. Emphasis is being placed on minimising the impact on revenue-generating areas.

## Investments

In 2014 the States of Jersey announced a new 40-year Sterling £250 million transaction. The announcement followed the completion of an investor roadshow the previous Friday, during which the States of Jersey team met with Sterling investors in Jersey, London and Edinburgh

Investors were very impressed with the strength and stability of the Jersey credit and the prudent fiscal management by the States of Jersey. Demand for the transaction was strong and the orderbook reached just over £600 million, there was enough support through the process that allowed the transaction to be launched at Gilts +52 basis points, resulting in a coupon of 3.750%.

Treasury & Resources will be responsible for maintaining the relationship between the States of Jersey and its investors through regular updates.

## Taxes

The MTFP assumes that there will be no substantial tax increases and no new taxes introduced during this period.

The Tax Policy team will focus on reviewing measures to safeguard revenues and simplify the tax regime, in line with the principles of ‘low, broad and simple’. This will include:

- continuing to monitor and enhance the robustness of the income tax system with regard to corporate structures;



- a broad review of the taxation of property in the Island (a green paper regarding the principles underpinning property taxation in Jersey was published in July 2014);
- reviewing how the Island could move to independent taxation for all income taxpayers; and
- working closely with External Relations to monitor and respond to emerging international tax standards.

Details of specific measures are included in the annual Budget Statements.

The Tax Transformation Programme is the action plan arising from the independent review of revenue functions within the States undertaken by Deloitte in 2010. The review focused mainly on the structure and activities of the Taxes Office but also considered its interaction with Customs & Immigration and the Social Security Department.

Early in 2012 it was agreed that the Taxes Office would take on responsibility, acting as agents of the Social Security Department, for the collection of contributions to be paid into a ring fenced fund and used for new Long Term Care (LTC) scheme. Working with Social Security on the implementation of LTC contributions has been added as a component of TTP and as the number one priority. It was announced in 2013 that the LTC contributions will not start until January 2015 which is a delay of one year from the original plan.

During February 2014 the implementation of FATCA was also allocated to TTP as another “must do” project.

The Taxes Office will continue to implement its TTP during the period of this MTFP but the main focus will continue to be on LTC and FATCA. LTC contributions commence from 1st January 2015 and will become an operational responsibility during the year. FATCA involves a phased delivery over the three year period 2015 to 2017.

## Property

During 2013 to 2015, Jersey Property Holdings (JPH) will focus on continuation of the rolling programme of works to address the poor state of repair of the States of Jersey estate. Additional funds of £11.25m have been allocated to JPH for backlog maintenance for this period.

The two key capital projects to be progressed in this period are the relocation of the Police into new facilities and the development of a full feasibility study for a replacement General Hospital, following the initial pre-feasibility work undertaken in 2012.

The office rationalisation programme, of which the Police relocation is the first phase, will continue through the period of the MTFP. This will free up sites for residential development and reduce the running costs of States office accommodation in the future.

JPH will be managing all other building projects which house public services on behalf of the sponsoring departments as described in the capital programme.



## Procurement

Corporate Procurement will complete the roll out of its transformation programme which began in 2011 and comprised of 3 main activities:

- a programme of cross departmental procurement projects which together are targeted to deliver the £6.5m CSR savings;
- the organisation and development of a professional procurement function that is based on category management. This model requires that procurement professionals/category managers are embedded in the key areas of the business;
- the procurement and implementation of a modern procure-to-pay computer system which will complement the e-tendering system currently used within the States.

## Pensions

People are living longer which is increasing the cost of providing pensions. Employee and employer contributions into the public sector pension schemes have remained static for many years over which time the cost of providing the pension benefits has increased as people have been living longer.

It is necessary to ensure that pensions are affordable and sustainable for employees, employers and the taxpayer. Changes to public sector pensions are required to ensure the pension schemes are sustainable for the long term and provide benefits that are appropriate for the way people live and work today. The public sector pension scheme landscape has changed both in Jersey and the UK and changes are being proposed that will provide sustainable public sector pension schemes for at least the next 25 years.

Public sector pension schemes in the UK have been reviewed following the publication of a report by the Independent Public Service Pensions Commission chaired by Lord Hutton. In mid-2011, a Technical Working Group comprising of representatives from the PECRS Committee of Management and Treasury was established to develop a report on possible options for changes to PECRS to ensure its viability and sustainability for the future. In March 2013, the Technical Working Group brought forward options that aim to ensure PECRS is affordable and sustainable for the long term, have regard to the Hutton recommendations, facilitates continued membership of the Transfer Club and provides clarity over future arrangements for the sharing of risks and benefits between employer and employee.

During 2014, negotiations with the Joint Negotiating Group have progressed with a view to bringing in changes to PECRS in 2016. The final offer was sent to the Joint Negotiating Group in April 2014. The three major unions have balloted their members who have voted to accept the proposals. The enabling Law received Royal Assent in July 2014 and work has progressed on the drafting of regulations for a States debate in 2015.

## Service Transfers

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### Transfer of Rent and Service Charges – £50,000 to Housing Department

As part of the Housing Transformation Programme it was agreed that rental and service charges budgets for Jubilee Wharf would be transferred from JPH to Housing.



### **Disbanding of the Customer Services Centre – £75,400 from Chief Minister's Department**

Following a review of accommodation in the States and the effectiveness of the Cyril Le Marquand Customer Services Centre, it was identified that efficiencies could be achieved by closing the Customer Services Centre and budgets and resources were transferred back to the relevant departments.

### **Corporate Procurement Savings Recharge – £31,700 to Housing Department**

Following the successful conclusion to the main insurance programme re-tendering process during the 4th quarter 2011, recurring saving were achieved and departmental budgets realigned to ensure budgets matched expenditure. A small recharge was required between Treasury and Resources and the Housing Department for the three years of the MTFP (99 Year Leases).

### **Finance Resource Staff Budget – £89,800 to Health and Social Services**

Transfer of resources in order to further strengthen the senior finance team.

### **Transfer of Additional Resource – £93,400 to Chief Minister's Department**

Freedom of Information (FOI) comes into effect from January 2015, under the Freedom of Information (Jersey) Law 2011 adopted by the States of Jersey. In order to further strengthen the FOI team it was agreed that T&R would provide an additional resource to CMD.

## **Senator Philip Ozouf**

Treasury and Resources Minister





# Treasury and Resources

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## AIM:

Support the delivery of the States' strategic objectives by maintaining sustainable public finances, providing effective financial advice and managing States assets.

## SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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### Key Objective 1: Effective long term strategic and financial planning and sustainable public finances.

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#### Success criteria:

- (i) Develop, implement and maintain a financial planning framework to ensure accurate forecasting and the setting of an overall financial envelope within which budgets are set – to include:
  - Medium Term Financial Plan
  - Long Term Capital Programme
- (ii) In conjunction with the Chief Minister's Department, continue to develop a robust strategic and business planning and performance framework ensuring firm linkages between financial and non-financial information;
- (iii) Develop and gain approval of a Fiscal Strategy delivering:
  - Balanced budgets over the economic cycle
  - A fiscal stimuli programme as necessary
  - Measures to maintain low levels of inflation
  - Necessary justifiable and sustainable taxes and charges
- (iv) Implementation of International Financial Reporting Standards (IFRS);
- (v) Effective monitoring, management and reporting on States investments;
- (vi) Maintenance and development of the Public Finances Law and associated governance arrangements;
- (vii) The affordability, sustainability and fairness of PECRS and JTSF pension schemes reviewed and proposals for change brought forward and implemented.

#### Strategic Plan Reference:

- **Vision:** A strong and sustainable economy; Preparing for the future
- **Priorities:** Develop sustainable long-term planning



## Key Objective 2: Improved monitoring and reporting of financial performance.

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### Success criteria:

- (i) Improved internal in-year financial performance reporting, forecasting, budgeting and analysis of both net revenue expenditure and capital expenditure;
- (ii) Financial assessment of major policy developments;
- (iii) Provision of information and advice to enable informed decision-making, thereby ensuring demonstrable value for money;
- (iv) Development of clear KPIs and other financial performance reports by which departmental performance can be monitored, reviewed and improved;
- (v) Development of an active shareholder role in respect of States owned companies, delivering improved accountability and financial performance from companies, subject to funding;
- (vi) Production of Annual Accounts in accordance with International Financial Reporting Standards (IFRS).

### Strategic Plan Reference:

– **Vision:** A strong and sustainable economy

## Key Objective 3: Effective governance of funding designed to aid the economy.

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### Success criteria:

- (i) Management of funds provided for Social Housing Schemes.

### Strategic Plan Reference:

– **Vision:** A strong and sustainable economy; Preparing for the future

– **Priorities:** House our community

## Key Objective 4: Efficient and effective Treasury services.

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### Success criteria:

- (i) Maintain and operate effective treasury management policies and investment strategies;
- (ii) Maximise financial returns on cash and investments whilst managing security and liquidity requirements;
- (iii) Effective management of the Island's currency;
- (iv) Maintain and develop governance arrangements to facilitate improvement in value for money and performance in respect of States trading departments, States companies, States funds and funds held in trust;



- (v) Effective management of States insurance;
- (vi) Maintain an effective control and compliance framework for Treasury Operations.

**Strategic Plan Reference:**

- **Vision:** A strong and sustainable economy; Preparing for the future
- **Priorities:** Develop sustainable long-term planning

**Key Objective 5: Efficient and effective financial management and financial processing services.**

---

**Success criteria:**

- (i) Improved external financial reporting;
- (ii) Maintain and develop a robust financial control and assurance framework across the States;
- (iii) Maintain and develop financial systems and processes;
- (iv) Pay States suppliers in accordance with agreed terms, conditions and policies;
- (v) Pay States employees in accordance with agreed terms and conditions;
- (vi) An effective cashing and accounts receivable service for the collection of States income charged for the provision of goods and services;
- (vii) Provision of services to support the administration of PECRS and JTSF pension schemes;
- (viii) Effective and efficient provision of a range of processing and back-office support services.

**Strategic Plan Reference:**

- **Vision:** A strong and sustainable economy

**Key Objective 6: Long term Tax Policy and efficient and effective tax administration and collection.**

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**Success criteria:**

- (i) Development and implementation of new Tax Policy and changes to current Tax Policy;
- (ii) Assessment, collection and enforcement of income tax and goods and services tax;
- (iii) Administration and enforcement of both sets of Jersey's international tax agreements.

**Strategic Plan Reference:**

- **Vision:** A strong and sustainable economy; Preparing for the future
- **Priorities:** Develop sustainable long-term planning



## Key Objective 7: Effective audit and risk management.

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### Success criteria:

- (i) Agreed audit plan delivered in accordance with IIA Standards;
- (ii) Regular reports provided to the Audit Committee and C&AG;
- (iii) Risk management promoted and reviewed throughout the organisation to achieve 'managed' status;
- (iv) Contribution to development and implementation of an effective Assurance Framework;
- (v) Review and appraise the soundness, adequacy, and application of accounting, financial and other operating controls, and promoting effective control at reasonable cost;
- (vi) Ascertain the extent of compliance with established policies, plans, procedures, laws, and regulations;
- (vii) Determine the extent of which the States assets are accounted for and safeguarded from losses of all kinds.

### Strategic Plan Reference:

– **Vision:** A strong and sustainable economy

## Key Objective 8: Deliver allocated savings to contribute to achieving the £65 million Comprehensive Spending Review savings target by 2013 and deliver outline budget reduction programme for 2014 and 2015.

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### Success criteria:

- (i) Sustainable, effective low cost services;
- (ii) Medium Term Financial Plan delivered within agreed Cash Limits.

### Strategic Plan Reference:

– **The Vision:** A strong and sustainable economy; Preparing for the future

– **The Priorities:** Reform government & the public sector; Develop sustainable long-term planning



## Jersey Property Holdings

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**Key Objective 9: A disposal programme which reduces the States' Property Portfolio to a size which is affordable and efficient, and releases capital proceeds for investment in addition to sites suitable for Housing development.**

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**Success criteria:**

- (i) Improved asset utilisation and reduced property operating costs;
- (ii) The concentration of States' administration into fewer geographic locations and the development of new working environments which support more collaborative and efficient ways of working;
- (iii) The release of surplus or high alternative use value properties to provide funds to support capital investment, with a strong focus on progressing sites which may be developed for social rented or private sector housing.

**Strategic Plan Reference:**

– **Priorities:** House our community; Reform government & the public sector; Develop sustainable long-term planning

**Key Objective 10: Addressing building stock condition resulting from a legacy of under funding of maintenance and capital works.**

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**Success criteria:**

- (i) A significant reduction in 'backlog' maintenance which has resulted from structural under-funding of property maintenance over a number of years, through the progression of remedial works in a phased and prioritised programme plan;
- (ii) The delivery of capital projects to replace assets which have deteriorated beyond reasonable repair, funded from proceeds generated by the disposal of property over and above that required to meet agreed capital proceeds targets;
- (iii) Capital projects commenced and completed on time and within budget.

**Strategic Plan Reference:**

– **Priorities:** Develop sustainable long-term planning

**Key Objective 11: Development and maintenance of a five year rolling Portfolio Plan.**

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**Success criteria:**

- (i) The continued consolidation of all property information, asset valuations and legal commitments in a single database;



- (ii) The identification of all future investment and asset management activity through the single comprehensive Integrated Property System.

**Strategic Plan Reference:**

- **Vision:** Preparing for the future; Protecting the environment; A highly skilled workforce
- **Priorities:** Develop sustainable long-term planning

**Key Objective 12: Continued development of the Jersey Property Holdings organisation.**

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**Success criteria:**

- (i) The introduction of new financial directions, policies and procedures to clarify all internal and external operating procedures for property transactions and utilisation;
- (ii) The completion of Health and Safety and supplier management training for all appropriate personnel;
- (iii) The development of service level agreements for all property users in conjunction with lease agreements, including customer satisfaction indices;
- (iv) Co-location of all Jersey Property Holdings staff.

**Strategic Plan Reference:**

- **Priorities:** Reform government & the public sector

## Procurement

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### Key Objective 13: A single corporate procurement function across the States.

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#### Success criteria:

- (i) The implementation of a procurement strategy;
- (ii) A procurement plan to deliver cash and efficiency savings across the States focussing on large corporate initiatives that will deliver maximum benefit to the States;
- (iii) Educate to improve procurement skills at departmental and operational level;
- (iv) Support the implementation of an e-sourcing system and supplier portal across all departments;
- (v) Implement effective strategies, policies and procedures to support a corporate approach to the procurement of goods, services and works;
- (vi) Implement planning and performance management criteria in respect of the States' procurement activities;
- (vii) Promulgate best practice with regard to supplier management and work with Economic Development to develop capacity of local suppliers.

