

Strategic Plan

2009 - 2014



Working
together to
meet the
needs of the
community

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Foreword

I am pleased to present this, the second Strategic Plan since Jersey's new system of ministerial government was introduced in 2006.

The Strategic Plan put forward by the Council of Ministers is the States most important public document, our vision for Jersey's future, and I hope you will take the time to read it. It sets the agenda for the next five years and beyond, and in following on from the previous Strategic Plan, it encapsulates this moment in our history and details our hopes for the next stage in the progress of this proud Island.

We want to work together to meet the needs of the community – and by 'together' I do not just mean Ministers, or even States Members. I mean everybody. All of us in Jersey need to work together if we are to make the most of what I am sure we can all agree is the best place in the world to live.

This Strategic Plan is being brought forward at a time of unprecedented change in recent times, and we are facing significant challenges over the coming years. This plan sets out how we can best tackle those challenges. We will support the Island through the economic downturn, we will reform the public service to maximise efficiency and reduce costs, we will protect those who are most vulnerable in our society and we will take care of our environment and strive to fulfil our global responsibilities.

But we have to live within our means, and that will mean tough choices. We cannot fund new initiatives without saving or raising the funds to pay for them. We cannot pay for the nice-to-haves when there is a real need to maintain essential services. We want to look after vulnerable children and families, we want to support people to help themselves, and we want to preserve and protect our unique environment. But we also have to maintain and develop our infrastructure, plan for an ageing population and provide adequate housing for everyone. We need the resources to look at major strategic issues and plan to deal with them accordingly.

We have come a long way since the previous Strategic Plan was agreed in 2006. We have developed and sustained a strong economy, we have made progress with many of the social issues identified three years ago and we have provided a firm foundation for Jersey's future. Now we have to take that extra step and must work to create a community in which every Islander, no matter what their background, has the opportunity to fulfil their potential.

I look forward to developing a partnership between government and the people of Jersey, so that we can work together with the acceptance that government cannot provide everything. What government can do is set up the systems and support which will enable all Islanders to thrive, and I hope we can move closer to this goal over the next three years.



Senator Terry Le Sueur
Chief Minister



Introduction

This Strategic Plan sets the overall direction for the Island, focusing on long-term policy aims and priorities, and setting them within the constraints that exist, now and in the future. In following on from the previous Strategic Plan, the new plan addresses a range of social, environmental and economic priorities which are required to maintain the special way of life that exists within the Island.

The Council of Ministers is optimistic that, through working together with all sections of our community, the challenges that face the Island can be tackled. This is at the very heart of the plan, which focuses on five main areas:

- Enabling people to reach their full potential;
- Meeting our health, housing and education challenges;
- Preparing for the ageing society;
- Protecting the countryside and our environment;
- Creating a responsive and efficient government.

The Plan also recognises that, if we are to achieve these aims, we must maintain a healthy economy which, in recent years, has been pivotal in funding excellent public services and a standard of living that is one of the highest in the world.

This plan is being developed at a time of considerable economic uncertainty as much of the world moves into recession. The Island will not escape the effects of this and, while the outlook remains unclear, deterioration in our economic performance over the early part of the planning period would appear to be inescapable. We must remain flexible in our outlook, be prepared to revise our plans if unexpected situations unfold and take advantage of opportunities as they arise.

With this in mind, it is essential that this strategic plan achieves a balance between:

1. dealing with the current economic downturn in order to reduce the impact of the global economic situation on Jersey's residents, communities and businesses; and
2. developing a plan to secure the long-term future of the Island.

The early part of the Plan's implementation will focus on dealing with the economic downturn and returning to long-term prosperity. The policies of the previous strategic plan have left the Island in a strong position to deal with the economic challenges. Surpluses from times of economic growth have been put aside and are available to support the Island.

Despite being in a stronger position than many other jurisdictions to deal with the downturn, it is clear that the economic climate has fundamentally changed and opportunities for additional government spending no longer exist. The Plan is realistic and aims to ensure that priorities are delivered within current funding and that any new requirements are met through savings and efficiencies, or through generating extra income. This will be a challenging agenda and one that will leave the Island in good shape to grow stronger in the longer term.

Central to the social agenda is the development of shared responsibility between government and the individual. This is a partnership that will require government and Islanders to work together on the understanding that government cannot provide everything. We must create a culture where individuals can take responsibility for their own well-being, but where government provides support to those who need it.

