

STATES OF JERSEY



STATES STRATEGIC PLAN 2009 – 2014 (P.52/2009): ELEVENTH AMENDMENT (P.52/2009 Amd.(11)) – COMMENTS

**Presented to the States on 1st June 2009
by the Council of Ministers**

STATES GREFFE

COMMENTS

(1)(a) The Council opposes this Amendment.

The wording suggested, whilst it may be regarded as attractive, can be interpreted in different ways by different people. The Council believes that key to this is whether there is a common understanding of what is meant by a more 'equal' society and how this could be defined in a way that is meaningful.

If it is about equality of access, the Council believes that the plan places a real emphasis on supporting the people of Jersey, in particular providing equal opportunities, encouraging people to help themselves and providing a safety net for those who need it.

Priority 8 recognises that people require support and protection at critical points in their lives, Priority 9 is about providing support to the vulnerable, Priority 11 is about supporting people to be healthier and Priority 14 is about providing adequate housing to all Island residents. The Council recognises that developing these priorities will require departments to work closely together in a co-ordinated way.

The Council does not intend to cut those core services that would impact on the most vulnerable in our society, far from it. However as we move into more challenging times, the Council firmly believe that the States must ensure it is doing the right things and those things that it does are as efficient and effective as possible.

The Deputy's report suggests that all public services must be maintained at current levels. The Council of Ministers is not prepared to support an Amendment that suggests ongoing increased government spending, and the tax implications which would follow, during such uncertain times.

(1)(b) The Council accepts this Amendment.

Whilst the Council of Ministers believes that the Strategic Plan fully addresses the need to provide people with equal opportunities through the social priorities, it has no reason to oppose the Amendment suggested by the Deputy.

(1)(c) The Council opposes this Amendment.

The Council has accepted an Amendment from the Connétable of St. Helier to introduce the words 'improve efficiency' into this priority. The Council has also made it clear in its comment to this Amendment that cost reduction is a fundamental part of this.

The Council firmly believe that, with a high risk of structural deficit in the future, States spending must be reduced. The Strategic Plan makes it clear that core services should be maintained at an acceptable level, but that resources must be focused on those services that government must provide.

It would be quite wrong for the Strategic Plan to commit to maintaining all current government services across the States.

(1)(d) The Council accepts this Amendment.

This priority, as currently written, already recognises that population growth must be limited to ensure it is sustainable and that Jersey remains a special place to live and work in the future.

Although the Council believes that the original wording of this Priority reflects what it is trying to achieve, it is willing to accept this Amendment.

(2)(a) The Council opposes this Amendment.

Priority 3 is solely about Public Sector reform in the context of external pressures, in particular those as a result of the worldwide recession.

The Council believes that it would be a dereliction of its duty to Islanders if it failed to recognise the distinct possibility of reduced income in the future.

The Council agrees that it is important to respond to increased individual needs due to the impact of recession, but this is fully addressed in Priority 1. Priority 1 includes use of the Stabilisation Fund to maintain services through a period of financial deficit, it addresses the need to provide support to those people most affected and recognises the need to improve skills in times of unemployment.

(2)(b) The Council opposes this Amendment.

The Strategic Plan makes it clear that core services should be maintained at an acceptable level, but that there must be a focus on those services that government must provide. The risks of structural deficit in the future and other challenges such as addressing the ageing population means it would be quite wrong for the Strategic Plan to commit to maintaining all current government services across the States.

(2)(c) The Council opposes this Amendment.

The Council firmly believe that, with the real risk of structural deficit in the future, a reduction in States spending will be required. As staff costs are a significant part of overall States expenditure, controlling them will be vital component of reducing overall costs.

(2)(d) The Council opposes this Amendment.

The Council has fully covered the issue of the welfare of residents within other priorities of the Strategic Plan, in particular Priorities 8, 9, 11 and 14. The Council of Ministers believes that this Amendment does not fit within this particular Priority and it is more than fully covered elsewhere in the Strategic Plan.

(2)(e) The Council opposes this Amendment.

Whilst it is true that efficiency savings have been delivered in the past, in the current financial climate, and with the real risk of structural deficit in the future, it is essential that the Council of Ministers reviews the provision of all States services to ensure that they are necessary, fit for purpose and being delivered in the most effective way.

(3)(a)–(c) The Council opposes these Amendments.

The reasons for this are stated in (2) above.

In addition, the suggested Amendment at (c) is a specific action identifying how this should be done, and is not appropriate to include within the Strategic Plan. The Council also believe that this wording is unnecessary; as a good employer, any review of Terms and Conditions of Service would naturally involve consultation with representatives and would clearly need to take into consideration issues surrounding continued recruitment and retention.

(4)(a) The Council accepts this Amendment.

(5) The Council opposes this Amendment.