#### Strategic Plan Reference:

– **The Priorities:** Reform government & the public sector

## Treasury and Resources

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash		2015 Revised Net Revenue Expenditure	Non Cash		2015 FTE
		Income	Expenditure		Expenditure	2015 Revised Net Revenue Expenditure	
£		£	£	£	£	£	
6,407,100	<b>States Treasury</b>	(1,426,700)	7,327,600	<b>5,900,900</b>	–	5,900,900	<b>109.2</b>
7,671,100	<b>Taxes Office</b>	(184,600)	6,595,600	<b>6,411,000</b>	836,400	7,247,400	<b>99.1</b>
28,919,900	<b>Jersey Property Holdings</b>	(5,888,300)	13,343,300	<b>7,455,000</b>	19,468,600	26,923,600	<b>48.0</b>
487,200	<b>Corporate Procurement</b>	(43,500)	530,700	<b>487,200</b>	–	487,200	<b>12.0</b>
2,396,400	<b>Insurance</b>	–	2,310,100	<b>2,310,100</b>	–	2,310,100	<b>–</b>
6,747,800	<b>Pensions</b>	–	7,931,700	<b>7,931,700</b>	–	7,931,700	<b>–</b>
<b>52,629,500</b>	<b>Revised Net Revenue Expenditure</b>	<b>(7,543,100)</b>	<b>38,039,000</b>	<b>30,495,900</b>	<b>20,305,000</b>	<b>50,800,900</b>	<b>268.3</b>
	Reduction in funding for 2% savings			(778,900)		(778,900)	
	Unallocated Corporate Procurement Savings			(994,300)		(994,300)	
				<b>28,722,700</b>		<b>49,027,700</b>	





## Treasury and Resources

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
	– Duties, Fees, Fines & Penalties	–
(7,036,500)	Sales of Goods and Services	(7,317,400)
	– Investment Income	–
(219,000)	Other Income	(225,700)
<b>(7,255,500)</b>	<b>Total Income</b>	<b>(7,543,100)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	–
15,327,100	Staff Costs	15,436,500
3,469,300	Supplies and Services	3,097,200
450,300	Administrative Expenses	456,000
13,592,900	Premises and Maintenance	11,510,100
182,300	Other Operating Expenses	184,900
	– Grants and Subsidies Payments	–
115,000	Impairment of Receivables	117,800
6,127,400	Finance Costs	7,236,500
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>39,264,300</b>	<b>Total Expenditure</b>	<b>38,039,000</b>
<b>32,008,800</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>30,495,900</b>
	Reduction in funding for 2% savings	(778,900)
	Unallocated Corporate Procurement Savings	(994,300)
		<b>28,722,700</b>
20,620,700	Depreciation	20,305,000
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>52,629,500</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>49,027,700</b>

## Treasury and Resources

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	31,412,400	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(196,500)	<b>Service Transfers</b>	
Price Inflation – Dept Expenditure	577,700	– Transfer of Rental and Service Charges budget for Jubilee Wharf to Housing Department	(50,000)
Price Inflation – Provision for Pay Award	75,000	– Transfer upon the Disbanding of the Customer Services Centre from Chief Minister's Department	75,400
<b>Commitments from Existing Policies</b>		– Transfer of staff budget for Finance Resource to Health and Social Services	(89,800)
CSR Growth and Other Growth	(34,000)	– Transfer for Corporate Procurement Savings Recharge to Housing Department	(31,700)
Unallocated Growth Provision	(251,000)	– Transfer of Additional Resource to Chief Minister's Department	(93,400)
Department Savings	–	<b>Allocations of Central Growth 2015</b>	–
Department User Pays	–	<b>Pay Provisions</b>	
<b>Departmental Transfers</b>	–	– Recurring effect of 2013 1% Consolidated Pay Award	137,400
<b>Capital to Revenue Transfers</b>		– Recurring effect of 2014 4% Consolidated Pay Award	555,000
Property Holdings: Backlog Maintenance Programme	–	<b>Procurement Savings</b>	(590,600)
<b>MTFP Growth</b>	–	<b>Capital to Revenue Transfers</b>	–
<b>Proposed Procurement Savings</b>	–	<b>Other Variations</b>	
<b>Proposed Other Budget Measures</b>		– Reduction in funding for 2% savings	(778,900)
Reduce PECRS Pre 1987 Repayment Term to Reduce	1,000,000	– Unallocated Corporate Procurement Savings	(994,300)
Reduce Property Backlog Repairs and Maintenance (JPH)	(2,000,000)	<b>Revised Net Revenue Near Cash Expenditure 2015</b>	<b>28,722,700</b>
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>30,583,600</b>	Depreciation per MTFP	11,919,100
		2015 Depreciation Adjustment	8,385,900
		Revised 2015 Depreciation	20,305,000
		<b>Revised Net Revenue Non Cash Expenditure 2015</b>	<b>49,027,700</b>



# Non-Ministerial States Funded Bodies

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## Non-Ministerial States Funded Bodies

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The Public Finances (Jersey) Law 2005 defines the Non-Ministerial Bodies as being a States funded body for which no Minister is responsible to the States for its administration and funding. Each Non Ministerial Body has an appointed accounting officer personally responsible for the proper financial management of its resources. The application of the Public Finances Law applies in the same manner as to Ministerial Departments except in instances of disagreement with regard to a budget offered to a Non Ministerial Body by the Council of Ministers.

In such circumstances, the offered budget and the requested budget should be published in the States Medium Term Financial Plan with a disclosure from the Council stating why a variation is recommended.

No such disagreements were included in the Medium Term Financial Plan 2013–2015. The Non Ministerial Bodies were offered budgets in line with the financial framework of the Council, including inflation funding and efficiency savings. It is appreciated that all Non Ministerial Bodies have accepted these offers having recognised both the principles and budgetary constraints of the Council.

It is recognised that there are particular and individual financial pressures within each of these bodies and the Council of Ministers will consider these pressures.

The legal services' budgets contain estimates for Court and Case Costs. By its nature, expenditure on Court and Case Costs is an unpredictable element in the budget. A Smoothing Reserve has been put in place to deal with the volatile nature of Court and Case Costs expenditure. This is primed with £2.8 million of carry forwards from 2011 and £0.5 million from 2012. Quarterly budget monitoring procedures have also been put in place to monitor expenditure in this area which will give early notice if there is to be a need to draw on the Smoothing Reserve.

### 2015 Budget Measures

As part of the 2015 Budget it was identified that additional savings would be required from all Departments as part of a range of measures necessary to manage the consolidated fund balance in 2015. The quantum of savings allocated to the Non Ministerial Departments amounts to £548K and although each of these departments are fully committed to meeting this target, it is not yet known precisely how they will make these savings. Non Ministerial Departments are small and predominantly staff-based, reducing the staff costs would have a detrimental impact on the services provided therefore they will need to look at other areas in which these savings can be made.

### Service Transfers

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#### **Cadet and Military Support Officer – £8,000 from Home Affairs**

Transfer of the post of the Island Military Liaison Officer to a new post of Cadet and Military Support Officer at the Office of the Lieutenant Governor. The new post has additional duties including responsibility for the Island Cadet Force organisations, military visits and liaising with the Bailiff's



Chambers helping to organise States occasions which will be funded from carry forwards in 2014 and 2015. There will be a growth bid in 2016 for additional funding.

#### **Jersey Employment Tribunal – £50,000 from Social Security**

The transfer of service from Social Security to Judicial Greffe originally occurred in 2011 with a recurring transfer of budget in 2012. An increase in the number of Tribunal hearing days has led to an increase in required funding from Social Security. A growth bid was made by the Social Security Department in the Medium Term Financial Plan (MTFP) to cover this increase. This growth bid was successful and the MTFP has approved the required funding for the Social Security Department for each of the years, 2013 to 2015. This is a permanent budget transfer which will automatically go into 2016 to 2018.



## Non-Ministerial Departments

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### Bailiff's Chamber

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**AIM:**

Support for the rôle of the Bailiff as President of the Royal Court and the States Assembly, and in his other customary and statutory duties as Civic Head of the Island.

**SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA**

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**Key Objective 1: Support the Island's judiciary in the delivery of civil and criminal justice.**

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**Success criteria:**

- (i) Criminal trials heard within three months of indictment;
- (ii) Civil disputes heard within date fix targets;
- (iii) Judgments produced within three months of the close of proceedings;
- (iv) Orders of justice etc. processed within 24 hours;
- (v) Warrants before a judge produced on date of request;
- (vi) Judges allocated to civil and criminal cases within agreed financial parameters.

**Strategic Plan References: Vision:**

– **Vision:** A safe and caring community;

**Key Objective 2: Assist in facilitating the democratic processes of the States.**

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**Success criteria:**

- (i) Arrangements made to provide an experienced President for meetings of the States in the form of the Bailiff, or in his absence, the Deputy Bailiff;
- (ii) With the assistance of the States Greffe, propositions and questions approved in accordance with Standing Orders;
- (iii) Confidential advice provided to members about procedural matters.

**Strategic Plan References:**

– **Vision:** A safe and caring community;





### Key Objective 3: Encourage awareness of the Island's constitutional position and to ensure that the position is not compromised.

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#### Success criteria:

- (i) Advice provided to members about the constitutional position of the Island;
- (ii) Manage the flow of official correspondence forwarding incoming items on day of receipt, and processing replies for signature by the Bailiff within the deadlines set by the UK authorities (in conjunction with Government House and Chief Minister's Department);
- (iii) Visiting groups to the Royal Court and States Chamber encouraged and an understanding of the constitutional development of the institutions provided.

#### Strategic Plan References:

– **Vision:** A safe and caring community

### Key Objective 4: Provide the appropriate frameworks to enable the Bailiff to discharge his customary and statutory responsibilities.

---

#### Success criteria:

- (i) Successful organisation of ceremonial and civic activities and events (Liberation Day, Visite Royales etc);
- (ii) Increased awareness of the Island's unique historical and constitutional position generated by organising, with Government House and Chief Minister's Department, successful visits by Ambassadors, High Commissioners and other senior level diplomats and distinguished visitors including members of the Royal Family;
- (iii) Participation by the Bailiff in community events and functions to support community endeavour;
- (iv) Management of public entertainment applications process, securing the advice from the statutory and parish authorities on matters of public entertainment in order to properly manage the permit system;
- (v) Management of applications for extension and transfer licenses under Article 89 of the Licensing (Jersey) Law 1974, as amended, and processed within seven working days;
- (vi) Public collections to support charitable activity managed.

#### Strategic Plan References:

– **Vision:** A safe and caring community

## Data Protection Commission

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### AIM:

Promote respect for the private lives of individuals by promoting compliance with, and enforcing the Data Protection (Jersey) Law 2005.

### SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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#### Key Objective 1: Preparing for the implementation of a Freedom of Information Law for Jersey.

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##### Success criteria:

- (i) Provision of effective guidance for individuals;
- (ii) Publication of clear and complete guidance for compliance under the proposed Fol Law;
- (iii) Develop performance management targets.

##### Strategic Plan References:

- **Vision:** Preparing for the future
- **Priority:** Reform government and the public sector

#### Key Objective 2: Review proposed changes to the Data Protection regulatory Framework in Europe.

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##### Success criteria:

- (i) Assess impact on local business, economy and Jersey's independence as a non-EEA jurisdiction;
- (ii) Provide advice to stakeholders on agreed changes to the European regulatory framework;
- (iii) Examine the appropriateness/feasibility of secondary legislation and/or codes of practice relating to associated impacting drivers, eg. Cookies Regulations and Privacy and Electronic Communications Regulations.

##### Strategic Plan References:

- **Vision:** Preparing for the future
- **Priority:** Develop sustainable long term planning



### Key Objective 3: Seek improved pan-Island co-operation between Jersey and Guernsey offices.

---

**Success criteria:**

- (i) Maintained continuity of the effective day to day operation of both offices;
- (ii) Establishment and publication of consistent and common guidance for both Islands;
- (iii) Development of a common platform for IT/Notification systems.

**Strategic Plan References:**

- **Vision:** Preparing for the future
- **Priority:** Develop sustainable long term planning

### Key Objective 4: Purposeful regulatory action.

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**Success criteria:**

- (i) Adopt policies, procedures and criteria for prioritising and targeting cases/issues to be investigated;
- (ii) Produce guidance on regulatory action available to the Commissioner under the Data Protection (Jersey) Law 2005;
- (iii) Ensure complaints and issues of non-compliance are dealt with in a prompt, consistent and just manner;
- (iv) Ensure that where appropriate, cases involving the allegation of the commission of a criminal offence are referred to the AG for consideration in a timely manner.

**Strategic Plan References:**

- **Vision:** A safe and caring community
- **Priority:** Develop sustainable long term planning

### Key Objective 5: Increased awareness of data protection and privacy issues, choices and obligations across the business and public community.

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**Success criteria:**

- (i) Ongoing development and review of external communications strategy;
- (ii) Constant review and update of website;
- (iii) Awareness levels raised – individuals assisted in making informed choices and protecting their own interests and commercial organisations aware of their compliance obligations under the Law.

**Strategic Plan References:**

- **Vision:** A safe and caring community; Preparing for the future
- **Priority:** Promote family and community values; Develop sustainable long term planning



## Key Objective 6: Influence domestic and international debates concerning information and privacy issues.

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### Success criteria:

- (i) Involvement in policy debate on selected issues that affect the way in which data is processed, or where debates on privacy are involved.

### Strategic Plan References:

- **Vision:** Preparing for the future
- **Priority:** Develop sustainable long term planning

## Judicial Greffe and Viscount

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### AIM:

An efficient and effective Court Service.

### SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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## Key Objective 1: An efficient and effective administrative service provided to the Royal Court, the Court of Appeal and the Tribunals Service.

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### Success criteria:

- (i) Issue Convening Acts and Acts ordering Public Elections within 1 working day;
- (ii) Issue Company Acts, Decrees Absolute and Acts of the Royal Court within 5 working days;
- (iii) Issue Decrees Nisi and Liquor and Gambling Licences within 10 working days;
- (iv) Process applications for legal aid disbursements within 5 working days;
- (v) Issue all Court of Appeal Acts and Register Orders in Council within 1 working day;
- (vi) Issue all Interlocutory Acts within 3 working days;
- (vii) Appointment to fix a hearing date within 3 working days of request.

### Strategic Plan References:

- **Vision:** A safe and caring community



## Key Objective 2: Provide a Public Registry, Intellectual Property Registry and Probate Registry.

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### Success criteria:

- (i) Register Judicial Hypothecs within 5 working days;
- (ii) Register Wills of Immovables, Powers of Attorney and Public Service and Water Notices within 7 working days;
- (iii) Appointment for cancellation of Acts within 4 working days of request;
- (iv) Issue Acts of Probate Division, Curatorship Acts of Jurats' Appointment and Curatorship Acts of Appointment within 5 working days;
- (v) Issue Grants of Probate and Letters of Administration within 5 working days;
- (vi) Issue Intellectual Property Certificates and Certificates of Eligibility within 3 working days.

### Strategic Plan References:

– **Vision:** A strong and sustainable economy

## Key Objective 3: Provide an administrative service to the Magistrate's, Youth and Petty Debts Courts.

---

### Success criteria:

- (i) Issue Arrest Orders and Acts of Committal within 2 working days;
- (ii) Issue Petty Debts Court Acts within 3 working days;
- (iii) Acts of Court completed within 1 working day.

### Strategic Plan References:

– **Vision:** A safe and caring community

## Key Objective 4: The efficient enforcement of all Court Orders.

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### Success criteria:

- (i) Enforcement of Royal Court and Petty Debts Court Judgments for Debt instigated within 2 working days of Act being lodged and registered;
- (ii) Service of Process effected within the relevant statutory time period;
- (iii) Enforcement of fines and compensation orders (payment completed in full or imprisonment imposed in lieu);
- (iv) Enforcement of orders made under the Maintenance Orders (Facilities for Enforcement) (Jersey) Law 2000.

**Strategic Plan References:**

– **Vision:** A safe and caring community

**Key Objective 5: Efficient and effective Désastre proceedings.**

---

**Success criteria:**

- (i) Arrange for inventory of valuables and disposal of perishables within 2 working days;
- (ii) Circulars to banks and identified UK creditors notifying declaration sent within 7 working days;
- (iii) Enter debtors' details in DMIS and proceed to recover funds owing within 21 days of declaration.