Of equal importance is the environmental agenda. We must protect the unique natural beauty of the Island, reduce waste and energy usage and meet our global responsibilities, with particular regard to carbon emissions and sustainable energy. Meeting these challenges not only makes good sense locally but will enhance our reputation internationally as an environmentally responsible jurisdiction. We intend that Jersey should maintain its reputation for sound environmental practice and we must therefore be clear about the policies we want to adopt and how these will affect the Island in the future.

None of the economic, social and environmental priorities can exist in isolation, and the right balance needs to be found and maintained for Jersey to remain successful and a wonderful place to live. In 2008, the Council of Ministers set out a number of principles that would maintain this balance in its analysis 'Keeping Jersey Special'¹. These principles are carried forward into this plan and will be incorporated into policy development.

A key part of this balance is the size of the Island's overall population in relation to the working population. Jersey is not unique in this. Recognising the issues presented by the ageing society, future population policy forms part of this plan. If Jersey is to maintain a good standard of living, remain a beautiful island to live in and provide jobs for its children, we must ensure that the population can sustain this delicate balance. It is therefore important that these proposals are taken in the context of the other economic, environmental and social measures that will be needed if Jersey is to address one of its biggest challenges over the next 30 years.

¹ 'Keeping Jersey Special' – R79/08 presented to the States 16th July 2008.

This plan sets out the Council of Ministers' priorities for the next three years. These priorities will set the agenda for the long-term future of the Island.

Progress against the previous Strategic Plan

The Strategic Plan covers a rolling five-year period, and is reviewed and updated by each new Council of Ministers every three years. In June 2006 the States approved the first strategic plan, which covered the period from 2006 to 2011. That plan set out three principles:

- Jersey is a special place to live and work – a wonderful environment for children, prosperous, with low crime, superb natural environment, excellent services.
- While Jersey offers an excellent quality of life for most people, there are still some areas that have to be addressed – social inequalities, public engagement, anti-social behaviour, cost of living, transport, standard of public housing and roads.
- There are challenges to prepare for – external economic threats, economy, the Waterfront, ageing population, prospects for youth.

To address these issues and protect Jersey's special qualities, the Plan outlined an ambitious list of economic, social and environmental priorities.

Three years on, the new Council of Ministers has reviewed these priorities. Much has been achieved and there has been some progress on all of the priorities set out in the Plan. Major policies have been brought forward and agreed by the States and are either now embedded into the day-to-day business of the States or are in the process of being implemented. However, there is still work to be done and those priorities still requiring action are included in this updated plan.

Shape of this plan

The Strategic Plan is a broad policy statement setting out the overall direction and aspirations for Jersey's future.

The plan:

- sets out the short and long-term aim and priorities which will direct the work of the Council of Ministers for the next three years and beyond;
- sets out the parameters and constraints within which the priorities will be delivered, including the resources within which the Strategic Plan will be achieved;
- identifies a number of key performance indicators that will be used to assess progress.

The Priorities are not listed in any order that indicates importance and whilst it is recognised that they will all demand actions in the short, medium and long term, the short term emphasis of the plan will be on dealing with the economic downturn; reforming the public sector to deliver savings; and enhancing support services to children.

The detail of how the plan will be delivered, including major new initiatives, financial allocations and the Property Plan, will be set out annually in the States Annual Business Plan, which will normally be consistent with the aims and priorities set out in this Strategic Plan. Detailed performance indicators and associated targets will also be developed in the States Annual Business Plan and in related policy documents.

Policy proposals arising from this Strategic Plan will be developed and presented to the States for debate and approval in the usual way.

Aim: ‘Working together to meet the needs of our community’

By working openly and inclusively with all sectors of our community we will:

- enable everyone to have the opportunity to achieve their full potential;
- meet our health, housing and education challenges;
- prepare for the ageing society;
- protect the countryside and our environment;
- create a responsive government that provides good and efficient services and sound infrastructure and which embraces a progressive culture of openness, transparency and accountability to the public.

If we are to achieve this, we must also support and maintain our economy.



Priorities

To achieve these aims, It is important to focus effort and resources and shape how the aim of the Strategic Plan will be delivered.

The following priorities have been identified, and the table opposite shows how each priority supports the main aim of the Plan. In the application of these priorities, due attention must be paid to the creation of greater equality. Most of these priorities will require government, community and business to work together for the Island and its people.

1. Support the Island community through the economic downturn.
2. Maintain a strong, environmentally sustainable and diverse economy.
3. Reform the public service to improve efficiency.
4. Ensure sustainable public finances.
5. Limit population growth.
6. Provide for the ageing population.
7. Protect the public and keep our community safe.
8. Increase social inclusion by encouraging and supporting people to help themselves.
9. Enhance support services to vulnerable children, families and others at risk.
10. Maintain and develop the Island's infrastructure.
11. Enhance and improve health care provision and promote a healthy lifestyle.
12. Maintain high quality education and skills.
13. Protect and enhance our natural and built environment.
14. Adequately house the population.
15. Protect and enhance our unique culture and identity.
16. Support the development of arts and heritage in Jersey.

