

**Corporate Services Scrutiny Panel Review
Chief Minister's Department
Medium Term Financial Plan 2013 to 2015
General Questions arising from the Terms of Reference**

1. What overall expenditure limits were allocated to the Chief Minister's Department (CMD) in the 2012 Annual Business Plan for 2012, 2013, and 2014? Have the limits changed in the MTFP and, if so, why has it changed?

The States approved only one year's revenue expenditure at Departmental level in the 2012 Annual Business Plan (ABP). The 2012 ABP also identified some extraordinary financial pressures for the States as a whole and committed to providing for growth in these areas in 2013, 2014, and 2015. There were no extraordinary growth commitments identified for CMD. (Please refer to p60 of the MTFP).

The table below therefore shows CMD's approved expenditure limits in the 2012 ABP for 2012 and the indicative capital projects agreed in principle in the 2013 and 2014 capital programme. The table also shows the expenditure limits being proposed for 2013, 2014 and 2015 in the Medium Term Financial Plan.

Summary of recurring funding

	ABP 2012			MTFP		
	2012 £000s	2013 (in principle) £000s	2014 (in principle) £000s	2013 £000s	2014 £000s	2015 £000s
Revenue	22,952	-	-	18,856	20,167	20,259
Capital						
- Web Development	100	100	170	100	170	-
- ERP upgrade / replacement	-	1,000	-	-	370	450
- upgrade MS desktop technology	752	663	-	663	-	-

The Departmental cash limits being proposed in the MTFP differ from the limits approved in the 2012 Annual Business Plan in respect of CSR savings, central procurement savings, inter-departmental transfers, inflation allowances and growth bids.

Details of these changes are shown in the table titled 'Reconciliation of Net Revenue Expenditure' in CMD's Departmental pages in the Annex to the MTFP. For ease of reference, CMD's Departmental pages are given in Appendix 1.

2. What commitments for growth were made for the Department in the 2012 Annual Business Plan for 2012, 2013, and 2014? Have growth commitments from previous Annual Business Plans addressed the issues which prompted those requests for additional funding and, if not, why not?

CMD secured growth in the 2012 Annual Business Plan in the sum of £152,000 to fund two posts to work with the Ministry of Justice and other Whitehall Departments in response to the withdrawal of resource in the UK by the UK government. The post-holders are now working as envisaged to support relations with the UK Government and help smooth the passage of Jersey legislation through the UK processes.

There were no revenue growth commitments identified for CMD in the 2012 Annual Business Plan in respect of 2013 or 2014.

The growth commitments from previous Annual Business Plans 2009, 2010 and 2011 addressed the issues identified at the time. However, the international function was originally set up with a comparatively narrow remit and recurring funding was limited largely to staff costs whilst the Chief Minister and Council of Ministers developed their approach to the conduct of external relations. During this period, the additional funds required to conduct external relations (over and above staff costs) were provided from non-recurring sources such as carry forwards.

Over the last four years this function has evolved to the extent that it now fulfils a broader and more central role with an Assistant Chief Minister dedicated to external relations work alongside the Chief Minister. This period of time has also enabled the operational funding requirements to be clarified and so budget items previously funded from non-recurring sources are proposed in the MTFP as additions to the base budget.

The growth bids approved in previous Annual Business Plans were:

2011 - £200,000

To establish a new function to foster Finance Industry Inward Investment. This function has since been transferred to Economic Development.

2010 - £211,400

£200,000 addition to PECRS Pre-87 Debt repayment budget – now transferred to Treasury and Resources

£11,400 addition to the Overseas Aid budget – now the responsibility of the Treasurer of the States;

2009 - £770,000

New posts allocated to International Relations, Emergency Planning and Social Policy as a result of a COM amendment to the lodged business Plan.

3. What changes in staffing levels if any are being proposed that were not allowed for in the 2012 Annual Business Plan?

The proposed changes in staffing levels from the 2012 Annual Business Plan are the net impact of internal restructuring, CSR savings, interdepartmental transfers and growth bids. This is shown in the table below:

Staffing changes										
	2012 FTE	Net CSR and other changes	MTFP growth posts*	2013 FTE	Net CSR and other changes	MTFP growth posts*	2014 FTE	Net CSR and other changes	MTFP growth posts*	2015 FTE
Policy Unit	39	-	-	39			39			39
External Relations	6	-	-	6		1	7			7
Law Drafting Department	7	-	-	7		1	8			8
Information Services	96	(5)	1	92			92			92
Human Resources	56	7	11	74	(2)	2	74			74
CSR	-	-	-	1		2	3			3
Total FTEs	204	2	12	219	(2)	6	223	-	-	223

* See the table provided under question 8 for details of FTE growth.

4. How does the Department's budget break down into service areas? How does that breakdown compare to that provided in the 2012 Annual Business Plan?

The key differences are:

- 'International Relations' changes name to 'External Relations';
- transfer of responsibility for the PECRS Pre-87 Debt Repayment to the Treasury and Resources Minister;
- Policy Unit sub-sections are no longer shown separately.

Service Analysis Headings	
2012	2013 to 2015
Policy Unit	Policy Unit
Chief Executive's Office	
Communications Unit	
Population Office	
Statistics Unit	
Economics	
Legislation Advisory Panel	
International Relations	External Relations
Law Drafting Department	Law Drafting Department
Information Services	Information Services
Human Resources	Human Resources
PECRS Pre-87 Debt	
CSR	CSR

5. What existing services, if any, are due to be changed and, if so how will they be changed?

a>HR Development

The Human Resources Director and the Chief Minister have previously stated that events over the past 7-8 years have shown the States Human Resource function to lack the up-to-date skills, senior capacity and technology platform to provide a fit-for-purpose service to the States.