**Strategic Plan References:**

– **Vision:** A safe and caring community

**Key Objective 6: Effective management of the financial affairs of impecunious interdicts.**

---

**Success criteria:**

- (i) Notification of appointment of Curator to identified parties completed within 2 weeks of receipt of Act of Court;
- (ii) Compilation of inventory of both real and personal property within the relevant statutory time period;
- (iii) Periodic contact with carers of interdicts at least quarterly;
- (iv) Production of annual accounts within the relevant statutory time period;
- (v) Monitoring and processing of items of income and expenditure on a monthly basis.

**Strategic Plan References:**

– **Vision:** A safe and caring community

**Key Objective 7: Effective investigation of sudden deaths to establish cause and reason.**

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**Success criteria:**

- (i) Order post-mortem examinations following receipt of Police report within 1 working day;
- (ii) Set dates for inquest openings within 1 working day;
- (iii) Issue post-inquest documentation within 1 working day.

**Strategic Plan References:**

– **Vision:** A safe and caring community



## Key Objective 8: Compile and manage the jury selection procedure and manage the jury during assize trials.

---

### Success criteria:

- (i) Respond to queries regarding the duties of a juror within 1 working day;
- (ii) Respond to requests for exemption from jury service within 1 working day;
- (iii) Provide support and guidance to jury members for the duration of the trial.

### Strategic Plan References:

– **Vision:** A safe and caring community

## Law Officers' Department

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### AIM:

Provide efficient and effective legal advice to the Crown and States, including Ministers and Departments, and a high quality criminal prosecution service.

### SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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**Key Objective 1:** Objective strategic advice provided to the States of Jersey directly or through the Council of Ministers having regard to constitutional and legal developments.

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### Strategic Plan References:

– **Vision:** A safe and caring community

**Key Objective 2:** Objective legal advice of a high quality provided within reasonable timescales to the Crown, the States of Jersey and all others it serves.

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### Strategic Plan References:

– **Vision:** A safe and caring community



**Key Objective 3: A high quality prosecution service working in the interests of justice and contributing to a reduction in the level of crime in the Island.**

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**Strategic Plan References:**

– **Vision:** A safe and caring community

**Key Objective 4: The interests of the Crown and the States of Jersey are protected by acting on their behalf in civil proceedings brought by or against the Crown or the States.**

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**Strategic Plan References:**

– **Vision:** A safe and caring community

**Key Objective 5: The functions and duties of the Attorney General arising from custom or statute performed to a high standard and in a timely manner.**

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**Strategic Plan References:**

– **Vision:** A safe and caring community

**Key Objective 6: Effective assistance provided within reasonable timescales to overseas judicial and law enforcement agencies in criminal matters.**

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**Strategic Plan References:**

– **Vision:** A safe and caring community; A strong and sustainable economy

**Key Objective 7: Efficient conveyancing in relation to property matters affecting the Crown and the States of Jersey.**

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**Strategic Plan References:**

– **Vision:** A safe and caring community





## Official Analyst

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### AIM:

Authoritative and impartial scientific analysis and advice for the States of Jersey and the Island community.

### SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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**Objective 1: Proficient and effective forensic analysis of samples and evidence in criminal investigations and unexplained deaths.**

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#### Success criteria:

- (i) 95 per cent of services delivered within target times;
- (ii) Satisfactory results in all relevant external quality assurance schemes.

#### Strategic Plan References:

– **Vision:** A safe and caring community

**Objective 2: Proficient and effective environmental and consumer protection analysis services for our customers.**

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#### Success criteria:

- (i) 95 per cent of services delivered within target times;
- (ii) Satisfactory results in all relevant external quality assurance schemes.

#### Strategic Plan References:

– **Vision:** A safe and caring community

## Probation and After Care Service

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### AIM:

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



## SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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**Key Objective 1: Provide and information and assessment to the Parish Halls, Criminal and Family Courts, Lt Governor and prisons which are accurate, timely and aid decision making.**

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**Success criteria:**

- (i) Having published standards detailing the structure and process for the production of reports and assessments;
- (ii) Conducting inspections into reports for both the criminal justice and family court arenas which include the views of service users and those who receive reports and assessments;
- (iii) Ensuring all written reports are peer reviewed prior to submission.

**Strategic Plan References:**

- **Vision:** A safe and caring community
- **Priorities:** Promote family and community values

**Key Objective 2: Provide supervision services to the Parish Halls, Courts and prisons which are effective in assisting people to make positive changes in their lives which reduce re offending**

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**Success criteria:**

- (i) Having published evidence based standards for supervision which reflect the expectations of the Centeniers, Courts and the Prison authorities who entrust people to our care;
- (ii) Using the LSI-R likelihood of re-offending measure at the beginning and the end of Probation Orders to measure change and producing at least one reconviction study in conjunction with an academic institution which measures actual reconviction rates for the range of measures used by the Courts;
- (iii) Ensuring that all members of staff receive appropriate training, resources and supervision in line with the evidence about effective practice;
- (iv) Conducting inspections into Community Service and Probation work at HM prison La Moye.

**Strategic Plan References:**

- **Vision:** A safe and caring community
- **Priorities:** Promote family and community values



### Key Objective 3: To provide monitoring and where necessary timely enforcement action to assist in the protection of the public from further offending.

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#### Success criteria:

- (i) Having fair, clear and transparent written compliance and enforcement policies;
- (ii) Sharing information with other agencies when it is reasonable and proportionate to do so for the protection of the public;
- (iii) Conducting inspections into Community Service and Probation work at HM prison La Moye and contributing to reviews of the Jersey Multi Agency Public Protection Arrangements established under the Sex Offenders Jersey Law.

#### Strategic Plan References:

- **Vision:** A safe and caring community
- **Priorities:** Promote family and community values

## Comptroller and Auditor General

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**ROLE:** The role of the Comptroller and Auditor General is prescribed in the Public Finances (Jersey) Law 2005. It includes the provision of assurance that the public finances of Jersey are being regulated, controlled and accounted for in accordance with the Law, and reporting on the economy, efficiency and effectiveness of the use of resources by States funded bodies and States aided independent bodies.

## Office of the Dean of Jersey

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**ROLE:** The role of the Dean of Jersey in relation to the States is as a representative of all the Churches of Jersey in the States Chamber.

## Office of the Lieutenant Governor

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

## Non-Ministerial States Funded Bodies

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash 2014 Revised Net Revenue Expenditure £		Near Cash			Non Cash		2015 FTE
		Income £	Expenditure £	2015 Revised Net Revenue Expenditure £	Expenditure £	2015 Revised Net Revenue Expenditure £	
	<b>Bailiff's Chambers</b>						
1,344,500	Bailiff's Chambers General	(86,800)	1,432,700	1,345,900	–	1,345,900	10.0
309,100	Court and Case Costs	(110,100)	427,700	317,600	–	317,600	–
–	– Reduction in funding for 2% savings			(36,600)	–	(36,600)	
<b>1,653,600</b>	<b>Subtotal</b>	<b>(196,900)</b>	<b>1,860,400</b>	<b>1,626,900</b>	<b>–</b>	<b>1,626,900</b>	<b>10.0</b>
	<b>Law Officers' Department</b>						
5,878,000	Law Officers' General	(176,500)	6,122,900	5,946,400	–	5,946,400	68.0
2,091,500	Court and Case Costs	(1,656,100)	3,698,000	2,041,900	9,000	2,050,900	–
–	– Reduction in funding for 2% savings			(203,900)	–	(203,900)	
<b>7,969,500</b>	<b>Subtotal</b>	<b>(1,832,600)</b>	<b>9,820,900</b>	<b>7,784,400</b>	<b>9,000</b>	<b>7,793,400</b>	<b>68.0</b>
	<b>Judicial Greffe</b>						
2,800,800	Judicial Greffe – General	(948,300)	3,773,400	2,825,100	19,400	2,844,500	45.2
4,123,600	Court and Case Costs	(442,000)	4,563,800	4,121,800	–	4,121,800	–
–	– Reduction in funding for 2% savings			(161,200)	–	(161,200)	
<b>6,924,400</b>	<b>Subtotal</b>	<b>(1,390,300)</b>	<b>8,337,200</b>	<b>6,785,700</b>	<b>19,400</b>	<b>6,805,100</b>	<b>45.2</b>
	<b>Viscount's Department</b>						
1,200,800	Duties of the Viscount	(601,200)	1,775,100	1,173,900	66,900	1,240,800	23.9
257,900	Court and Case Costs	–	251,900	251,900	–	251,900	–
–	– Reduction in funding for 2% savings			(39,300)	–	(39,300)	
<b>1,458,700</b>	<b>Subtotal</b>	<b>(601,200)</b>	<b>2,027,000</b>	<b>1,386,500</b>	<b>66,900</b>	<b>1,453,400</b>	<b>23.9</b>
683,300	<b>Official Analyst</b>	(63,000)	702,100	639,100	87,500	726,600	9.6
–	– Reduction in funding for 2% savings			(13,100)	–	(13,100)	
<b>683,300</b>	<b>Subtotal</b>	<b>(63,000)</b>	<b>702,100</b>	<b>626,000</b>	<b>87,500</b>	<b>713,500</b>	<b>9.6</b>
733,000	<b>Office of the Lieutenant Governor</b>	(98,000)	829,000	731,000	3,500	734,500	14.4
–	– Reduction in funding for 2% savings			(16,600)	–	(16,600)	
<b>733,000</b>	<b>Subtotal</b>	<b>(98,000)</b>	<b>829,000</b>	<b>714,400</b>	<b>3,500</b>	<b>717,900</b>	<b>14.4</b>
26,100	<b>Office of the Dean of Jersey</b>	–	26,300	26,300	–	26,300	–
–	– Reduction in funding for 2% savings			(500)	–	(500)	
<b>26,100</b>	<b>Subtotal</b>	<b>–</b>	<b>26,300</b>	<b>25,800</b>	<b>–</b>	<b>25,800</b>	<b>–</b>
234,400	<b>Data Protection Commission</b>	(156,600)	391,200	234,600	5,000	239,600	4.0
–	– Reduction in funding for 2% savings			(7,700)	–	(7,700)	
<b>234,400</b>	<b>Subtotal</b>	<b>(156,600)</b>	<b>391,200</b>	<b>226,900</b>	<b>5,000</b>	<b>231,900</b>	<b>4.0</b>
	<b>Probation</b>						
2,003,500	Probation and Aftercare Service	(445,000)	2,416,700	1,971,700	20,800	1,992,500	32.3
236,400	Court and Case Costs	–	242,300	242,300	–	242,300	–
–	– Reduction in funding for 2% savings			(53,100)	–	(53,100)	
<b>2,239,900</b>	<b>Subtotal</b>	<b>(445,000)</b>	<b>2,659,000</b>	<b>2,160,900</b>	<b>20,800</b>	<b>2,181,700</b>	<b>32.3</b>
768,700	<b>Comptroller and Auditor General</b>	–	777,200	777,200	–	777,200	1.5
–	– Reduction in funding for 2% savings			(16,200)	–	(16,200)	
<b>768,700</b>	<b>Subtotal</b>	<b>–</b>	<b>777,200</b>	<b>761,000</b>	<b>–</b>	<b>761,000</b>	<b>1.5</b>
<b>22,691,600</b>	<b>Revised Net Revenue Expenditure</b>	<b>(4,783,600)</b>	<b>27,430,300</b>	<b>22,098,500</b>	<b>212,100</b>	<b>22,310,600</b>	<b>208.9</b>



## Non-Ministerial Departments

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
(700,100)	Duties, Fees, Fines & Penalties	(713,900)
(901,700)	Sales of Goods and Services	(904,200)
(1,000)	Investment Income	(1,000)
(3,109,400)	Other Income	(3,164,500)
<b>(4,712,200)</b>	<b>Total Income</b>	<b>(4,783,600)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	–
13,754,100	Staff Costs	13,798,700
11,118,500	Supplies and Services	11,184,600
451,200	Administrative Expenses	466,900
1,737,700	Premises and Maintenance	1,779,100
92,700	Other Operating Expenses	92,700
100,000	Grants and Subsidies Payments	100,000
	– Impairment of Receivables	–
8,500	Finance Costs	8,300
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>27,262,700</b>	<b>Total Expenditure</b>	<b>27,430,300</b>
<b>22,550,500</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>22,646,700</b>
	Reduction in funding for 2% savings	(548,200)
		<b>22,098,500</b>
141,100	Depreciation	212,100
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>22,691,600</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>22,310,600</b>

## Non-Ministerial Departments

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>21,895,700</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(105,500)	<b>Service Transfers</b>	
Price Inflation – Dept Expenditure	330,200	– Transfer of budget for part-funding of Cadet and Military Support Officer from Home Affairs	8,000
Price Inflation – Provision for Pay Award	–	– Transfer of Jersey Employment Tribunal budget from Social Security	50,000
<b>Commitments from Existing Policies</b>			
Department Savings	–	<b>Allocations of Central Growth 2015</b>	–
Department User Pays	–		
<b>Departmental Transfers</b>	–	<b>Pay Provisions</b>	
<b>Capital to Revenue Transfers</b>	–	– Recurring effect of 2013 1% Consolidated Pay Award	118,400
<b>MTFP Growth</b>	–	– Recurring effect of 2014 4% Consolidated Pay Award	478,400
<b>Proposed Procurement Savings</b>	–	<b>Procurement Savings</b>	(128,500)
<b>Proposed Other Budget Measures</b>	–	<b>Capital to Revenue Transfers</b>	–
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>22,120,400</b>	<b>Other Variations</b>	
		– Reduction in funding for 2% savings	(548,200)
		<b>Revised Net Revenue Near Cash Expenditure</b>	<b>22,098,500</b>
		Depreciation per MTFP	141,600
		2015 Depreciation Adjustment	70,500
		Revised 2015 Depreciation	212,100
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>22,310,600</b>



# States Assembly and its Services

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# States Assembly

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## Introduction

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The budget for the States Assembly and its services is under the political control of the Privileges and Procedures Committee (PPC) and in addition to the costs of running the Assembly itself and its committees/panels also covers the cost of remuneration for States members, the operation of the States Greffe, members' facilities, inter-parliamentary bodies such as the Commonwealth Parliamentary Association and the Assemblée Parlementaire de la Francophonie.

Under the provisions of Article 24B of the Public Finances (Jersey) Law 2005, PPC is free to propose its own cash limit without interference from the Council of Ministers or the Minister for Treasury and Resources. Once the annual estimates for the States Assembly are prepared by PPC they must nevertheless be submitted to the Comptroller and Auditor General for comment and then inserted in the draft Medium Term Financial Plan without amendment. If the Comptroller and Auditor General makes any comments on the estimates those comments must be presented to States members alongside the Medium Term Financial Plan. The Council of Ministers has no power to alter the estimates submitted by PPC and the role that the Council normally has to prioritise expenditure across States funded bodies does not apply to the Assembly estimates. It is simply for States members to decide whether the estimates are appropriate when the Medium Term Financial Plan is debated and any member (including Ministers) can lodge amendments for debate in the usual way.

Article 24B also states that PPC must consult the Minister for Treasury and Resources before preparing the estimates on the proposed budgetary policy of the Council of Ministers for the Medium Term Financial Plan. It is therefore implicit in the law that PPC should take account of this budgetary policy when finalising its estimates even though the Committee is not, in law, formally required to follow the Council's budgetary policy.