These priorities are not listed in order of importance. All will demand actions in the short, medium and long-term if we are to achieve our aim.



How the priorities link to the aim:

Working together to meet the needs of the community	Enable everyone to have the opportunity to achieve their full potential	Meet our health, housing and education challenges	Prepare for the ageing society	Protect the countryside and our environment	Create a responsive government that provides good and efficient services and sound infrastructure and which embraces a progressive culture of openness, transparency and accountability to the public	Support and maintain our economy
Support the island community through the economic downturn						✓
Maintain a strong, environmentally sustainable and diverse economy	✓			✓		✓
Reform the public service to improve efficiency					✓	✓
Ensure sustainable public finances		✓	✓	✓	✓	✓
Limit population growth	✓	✓	✓	✓	✓	✓
Provide for the ageing population	✓	✓	✓			✓
Protect the public and keep our community safe	✓				✓	
Increase social inclusion by encouraging and supporting people to help themselves	✓	✓	✓		✓	
Enhance support services to vulnerable children, families and others at risk	✓	✓				
Maintain and develop the Island's infrastructure				✓	✓	
Enhance and improve health care provision and promote a healthy lifestyle	✓	✓	✓	✓		✓
Maintain high quality education and skills	✓	✓	✓			✓
Protect and enhance our natural and built environment		✓		✓		✓
Adequately house the population		✓		✓		
Protect and enhance our unique culture and identity	✓				✓	✓
Support the development of arts and heritage in Jersey	✓			✓		

1. Support the Island community through the economic downturn

New analysis by the Economics Unit, complemented by research into current trading conditions by the Economic Development Department, suggests that the economic outlook has deteriorated significantly. The speed and scale of change make it difficult to be definitive, but preliminary results show that, although it is still likely that some positive growth will have been recorded overall, the economy slowed significantly in 2008. Economics Unit projections indicate that there is likely to be a significant fall in economic activity in 2009 which will be prolonged into 2010.

The Stabilisation Fund was set up to make fiscal policy more counter-cyclical so that money put away in the good times could help support the economy, and therefore Islanders, in the bad times. While it is unclear how much the economy will slow during 2009 and 2010, the financial forecasts justify use of the Stabilisation Fund (subject to approval by the Fiscal Policy Panel) to offset deficits in public finances and to stimulate the economy through additional discretionary spending.

Why we must do this:

- Analysis shows that the economy slowed significantly in 2008 and there is likely to be a significant fall in real growth in 2009 which is likely to continue into 2010. We must minimise the impact of this fall otherwise our ability to deliver high quality public services funded by sustained economic prosperity will be affected.
- The downturn needs to be managed in a way that is consistent with the Island's social and economic objectives and in a way that puts the Island in a strong position to benefit from the eventual economic recovery.
- We need to be ready to act in a timely manner after assessing the policy options.
- Initial work across departments indicates that the most significant impact of the economic assumptions in relation to a fall in economic growth, employment and interest rates will be on States revenues rather than expenditure.
- Income tax revenues are likely to reduce as company profits, earnings and investment income fall. Similarly, the States own investment income will suffer from the historically low interest rates and a downturn in the property market would cause stamp duty revenue to fall significantly.
- Local business will need help through difficult times to support the economy and maintain local jobs.
- We need to protect the most vulnerable from the worst impacts of the downturn.

What we will do:

- If necessary, use the Stabilisation Fund to stimulate the economy by compensating for deficits in the public finances that will arise as a result of lower tax revenues and higher spending on benefits - known as automatic stabilisers - and new initiatives designed to stimulate the economy through further discretionary spend. Use of the Stabilisation Fund will have the specific aim of minimising the impact of the downturn on Jersey residents, communities and businesses (T&R, ED).

Help local firms to protect local jobs

Protect vulnerable people

- Identify policy options to stimulate the economy and consider:
 - what we can do to support the people most affected (ED, Soc Sec, CM);
 - new/brought forward programmes of maintenance/infrastructure spending (T&R, CM);
 - new policies to help retrain those made unemployed and improve the skills base (Soc Sec, ED, ESC);
 - bringing forward approved items from the future capital programme to stimulate economic activity (T&R);
 - options for business support (ED);
 - making the States more responsive in areas such as Planning and the Regulations of Undertakings and Development Law (CM, ED).
- Seek advice from the Fiscal Policy Panel as to the extent and nature of any proposal to use the Stabilisation Fund (T&R).
- Consider contingency plans in the event that part of the deficit remains ongoing (T&R, CM).
- Ensure provision of essential public sector services (CM).
- Evaluate on an ongoing basis Peak Oil and Climate Change and report to the States once a year on their impacts on policy for Jersey (P&E).