Priority 1 already fully addresses the issue of maintaining services through the economic downturn through the use of the Stabilisation Fund, which is about addressing cyclical issues, not public sector services in general.

The Council believes that a full review of potential sources of income was undertaken in the lead-up to the 0/10 debate. However, in addition, the need to examine options for additional income streams is clearly identified, both within Priority 4 and as part of the Resource Framework section within the Strategic Plan.

An interim review of the funding of supplementation is already underway, and the long-term future of the States' contribution to supplementation will be included in the review of the Social Security fund next year.

The Council of Ministers believes that the Strategic Plan already provides the framework within which the income and expenditure of the States can be reviewed and options considered for the future. The Council of Ministers believes that any additional contributions should be well considered and their impact on all groups fully assessed before being implemented.

The Council cannot support an Amendment that appears to be suggesting ongoing increased contributions and government spending at a time when the future is so uncertain.

(6)(a)–(d) The Council opposes these Amendments.

As identified in (2), above, the Council believes that it would be a dereliction of its duty to Islanders if it failed to recognise the importance of keeping the costs of the Public Sector under control. Indeed this is something that the Public clearly wants and expects from its government. Higher spending would

mean higher taxation, something which would impact the Island's competitive position worldwide.

In addition, within this strategic document the Council believes that it should not rule out any alternative options for the most effective delivery of services in the future.

(7)(a) The Council opposes this Amendment.

As identified in (2) above, the Council firmly believes that, with the real risk of structural deficit in the future, a reduction in States spending will be required. If costs are to be controlled, it is vital that the additional costs of new things that require additional spend are met through savings or efficiencies.

(7)(b) The Council opposes this Amendment.

A full scale review of fiscal policy was carried out in 2004, and the Council of Ministers believes that the principles agreed at that time are still relevant and justified. The Council of Ministers believes that Island's prosperity, competitiveness and its ability to deliver high quality services is based on its low tax environment.

(8) The Council opposes this Amendment.

Whilst the Council of Ministers accepts that 'sustainable' means different things to different people, there are definitions which achieve some consensus, such as that of the Brundtland Commission, which expresses the need to ensure that the needs of the future are not sacrificed by the demands of the present.

The Council of Ministers believes that to be sustainable, the population policy must ensure the social well-being of Islanders is maintained whilst protecting the Island's precious environment and supporting the economy. This is what Priority 5 will achieve.

(9)(a)–(f) The Council opposes these Amendments.

The Council believes that this is simply an attempt by the Deputy to defer the population debate.

Population forms an integral part of the Strategic Plan, and a whole range of the strategic initiatives within the plan will be dependent on population policy. Initiatives such as developing the economy, reviewing pension provision, long-term health provision, delivery of key infrastructure services, provision of housing and development of the Island Plan require a long-term view of the size and make-up of the population.

The Council therefore believes that, as an integral part of the Plan, it is important for that the population debate takes place as part of the Strategic Plan debate.

It should also be noted that many States Members have called for population to be debated as part of the Strategic Plan debate.

The Council also believes that, through the efforts it has made since 2007 to raise awareness and provide information, the underlying reasoning and impact of the population proposals can be fully understood and debated.

The Council of Ministers' policy proposal takes a long-term view of the need to maintain the working population, and provides the States Assembly with the opportunity to review this on a 3 year basis. As part of this process, the States Assembly would have the opportunity to debate and approve the population level every 3 years.

Finally, the Council of Ministers would like to point out that the States Assembly has an approved Migration Policy, under which the Council of Ministers will be considering detailed proposals and moving these forward in the very near future.

(10)(a) The Council opposes this Amendment.

As with another proposed Amendment, the Council believes that Deputy Southern has interpreted this Priority as being wholly concerned with Income Support. The first paragraph of Priority 8 is a very broad statement setting out a paradigm shift in the way that people think about the role of the States.

The Council believes that the Amendment would limit the paragraph to narrow financial issues and the Income Support system. The Island's "benefit structure" is much broader than just Income Support. Incentives to work and save have much less relevance to the contributory benefits system. The Council asks members to note that there are existing incentives for working and saving in the Income Support system, and these can be further improved within the existing structure.

(10)(b) The Council opposes this Amendment.

The original proposal is shared across at least 4 Departments and would include initiatives such as –

- Encouraging people to take more exercise;
- Encouraging the expert patient programme;
- Raising the self-esteem of prisoners;
- Improving information flows between departments to ensure that individuals can receive all the help that is available to them.

Including the Amendment suggested by the Deputy would change a very broad action into a specific one.

The Social Security Department is already committed to a major review of Income Support in 2010, but it would be premature to assume that the outcome of the review recommend a 'major restructuring' of Income Support.

This action is more appropriately identified within the Business Plan.