The estimates for 2013–2015 have been prepared by PPC in accordance with the overall policy of the Council of Ministers and incorporate CSR savings of £130,000 for 2013 and further CSR procurement savings of £10,450 for 2013 bringing the combined 2011–2013 CSR savings to £414,450. The estimates for 2014 also include a transfer of £31,000 from the Chief Minister's Department to cover the cost of IT provision for States members.

### 2015 Budget Measures

As part of the 2015 Budget it was identified that additional savings would be required from all Departments as part of a range of measures necessary to manage the consolidated fund balance in 2015. The quantum of savings allocated to the States Assembly amounts to £98K. These savings will be taken from the States decision on 15th March 2011 (P.118/2010) to reduce total number of States Members from 51 to 49 thereby reducing States Members remuneration costs.



# States Assembly

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## AIM:

The States Assembly budget is held under the responsibility of the Privileges and Procedures Committee and its aim is to enable the States Assembly to operate effectively as Jersey's legislature, to facilitate the work of all panels and committees of the Assembly and to fund members' remuneration, interparliamentary exchanges and the support services provided by the States Greffe.

## SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

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### Objective 1: States Assembly able to operate effectively.

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#### Success criteria:

- (i) Assembly able to meet on a regular basis according to agreed schedule of States meetings;
- (ii) All official publications published and provided to members in accordance with statutory timescales;
- (iii) States Chamber and other facilities for States members provided and maintained to agreed standards;
- (iv) States members' remuneration paid in accordance with the recommendations of the States Members Remuneration Review Body;
- (v) Active and effective participation by States members in inter-parliamentary bodies (CPA, APF, BIPA).

### Objective 2: Effective and efficient scrutiny function.

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#### Success criteria:

- (i) Scrutiny panels and the PAC undertake reviews that hold the Executive to account and that influence policy in a positive way;
- (ii) Chairmen's Committee oversees scrutiny resources and provides appropriate co-ordination of the scrutiny function;
- (iii) Public engagement with the scrutiny function is enhanced and public understanding of the work of the panels is increased;
- (iv) Effective support service provided to panels by the Scrutiny Office.



### Objective 3: Government and electoral reform progressed.

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**Success criteria:**

- (i) States of Jersey Law 2005 and Standing Orders of the States of Jersey kept under review and appropriate amendments brought forward if necessary;
- (ii) Reform of the composition of the States progressed in line with any States decisions on this issue after the elections in October 2014;
- (iii) Public Elections (Jersey) Law 2002 reviewed and amendments brought forward if necessary in the light of experience gained during the single election day in 2014.

**Strategic Plan References:**

– **Priorities:** Reform Government & the public sector

### Objective 4: Public kept well-informed about the work of the Assembly.

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**Success criteria:**

- (i) Public information services provided by the States Greffe enhanced;
- (ii) Active co-operation with the citizenship programme being brought forward by the Education, Sport and Culture Department and the Year 5 primary school visits to the States Chamber;
- (iii) Information published on revised States Assembly website enhanced and expanded.

### Objective 5: Effective and efficient administrative support provided to the Assembly, its members, its committees and panels and a number of other bodies by the States Greffe.

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**Success criteria:**

- (i) Timely and accurate advice provided to all members as required;
- (ii) Official Report ("Hansard") available according to agreed timescales;
- (iii) Efficient service provided to Council of Ministers and other bodies served by Clerks Secretariat;
- (iv) All official records maintained in an accurate and secure manner and available as required to meet obligations under the Freedom of Information (Jersey) Law 2011;
- (v) Complaints submitted to States of Jersey Complaints Panel processed according to statutory requirements.

## States Assembly

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure		£	£	£	£	£	
1,493,300	<b>States Assembly General</b>	(94,700)	1,546,800	<b>1,452,100</b>	–	1,452,100	<b>19.8</b>
1,296,800	<b>Scrutiny</b>	–	1,378,300	<b>1,378,300</b>	–	1,378,300	<b>14.0</b>
2,405,600	<b>Members Remuneration</b>	–	2,405,600	<b>2,405,600</b>	–	2,405,600	<b>–</b>
<b>5,195,700</b>	<b>Revised Net Revenue Expenditure</b>	<b>(94,700)</b>	<b>5,330,700</b>	<b>5,236,000</b>	<b>–</b>	<b>5,236,000</b>	<b>33.8</b>
	Reduction in funding for 2% savings			(98,000)		(98,000)	
				<b>5,138,000</b>		<b>5,138,000</b>	

## States Assembly

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
	<b>Income</b>	
	– Duties, Fees, Fines & Penalties	–
(90,400)	Sales of Goods and Services	(94,700)
	– Investment Income	–
	– Other Income	–
<b>(90,400)</b>	<b>Total Income</b>	<b>(94,700)</b>
	<b>Expenditure</b>	
	– Social Benefit Payments	–
3,986,100	Staff Costs	3,986,100
489,100	Supplies and Services	551,700
157,400	Administrative Expenses	181,400
642,500	Premises and Maintenance	611,500
	– Other Operating Expenses	–
	– Grants and Subsidies Payments	–
	– Impairment of Receivables	–
	– Finance Costs	–
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>5,275,100</b>	<b>Total Expenditure</b>	<b>5,330,700</b>
<b>5,184,700</b>	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>5,236,000</b>
	Reduction in funding for 2% savings	(98,000)
		<b>5,138,000</b>
	11,000 Depreciation	–
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>5,195,700</b>	<b>Revised Net Revenue Non Cash Expenditure</b>	<b>5,138,000</b>



## States Assembly

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	<b>5,114,300</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Price Inflation – Dept Income	(2,300)	<b>Service Transfers</b>	–
Price Inflation – Dept Expenditure	91,400	<b>Allocations of Central Growth 2015</b>	–
Price Inflation – Provision for Pay Award	–	<b>Pay</b>	
<b>Commitments from Existing Policies</b>	–	– Recurring effect of 2013 1% Consolidated Pay Award	14,000
Department Savings	–	– Recurring effect of 2014 4% Consolidated Pay Award	56,400
Department User Pays	–	<b>Procurement Savings</b>	(37,800)
<b>Departmental Transfers</b>	–	<b>Capital to Revenue Transfers</b>	–
<b>Capital to Revenue Transfers</b>	–	<b>Other Variations</b>	
<b>MTFP Growth</b>	–	– Reduction in funding for 2% savings	(98,000)
<b>Proposed Procurement Savings</b>	–	<b>Revised Net Revenue Near Cash Expenditure</b>	<b>5,138,000</b>
<b>Proposed Other Budget Measures</b>	–	Depreciation per MTFP	12,000
<b>Net Revenue Near Cash Expenditure per MTFP</b>	<b>5,203,400</b>	2015 Depreciation Adjustment	(12,000)
		Revised 2015 Depreciation	–
		<b>Revised Net Revenue Non Cash Expenditure</b>	<b>5,138,000</b>

# Central Contingency Allocations

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# Central Contingency Allocations

## Introduction

The Medium Term Financial Plan proposed reductions in the contingency levels for 2013 to 2015 originally provided in the 2012 Business Plan in order to fund the proposed level of growth and balance the States of Jersey budget overall. The revised position is shown below:

Central Allocations	Carry Forward from 2012	MTFP Allocations (Nov 2012)		
	2013 £'000	2013 £'000	2014 £'000	2015 £'000
Pay Provision	–	19,900	31,000	39,700
Corporate Terms and Conditions Savings	–	(14,000)	(14,000)	(14,000)
<b>Net Pay Provision</b>	<b>–</b>	<b>5,900</b>	<b>17,000</b>	<b>25,700</b>
Restructuring Provision	5,220	5,098	6,540	7,170
Corporate Procurement Savings	–	(3,451)	(3,451)	(3,451)
<b>Restructuring Provision (Net of Savings)</b>	<b>5,220</b>	<b>1,647</b>	<b>3,089</b>	<b>3,719</b>
– Central Contingency – AME	6,000	–	2,000	2,000
– Central Contingency – DEL	–	–	–	–
– Central Contingency – Smoothing Reserve	3,396	–	–	–
– Central Contingency – One-Off	6,866	–	–	1,000
– Central Contingency – Emerging Items	4,000	–	4,000	4,000
<b>Total Allocation of Contingencies</b>	<b>20,262</b>	<b>–</b>	<b>6,000</b>	<b>7,000</b>
<b>Total Central Contingencies Available</b>	<b>25,482</b>	<b>7,547</b>	<b>26,089</b>	<b>36,419</b>

At the end of 2012 the Council of Ministers agreed for the level of underspend on Central Contingencies to be carried forward to 2013. The Medium Term Financial Plan earmarked £9.1 million of this funding for 2013 but prudent management of the Contingency budgets in 2012 enabled a further balance to be carried forward. These funds were required to supplement the 2014 and 2015 base Contingency allocations.

## Central Contingency (Pay Provision)

Allocations from the Central Contingency (Pay Provision) have been made to individual departments' heads of expenditure for 2015 in respect of the 2013 (1% consolidated) and 2014 (4% consolidated) recurring pay awards. Allocations have also been for the additional specific awards made in respect of Nurses and Medical staff, Firefighters, and Doctors and Consultants for 2013. A sum of £1.856 million



is earmarked to be carried forward from the Central Contingency (One-off) provision in 2014 for this additional funding.

The Medium Term Financial Plan originally allocated a 2.5% pay provision to be set aside for 2015 as well as a separate allocation for a Doctors and Consultants award in 2015 which will be settled in line with UK agreements.

The 2015 Budget, approved on 24th September 2014, agreed a range of Proposed Measures to balance the consolidated fund, which included reducing the 2015 Central Pay Provision by 1%. A sum of £3.48 million has therefore been transferred to a specific area of the Central Contingency Allocations and will be used along with other contributions to manage the consolidated fund balance in 2015.

Central Allocations	MTFP Allocations (Nov 2012)		
	2013 £'000	2014 £'000	2015 £'000
<b>July 2012 – Employer Offer</b>			
– Non Consolidated 1% Pay Offer 2013 (July 2012)	2,600	–	–
– Consolidated 1% Pay Offer 2013 (July 2012)	3,300	3,300	3,300
– Consolidated 4% Pay Offer 2014 (July 2012)	–	13,300	13,300
– Consolidated 2.5% Pay Provision 2015	–	–	8,700
	<b>5,900</b>	<b>16,600</b>	<b>25,300</b>
Earmarked Carry Forwards from 2013	1,410	1,856	–
Earmarked Carry Forwards from 2014	–	–	1,856
	<b>7,310</b>	<b>18,456</b>	<b>27,156</b>
Estimated Pay Award – Doctors and Consultants 2015	–	–	400
	<b>7,310</b>	<b>18,456</b>	<b>27,556</b>
Less 1% of 2015 Pay Provision (2015 Budget Measures)	–	–	(3,480)
	<b>7,310</b>	<b>18,456</b>	<b>24,076</b>
<b>Allocations agreed for 2013 and 2014 Pay Awards</b>	<b>7,310</b>	<b>18,456</b>	<b>18,456</b>

## Central Restructuring Provision

The Restructuring Provision was established in 2011 to provide “invest to save” funding as part of the CSR process. This funding was allocated to departments to assist in the delivery of savings projects with a defined payback period. Since 2012, this provision has also been utilised to fund the enabling phase of the Public Sector Reform programme.

As part of the 2012 Business Plan a commitment was made to continue the successful Fiscal Stimulus Programme for various skills and training initiatives and £1.9 million from the Restructuring Provision has been permanently transferred to departments for this purpose.



As part of the Medium Term Financial Plan proposals, the Restructuring Provision has also been reduced by about £1 million for the period of the plan to provide an allocation of funding for growth proposals from the Human Resources department.

The Restructuring Provision also provided an offset for procurement savings until these were defined and transferred to departments. Over the last three years the Procurement team has worked with departments to identify £3.045 million of savings which were allocated to departments from 2013 and the balance of £3.451 was allocated to departments in 2014. Of this final allocation a balance remains in Treasury and Resources still to be resolved.

The freeing up of Restructuring Provision will allow allocations to support elements of the public sector reform programme. In 2014/15 this will include the funding for the first phase of eGovernment, the continued support for the Workforce Modernisation workstream such as the Job Evaluation and Pay Reward projects as well as implementing and supporting the roll-out of Lean methodology throughout all States departments.

## 2015 Budget Measures

As part of the 2015 Budget a range of measures were proposed in order to manage the consolidated fund balance in 2015. It was identified that the balance on the Restructuring Provision at the end of 2015, taking into account all approved projects, would be £2.7m. This sum will be returned to the consolidated fund in 2015.

## Central Contingencies

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In addition to the Pay and Restructuring Provisions the allocations in the MTFP for Central Contingencies are made up of provisions for:

- **Annually Managed Expenditure:** this represents the more volatile areas of expenditure which are difficult to forecast and which are influenced by factors outside of the control of the department. In 2013 to 2015 this will only represent Income Support and Social Security benefits as the level of Supplementation required was determined with the States approval of the new certainty formula proposed alongside the Medium Term Financial Plan by the Social Security Minister.
- **Emerging Items:** this provision was established in the 2012 Business Plan for a number of emerging items for which a future significant cost was likely but where the exact cost and the timing were both uncertain. These emerging items included Freedom of Information and the HCAE Inquiry. The costs of these items are now clearer and the Council of Ministers has considered requests to earmark the required sums from this Contingency in 2013, 2014 and 2015.
- **One-Off Contingency:** in 2015 a base provision of £1 million together with any carry forward funding will provide some flexibility to manage any unexpected one-off items.

The 2015 allocation for Central Contingencies, excluding the pay provision and restructuring provision, amounts to £7 million.



## Transfers of Budget for 2015

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- The recurring effects of the 2012–2014 pay awards, along with the specific pay awards, have been transferred to Departments' base budgets for 2015.
- The recurring effects of the remaining Procurement Savings which were agreed during 2014 have been transferred to Departments' base budgets from the Restructuring Provision.
- The Central Pay Provision has been reduced from 2.5% to 1.5% for 2015 and the 1% has been transferred to a specific area created within Central Contingency Allocations which will hold the sums identified in the 2015 Budget Proposed Measures as being required to manage the consolidated fund in 2015.
- As agreed in the 2015 Budget, Departments' 2015 cash limits have been reduced by a sum equivalent to 2% of their Gross Expenditure budgets. These sums have also been transferred into the same specific area within Central Contingency Allocations and will be used to increase the consolidated fund balance in 2015.

## Central Contingency Allocations

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash		2015 Revised Net Revenue Expenditure	Non Cash		2015 FTE
		Income	Expenditure		Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure							
£		£	£	£	£	£	
	<b>Central Contingencies</b>						–
144,400	– AME Contingency	–	2,000,000	<b>2,000,000</b>	–	2,000,000	
–	– DEL Contingency	–	–	–	–	–	
–	– One-Off Contingency	–	1,000,000	<b>1,000,000</b>	–	1,000,000	
–	– Smoothing Reserve	–	–	–	–	–	
4,000,000	– Emerging Items Contingency	–	4,000,000	<b>4,000,000</b>	–	4,000,000	
400,000	<b>Central Pay Provision<sup>1</sup></b>	–	3,764,400	<b>3,764,400</b>	–	3,764,400	–
6,540,000	<b>Restructuring Provision</b>	–	7,170,000	<b>7,170,000</b>	–	7,170,000	–
(3,451,300)	<b>Corporate Procurement Savings</b>	–	–	–	–	–	–
	<b>2015 Budget Measures<sup>2</sup></b>						–
–	– 1% reduction on Central Pay Provision	–	3,480,000	<b>3,480,000</b>	–	3,480,000	
–	– 2% savings on Departmental 2015 Gross Expenditure budgets	–	12,068,500	<b>12,068,500</b>	–	12,068,500	
<b>7,633,100</b>	<b>Revised Net Revenue Expenditure</b>	–	<b>33,482,900</b>	<b>33,482,900</b>	–	<b>33,482,900</b>	–

**Note 1:** Allocations have been made from the Central Pay Provision for 2015 in respect of the 2013 (1%) and 2014 (4%) recurring pay awards as well as specific awards made in respect of Nurses and Medical staff, Firefighters and Doctors and Consultants for 2013. Additional funding of £1.856m is required to replenish the Central Pay Provision in order to make provision for a 2015 pay award for all pay groups amounting to 1.5% of the total States pay bill and an allocation for a Doctors and Consultants award in 2015. This sum is already earmarked to be carried forward from the Central Contingency (One-off) provision in 2014.