Key Indicators:

- Timely, targeted and temporary delivery of the economic stimulus package.
- The full range of economic indicators set out under priority 2.

T&R: Treasury and Resources
ED: Economic Development
CM: Chief Minister
Soc Sec: Social Security
ESC: Education Sport and Culture
P&E: Planning and Environment

2. Maintain a strong, environmentally sustainable and diverse economy

We will strive to create a strong, sustainable and diverse economy that allows Islanders to thrive and improves both our standard of living and the quality of public services. The Island's recent economic prosperity was not accidental – it was built on sound policies that took advantage of opportunities in the global economy and delivered growth. We are now entering a period that will be far more challenging. Over the period of the plan the Island needs to create the conditions where existing business in all sectors can survive and, ultimately, thrive and new businesses can enter the market.

In the face of significant changes in world financial markets, there is also a need to protect the Island's financial services industry and maintain its long term prosperity. This includes the need to ensure that Jersey is regarded as a safe and well regulated place to do business in the eyes of the international community. A strong international identity and reputation is vital if we are to respond effectively to global economic conditions, counter international pressure on our economy and create a real opportunity to attract sustainable industries.

Why we must do this:

- A strong, sustainable and diverse economy enhances our prosperity, raises the standard of living and provides full employment and well paid jobs for local people.
- It allows tax rates to remain low and generates enough income to fund high quality public services and infrastructure.
- Sound economic policies help smooth 'boom and bust' cycles and control inflation. High inflation erodes our competitive position, undermines efficiency and reduces real incomes and employment.
- Our economy can be strengthened by improving the competitiveness of Island businesses and by diversifying into new high value sectors which create economic growth and reduce exposure to certain types of economic shocks.
- It is essential for the Island to sustain a strong international profile so the global business community understands that Jersey's financial regulations meet world standards and reflect the very best the Island has to offer.
- Sustaining and growing Jersey's economy must be delivered through sound public finances and increased productivity, not at the expense of excessive population growth or inflation.
- Jersey's reputation will be enhanced and its economy assisted if it invests in a range of environmental policies, particularly in the energy sector.

What we will do:

- Ensure that Jersey businesses in all sectors can survive the current economic downturn, continue to provide jobs for Jersey residents, and emerge stronger when the economy recovers. This will be achieved, in part, by a comprehensive package of economic stimuli in 2009 and 2010 (ED, T&R).
- Lay the foundations for a genuinely diverse economy (ED).
- Further develop Jersey's careers, jobs and employment services to maximise opportunities for all Jersey residents (ED, Soc Sec, ESC).

Well paid jobs
for local
people



A responsible jurisdiction committed to international standards

Working towards a diverse economy

- Strengthen international relationships, supported by legislation regulation and international agreements, in order to enhance recognition as a responsible jurisdiction committed to international standards (CM, ED).
- Protect Jersey's international reputation and viability as an offshore finance centre by maintaining the effectiveness of the Island's regulatory and enforcement regime to a standard that meets international requirements and thereby maximise the potential of Jersey's financial services sector in existing and emerging markets (ED, HA).
- Continue work to diversify the economy, support new and existing businesses, attract low footprint / high value business from elsewhere and foster innovation (ED).
- Work to maintain low inflation in the Island (ED, T&R).
- Prepare Jersey for a changed world, post-economic downturn, and prepare for, and support, the UK Treasury's 'Independent Review into British Offshore Finance Centres' which will look at the immediate and long-term challenges facing British offshore financial centres in the current economic climate (ED, CM).
- Fully support the development of a competitive telecommunications infrastructure that supports economic and social prosperity (ED).
- Invest in environmental policies that have the potential for long-term cost savings (P&E).
- Recognise the contribution made by the Tourism and Agriculture industries to a diverse society and demonstrate this commitment by making grants available for investment in tourism infrastructure (ED).
- Test economic growth plans for sustainability to ensure they do not diminish our natural capital (ED, P&E).
- Show the world that economic and environmental success can work together.