The service will be improved by the introduction of a strengthened senior team, the reform of policies and practices, including culture in support of public sector reform, the purchase and implementation of a modern Human Resources Information System, and a Corporate Health and Safety resource.

b> External Relations

The Department will seek to establish a London Representative Office, building on the success of the Channel Islands Brussels Office. By opening an office in London, the Island will mirror the approach to London representation taken by many other small states including all of the British Overseas Territories.

The UK is Jersey's largest trading partner and our primary political relationship. It is important for the Island to build relationships and promote and protect Jersey's interests in the UK, HM Government has a significant impact on many issues that affect Jersey both directly and through their representation in international organisations such as the G20 and IMF.

c>Recurring Funding for Existing Services

The remaining bids are to provide a recurring budget for existing activities of proven value which have been met from non-recurring resources in previous years. These areas include the programme costs of the External Relations function, 4 HR posts, an additional Law Draftsman, and the Data Security Officer recommended by the Comptroller and Auditor General.

6. What will Carry Forward funding for 2012 will be used for in the Department? What on-going items, if any, have been funded through Carry Forwards?

Carry forward funding from 2012 will be used in 2013 along with income from new fees which may be levied under the Control of Housing and Work Law or corporate under-spends to fund existing recurring cost pressures, particularly in the External Relations section which have not been allocated recurring funding in the MTFP until 2014. (See the table in section 7 below).

7. What funding pressures are facing the Department and how will they be addressed?

The table below shows the all pressures the Chief Minister's Department are facing and for which it sought funding through the MTFP. This table includes the unsuccessful bids and proposed funding status.

Growth Bids submitted by CMD	2013 £000	2014 £000	2015 £000	Funding Proposal
Get People Into Work				
ER- Establish a London Representative Office	-	600	600	Contingency in 2014. Growth from 2015
States of Jersey Trainee Scheme	1,610	870	210	Re-worked as apprentice schemes and funded from 'Back-to-work'
Total	1,610	1,470	810	
Reform Health and Social Services				
HR HSS - 2 additional posts arising from Verita report	200	200	200	2013 90% from Growth, 10% from carry forwards or income. Fully funded from Growth from 2014.
Total	200	200	200	
Other Growth				
External Relations: International Adviser to the Council of Ministers	50	50	50	Carry forwards or income in 2013. Growth from 2014.
External Relations: Shortfall in Grant to Channel Islands Brussels Office	50	50	50	Carry forwards or income in 2013. Growth from 2014.
External Relations: OECD Global Forum/Peer Review Group/British Irish Council Secretariat annual contribution	60	60	60	Carry forwards or income in 2013. Growth from 2014.
External Relations: International meetings, monitoring and visitors dignitaries	160	160	160	Carry forwards or income in 2013. Growth from 2014.
External Relations: External specialist advice	100	100	100	Carry forwards or income in 2013. Growth from 2014.
IS: Data Security Officer	80	80	80	2013 90% from Growth, 10% from carry forwards or income. Fully funded from Growth from 2014
Corporate Health & Safety	60	60	60	2013 90% from Growth, 10% from carry forwards or income. Fully funded from Growth from 2014
HR Fit for Purpose - strengthening HR team for workforce planning/OD and Systems	580	580	580	Fully funded from CSR Restructuring from 2014
HR Base Budget Shortfall on Staff	-	230	200	CSR Restructuring from 2014
CSR: Fund permanent members of the CSR delivery team	-	150	150	CSR Restructuring from 2014
Communications Unit - loss of income	30	30	30	Internal saving
Law Draftsman: 1 additional permanent Law Draftsman	-	130	130	Growth from 2014
Departmental Unallocated Provision	50	120	200	Unable to fund
HR - Learning and Development - MMP and other programmes	90	170	170	Carry forwards or income in 2013. Growth from 2014.
Total	1,310	1,970	2,020	
TOTAL INITIAL BIDS	3,120	3,640	3,030	

8. Which bids for growth in revenue expenditure have been taken forward? For those which have, is it proposed that they be funded from Growth expenditure, Contingency Expenditure, Restructuring Provision, or another source?

The table below shows the successful bids and the proposed funding source in the MTFP.