**Note 2:** The 2015 Budget, approved on 24th September 2014, agreed a range of Proposed Measures to balance the consolidated fund, which included a reduction of 1% from the Central Pay Provision and 2% savings on Departmental Gross Expenditure budgets in 2015. These funds have been transferred into a specific area within Central Contingency Allocations and will be used to increase the consolidated fund balance in 2015.

## Central Contingency Allocations

### NET EXPENDITURE – STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
	<b>Income</b>	
	– Duties, Fees, Fines & Penalties	–
	– Sales of Goods and Services	–
	– Investment Income	–
	– Other Income	–
	<b>– Total Income</b>	<b>–</b>
	<b>Expenditure</b>	
	– Social Benefit Payments	–
	– Staff Costs	–
	– Supplies and Services	–
	– Administrative Expenses	–
	– Premises and Maintenance	–
	– Other Operating Expenses	–
	– Grants and Subsidies Payments	–
	– Impairment of Receivables	–
	– Finance Costs	–
	– Foreign Exchange (Gain)/Loss	–
7,547,000	Contingency Expenses	33,482,900
<b>7,547,000</b>	<b>Total Expenditure</b>	<b>33,482,900</b>
<b>7,547,000</b>	<b>Net Revenue Expenditure</b>	<b>33,482,900</b>
	– Depreciation	–
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>7,547,000</b>	<b>Net Revenue Expenditure</b>	<b>33,482,900</b>

## Central Contingency Allocations

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Base Department Budget</b>	–	<b>Approved Variations to Expenditure Limits since MTFP</b>	
<b>Central Contingencies</b>		<b>Pay Provisions</b>	
– AME Contingency	2,000,000	– Recurring effect of 2013 1% Consolidated Pay Award	(3,252,400)
– DEL Contingency	–	– Recurring effect of 2013 Firefighters' Pay Award	(83,300)
– One-Off Contingency	1,000,000	– Recurring effect of 2013 Doctors' and Consultants' Pay Award	(189,000)
– Smoothing Reserve	–	– Recurring effect of Additional Funding for 2012 Nurses' Pay Award	(550,000)
– Emerging Items Contingency	4,000,000	– Recurring effect of Additional Funding for 2013 Nurses' Pay Award	(1,050,000)
<b>Central Pay Provision</b>	25,700,300	– Recurring effect of 2014 4% Consolidated Pay Award	(13,331,200)
<b>Restructuring Provision</b>	7,170,000	<b>Other Variations</b>	
– Corporate Procurement Savings	(3,451,300)	– Recurring effect of 2014 Procurement Savings	3,451,300
<b>Net Revenue Expenditure per MTFP</b>	<b>36,419,000</b>	– 2% Savings on Departmental 2015 Gross Expenditure budgets	12,068,500
		<b>Revised Net Revenue Near Cash Expenditure</b>	<b>33,482,900</b>





# Central Growth Allocation

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## Central Growth Allocation

### Allocation of Growth for 2015

In the debate of the draft Budget 2014 (P69/2013) in December 2013, the States agreed the allocation of the central growth allocation for 2014 and 2015 of £2,210,000 and £1,460,000 respectively.

Article 11(3) of the Public Finances (Jersey) Law 2005 allows the allocation of future year's growth where this is recurrent.

The table below shows the allocations of recurrent funding for 2015 agreed in the 2014 Budget. These allocations to departments total the available central growth allocation provided in the MTFP for 2015. There is no further allocation of central growth available in 2015 and therefore there were no further proposals in the 2015 Budget.

#### CENTRAL GROWTH ALLOCATION AGREED FOR 2014 AND 2015

Growth bids transferred to Central Growth Allocation 2014/15		Dept	2013 £'000	2014 £'000	2015 £'000
33	External Relations: International meetings, monitoring and visitors dignitaries	CMD	0	160	160
34	External Relations: External specialist advice	CMD	0	100	100
52	CSR: Fund permanent members of the CSR delivery team	CMD	0	150	150
<b>Subtotal</b>			<b>0</b>	<b>410</b>	<b>410</b>
43	Marine Response Team	HA	0	25	25
43a	Increased running costs of new prison facilities	HA	0	25	25
<b>Subtotal</b>			<b>0</b>	<b>50</b>	<b>50</b>
18	Private Sector Rental Support	SSD	0	750	1,000
49	Treatment and disposal of ash	TTS	0	1,000	0
<b>Total</b>			<b>0</b>	<b>2,210</b>	<b>1,460</b>

#### 33. External Relations: International meetings, monitoring and visitors dignitaries – (CMD) – £160,000 for 2014 and 2015

External Relations was established using non-recurring funding sources. During 2010 and 2011 this cost was met from Fiscal Stimulus. This budget has been reduced from £260,000 in 2011 after agreeing joint monitoring contracts with Guernsey from 2012 onwards, closing the London office space used previously by the Director International Finance and cancelling the Paris monitoring contract. Whilst there is now a recurring budget for the 6 core staff and office expenses, the international operations programme is not funded. The international operations programme requires a recurring budget of £160,000 from 2014.



### **34. External Relations: External specialist advice (CMD) – £100,000 for 2014 and 2015**

Since its establishment with non-recurring funding, External Relations has needed to commission specialist technical advice. Currently, technical expert advice from the London School of Economics Trade Policy Unit is required, for example, on the extension of the UK membership of the World Trade Organisation to include Jersey. £100,000 will buy on average 2 to 3 specialist reports per annum and recurring funding is required from 2014.

### **52. CSR: Fund permanent members of the CSR delivery team – (CMD) – £150,000 for 2014 and 2015**

This team previously undertook the role of CSR Delivery Team but has now become the PSR Programme Office. The budget for the two members of staff was funded from the Restructuring Provision during the CSR process (2011–13) but now requires permanent funding of £150,000 from 2014 to support the Public Sector Reform programme. It is anticipated that this may need to be supplemented with additional temporary resource as required.

### **18. Private Sector Rental Support – (SSD) – £750,000 in 2014 and £1.0 million for 2015**

One impact of the proposed Housing incorporation and subsequent adjustment to social housing rental will be a likely knock on affect in private sector social housing rents. The affect of increased income support due to these rent increases will be recovered from both the new housing association and existing housing trusts. However, there will be an increase to those private sector social housing rents through income support which will not be recoverable. This could be in the order of £1 million. The increase in housing rents to 90% of market value is proposed to be introduced from April 2014.

### **43. Marine Response Team (MRT) – (HA) – £25,000 for 2014 and 2015**

The funding for a UK Maritime off-shore ship firefighting capability has not been re-instated by either the UK Department for Transport or the Department of Communities and Local Government. There remains no UK provision to assist with emergency firefighting, industrial accidents or chemical incidents at sea. Many UK Fire and Rescue Services and their Authorities with notable maritime risk have taken the decision to fund the shortfall in order to maintain such a capability in and around their coastal waters.

The States of Jersey Fire and Rescue Service has developed and implemented a comprehensive local Marine Response Strategy, supported by capability, tactics and operations. These have been incorporated into Jersey Coastguard and Condor Marine Services Emergency Response Plan.

Central Growth allocation is required in order that the States of Jersey Fire and Rescue Service can maintain its capability to deal with fires, chemical release or industrial accidents on a vessel in Channel Island waters. This will also enable Jersey Fire and Rescue Service to access mutual assistance from those Services that have a maritime response capability, if required.



#### **43a. Increased Running Costs of New Prison Facilities – (HA) – £25,000 for 2014 and 2015**

The prison was designed in the late 1960s and was opened in 1974. A programmed redevelopment (Masterplan) commenced in 2003 to address some of the prison estate's shortcomings which were reinforced in previous inspections. The first five phases of the Masterplan have been delivered or are currently on site.

The construction of a new visit room and staff facility (phase four) opened in April 2013 and construction work on a new stores and engineers' facility (phase five) commenced in May 2013 with a target completion date of February 2014. In addition, a new classroom, boiler house and greenhouse have now been constructed in the horticultural area of the prison.

These new facilities have increased the running costs of the prison which cannot be accommodated within the Home Affairs Department's net revenue expenditure.

#### **49. Treatment and disposal of incinerator ash – (TTS) – £1,000,000 for 2014 only**

Currently bottom and fly ash (APC residue) are disposed of in fully lined ash pits built to a specification to store the hazardous and non hazardous ash. There is increasing pressure to find sustainable methods for disposal or recycling of both bottom and fly ash. These pressures will require investment in new infrastructure in order to implement alternative disposal / recycling methods which will also increase the life of La Collette. The capital costs of these infrastructure improvements are currently estimated at £1,500,000 and are not included in the revenue figures below. Estimated revenue costs going forward are as follows:

- 2014 £1,000,000 APC Off Island disposal for current ash
- 2015 £1,000,000 APC Off Island disposal for current ash,
- 2015 £700,000 to clear backlog of ash
- 2015 £300,000 On Island recycling of bottom ash

Growth funding of £2 million from 2015 was approved as part of the Transport and Technical Services Department spending limit in the MTFP.

## Central Growth Allocations

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash		2015 Revised Net Revenue Expenditure £	Non Cash		2015 FTE
		Income £	Expenditure £		Expenditure £	2015 Revised Net Revenue Expenditure £	
	- Central Growth Allocations	-	-	-	-	-	-
	- Net Revenue Expenditure	-	-	-	-	-	-

**Note:** The 2014 Budget approved the allocation of the Central Growth Allocations for 2014 and 2015 to Departments' revenue heads of expenditure as originally proposed by the Council of Ministers. Funding for Central Growth now appears within individual Departments' net revenue expenditure limits and no further decisions are required in 2015.

## Central Growth Allocation

### NET EXPENDITURE – STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
	<b>Income</b>	
	– Duties, Fees, Fines & Penalties	–
	– Sales of Goods and Services	–
	– Investment Income	–
	– Other Income	–
	<b>– Total Income</b>	<b>–</b>
	<b>Expenditure</b>	
	– Social Benefit Payments	–
	– Staff Costs	–
	– Supplies and Services	–
	– Administrative Expenses	–
	– Premises and Maintenance	–
	– Other Operating Expenses	–
	– Grants and Subsidies Payments	–
	– Impairment of Receivables	–
	– Finance Costs	–
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
	– Central Growth Allocation	–
	<b>– Total Expenditure</b>	<b>–</b>
	<b>– Revised Net Revenue Near Cash Expenditure</b>	<b>–</b>
	– Depreciation	–
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
	<b>– Revised Net Revenue Non Cash Expenditure</b>	<b>–</b>

**Note:** The 2014 Budget approved the allocation of the Central Growth Allocations for 2014 and 2015 to Departments' revenue heads of expenditure as originally proposed by the Council of Ministers. Funding for Central Growth now appears within individual Departments' net revenue expenditure limits and no further decisions are required in 2015.



## Central Growth Allocation

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
Base Department Budget	1,460,000	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Net Revenue Near Cash Expenditure per MTFP	1,460,000	<b>Central Growth Allocations</b>	
		– External Relations: International meetings, monitoring and visiting dignitaries	(160,000)
		– External Relations: External specialist advice	(100,000)
		– CSR: Fund permanent members of the CSR delivery team	(150,000)
		– Marine Response Group	(25,000)
		– Increased Running Costs of New Prison Facilities	(25,000)
		– Private Sector Rental Support	(1,000,000)
		<b>Revised Net Revenue Near Cash Expenditure</b>	<b>–</b>



# 2015 Capital Programme

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# Capital Programme 2015

## Introduction

The Medium Term Financial Plan (MTFP) set out the capital programme for each of the years 2013–2015 and the debate on the MTFP approved the capital programme, in total, for each of these years. The Budget for each of these years then approves the detailed list of projects. The 2015 Budget, agreed by the States Assembly on 24th September 2015, approved the 2015 Capital Programme without amendment.

The MTFP approved a total allocation in 2015 of £77,341,000. A review and reprioritization of the proposed programme reduced the total capital requirement to £75,144,000. The payroll software replacement, the second phases of additional primary school accommodation and sports strategy infrastructure have all been accommodated within the revised programme. The removal of the Social Housing programme following the incorporation of Andium Homes Ltd allowed for the second phases of the Future Hospital and Liquid Waste Strategy to be accommodated.

### VARIATIONS OF 2015 CAPITAL PROGRAMME FROM INDICATIVE 2015 CAPITAL PROGRAMME IN THE MTFP

Department	Description of Capital Project	MTFP	2015 Budget	Variance to MTFP
		£'000 2015	£'000 2015	£'000 2015
Chief Minister's Department	JDE Development and upgrade	450	–	(450)
Department of the Environment	Countryside Infrastructure	200	–	(200)
Home Affairs	Replacement Assets	200	–	(200)
	Prison Improvement Works – Gatehouse and Admin Block	7,532	–	(7,532)
Housing Department	Social Housing Programme	45,873	–	(45,873)
Transport and Technical Services	Ash Cells & La Collette Headland	1,077	–	(1,077)
	Sea Defence Backlog	425	–	(425)
Vehicle Replacement	Additional funding from consolidated fund	1,500	300	(1,200)
	<b>Total</b>	<b>57,257</b>	<b>300</b>	<b>(56,957)</b>
Chief Minister's Department	E Government	–	320	320
	Payroll Replacement	–	1,000	1,000
Education, Sport & Culture	Additional Primary School Accommodation	–	2,134	2,134
	Sports Strategy Infrastructure	–	1,450	1,450
Health & Social Services	Future Hospital	–	22,700	22,700
	Refurbishment of Limes	–	1,662	1,662
Transport and Technical Services	Liquid Waste Strategy	–	25,494	25,494
	<b>Total</b>	<b>–</b>	<b>54,760</b>	<b>54,760</b>



## Capital Programme for 2015

### FUNDING SOURCES

	£'000
	2015
<b>Funding Sources</b>	
Consolidated Fund	(4,090)
Strategic Reserve	(22,700)
Contribution from Currency Fund	(25,494)
Contribution from Car Parks Trading Fund	(1,135)
JPH receipts	(9,140)
Housing Repayment	(528)
Repayment of JT Preference Shares	(1,757)
Repayment of Jersey Water Preference Shares	(6,800)
Jersey Post Extraordinary Dividend	(2,000)
Funded from the Central Planning Vote	(1,500)
<b>Funding Available</b>	<b>(75,144)</b>
<b>Departmental Capital Programme</b>	<b>75,144</b>
Social Housing Programme*	-
Housing Funding Sources*	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>75,144</b>
<b>Funding from Consolidated Fund (Main allocation)</b>	<b>4,090</b>
<b>Funding from Other Sources (Income to Consolidated Fund etc)</b>	<b>71,054</b>
<b>Housing Funding*</b>	<b>-</b>
<b>TOTAL FUNDING</b>	<b>75,144</b>

\*The Housing Department was incorporated as Andium Homes Ltd on 1st July 2014 and therefore the Social Housing capital programme is no longer included.



