

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2022 – 2025 (P.90/2021): FOURTH AMENDMENT

REGULATORY SUSTAINABILITY FUNDING

Lodged au Greffe on 26th November 2021
by Senator T.A. Vallois

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2022–2025 (P.90/2021): FOURTH
AMENDMENT

1 PAGE 2, PARAGRAPH (f) –

After the words “Appendix 2 – Summary Tables 5(i) and (ii) of the Report” insert the words –

“, except that in Summary Table 5(i), £772,650 should be transferred from the General Reserve Head of Expenditure to the Infrastructure, Housing and Environment Head of Expenditure to reinstate the original business case funding request for Regulatory Sustainability”.

SENATOR T.A. VALLOIS

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

to receive the Government Plan 2022 – 2025 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2022 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to approve the Changes to Approval for financing/borrowing for 2022, as shown in Appendix 2 – Summary Table 3 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (c) to approve the transfers from one States fund to another for 2022 of up to and including the amounts set in Appendix 2 – Summary table 2 to the Report, noting that the transfer from the Consolidated Fund to the Technology Fund is subject to the Assembly’s approval of a proposition to create such a Fund in 2022, in line with Article 9(2)(b) of the Law;
- (d) to approve each major project that is to be started or continued in 2022 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (e) to endorse the efficiencies and other re-balancing measures for 2022 contained in the Government Plan as set out in Appendix 2 Summary

Table 6 and reflected within each gross head of expenditure in Appendix 2 – Summary Table 5(i);

- (f) to approve the proposed amount to be appropriated from the Consolidated Fund for 2022, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, except that in Summary Table 5(i), £772,650 should be transferred from the General Reserve Head of Expenditure to the Infrastructure, Housing and Environment Head of Expenditure to reinstate the original business case funding request for Regulatory Sustainability;
- (g) to approve up to £480 million to be appropriated from the Consolidated Fund for the Past Service Pension Liabilities Refinancing head of expenditure, subject to the availability of funding, which may include, in full or in part, use of the borrowing/financing referred in paragraph (b);
- (h) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2022 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (i) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2022 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 8 to the Report;
- (j) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2022 as set out in Appendix 2 – Summary Table 9 to the Report;
- (k) to approve an amendment to the policy of the Strategic Reserve Fund to enable that Fund to be used as a holding Fund for any or all monies related to the repayment of debt raised through external financing, with the monies used to offset the repayment of debt, as and when required; and
- (l) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2022-2025, as set out at Appendix 3 to the Report.

REPORT

As with all departments, there is a requirement to provide a business case to Treasury and the Council of Ministers for consideration of any growth bids that may be needed to fulfil their public service.

Page 74 of the Annex to the 2022-25 Draft Government Plan refers to a project named Regulatory Sustainability that budgets an increase of £750,000 per year. This is a business-as-usual growth request that has been reduced from the original business case of £1,522,650 for 2022.

This amendment seeks to reinstate the original business case funding request and challenges the Government to explain what in that business case they felt was not worth pursuing.

We have to remember that Regulation is an outcome of legislation that this Assembly deemed fit to pass for a number of reasons such as:

- Environment and Consumer Protection
- Development and Land
- Historic and Natural Sites of Special Interest

Although GP22-OI3-25 (page 74 of the Annex to the Government Plan) refers to these areas as being funded, the business case lays out the stark reality of what is ACTUALLY needed to ensure a fit-for-purpose resourced structure for the Regulation Directorate in order to deliver robust services for the environment and our community.

The growth bid was to provide dedicated reoccurring resources in the areas of listed buildings, places and trees, housing, food, nuisance, public health, planning services and the culture of the enforcement and compliance.

A modern, fit-for-purpose Regulator needs to be anticipatory, dynamic and responsive. In practice this is complex and addresses difficult problems involving complicated interactions of multiple people and organisations, and often the creation and implementation of many rules and reporting requirements.

The following is a breakdown of how the overall funds would be allocated if the full business case had been adopted. There are no figures provided for the decision to cut this growth request by half.

- £783,390 per annum to Environment and Consumer Protection Team for dedicated resource that enables early action and intervention that will create real differences to people's lives and long-term cost benefit to the Health Service and wider society.
- £395,690 per annum to provide additional resource in Development and Land to support resources in planning to provide a faster, more responsive planning and building service, which will better respond to customer demand. This is of extreme importance with the supply and demand arguments for housing on Island and will therefore further streamline the process and expedite work for

the construction industry but also assist with the implementation of the government's very own multi-faceted capital programme/major project work (a total of £210m in 2022 alone including Technology projects).

- £316,770 per annum for regulatory improvement to support the processing of listing both historic and natural Sites of Special Interest, protected trees and works to trees to continue towards a Carbon Neutral Future. Statutory reforms and charges review to consider income streams and assist in potential for a cost neutral regulation directorate and also cultural change in compliance and enforcement to support islander's lives and wellbeing.
- £26,500 to implement the State's decisions on single use plastics.

Without this full funding there has been no indication as to what from the appropriated figures above will be lost and therefore cannot be fulfilled. It also puts our Regulation Directorate on the back foot when it comes to enhancing and measuring performance effectively and delivering what I believe the public expect, as the department will be running just to catch up.

There will be a Bridging Island Plan that will be debated by the Assembly next year which is currently going through the Examination in Public process. Should the plan be approved, the demand for ensuring applications can be dealt with swiftly to bring more housing onto the market has to be recognised against the backdrop of an already backlogged department where applications outweigh the employees.

The Creating Better Homes Action Plan should be producing a pipeline of land release that includes publicly owned sites, raising an expectation that something will happen.

I have heard time and again about the risks associated with capital programmes, and planning is one that comes in at number one every time. If there is sufficient resource to reduce backlog and address forthcoming plans, capital programmes and private construction for homes, then why wouldn't we want to alleviate the risk to enable the supply to be brought forward earlier?

There are legal duties placed upon the regulatory directorate and the business case originally provided, I believe, is a strong evidence and argumentative basis for the need to bring practices into a modern day offering for the public. It is an area that has been deemed for too long as an easy area to cut from without clearly explaining the consequences or appropriately balancing the risk!

The questions to be asked are –

Do we want a fit-for-purpose Regulation Directorate? If so, then if the funding being requested via this amendment is not supported, what types of regulation will be removed?

How will half of the proposed funding impact on the ability to invest in early intervention and speed up planning applications to assist the economic demand?

Financial and manpower implications

The financial implications are as detailed in the amendment – a transfer from general reserve funds of £772,650 to improve business as usual and enhance the expectations of the current growth bid to achieve the original stated aims.

Manpower implications are directly linked to the financial implications and the business case identified a need of 23 FTE – without the full financing we will not have the full complement of manpower needed to fulfil all objectives.