Successful CMD Bids in the MTFP		FTEs	2013	2014	2015	Existing Cost	Proposed funding in MTFP
MTFP Ref							
1	Get People Into Work External Relations - Establish a London Representative Office	0	0	600	600	No	Contingency in 2014. Growth from 2015
29	Reform Health and Social Services HR HSS - 2 additional posts arising from Verita Report	2	180	200	200	Yes	Growth from 2013
	Other Growth						
35	IS: Data Security Officer	1	72	80	80	Yes	Growth from 2013
36	Corporate Health & Safety	1	54	60	60	No	Growth from 2013
30	External Relations: International Adviser to the Council of Ministers	1	0	50	50	Yes	Carry forwards or income in 2013. Growth from 2014
31	External Relations: Shortfall in Grant to Channel Islands Brussels Office	0	0	50	50	Yes	Carry forwards or income in 2013. Growth from 2014
32	External Relations: OECD Global Forum/Peer Review Group/British Irish Council Secretariat annual contribution	0	0	60	60	Yes	Carry forwards or income in 2013. Growth from 2014
33	External Relations: International meetings, monitoring and visiting dignitaries	0	0	160	160	Yes	Carry forwards or income in 2013. Growth from 2014
34	External Relations: External specialist advice	0	0	100	100	Yes	Carry forwards or income in 2013. Growth from 2014
60	Law Draftsman: 1 additional permanent Law Draftsman	1	0	130	130	Yes	Carry forwards or income in 2013. Growth from 2014
62	HR - Learning and Development - MMP and other programmes	0	0	170	170	Yes	Growth from 2014
50	HR Fit for Purpose - strengthening HR team for workforce planning/OD and Systems	8	522	580	580	No	CSR restructuring
51	HR Base Budget Shortfall on Staff	2	0	230	200	Yes	CSR restructuring
52	CSR: Fund permanent members of the CSR delivery team	2	0	150	150	Yes	CSR restructuring
TOTAL PROPOSED GROWTH BIDS FOR WHICH RESOURCES ARE IDENTIFIED		18	828	2,620	2,590		

CMD was not successful in securing funding for all its cost pressures in 2013 through the MTFP and some bids were reduced by 10% to assist with cost profiling across the three years of the MTFP.

The result is a shortfall of £602,000 in 2013 which will be met outside the MTFP from carry forwards or income associated with the introduction of fees under the Control of Housing and Work Law (CHWL).

The table below shows the calculation of the shortfall for the affected bids in 2013 which will be met from carry forwards and CWHL fee income in 2013.

CMD pressures partially funded from the MTFP in 2013		Full 2013 cost of bid	Funded in MTFP 2013	Shortfall
External Relations				
30	External Relations: International Adviser to the Council of Ministers	50	0	50
31	External Relations: Shortfall in Grant to Channel Islands Brussels Office	50	0	50
32	External Relations: OECD Global Forum/Peer Review Group/British Irish Council Secretariat annual contribution	60	0	60
33	External Relations: International meetings, monitoring and visiting dignitaries	160	0	160
34	External Relations: External specialist advice	100	0	100
Subtotal External Relations		420	0	420
Other				
35	IS: Data Security Officer	80	72	8
36	Corporate Health & Safety	60	54	6
62	HR - Learning and Development - MMP and other programmes	90	0	90
50	HR Fit for Purpose - strengthening HR team for workforce planning/OD and Systems	580	522	58
29	HR HSS - 2 additional posts arising from Verita Report	200	180	20
Subtotal Other		1010	828	182
TOTAL		1,430	828	602

9. Which bids for growth appear for the first time in the Medium Term Financial Plan and which have been made by the Department in previous years?

All CMD's bids appear for the first time in the MTFP as a formal proposal to the States for recurring funding although most are existing cost pressures which have been funded for a number of years from non-recurring sources

There are only 3 bids which are completely new. These are the London Representative Office, the Corporate Health and Safety Officer and the HR 'Fit for Purpose' Team.

CMD Bids and proposed funding solution		FTEs	2013	2014	2015	Funding Proposal in MTFP
MTFP Ref						
	New Requirement					
1	External Relations - Establish a London Representative Office	0	0	600	600	Contingency in 2014. Growth from 2015
36	Corporate Health & Safety	1	54	60	60	Growth from 2013
50	HR Fit for Purpose - strengthening HR team for workforce planning/OD and Systems	8	522	580	580	CSR restructuring
Sub-Total: New Requirements		9	576	1,240	1,240	
Existing – Previously funded from Non-Recurring sources						
29	HR HSS - 2 additional posts arising from Verita	2	180	200	200	Growth from 2013

CMD Bids and proposed funding solution		FTEs	2013	2014	2015	Funding Proposal in MTFP
35	Report IS: Data Security Officer	1	72	80	80	Growth from 2013
30	External Relations: International Adviser to the Council of Ministers	1	0	50	50	Carry forwards or income in 2013. Growth from 2014
31	External Relations: Shortfall in Grant to Channel Islands Brussels Office	0	0	50	50	Carry forwards or income in 2013. Growth from 2014
32	External Relations: OECD Global Forum/Peer Review Group/British Irish Council Secretariat annual contribution	0	0	60	60	Carry forwards or income in 2013. Growth from 2014
33	External Relations: International meetings, monitoring and visiting dignitaries	0	0	160	160	Carry forwards or income in 2013. Growth from 2014
34	External Relations: External specialist advice	0	0	100	100	Carry forwards or income in 2013. Growth from 2014
60	Law Draftsman: 1 additional permanent Law Draftsman	1	0	130	130	Carry forwards or income in 2013. Growth from 2014
62	HR - Learning and Development - MMP and other programmes	0	0	170	170	Growth from 2014
51	HR Base Budget Shortfall on Staff	2	0	230	200	CSR restructuring
52	CSR: Fund permanent members of the CSR delivery team	2	0	150	150	CSR restructuring
Sub-Total: Existing		9	252	1,380	1,350	
TOTAL PROPOSED GROWTH BIDS FOR WHICH RESOURCES ARE IDENTIFIED		18	828	2,620	2,590	

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10. Which bids for growth in the MTFP were unsuccessful and which relate to bids which have been made by the Department in previous years?