## Capital Programme for 2015

	£'000
	2015
<b>Chief Minister's</b>	
E Government	320
Enterprise Systems Development – Payroll Replacement	1,000
<b>Chief Minister's total</b>	<b>1,320</b>
<b>Education, Sport and Culture</b>	
School ICT	1,000
Additional Primary School Accommodation	2,134
Sports Strategy Infrastructure	1,450
<b>Education, Sport and Culture total</b>	<b>4,584</b>
<b>Health &amp; Social Services</b>	
Future Hosiptal	22,700
Replacement of MRI Scanner	2,277
Replacement of RIS/PACS	1,567
Refurbishment of Limes	1,662
<b>Health &amp; Social Services total</b>	<b>28,206</b>
<b>Transport and Technical Services</b>	
Infrastructure Rolling Vote	11,097
Liquid Waste Strategy	25,494
EFW Plant La Collette Replacement Assets	681
Road Safety Improvements	635
<b>Transport and Technical Services total</b>	<b>37,907</b>
<b>Vehicle replacement (additional from consolidated fund)</b>	<b>300</b>
<b>Replacement assets</b>	<b>2,827</b>
<b>Total Projects – Capital Allocation</b>	<b>75,144</b>
<b>Housing</b>	
Social Housing Programme*	–
<b>Total Programme</b>	<b>75,144</b>

\*The Housing Department was incorporated as Andium Homes Ltd on 1st July 2014 and therefore the Social Housing capital programme is no longer included.



# Capital Programme 2015

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## Chief Ministers Department

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**E Government (£320,000 for 2015).** Public Sector Reform will create a more innovative and efficient and lower cost government. A key strand to the reform programme is the creation of an effective and efficient eGovernment model to deliver services to its customers.

eGovernment will provide the platform the States needs to achieve its strategic goals by:

- Providing the mechanisms to make it easier for customers, businesses and partners to interact with the States;
- Creating an environment that will increase the digital skills of the States employees and citizens;
- Delivering services through more cost effective channels, creating value for money for taxpayers;
- Becoming a major catalyst for the development of a Digital sector in Jersey, consistent with the Digital Jersey Business Plan.

The purpose of this programme therefore is to put in place the technology necessary to achieving an efficient and effective eGovernment model for the States of Jersey.

**Payroll Replacement (£1,000,000 for 2015).** This funding will aid the procurement of a new Payroll system. The current Payroll system is at the end of its life with many limitations; it will also be unsupported from July 2015. A replacement is essential to ensure we are on current, supported technology / software, and ensure the system can support the current and future business operating model.

The current payroll system pays approximately 10,000 employees / pensioners through a variety of monthly and weekly payrolls. The Payroll Team input around 90,000 variable claim forms per annum for the payment of overtime, mileage claims etc.

A modern payroll system and processes are important building blocks to support the provision of streamlined back office support services. The Payroll Replacement Project Board has concluded that improvements to payroll processes and systems should be met via the purchase of a new payroll system to support the in-house provision of payroll services by the Treasury & Resources Department to all States Departments.

A future payroll system should also have the ability to deal with the diverse and wide-ranging terms and conditions that are prevalent in the States of Jersey whilst also being able to deal with any modern reward structure introduced in the future.

## Education, Sport and Culture

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**School ICT (£1,000,000 for 2015).** The IT skills strategy was launched on 11 October 2013 to inspire the next generation to be digital champions, confident and able in a challenging business world where IT is increasingly at the forefront. This money is necessary to upgrade the infrastructure and provide equipment and training to schools to enable students to learn anytime, anyplace and to harness the



maximum benefit from mobile technology. Funding of £1,000,000 is the final part of a 3 year strategy from 2013 to 2015 making the overall total £3,000,000 for the School ICT project.

**Additional Primary School Accommodation (£2,134,000 for 2015).** Latest information on primary demographics indicates a significant increase in pupil numbers over the next few years. As a result it will be necessary to provide increased facilities for the schooling of these students. Feasibility studies have been completed to review and evaluate the options and a decision was made to provide additional classrooms on existing sites. The final cost for this option is £10,322,000, of which £8,188,000 was provided in 2014 and the balance of £2,134,000 is in the 2015 capital programme. Plans have been submitted for all projects with the exception of one, which will have plans submitted later this year. The first new classrooms will open for the 2015–16 academic year.

**Sports Strategy Infrastructure (£1,450,000 for 2015).** Projects include but are not limited to; artificial grass pitches at school sites, tennis court resurfacing, Les Quennevais cycle track resurfacing and the refurbishment of sport centres. This is a continuation of the Sports Infrastructure upgrade following the launch of the Sport Strategy and in preparation for the 2015 NatWest Island Games. This second phase of work will cost £1,450,000.

## Health and Social Services

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### **Future Hospital – Feasibility Study and Initial Phases – Design and Planning: (£22,700,000 for 2015).**

This funding provides for the development of the Feasibility Study Outline and Full Business Cases for the Future Hospital project to set out the proposed overall feasibility concept for the new build and refurbished Future Hospital capacity in response to the requirement placed upon the Council of Ministers under P.82/2012 to:

*“co-ordinate the necessary steps by all relevant Ministers to bring forward for approval proposals for the priorities for investment in hospital services and detailed plans for a new hospital (either on a new site or a rebuilt and refurbished hospital on the current site), including full details of all manpower and resource implications necessary to implement the proposals.”*

The funding will enable the development of design work to provide a feasibility design for the whole future hospital concept for consideration by the States Assembly and the necessary design work to enable the tendering of initial phases of the Future Hospital capacity for States Assembly consideration such that recommendation for the appointment of construction contractors can be sought in Budget 2016.

In addition the funding will enable the relocation of Community and Social Services from existing failing buildings at Overdale, the demolition of these buildings in readiness for initial phases of development of the Future Hospital at Overdale and the undertaking of enabling works that would improve access and utility connections to the General Hospital and at Overdale to make them fit for development of fit for purpose Health Buildings.





The provisional allocation of 2015 funding comprises<sup>1</sup>:

Overdale Development (Design, demolition and enabling works)	<b>£6,415,000</b>
General Hospital – Initial phase design and enabling works	<b>£7,024,000</b>
General Hospital – Subsequent phases design and enabling works	<b>£7,845,000</b>
Cancer Care Design Works	<b>£638,000</b>
Planning Vote	<b>£778,000</b>
	<b>£22,700,000</b>

**Note 1:** The Budget 2014 budget profile for 2015 is retained for the purposes of project planning and has been applied to Strategic Outline Case estimates, within a single capital Head of Expenditure. The actual allocated spend may need to be modified to reflect improving information during development of the Feasibility Study, which will require reallocation of the available budget across the cost elements.

**Replacement of MRI Scanner (£2,277,000 for 2015).** The Health and Social Services Department currently owns and operates an MRI scanner, which was commissioned in December 2007. The MRI scanner is in constant use and in 2013, 7,418 scans were undertaken. The unit operates Monday to Saturday (71½ hours per week), however, in 2014 it has also operated on most Sundays to meet increased demand. The MRI scanner needs replacing in 2015 and the replacement costs include the purchase and commissioning of a new machine as well as the necessary building costs associated with installation.

**Replacement of RIS/PACS (£1,567,000 for 2015).** Replacement of the Picture Archiving Communication System (PACS) and the Radiology Information System (RIS). PACS and RIS are the names given to a number of computer based systems designed to run the Radiology Department and distribute reports and images to all relevant clinicians both inside and outside the hospital. The scope also covers updating a range of hardware including the main server infrastructure and visual display equipment for viewing the images and reports.

**Limes Upgrade (£1,662,000 for 2015).** The Limes is a care home built in the 1980s to a very high standard but not refurbished since. This project will:

- Replace all floor, wall and ceiling finishes in all bedrooms, shower rooms (including new sanitary ware), corridors and communal areas;
- Install 3 new assisted bathrooms;
- Modernise and increase number of sluice rooms; and
- Completely redecorate the building inside and out.

## Transport and Technical Services

**Infrastructure Rolling Vote (£11,097,000 for 2015).** The infrastructure rolling vote is designed to allow TTS to facilitate the maintenance and further improvement of the Island's infrastructure network. The allocation is split broadly between highways (34%), traffic improvements/street lighting (11%), drainage infrastructure maintenance including pumping stations (46%) and other infrastructure assets (9%).



**Liquid Waste Strategy (£25,494,000 for 2015).** The liquid waste strategy is the master plan for the complete regeneration of the Bellozanne site.

The STW was originally constructed in the late 1950's for a population of 57,000. In the intervening years it has been continually improved and upgraded to take into account significant population increases, changes in volume of incoming flow, increased environmental standards and technological enhancements.

Whilst the plant has generally performed well over the years, it is now struggling to meet its discharge consents, mainly due to the now inadequate and outdated design, poor performance of the main treatment technology installed, and the variability of loading to the works, particularly under high flow and storm conditions.

The only way forward is for a complete regeneration of the Bellozanne site including a new sewage treatment works.

Funding of £10,100,000 was awarded to Transport and Technical Services in 2014 to undertake the first phase of this work. This included undertaking planning and environmental impact studies, site investigations, initial service diversions and the replacement of the clinical waste incinerator, which currently sits in the middle of the site. The majority of this work should be completed by the end of 2014, although it is envisaged that some may run into the first half of 2015.

Funding of £25,494,000 has been proposed in the 2015 capital programme to allow the Department to begin phase 2 of this regeneration programme. This work will include the demolition and excavation of parts of the hillside at Bellozanne to provide a greater operating surface, site remediation, completion of the detailed design, procurement and awarding of the STW phase I construction contract. This contract is likely to be awarded towards the second half of the year with the contractor starting on site in quarter 3. The scope of these works will include creation of new inlet works, primary settlement tanks, storm tanks and some of the final settlement tanks, sludge storage and the administration building. It is anticipated that this contract will last until the beginning of 2017. The total funding of £25,494,000 is required in order for the Department to enter into a construction contract with the approved supplier in accordance with the requirements of the Public Finance Law (Jersey) 2005.

Once these works are built, connected to the existing sewage treatment works and commissioned, phase II of the works can be commenced, which will involve removing the existing inlet works, primary settlement and sludge areas and constructing the new ASP lanes, remaining final settlement tanks and new UV treatment plant.

**EFW Plant La Collette Replacement Assets (£681,000 for 2015).** The Energy From Waste plant (EFW) began operations in October 2010 and is of strategic importance to the island. The asset must be maintained to a high level to ensure that it can handle the Island's waste, maintain electrical generation and minimise the use of chemicals and utilities. The main financial benefits stemming from the replacement of these assets include lower operating and maintenance costs and preservation of the current level of service provided to the user. As the plant is a pressure system it must be maintained to an acceptable standard to satisfy the insurance inspector. The plant must continue to be able to meet its environmental emission standards as specified in its Waste Management Licence. The plant is of strategic importance for managing the treatment of the Island's waste. A long term breakdown of the plant would be difficult and expensive to deal with so would constitute an unacceptable risk. The

plant also has to comply with the Waste Incinerator Directive (WID). Thus it is essential that the plant's emissions are maintained to internationally recognised safe levels.

**Road Safety Improvements (£635,000 for 2015).** In order to promote the current sustainable transport policy, additional funding is required to maintain and increase the infrastructure for non-motor vehicles. Various high level schemes have been identified although detailed analysis of each is still required:

- Extension of the Eastern Cycle Network
- Safety of the Western Cycle Network
- Enhancing the cycle route in St Peters Valley
- Various projects on bus stop safety

In addition, certain sections of road have been identified as having road traffic collision levels that are higher than appropriate especially for vulnerable users such as pedestrians, cyclists and motor cyclists.

## Other Capital

**Vehicle Replacement (£300,000 for 2015).** This funding is to support the work of Jersey Fleet Management in the purchase of vehicles on behalf of departments. This is a continuation of the funding established in the 2012 Business Plan to enable the initial purchase of additional vehicles.

**Replacement Assets (£2,827,000 for 2015).** Departments go through a process of identifying those assets that are due for replacement and then conduct a prioritisation exercise to come to their final request.

Replacement Assets	
Health and Social Services	2,595
Transport and Technical Services	232
<b>Total</b>	<b>2,827</b>



# Summary of States Trading Operations

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## Summary of States Trading Operations 2015

	2015		2015		2015							
	Gross Expenditure Total	Income Total	Net Expenditure	Financial Returns								
	£	£	£	£	£	£						
Jersey Airport	22,519,400	(30,626,400)	(8,107,000)	-								
Jersey Harbours	11,962,000	(15,532,000)	(3,570,000)	-								
Jersey Car Parking	5,476,300	(6,827,600)	(1,351,300)	1,631,000								
Jersey Fleet Management	4,167,800	(5,541,000)	(1,373,200)	-								
<b>(Surplus)/Deficit for the year</b>	<b>44,125,500</b>	<b>(58,527,000)</b>	<b>(14,401,500)</b>	<b>1,631,000</b>								
Less:												
Depreciation	13,835,000	-	13,835,000									
Impairment of Fixed Assets	-	-	-									
Asset Disposal (Gain)/Loss	(65,000)	-	(65,000)									
<b>(Surplus)/Deficit for the year</b>	<b>57,905,500</b>	<b>(58,527,000)</b>	<b>(621,500)</b>									
	2015		2015		2015		2015		2015		2015	
	Estimated Trading Fund Opening Balance	Surplus/ (Deficit)	Add Back: Depreciation/ Impairment of Fixed Assets/ Asset Disposal Gain/(Loss)	Less: Capital Expenditure	Plus: Other Balance Sheet Movements	Plus: Capital Receipts	Additional Funding for Other States Departments	Loan Repayments	Estimated Trading Fund Closing Balance	£	£	£
	£	£	£	£	£	£	£	£	£	£	£	£
Jersey Airport	28,948,200	2,136,900	5,970,100	(2,393,000)	(693,900)	-	-	(1,212,600)	32,755,700			
Jersey Harbours	13,019,000	(2,223,400)	5,793,400	(1,670,000)	-	-	-	-	14,919,000			
Jersey Car Parking	14,700,100	429,500	921,800	(1,101,500)	-	-	-	-	14,949,900			
Jersey Fleet Management	811,100	278,500	1,149,700	(2,588,900)	-	85,000	300,000	-	35,400			
<b>(Surplus)/(Deficit) for the year</b>	<b>57,478,400</b>	<b>621,500</b>	<b>13,835,000</b>	<b>(7,753,400)</b>	<b>(693,900)</b>	<b>85,000</b>	<b>300,000</b>	<b>(1,212,600)</b>	<b>62,660,000</b>			

## Capital Allocations to States Trading Operations for 2015

	£'000
	2015
	Budget
Arrestor Bed Refurbishment	200
Fire Tenders	195
Grass Management	200
ILS 26/08A	775
Minor Capital Assets	300
Public Address/Fire Alarm System	450
Vehicle Fleet Replacement	273
<b>Jersey Airport</b>	<b>2,393</b>
Minor Capital Assets	250
Piers and Quays Infrastructure	350
St.Helier Marina pontoons Replacement/Enhancement	320
Replacement West Berth Ro-Ro Ramp/Walkways & Future Refurbishment	450
Road Re-building	300
<b>Jersey Harbours</b>	<b>1,670</b>
Car Park Maintenance and Refurbishment	583
<b>Jersey Car Parking</b>	<b>583</b>
Vehicle and Plant Replacement	1,418
<b>Jersey Fleet Management</b>	<b>1,418</b>



## Ports of Jersey

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## Ports of Jersey

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### Minister's Introduction

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The Ports of Jersey (PoJ) comprise the Island's key strategic transport assets, the Port of St Helier and Jersey Airport, the historic harbours plus numerous associated maritime and aeronautical assets and functions.

Jersey Airport provides a comprehensive network of commercial routes to 48 UK and European destinations, facilities for business aviation, and for local and visiting private aircraft. It is also contracted, through the Minister for External Relations, to provide air traffic control for the Channel Islands Control Zone on behalf of the French and UK authorities.

In addition to commercial port activity, Jersey Harbours provides marinas and moorings for local boat owners and visitors, including the 'Five Gold Anchor' status marinas in St. Helier, as well as moorings in the outlying harbours and maintenance of those harbours. Importantly, Jersey Harbours also provides the coastguard service for our territorial waters, an essential public service, which in most jurisdictions is funded by taxpayers, but which in Jersey, is funded entirely by revenue generated through Ports commercial activity.

Following successful integration of Jersey Harbours and Jersey Airport into the Ports of Jersey in 2012, the Assembly gave its in principle approval through P.70/2012 for the incorporation of the Port of Jersey, following precedent set in respect of Jersey Telecom and Jersey Post. Incorporation will result in the creation of a single entity, with an independent Board. The States will retain 100% shareholding with shareholder responsibility discharged by the Minister for Treasury and Resources.

The technical elements of the incorporation project were completed within the timescale set out in P.70/2012. A White Paper with the following supporting papers was submitted to the Council of Ministers 19 May 2014:-

- (a) an externally verified case supporting incorporation,
- (b) details of the regulatory framework which will surround the new company, and
- (c) the latest draft of the Air and Sea Ports (Incorporation) Jersey Law 201-.

The White Paper consultation ran from 29th May to 15th August 2014 and served primarily to pull together the considerable volume of work that has been done towards incorporation. The supporting documents were intended to detail for the public the rationale behind incorporation as well as informing Islanders of the policy issues surrounding the subject. At its heart, the consultation addressed the significant structural issues facing the harbours and airports and the potential implications of allowing the situation to continue without some positive action. It identified the benefits of incorporation and indicated how the corporate approach of an incorporated entity can be channelled to benefit the Public. The results of the White Paper consultation were published in October 2014.



Until incorporation, Jersey Airport and Jersey Harbours will remain within the existing States of Jersey structure and will continue their responsibilities as separate Trading Departments. The MTFP therefore assumes that both departments continue to remain self-financing in terms of both revenue and capital for the period 2013–2015.

**Senator Alan Maclean**

Minister for Economic Development



# Jersey Airport

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# Jersey Airport

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## AIM:

Our aim is to provide an Airport that strives to meet the economic and social needs of the Island while meeting the expectations of passengers and airlines by providing a safe and secure environment. Our success can be measured by:

- Open and safe operations
- Business performance
- Customer experience
- Quality of our people

## SUMMARY OF KEY OBJECTIVES AND KEY PERFORMANCE/SUCCESS CRITERIA

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### Objective 1: Keep the ports open, safe and secure

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#### Success Criteria:

- (i) Master Planning to meet the long term needs of the Trading Operation and the operational area;
- (ii) Compliance with all safety and security measures applicable in each department with no critical anomalies reported as a result of independent audits;
- (iii) Compliance with States of Jersey corporate governance and accounting standards, including risk management;
- (iv) Safety Management Systems (SMS) and Quality Management Systems (QMS) policies and procedures implemented and proven.

#### Strategic Plan References:

–**The Vision:** A strong sustainable economy; Preparing for the future

–**The Priorities:** Sustainable long term planning

### Objective 2: Satisfy all current and prospective demand for commercial and community services and facilities

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#### Success Criteria:

- (i) Reduce the reliance on aeronautical revenue by increasing yield from non-aeronautical sources via retail, car parking and commercial development activities;
- (ii) Appropriate and balanced tariff structure agreed in line with commercial objectives and economic criteria;



- (iii) Customer user groups established to improve feedback, consultation and the development of improved new products and services;
- (iv) Maintain Single European Sky (SES) certification.

**Strategic Plan Reference:**

- **The Vision:** A strong sustainable economy; Preparing for the future
- **The Priorities:** Sustainable long term planning

### Objective 3: Maintain robust financial management to achieve self-sufficiency, and positively contribute to Jersey's economic development

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**Success Criteria:**

- (i) Established effective governance, leadership structure and accountability with Economic Development Department and Treasury & Resources ensuring commercial separation, economic partnership and operating effectiveness;
- (ii) Clear financial management plans indicating long-term view on sustainability and funding;
- (iii) Development and prioritisation of new business streams and infrastructure, encouraging new enterprise with innovation and entrepreneurship.

**Strategic Plan Reference:**

- **The Vision:** A strong sustainable economy; Preparing for the future
- **The Priorities:** Sustainable long term planning

### Objective 4: Improve operational and commercial efficiency through restructuring the organisation, and investment in the personal and professional development of staff

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**Success Criteria:**

- (i) Clarify all roles, responsibilities and accountabilities;
- (ii) Implement PRA system across the organisations (to the extent possible);
- (iii) Sustain on-going departmental training programmes;
- (iv) Continue implementation of professional development programme to support future succession requirements.

**Strategic Plan References:**

- **The Vision:** Preparing for the future; A highly skilled and motivated workforce



## Objective 5: Work with the Economic Development Department to grow passenger numbers whilst sustaining existing services

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### Success Criteria:

- (i) Sustain existing services and destinations;
- (ii) Restore passenger numbers through the Airport to positive growth (>1% pa);
- (iii) Work with Airline Partners to grow number of destinations by up to one new destination a year.

### Strategic Plan References:

- **The Vision:** A strong sustainable economy; Preparing for the future
- **The Priorities:** Sustainable long term planning



## Jersey Airport

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure							
£		£	£	£	£	£	
(2,084,100)	<b>Jersey Airport</b>	(29,442,400)	21,264,000	<b>(8,178,400)</b>	5,908,300	(2,270,100)	<b>188.7</b>
129,700	<b>Communication Services</b>	(1,184,000)	1,255,400	<b>71,400</b>	61,800	133,200	<b>8.6</b>
<b>(1,954,400)</b>	<b>Revised Net Revenue Expenditure</b>	<b>(30,626,400)</b>	<b>22,519,400</b>	<b>(8,107,000)</b>	<b>5,970,100</b>	<b>(2,136,900)</b>	<b>197.3</b>
	Reduction in funding for 2% savings			–		–	
				<b>(8,107,000)</b>		<b>(2,136,900)</b>	

## Jersey Airport

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
(6,500)	Duties, Fees, Fines & Penalties	(6,700)
(29,084,100)	Sales of Goods and Services	(29,712,200)
(87,200)	Investment Income	(89,400)
(815,100)	Other Income	(818,100)
<b>(29,992,900)</b>	<b>Total Income</b>	<b>(30,626,400)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	–
11,956,700	Staff Costs	12,255,800
5,094,900	Supplies and Services	5,222,500
196,700	Administrative Expenses	201,400
4,159,300	Premises and Maintenance	4,263,700
216,600	Other Operating Expenses	222,000
	– Grants and Subsidies Payments	–
	– Impairment of Receivables	–
407,800	Finance Costs	354,000
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>22,032,000</b>	<b>Total Expenditure</b>	<b>22,519,400</b>
<b>(7,960,900)</b>	<b>Revised Near Cash (Surplus)/Deficit for the year</b>	<b>(8,107,000)</b>
	Reduction in funding for 2% savings	–
		<b>(8,107,000)</b>
6,006,500	Depreciation	5,970,100
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>(1,954,400)</b>	<b>Revised Non Cash (Surplus)/Deficit for the year</b>	<b>(2,136,900)</b>

## Jersey Airport

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Prior Year Net Revenue Expenditure</b>	<b>(7,960,900)</b>	<b>Approved Variations to Expenditure Limits since MTFP</b>	
<b>Additional Expenditure</b>		<b>Service Transfers</b>	–
Price Inflation – Dept Income	(633,500)	<b>Allocations of Central Growth 2015</b>	–
Price Inflation – Provision for Pay Award	299,100	<b>Pay</b>	–
Price Inflation – Dept Expenditure	249,200	<b>Procurement Savings</b>	–
<b>Net Staff Savings/Cost</b>	–	<b>Capital to Revenue Transfers</b>	–
One off project – Arrivals Building – Removal of the Top Two Floors	–	<b>Other Variations</b>	–
One off ATE project	–		
Expiry of Finance Lease	(60,900)	<b>Revised Near Cash (Surplus)/Deficit for the year</b>	<b>(8,107,000)</b>
Corporate Restructure	–	Depreciation per MTFP	6,259,000
Increase in running costs	–	2015 Depreciation Adjustment	(288,900)
<b>Commitments from Existing Policies</b>	–	Revised 2015 Depreciation	5,970,100
<b>Capital to Revenue Transfers</b>	–	<b>Revised Non Cash (Surplus)/Deficit for the year</b>	<b>(2,136,900)</b>
<b>Near Cash (Surplus)/Deficit for the year per MTFP</b>	<b>(8,107,000)</b>		



## Jersey Airport

### TRADING FUND BALANCE

	2015 £
<b>Estimated Trading Fund Opening Balance</b>	<b>28,948,200</b>
Surplus/(Deficit) for the year	2,136,900
Add back: Depreciation	5,970,100
<b>Less: Capital Expenditure</b>	
– Above Ground works	(2,393,000)
– Below Ground works	–
<b>Plus: Capital Grant Funding</b>	<b>–</b>
<b>Other balance sheet movements</b>	
– Capital Grant funding deferred income release	(693,900)
– Capital element of loan repayments	(1,212,600)
<b>Estimated Trading Fund Closing Balance</b>	<b>32,755,700</b>





# Jersey Harbours

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# Jersey Harbours

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## AIM:

Our aim is to provide modern port, marina and coastguard services facilities within a safe and secure environment with guaranteed long term viability. Our success can be measured by:

- Open and safe operations
- Business performance
- Customer experience
- Quality of our people

## SUMMARY OF KEY OBJECTIVES AND KEY PERFORMANCE/SUCCESS CRITERIA

---

### Objective 1: Keep the ports open, safe and secure

---

#### Success Criteria:

- (i) Master Planning to meet the long term needs of the Trading Operation and the operational areas;
- (ii) Compliance with all safety and security measures applicable in each department with no critical anomalies reported as a result of independent audits;
- (iii) Compliance with States of Jersey corporate governance and accounting standards, including risk management;
- (iv) Safety Management Systems (SMS) and Quality Management Systems (QMS) policies and procedures implemented and proven;
- (v) Ensure cargo operations remain effective for our commercial port.

#### Strategic Plan References:

- **The Vision:** A strong sustainable economy; Preparing for the future
- **The Priorities:** Sustainable long term planning

### Objective 2: Satisfy all current and prospective demand for commercial and community services and facilities

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#### Success Criteria:

- (i) Appropriate and balanced tariff structure agreed in line with commercial objectives and economic criteria;
- (ii) Increase the number of boats, berths and associated businesses, and develop associated facilities in support of the marine leisure industry;





- (iii) Customer user groups established to improve feedback, consultation and the development of improved new products and services;
- (iv) Alignment with the UK Coastguard and IALA standards through audits and benchmarking.

**Strategic Plan References:**

- **The Vision:** A strong sustainable economy; Preparing for the future
- **The Priorities:** Sustainable long term planning

**Objective 3: To maintain robust financial management to achieve self sufficiency, and positively contribute to Jersey's economic development**

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**Success Criteria:**

- (i) Established effective governance, leadership structure and accountability with Economic Development Department and Treasury & Resources ensuring commercial separation, economic partnership and operating effectiveness;
- (ii) Clear financial management plans indicating long-term view on sustainability and funding;
- (iii) Development and prioritisation of new business streams and infrastructure, encouraging new enterprise with innovation and entrepreneurship;
- (iv) Review of heritage and other community functions and plans agreed for future management and funding.

**Strategic Plan References:**

- **The Vision:** A strong sustainable economy; Preparing for the future
- **The Priorities:** Sustainable long term planning

**Objective 4: Improve operational and commercial efficiency through restructuring the organisation, and investment in the personal and professional development of staff**

---

**Success Criteria:**

- (i) Clarify all roles, responsibilities and accountabilities;
- (ii) Implement PRA system across the organisations (to the extent possible);
- (iii) Sustain on-going departmental training programmes;
- (iv) Continue implementation of professional development programme to support future succession requirements.

**Strategic Plan References:**

- **The Vision:** Preparing for the future; A highly skilled and motivated workforce



## Objective 5: Work with the Economic Development Department to grow passenger numbers through all ports whilst sustaining existing services

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### Success Criteria:

- (i) Sustain existing services and destinations;
- (ii) Maintain passenger levels and number of routes at the Harbour at 2010 levels;
- (iii) Together with our passenger ferry operators, establish promotions and campaigns targeted at passenger markets.

### Strategic Plan Reference:

- **The Vision:** A strong sustainable economy; Preparing for the future
- **The Priorities:** Sustainable long term planning

## Jersey Harbours

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure		£	£	£	£	£	
234,100	<b>Port of Jersey</b>	(9,982,000)	7,442,000	<b>(2,540,000)</b>	4,136,600	1,596,600	<b>43.2</b>
(45,300)	<b>Jersey Coastguard</b>	(1,241,000)	1,103,000	<b>(138,000)</b>	35,100	(102,900)	<b>11.0</b>
1,121,600	<b>Marine Leisure</b>	(4,309,000)	3,417,000	<b>(892,000)</b>	1,621,700	729,700	<b>12.3</b>
<b>1,310,400</b>	<b>Revised Net Revenue Expenditure</b>	<b>(15,532,000)</b>	<b>11,962,000</b>	<b>(3,570,000)</b>	<b>5,793,400</b>	<b>2,223,400</b>	<b>66.5</b>
	Reduction in funding for 2% savings			-		-	
				<b>(3,570,000)</b>		<b>2,223,400</b>	

## Jersey Harbours

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
(26,000)	Duties, Fees, Fines & Penalties	(27,000)
(15,006,000)	Sales of Goods and Services	(15,381,000)
(83,000)	Investment Income	(83,000)
(40,000)	Other Income	(41,000)
<b>(15,155,000)</b>	<b>Total Income</b>	<b>(15,532,000)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	–
4,104,000	Staff Costs	4,186,000
2,875,000	Supplies and Services	2,947,000
114,000	Administrative Expenses	117,000
4,247,000	Premises and Maintenance	4,354,000
55,000	Other Operating Expenses	56,000
23,000	Grants and Subsidies Payments	23,000
	– Impairment of Receivables	–
277,000	Finance Costs	279,000
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>11,695,000</b>	<b>Total Expenditure</b>	<b>11,962,000</b>
<b>(3,460,000)</b>	<b>Revised Near Cash (Surplus)/Deficit for the year</b>	<b>(3,570,000)</b>
	Reduction in funding for 2% savings	–
		<b>(3,570,000)</b>
4,770,400	Depreciation	5,793,400
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>1,310,400</b>	<b>Revised Non Cash (Surplus)/Deficit for the year</b>	<b>2,223,400</b>



## Jersey Harbours

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
Prior Year Net Revenue Expenditure	(3,460,000)	<u>Approved Variations to Expenditure Limits since MTFP</u>	
<b>Additional Expenditure</b>		Service Transfers	–
Price Inflation – Dept Income	–	Allocations of Central Growth 2015	–
Price Inflation – Provision for Pay Award	82,000	Pay	–
Price Inflation – Dept Expenditure	165,000	Procurement Savings	–
<b>Commitments from Existing Policies</b>		Capital to Revenue Transfers	–
Department Savings	–	Other Variations	–
Department User Pays	(357,000)		
<b>Capital to Revenue Transfers</b>	–	<b>Revised Near Cash (Surplus)/Deficit for the year</b>	<b>(3,570,000)</b>
<b>Near Cash (Surplus)/Deficit for the year per MTFP</b>	<b>(3,570,000)</b>	Depreciation per MTFP	3,570,000
		2015 Depreciation Adjustment	2,223,400
		Revised 2015 Depreciation	5,793,400
		<b>Revised Non Cash (Surplus)/Deficit for the year</b>	<b>2,223,400</b>

## Jersey Harbours

### TRADING FUND BALANCE

	2015 £
<b>Estimated Trading Fund Opening Balance</b>	<b>13,019,000</b>
Surplus/(Deficit) for the year	(2,223,400)
Add back: Depreciation	5,793,400
Add back: Depreciation on assets sold in year	–
<b>Less: Capital Expenditure</b>	<b>(1,670,000)</b>
<b>Plus: Capital Grant Funding</b>	<b>–</b>
<b>Other balance sheet movements</b>	
– Capital Grant funding deferred income release	–
<b>Estimated Trading Fund Closing Balance</b>	<b>14,919,000</b>





# Jersey Car Parking

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# Jersey Car Parking

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## Minister's Introduction

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The main areas of operation for Jersey Car Parking (JCP) are:

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

The key projects and issues in 2013–15 are as follows:

Jersey has been using the paycard system of payment for parking for more than 20 years. Following the success of the trial of an alternative payment system at Sand Street car park, officers from JCP have been evaluating other payment systems to establish the best system to roll out to other public car parks. Since the initial trial, other payment methods have continued development and further options are now being evaluated for suitability for Jersey.