The table below shows the unsuccessful bids:

Proposed Low Priority - Not Funded Bids			2013	2014	2015	FTE	Comments
			£000	£000	£000		
2	States of Jersey Trainee Scheme	CMD	1,610	870	210	-	Brought into Back-to-work apprentice scheme
59	Communications Unit - loss of income	CMD	30	30	30	-	Internal saving
61	Departmental Unallocated Provision	CMD	50	120	200	-	Unable to fund
Total			1,690	1,020	440		

None of these unsuccessful bids have been requested by the Council of Ministers through the Annual Business Plan process in recent years. The Business Administration Trainee Scheme was funded in 2010, 2011 and 2012 from Fiscal Stimulus and similar schemes for secretaries and trades skills have existed from time to time in the past.

11. In which areas of the Department were CSR savings identified? Will the Department meet those specific savings targets? If not, in which areas will the savings not be met and what contingency plans, if any does the Department have in place?

The Department is on target to meet its overall savings target but has amended its plans in certain respects. The table overleaf shows the specific schemes and the changes to plans that have been adopted to deliver CMD's CSR target.

ID	Sub-Dept/ Area	Savings Proposal	Total Savings £'000	Delivery Confidence	Comments / Track Changes
01	Policy Unit	Remove budget for fees relating to review and projects	30	Green - complete	
02	Policy Unit	Assistant Emergency Planning post.	0	-	30.8.11 Merged into CMD 2 & 10
02 & 10	Policy Unit	Review of Central Policy Unit and deletion of Assistant Emergency Planning Officer post.	155	Green	30.04.12 2013 saving reduced from £78k to £45k representing deletion of AEPO post. 30.8.11 Merged from CMD - 2 and CMD - 10
03	Policy Unit	Amalgamation of support functions at CLM House.	0	Amber	19.06.12 Savings unlikely to achieve proposal figure, shortfall to be met by CMD-16
04	Statistics	Statistics Unit restructure following the census.	42	Green	
05	Policy Unit	Savings predicted from the implementation of the migration policy.	33	Green	
06	Policy Unit	Reduce funding for Communications Unit	28	Green - complete	
07	Legislative	Reduce the Legal Advisory Panel budget	27	Green - complete	
08	Law Drafting	Reduce recruitment budget for the Law Draftsman	24	Green - complete	

ID	Sub-Dept/ Area	Savings Proposal	Total Savings £'000	Delivery Confidence	Comments / Track Changes
09	Policy Unit	Reduce use of consultants, admin & Fiscal Policy Panel support in Economics Team	10	Green - complete	
10	Policy Unit	Amalgamation of support functions- tranche 2	0	-	30.8.11 Merged into CMD 15
11	Law Drafting	50% cut in hired services budget, resulting in a loss of 50 law drafting days (approx 5% of capacity).	25	Green	
12	Economics Unit	Reduced consultants in Economics Unit	40	Green	
13	Policy Unit	Increase in consent fees for property purchase	33	Green	01.02.11 Proposal added
14	Policy Unit	Savings associated with closure of the Customer Services Centre in CLM House	30	Green	30.04.12 Proposal added to replace original proposal re 'Replacing senior role with a graduate' due to achievability.
15	Policy Unit	Deletion of Office and Administration Manager post	45	Green	30.04.12 New proposal to cover CSR shortfall in CMD-14 and CMD-02/10
16	Policy Unit	Restructure of senior roles	49	Green	19.06.12 New proposal to cover the shortfall in CSR-03
17	Regulation of Undertakings	Savings will be achieved by reduced use of temps for manpower survey	4	Green	14.02.2012 Description updated for clarification only - was 'savings will be achieved by ending support staff' - AH 25.8.11 Transferred to CMD with budget - MD-E-2011-0125
28	Policy & Regulation	Introduction of charge for Regulation of Undertakings licence process	24	Green	25.8.11 Transferred to CMD with budget - MD-E-2011-0125
R02b	Info Services	Technical delivery of telecoms, consolidation of existing Data Centres, plus central licence management	392	Amber	06.10.11 2012 and 2013 savings split from Res 2a following BP amendment to move ISD into CMD
R04b	Info Services	Streamlined support model for corporate systems & services	278	Amber	06.10.11 2012 and 2013 savings split from Res 4a following BP amendment to move ISD into CMD
R15	HR	Staff reduction by implementing technology improvements	50	Green	06.10.11 Re-allocated to CMD (from T&R) following BP amendment to move ISD into CMD
Savings Total			1,319*		

***Savings total of £1,319,000 consists of the original CMD target of £570,000 and is adjusted for later transfers of service from EDD and T&R of £749,000**

12. What capital projects are proposed for the Department, both specifically for 2013 to 2015 and for the Long Term Capital Plan for 2012 to 2032?

	Capital project Total 2012-2032 £000s	Budget 2013 £000s	Budget 2014 £000s	Budget 2015 £000s	Budget 2016 £000s	Budget 2017 £000s	Budget 2018 £000s	Budget 2019 £000s	Budget 2020 £000s	Budget 2021 £000s	Budget 2022-2032 £000s
Included in MTFP											
Web Development	270	100	170	-	-	-	-	-	-	-	-
Microsoft Upgrade	663	663	-	-	-	-	-	-	-	-	-
JDE Development & Upgrade	820	-	370	450	-	-	-	-	-	-	-
Application remediation Windows 8	500	-	500	-	-	-	-	-	-	-	-
HRIS replacement	740	740	-	-	-	-	-	-	-	-	-
Total	2,993	1,503	1,040	450	-	-	-	-	-	-	-
Included in LTCP											
CLMH Data Centre - either relocate or refurbish	740	-	-	100	640	-	-	-	-	-	-
Web Infrastructure replacement	300	-	-	-	-	-	300	-	-	-	-
Corporate Shared Storage replacement	1,500	-	-	-	600	-	-	-	-	900	-
Total	2,540	-	-	100	1,240	-	300	-	-	900	-
Funding source to be determined											
Mobile technology infrastructure and equipment	200	200	-	-	-	-	-	-	-	-	-
VOIP replacement	1,666	50	1,616	-	-	-	-	-	-	-	-
Total	1,866	250	1,616	-	-	-	-	-	-	-	-
Grand Total	7,399	1,753	2,656	550	1,240	-	300	-	-	900	-

13. Have any capital projects not been provided for?

Two capital bids were not provided for within the capital planning process as shown in the table in the previous section.

These are to increase the availability of Mobile technology to facilitate the more flexible working arrangements envisaged in the Public Sector Reform agenda, and the replacement of the Stateswide computer-based telecommunications systems (VOIP).

Alternative funding for these workstreams is being considered including bidding for Restructuring funds or replacing telephony as part of a wider re-provision of office accommodation from Cyril le Marquand House.

14. What policy changes are being considered by the Department (but which have yet to be agreed and/or implemented) could impact upon other Departments or the public?

The Chief Minister's Department has begun consultation on the principle of Public Sector Reform over the period of the MTFP. CMD will provide programme management and leadership to this initiative firstly to develop a shared vision with stakeholders and thereafter detailed plans for each workstream. It is anticipated that there will be a broad impact on the delivery of public services across every Department.

The Human Resources function will be developing a range of improvements to employee terms and conditions, culture learning and development designed to support Public Sector Reform ensuring sustainability and flexibility in the workforce.

The Strategic Plan includes the development of a Housing Policy. This may have resource implications, but it is difficult to provide further insight until such time as the policy is developed and approved. However, a number of the components of a likely strategy are reflected in the MTFP, notably, to support the maintenance of social housing.

The Chief Minister's Department is also committed to implementing the Freedom of Information Law. Funds amounting to £500,000 have been allocated from central reserves in 2012 for the implementation process and the MTFP contains a provision for the balance of the expected cost within central contingencies (see para 178, p124 of MTFP).

In addition, operational efficiencies will be identified and delivered through the amalgamation of the numerous data centre server rooms throughout the States.

15. What new ‘user pays’ charges have been considered and which will be pursued? What increases to existing ‘user pays’ charges have been considered?

A consultation on the introduction of fees to meet the costs of administering the Control of Housing and Work Law is due to close on 23rd July. As a consequence of this, fees could be proposed and the package in the consultation is for fees to raise up to £770,000 per annum, net of costs.

The sum raised will depend on which fees are supported in the consultation and the accuracy of assumptions on the numbers of applicants in each category.

16. What requirement if any does the Department have for restructuring provision?

The table below provides an outline of the restructuring bids that: have been approved, are currently under consideration, or are potential future requirements.

The section under potential future requirements includes initial estimates relating to the programme for Reform of the Public Service but inevitably detailed costs relating to that initiative will only become available as work streams are developed.

Nevertheless, it is expected that further restructuring funds will be needed support the process of public sector reform.

		2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	TOTAL £000
Approved Bids							
CMD	CSR Delivery Team	410	410	410	150	150	1,530
CMD - HR	Organisational Development/ Change Leader	200	200	200	130	100	830
CMD - HR	Employee Relations Support	100	100	100	100	100	500
CMD - HR	Additional CSR support for central HR team	295	-	-	-	-	295
CMD Law Draftsman	Additional Resources	79	93	29	-	-	201
CMD - HR	HR Additional Funding to support HSSD	298	-	-	-	-	298
CMD - ISD	HR system replacement project management costs	-	62	144	41	-	247,
CMD	Mapping of Customer Interactions with the States of Jersey (max)	-	400	-	-	-	400
CMD - HR	Workforce Modernisation Phase 1 - strengthening ER Team to support this workstream (min)	-	100	-	-	-	100
CMD - HR	HR Fit for Purpose - strengthening HR Team for workforce planning, OD and systems	-	150	580	580	580	1,890
Current Requests							
CMD - ISD	VR in ISD	-	56	-	-	-	56
CMD - ISD	Data Centre Migration	-	105	105	-	-	210
CMD	Programme Management Office for Reform Phase 1	-	125	-	-	-	125
Potential Future Bids							
CMD - ISD	Redundancy costs arising from further initiatives to achieve CSR savings	-	229	285	-	-	514
CMD-HR	Workforce Modernisation Phase 2	-	259	702	392	-	1,353
CMD	Programme Management Office for Reform Phase 2	-	-	TBC	TBC	TBC	TBC
CMD - ISD	VOIP replacement	-	-	50	1,616	-	1666

17. What source of income does the Department have and what changes, if any, are proposed to the levels levied?

CMD has a 2012 income target of £1.2m. £500,000 is 'real' income from external fees and charges whilst £700,000 relates to internal recharges primarily for IS and HR services.