The Sustainable Transport Policy aims to reduce the number of cars on the road, particularly commuter traffic. It is still early days in the Policy's implementation, but it is expected that there will be more people taking the bus, cycling, walking and motorcycling over the coming years. JCP will need to carefully monitor car park demand to ensure there is an appropriate supply of public parking. Motorcycle parking has already been increased in recent years and it is expected that the demand for commuter parking will reduce, but it is recognised that an adequate supply of well-located shopper parking is important for the town centre.

The future of the Esplanade car park is dependent upon development plans for the Esplanade Quarter; spaces affected by construction work will, in the short-term, be displaced to temporary parking on the Waterfront, before being ultimately replaced within the new development.

Once the North of St Helier Flood Alleviation Scheme is complete at Philips Street it is intended that the existing surface car part at Ann Court will be developed for social housing. The proposals for the site are still under consideration, and JCP continues to work with the developers to ensure that these town car parking spaces are maintained for public access. The North of Town Masterplan also identified the need for further spaces in the North of Town, and JCP is also working with the Department for the Environment and developers in order to try to deliver the plan.

In parallel with the Public Accounts Review of Jersey Car Parking, JCP has been updating the model which is used to plan and provide for the future capital and revenue requirements of the Trading Operation. Uncertainty over the extent of development of car parking in the North of Town and requirements for refurbishment of existing car parking facilities means that the model assumptions are currently being reviewed prior to inclusion of proposals in the next Medium Term Financial Plan.



## 2015 Budget Measures

The opening balance on the Car Parks Trading Fund at 1 January 2015 takes into account the transfer of £2,635,000 to the Consolidated Fund in 2014 as part of the measures to balance the 2015 Budget.

### **Deputy Kevin Lewis**

Minister for Transport and Technical Services



# Jersey Car Parking

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## **AIM:**

Our aim is to provide and manage public parking facilities in accordance with the Island's needs.

## **SUMMARY OF KEY OBJECTIVES AND KEY PERFORMANCE/SUCCESS CRITERIA**

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### **Objective 1: Provide sufficient car parking spaces to meet the needs of the Island.**

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#### **Success criteria:**

- (i) Maintain an appropriate number and balance of town parking spaces for workers and shoppers;
- (ii) Ensure there are sufficient funds from parking charges to cover the maintenance and provision of public parking facilities;
- (iii) Determine charging mechanism policy for parking.

#### **Strategic Plan Reference:**

- **Vision:** A strong and sustainable economy, Preparing for the future
- **The Priorities:** Develop long-term planning

### **Objective 2: Police public parking areas effectively and fairly.**

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#### **Success criteria:**

- (i) Public surveys show that people are being treated fairly by the staff and that the policing is effective.

#### **Strategic Plan Reference:**

- **Vision:** A safe and caring community

## Jersey Car Parking

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure		£	£	£	£	£	
(361,100)	<b>Jersey Car Parking</b>	(6,827,600)	5,476,300	<b>(1,351,300)</b>	921,800	(429,500)	<b>24.0</b>
<b>(361,100)</b>	<b>Revised Net Revenue Expenditure</b>	<b>(6,827,600)</b>	<b>5,476,300</b>	<b>(1,351,300)</b>	<b>921,800</b>	<b>(429,500)</b>	<b>24.0</b>
	Reduction in funding for 2% savings			–		–	
				<b>(1,351,300)</b>		<b>(429,500)</b>	

## Jersey Car Parking

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
(452,000)	Duties, Fees, Fines & Penalties	(373,500)
(6,084,100)	Sales of Goods and Services	(6,255,500)
(147,000)	Investment Income	(149,000)
(48,200)	Other Income	(49,600)
<b>(6,731,300)</b>	<b>Total Income</b>	<b>(6,827,600)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	–
812,100	Staff Costs	812,600
928,800	Supplies and Services	859,600
20,400	Administrative Expenses	20,600
1,923,500	Premises and Maintenance	1,939,200
	– Other Operating Expenses	–
	– Grants and Subsidies Payments	–
63,000	Impairment of Receivables	63,000
109,600	Finance Costs	150,300
1,591,000	Financial Returns	1,631,000
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>5,448,400</b>	<b>Total Expenditure</b>	<b>5,476,300</b>
<b>(1,282,900)</b>	<b>Revised Near Cash (Surplus)/Deficit for the year</b>	<b>(1,351,300)</b>
	Reduction in funding for 2% savings	–
		<b>(1,351,300)</b>
921,800	Depreciation	921,800
	– Impairment of Fixed Assets	–
	– Asset Disposal (Gain)/Loss	–
<b>(361,100)</b>	<b>Revised Non Cash (Surplus)/Deficit for the year</b>	<b>(429,500)</b>



## Jersey Car Parking

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
Prior Year Net Revenue Expenditure	(1,320,500)	<b>Approved Variations to Expenditure Limits since MTFP</b>	
<b>Additional Expenditure</b>		<b>Service Transfers</b>	–
Price Inflation – Dept Income	–	<b>Allocations of Central Growth 2015</b>	–
Price Inflation – Provision for Pay Award	–	<b>Pay Provisions (funded from Trading Fund)</b>	
Price Inflation – Dept Expenditure	(109,100)	– Recurring effect of 2014 4% Consolidated Pay Award	37,600
<b>Technical Adjustments</b>		<b>Procurement Savings</b>	–
(Decrease)/Increase in financial return to General Revenue	40,700	<b>Capital to Revenue Transfers</b>	–
<b>Capital to Revenue Transfers</b>	–	<b>Other Variations</b>	–
<b>Near Cash (Surplus)/Deficit for the year per MTFP</b>	<b>(1,388,900)</b>	<b>Revised Near Cash (Surplus)/Deficit for the year</b>	<b>(1,351,300)</b>
		Depreciation per MTFP	1,933,900
		2015 Depreciation Adjustment	(1,012,100)
		Revised 2015 Depreciation	921,800
		<b>Revised Non Cash (Surplus) / Deficit for the year</b>	<b>(429,500)</b>

## Jersey Car Parking

### TRADING FUND BALANCE

	2015 £
<b>Estimated Trading Fund Opening Balance</b>	<b>14,700,100</b>
Surplus/(Deficit) for the year	429,500
Add back: Depreciation	921,800
<b>Less: Capital Expenditure</b>	
Car Park Maintenance and Refurbishment	(395,100)
Rebuild car parks	-
Automated charging system	(706,400)
<b>Plus: Capital Receipts</b>	-
<b>Estimated Trading Fund Closing Balance</b>	<b>14,949,900</b>







# Jersey Fleet Management

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# Jersey Fleet Management

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## Minister's Introduction

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The main aims of operation for Jersey Fleet Management (JFM) are to:

- provide the States with a fleet of vehicles fit for purpose at the best possible whole life costs; and
- provide cost effective fuel and workshop services for States fleet vehicles.

From 2012, Jersey Fleet Management (JFM) was tasked with providing fleet procurement and fleet maintenance for all States Departments. The process of bringing departments on board continues, as departmental vehicle stock is assessed and prioritised for replacement.

Unfortunately due to pressures on the States Capital Fund in 2015, the third tranche of funding for the States Fleet Management project has been partially deferred to 2016, with £1.2 million funding now having to be provided by running the trading fund at a deficit for a short period, if required.

A full fleet audit of states vehicles has identified that the total requirement for replacement of departmental vehicles is significantly in excess of the £5 million assigned in 2013–15 and discussions will need to take place to establish a funding route for 2016–20. Once all vehicles have been brought under the JFM lease arrangements, the trading fund should be mainly self-sustaining.

The new contract for the lease hire car fleet for the States of Jersey commenced in January 2013 and will run for the MTFP period of 2013–2015. The new fleet meets more stringent carbon dioxide standards and includes a trial of ten electric vehicles in three States Departments.

### **Deputy Kevin Lewis**

Minister for Transport and Technical Services

# Jersey Fleet Management

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## AIM:

Our aim is to provide the States with a fleet of vehicles fit for purpose at the best possible whole life costs.

## SUMMARY OF KEY OBJECTIVES AND KEY PERFORMANCE/SUCCESS CRITERIA

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### Objective 1: Procure vehicles on behalf of the States that are fit for purpose and that achieve best value

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#### Success criteria

- (i) Lease hire contract for the car fleet achieves best value for the States;
- (ii) General fleet and specialist vehicles procured at best possible prices and fit for purpose;
- (iii) Meet the vehicle replacement requirements for new lease customer departments following the decision to fund all States vehicle procurement through Jersey Fleet Management;
- (iv) Inter-departmental lease charges are fair, reasonable and transparent and provide for future asset replacement.

#### Strategic Plan Reference:

– **Vision:** A strong and sustainable economy, Protecting the environment

### Objective 2: Ensure States vehicles and specialist equipment are kept operational

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#### Success criteria:

- (i) Minimise cost and turnaround time for servicing and repairs, ensuring workshop billing and maintenance records are detailed, timely and accurate;
- (ii) Ensure the minimum level of operational availability is met for emergency vehicles.

#### Strategic Plan Reference:

– **Vision:** A strong and sustainable economy

## Jersey Fleet Management

### NET REVENUE EXPENDITURE – SERVICE ANALYSIS

Near Cash		Near Cash			Non Cash		2015 FTE
		Income	Expenditure	2015 Revised Net Revenue Expenditure	Expenditure	2015 Revised Net Revenue Expenditure	
2014 Revised Net Revenue Expenditure							
£		£	£	£	£	£	
(246,000)	<b>Jersey Fleet Management</b>	(5,541,000)	4,167,800	<b>(1,373,200)</b>	1,094,700	(278,500)	<b>29.0</b>
<b>(246,000)</b>	<b>Revised Net Revenue Expenditure</b>	<b>(5,541,000)</b>	<b>4,167,800</b>	<b>(1,373,200)</b>	<b>1,094,700</b>	<b>(278,500)</b>	<b>29.0</b>
	Reduction in funding for 2% savings			-		-	
				<b>(1,373,200)</b>		<b>(278,500)</b>	

## Jersey Fleet Management

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

2014 Revised Net Revenue Expenditure  £		2015 Revised Net Revenue Expenditure  £
<b>Income</b>		
	– Duties, Fees, Fines & Penalties	–
(5,341,400)	Sales of Goods and Services	(5,526,000)
(14,500)	Investment Income	(15,000)
	– Other Income	–
<b>(5,355,900)</b>	<b>Total Income</b>	<b>(5,541,000)</b>
<b>Expenditure</b>		
	– Social Benefit Payments	–
1,123,300	Staff Costs	1,124,800
1,051,600	Supplies and Services	1,077,200
1,200	Administrative Expenses	1,300
1,904,100	Premises and Maintenance	1,964,500
	– Other Operating Expenses	–
	– Grants and Subsidies Payments	–
	– Impairment of Receivables	–
	– Finance Costs	–
	– Financial Returns	–
	– Foreign Exchange (Gain)/Loss	–
	– Contingency Expenses	–
<b>4,080,200</b>	<b>Total Expenditure</b>	<b>4,167,800</b>
<b>(1,275,700)</b>	<b>Revised Near Cash (Surplus)/Deficit for the year</b>	<b>(1,373,200)</b>
	Reduction in funding for 2% savings	–
		<b>(1,373,200)</b>
1,094,700	Depreciation	1,149,700
	– Impairment of Fixed Assets	–
(65,000)	Asset Disposal (Gain)/Loss	(55,000)
<b>(246,000)</b>	<b>Revised Non Cash (Surplus)/ Deficit for the year</b>	<b>(278,500)</b>

## Jersey Fleet Management

### RECONCILIATION OF NET REVENUE EXPENDITURE

	2015 £		2015 £
<b>Prior Year Net Revenue Expenditure</b>	(1,329,400)	<b>Approved Variations to Expenditure Limits since MTFP</b>	
Adjustment to non cash disclosure for Asset Disposal (Gain)/Loss	–	<b>Service Transfers</b>	–
<b>Additional Expenditure</b>		<b>Allocations of Central Growth 2015</b>	–
Price Inflation – Dept Income	–	<b>Pay Provisions (funded from Trading Fund)</b>	
Price Inflation – Provision for Pay Award	–	– Recurring effect of 2014 4% Consolidated Pay Award	53,700
Price Inflation – Dept Expenditure	(97,500)	<b>Procurement Savings</b>	–
<b>Technical Adjustments</b>	–	<b>Capital to Revenue Transfers</b>	–
<b>Capital to Revenue Transfers</b>	–	<b>Other Variations</b>	–
<b>Depreciation Adjustment</b>	–	<b>Revised (Surplus)/Deficit for the year</b>	<b>(1,373,200)</b>
<b>(Surplus)/Deficit for the year per MTFP</b>	<b>(1,426,900)</b>	Depreciation per MTFP	1,149,700
		2015 Depreciation Adjustment	–
		Revised 2015 Depreciation	1,149,700
		Add: Asset Disposal (Gain)/Loss per MTFP	(55,000)
		<b>Revised (Surplus)/Deficit for the year</b>	<b>(278,500)</b>





## Jersey Fleet Management

### TRADING FUND BALANCE

	2015
	£
<b>Estimated Trading Fund Opening Balance</b>	<b>811,100</b>
Surplus/(Deficit) for the year	278,500
Additional funding for other States Departments	300,000
Add back: Depreciation	1,149,700
<b>Less: Capital Expenditure</b>	
Vehicle and Plant Replacement	(2,588,900)
<b>Plus: Capital Receipts</b>	<b>85,000</b>
<b>Other balance sheet movements</b>	<b>–</b>
<b>Estimated Trading Fund Closing Balance</b>	<b>35,400</b>