The main external income is generated by:

- Population Office is £231,400, mainly comprised of fees for lodging house registration (£77,000) and housing consents (£134,900). These fee levels are assumed to carry on in the MTFP pending the conclusion of the consultation on fees under the new Law, at which point the housing consent fee will be abolished and replaced at least at parity with other income streams under the new Control of Housing and Work Law (See Question 15 above).
- IS – charge to Jersey Telecoms £126,000 relating to VOIP telephony
- Civil Aviation Director - £152,000 recharge of costs to the Airport which is counted as a trading entity for these purposes. The Chief Minister's Department holds the budget for and administers the expenses of the Director of Civil Aviation but the full costs of the Director are then subsequently repaid by the Airport.
- Other – various £93,000

18. What funding if any does the Department receive from charitable or other sources in order to support the delivery of its services and for what purposes?

The Department does not receive charitable or other funding apart from the external and internal fees and charges detailed in response to question 17 above.

19. What outstanding issues facing the Department, if any, have not been taken into account in the Medium Term Financial Plan?

The Department's MTFP submission has been designed to cover all of the expected funding pressures through the MTFP's three-year period.

Where there are issues that will require funding beyond that allowed for in the MTFP, the department will seek to meet the demands within existing budgets or call upon central contingency funding where necessary.

It has been identified under questions 13 & 16 that restructuring funds beyond those already earmarked for years 2012 and 2013 may be required to support the Public Sector Reform Agenda.

Some provision has been made within central contingencies to implement the Freedom of Information Law but feasibility work is required to identify the full cost. There is also a risk that the costs of the Historical Child Abuse Enquiry might exceed estimates. Since the probability and quantum of these requirements cannot be determined at this stage, the decision has been taken to seek additional contingency funds should it become necessary.

20. What delivery plans have been developed to ensure that clear systems, action plans and success criteria are developed for the Strategic Plan priority entitled 'promote family and community values'?

The Chief Minister's Department co-ordinates the Strategic Plan process including the implementation plans and performance management framework in order to deliver the Strategic Plan priorities.

The Strategic Plan priority 'promote family and community values' falls principally within the operational remits of: Home Affairs; Health and Social Services; Education, Sport and Culture; and Social Security. The Chief Minister's Department will provide centralised policy support to these departments, within existing departmental budget, to help them meet their objectives.

The Human Resources function within the Chief Minister's Department will also be exploring opportunities to extend the States of Jersey's flexible working practices in order support family-friendly HR policies as part of the development of workforce reform.

21. What funding has been allocated to ensure the delivery of these plans?

The development of the delivery plan for Strategic Planning Priority 'promote family and community values' will identify any requirement for future funding. Once funding requirements are identified, departments will have to ensure projects are delivered within existing cash limits.

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CMD's Departmental Pages – Extract from Annex to the MTFP

Chief Minister

Minister's Introduction

The Chief Minister's Department is structured into 2 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)
- Comprehensive Spending Review Team
- Law Draftsman's Office.
- Information Services
- Human Resources

2. Director of International Affairs

- all areas of external and international relations, including managing the Island's close relationship with the UK.

The prime focus of the Department during the three years from 2013 to 2015 will be 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 an Assistant Chief Minister with responsibility for External Relations will foster increased recognition of Jersey's international identity and development of the Island's beneficial relations with other countries.

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.

The Department critically reviewed its activities as part of the Comprehensive Spending Review (CSR). The review process identified the areas where money has been saved to meet the 10% CSR target. It also demonstrated that the Department's approved base budget has not been sufficient to undertake its core functions over the past five years. The budget has been supplemented each year by substantial non-recurring monies for specific purposes. These include activities which are or have become core functions such as staff training and responding to external threats and opportunities. Human Resources and External Relations in particular have demonstrated that they need increased recurring funding to continue basic operations and to meet the challenges which arise each year.

The Department's financial priorities for the MTFP are therefore:

- to deliver the final tranche of its overall 10% CSR savings target in 2013
- to secure sufficient recurring resources for Human Resources function to improve the operational support it provides to Departments and to make it ready to support the organisation through a programme of Public Sector Reform
- to place External Relations on a sound financial footing following its development over the last 4 years from Fiscal Stimulus and other non-recurring funding. This will

allow the Chief Minister and Assistant Chief Minister to plan ahead and build long term international relationships with secure funding for its programmed activities.

The bids submitted by the Department reflect these priorities. The majority of bids seek to establish recurring funding for existing costs which have been met from non-recurring sources in the past. The three growth items are:

- the creation of the London Representative Office - to attract new business and foster the environment needed to protect the economy;
- Corporate Health and Safety – a new post to support Departments with Health and Safety matters
- HR Fit for Purpose – 8 new posts are required to strengthen the HR function in support of the future programme of Public Sector Reform.

The table below shows the growth funding proposed by the Department during this MTFP period to address these priorities, together with the proposed funding source:

CMD Bids and proposed funding solution		FTEs	2013	2014	2015	Existing Cost	Funding
See section 56 of main report							
MTFP Ref							
1	Get People Into Work External Relations - Establish a London Representative Office	0	0	600	600	No	Contingency in 2014. Growth from 2015
29	Reform Health and Social Services HR HSS - 2 additional posts arising from Verita report	2	180	200	200	Yes	Growth from 2013
Other Growth							
35	IS: Data Security Officer	1	72	80	80	Yes	Growth from 2013
36	Corporate Health & Safety	1	54	60	60	No	Growth from 2013
30	External Relations: International Adviser to the Council of Ministers	1	0	50	50	Yes	Carry forwards or income in 2013. Growth from 2014
31	External Relations: Shortfall in Grant to Channel Islands Brussels Office	0	0	50	50	Yes	Carry forwards or income in 2013. Growth from 2014
32	External Relations: OECD Global Forum/Peer Review Group/British Irish Council Secretariat annual contribution	0	0	60	60	Yes	Carry forwards or income in 2013. Growth from 2014
33	External Relations: International meetings, monitoring and visiting dignitaries	0	0	160	160	Yes	Carry forwards or income in 2013. Growth from 2014
34	External Relations: External specialist advice	0	0	100	100	Yes	Carry forwards or income in 2013. Growth from 2014
60	Law Draftsman: 1 additional permanent Law Draftsman	1	0	130	130	Yes	Growth from 2014
62	HR - Learning and Development - MMP and other programmes	0	0	170	170	Yes	Carry forwards or income in 2013. Growth from 2014
50	HR Fit for Purpose - strengthening HR team for workforce planning/OD and Systems	8	522	580	580	No	Restructuring provision
51	HR Base Budget Shortfall on Staff	2	0	230	200	Yes	Restructuring provision
52	CSR: Fund permanent members of the CSR delivery team	2	0	150	150	Yes	Restructuring provision
TOTAL PROPOSED GROWTH BIDS FOR WHICH RESOURCES ARE IDENTIFIED		18	828	2,620	2,590		

In 2013, the Department is planning to use under-spends carried forwards from 2012 and additional income from fees arising from the Control of Housing and Work Law to fund £420,000 of existing commitments in External Relations plus £92,000 in respect of the 10% reduction in the first year of the MTFP which Ministers agreed to find from their existing resources.

CSR Restructuring funding has been allocated to fund resources required to be in place for the next three years to support the reform agenda, including continuing funding for 2 HR staff and 2 CSR staff. The additional HR team is needed to support the organisational development work associated with the reform agenda.

Looking forward, the core projects and issues for each area of the Department over the next three years are:

1. Chief Executive

Policy

The Strategic Plan approved in 2012 will drive the department's policy programme. In support of this, the way policy is developed and monitored will be 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.

In this period, the Department will lead a programme of Public Sector Reform and develop wide-ranging policy and plans to modernise and prepare the organisation to meet the challenges of the future.

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 will provide the mechanism for regulating inward migration therefore systems need to be developed for their implementation.

A significant priority will be 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 will be 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 subject to resources being made available.

The provision of quality economic advice will continue 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.

Comprehensive Spending Review

The Department will continue to lead the implementation of the Comprehensive Spending Review to deliver £65 million of savings by 2013. The overall scale of savings to be delivered will require complete commitment in achieving targets, with continuing consideration of the strategic options for reducing costs whilst maintaining high-quality core services.

The small CSR team will work closely with departments to support them to achieve their savings targets. In addition, a States-wide organisational development programme will support the drive for greater efficiency through the review of departmental structures and services to modernise the way in which the public sector delivers services to the public.

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 2012 and 2013, the Law Draftsman's department has taken on temporary additional resource to address urgent legislation required to deliver the CSR and support initiatives to grow the economy and protect jobs. It proposes to make one of these additional draftsmen 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 IS strategy for the period 2011 to 2013 is to streamline corporate service models in conjunction with third party suppliers. This will enable cost savings without reducing, and in some cases improving, the level of service provided. 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.

Key activities in the MTFP period will be:

- 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 has a number of key activities to deliver in the MTFP period:

- completion and implementation of the Terms and Conditions Review
- 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 Talent management process focussing on supplying successful local candidates for key roles.

In financial terms, much of HR's funding for training and organisational development has come in previous years from non-recurring sources. This MTFP seeks to provide the appropriate balance of substantive and project funding for the function by 2015.

2. External Relations

During 2011, the importance of UK and international affairs was recognised by the appointment of an Assistant Chief Minister to take the lead for External Relations.

Under these new arrangements, the Department will seek 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; develop Jersey's competitive position in the global economy; and promote Jersey's cultural identity abroad.

Senator Ian Gorst
Chief Minister

DRAFT

Chief Minister

Net Revenue Expenditure - Service Analysis

2012 Net Revenue Expenditure		2013 Gross Revenue Expenditure		2013 Income	2013 Net Revenue Expenditure	2013 FTE	2014 Gross Revenue Expenditure		2014 Income	2014 Net Revenue Expenditure	2014 FTE	2015 Gross Revenue Expenditure		2015 Income	2015 Net Revenue Expenditure	2015 FTE
		DEL £	AME £	£			DEL £	AME £	£			DEL £	AME £	£		
2,762,300	Policy Unit	3,178,700		(407,200)	2,771,500	39	3,192,000		(1,016,500)	2,175,500	38	3,206,700		(1,027,200)	2,179,500	38
940,800	External Relations	920,700			920,700	6	1,950,000			1,950,000	7	1,959,600			1,959,600	7
848,400	Law Drafting Department	843,000			843,000	7	976,500			976,500	8	980,000			980,000	8
10,194,500	Information Services	10,160,000	514,900	(573,600)	10,101,300	92	10,271,400	485,300	(587,700)	10,169,000	92	10,377,500	455,400	(602,400)	10,230,500	92
4,395,500	Human Resources	4,854,000		(199,000)	4,655,000	74	5,286,000		(134,000)	5,152,000	74	5,269,500		(134,000)	5,135,500	74
3,810,100	Pensions	-		-	-	-	-		-	-	-	-		-	-	-
0	CSR	78,900			78,900	1	228,900			228,900	3	228,900			228,900	3
22,951,600	Net Revenue Expenditure (non cash)	20,035,300	514,900	(1,179,800)	19,370,400	219	21,904,800	485,300	(1,738,200)	20,651,900	222	22,022,200	455,400	(1,763,600)	20,714,000	222
(168,100)	Depreciation	-	514,900	-	514,900	-	-	485,300	-	485,300	-	-	455,400	-	455,400	-
22,783,500	Net Revenue Expenditure (near cash)	20,035,300		(1,179,800)	18,855,500		21,904,800		(1,738,200)	20,166,600		22,022,200		(1,763,600)	20,258,600	

Chief Minister

Net Revenue Expenditure - Service Analysis

2012 Net Revenue Expenditure		2013 Net Revenue Expenditure	Increase/ (Decrease)	2014 Net Revenue Expenditure	Increase/ (Decrease)	2015 Net Revenue Expenditure	Increase/ (Decrease)
+ Depreciation £		£		£		£	
2,762,300	Policy Unit	2,771,500	9,200	2,175,500	(596,000)	2,179,500	-
940,800	External Relations	920,700	(20,100)	1,950,000	1,029,300	1,959,600	-
848,400	Law Drafting Department	843,000	(5,400)	976,500	133,500	980,000	-
10,194,500	Information Services	10,101,300	(93,200)	10,169,000	67,700	10,230,500	61,500
4,395,500	Human Resources	4,655,000	259,500	5,152,000	497,000	5,135,500	(16,500)
3,810,100	Pensions	-	(3,810,100)	-	-	-	-
-	CSR	78,900	78,900	228,900	150,000	228,900	-
22,951,600	Net Revenue Expenditure (non cash)	19,370,400	(3,581,200)	20,651,900	1,281,500	20,714,000	45,000
(168,100)	Less: Depreciation	(514,900)		(485,300)		(455,400)	
22,783,500	Net Revenue Expenditure (near cash)	18,855,500		20,166,600		20,258,600	

Chief Minister				
Net Expenditure - Operating Cost Statement				
2012 Net Revenue Expenditure		2013 Estimate	2014 Estimate	2015 Estimate
£		£	£	£
	Income			
(211,900)	Duties, Fees, Fines & Penalties	(293,400)	(301,800)	(311,700)
(994,700)	Sales of Goods and Services	(886,400)	(1,436,400)	(1,451,900)
-	Investment Income	-	-	-
(5,400)	Other Income	-	-	-
(1,212,000)	Total Income	(1,179,800)	(1,738,200)	(1,763,600)
	Expenditure			
-	Social Benefit Payments	-	-	-
13,088,500	Staff Costs	13,098,500	13,673,800	13,690,700
5,791,200	Supplies and Services	5,495,700	6,130,300	6,226,500
470,500	Administrative Expenses	507,400	511,000	509,300
393,200	Premises and Maintenance	541,000	545,900	550,900
-	Other Operating Expenses	700	800	800
442,000	Grants and Subsidies Payments	392,000	1,043,000	1,044,000
-	Impairment of Receivables	-	-	-
3,810,100	Finance Costs	-	-	-
-	Foreign Exchange (Gain)/Loss	-	-	-
-	Contingency Expenses	-	-	-
23,995,500	Total Expenditure	20,035,300	21,904,800	22,022,200
22,783,500	Net Revenue Expenditure (near cash)	18,855,500	20,166,600	20,258,600
168,100	Depreciation	514,900	485,300	455,400
-	Impairment of Fixed Assets	-	-	-
-	Asset Disposal (Gain)/Loss	-	-	-
22,951,600	Net Revenue Expenditure (non cash)	19,370,400	20,651,900	20,714,000

Chief Minister				
Reconciliation of Net Revenue Expenditure				
	2012	2013	2014	2015
	£	£	£	£
Base Department Budget	5,093,900	22,783,500	18,855,500	20,166,600
Price Inflation - Dept Income	0	(30,300)	(31,600)	(32,400)
Price Inflation - Dept Expenditure	54,300	276,900	150,700	154,400
Price Inflation - Provision for Pay Award	0	0	0	0
Commitments from Existing Policies				
CSR Growth and Other Growth	152,000			
Census	(300,000)			
FSR - Employers Social Security 2% increase above cap	20,800			
Department Savings	(150,000)	(776,000)	0	0
Department User Pays	(11,000)	(23,000)	0	0
Departmental Transfers				
Transfer of PECRS Pre 1987 Debt to Treasury		(4,436,900)		
Regulation of Undertakings and Developments from EDD		368,800		
Transfer of budget for Ceasar GST collection system maintenance from Treasury		13,300		
Head of Strategic Planning	78,100			
Director of International Tax & Team	(175,600)			
Director of International Finance	(211,000)			
P.123/2011 Amd 4 - Transfer of Information Services, Human Resources and	18,232,000			
Capital to Revenue Transfers				
Information services				
Currently Proposed Funded Growth		828,000	1,792,000	(30,000)
Currently Proposed Procurement Savings		(148,800)		
Currently Proposed Other Budget Measures			(600,000)	
Net Revenue Expenditure (near cash)	22,783,500	18,855,500	20,166,600	20,258,600
Depreciation	168,100	514,900	485,300	455,400
Net Revenue Expenditure (non cash)	22,951,600	19,370,400	20,651,900	20,714,000