Key Indicators:

- Economic growth (GVA / GVA by sector).
- Retail Price Index (RPI(x)).
- Productivity (GVA/Fte).
- Employment/unemployment levels.
- Business birth and survival rates.
- Distribution of the workforce by sector.
- Average earnings.

3. Reform the public service to improve efficiency

The economic downturn will put significant pressure on government revenues and spending. If we are to maintain core public services at an acceptable level, an early priority will be to review services and make savings. All elements of the public sector must work together, as well as with the private and charitable sectors and the Parishes, as appropriate, to deliver modern, co-ordinated services that meet the needs of Islanders.

The intention is to continue the work to create an efficient, effective and motivated public sector that puts the customer at the heart of everything it does, which concentrates on those services that government must provide and, where appropriate, adopts a more commercial approach to the delivery of those services.

Why we must do this:

- We must ensure that public services are efficient, appropriate, deliver best value and are focused on customers' needs.
- The public service needs to take the lead in responding to external pressures – in particular the possibility of reduced income as a result of worldwide recession.
- Pressures on finances mean that the public service must concentrate on essential services that meet the needs of the community.
- Public sector staff costs have a significant impact on overall expenditure. Controlling these costs will set a benchmark for the private sector and thus have an impact on the control of inflation.
- The taxpayer, who pays for public services, expects it.

What we will do:

- Work with the public sector workforce to maximise the efficiency of all departments and, in doing so, reduce costs and encourage cross-departmental working (CM).
- Determine those services that must be provided by government (CM).
- Work with our customers to ensure that services provided meet their needs (CM).
- Promote/review private sector involvement and more commercial approaches to service provision including, but not limited to, outsourcing where appropriate (CM).
- Review the terms and conditions of employment for public sector staff (CM).
- Rationalise property and promote modern office working environments which will maximise productivity and minimise property requirements² (CM, T&R).
- Give a lead by reducing energy usage, and thereby carbon consumption, in all States activities (CM, T&R, TTS, P&E).
- Work together with the 'Third Sector'³ to deliver efficient and effective public services (CM).

Key Indicators:

- Increase/decrease in value-for-money (VFM) in the public sector.
- Highly valued public services.
- Energy usage in States Departments.
- Performance against a range of service-level indicators.

Provide the
services
Islanders need

Value for
money for
the public

² Proposals for property rationalisation will be included each year in the Property Plan which forms part of the Annual Business Plan.

³ The 'Third Sector' is made up of non-government, voluntary, not-for-profit organisations e.g. charities.

TTS: Transport & Technical Services

4. Ensure sustainable Public Finances

It is crucial that the Strategic Plan is affordable, that Jersey remains competitive whilst living within our means, and that we do not add to inflationary pressures in the Island.

In order to provide sustainable services to the public, it is fundamental that we must take account of the economic outlook and be prudent in our spending plans, ensure that all possible savings and efficiencies are implemented, and not increase public spending unless it is matched by savings or additional income.

Why we must do this:

- For the Island to remain competitive with low levels of inflation, it is important to keep public sector spending under control.
- The public continues to demand high quality services funded by low taxation. With the ever spiralling costs of providing essential services, such as health-care, this is not sustainable.
- If we are to address unavoidable spending pressures and deliver new initiatives then further savings and/or new funding will be required to pay for them.
- With pressures on resources we must consider what services we deliver, question whether they should continue to be provided and, if so, determine what level of provision is appropriate and sustainable.
- We must challenge the value for money from services and consider alternatives for service delivery.

What we will do:

- Keep finances on a sound footing in the medium term and within the resources available (T&R).
- Introduce resource principles to cover the lifetime of this plan:
 - Be prudent, taking account of the uncertain economic and financial outlook;
 - Identify and implement all possible savings and efficiencies;

No extra
spending
without
savings or
income

Live within our means

Be realistic about what we can afford

- No additional spend unless matched by savings or income;
- The Stabilisation Fund will only be used during the economic downturn, as advised by the Fiscal Policy Panel, to fund the effects of reductions in States revenues or increased demand for States services, and to provide appropriate stimulus to the economy (T&R).
- No additional spend unless matched by savings or income will mean identifying funding sources for new initiatives and spending pressures. The first step will be to identify and implement all possible savings and efficiencies before considering any alternative funding sources (T&R).
- Investigate the introduction of environmental taxes and charges as part of the pursuit of environmental objectives as set out in Priority 13 (P&E, TTS).
- The public's expectations of high quality services with low taxation will be addressed through sound planning and improved communication. This will mean being realistic about what is affordable (T&R, CM).
- Deliver clear and informative accounts in line with recommended commercial practice (GAAP) to ensure that financial and business planning decisions can be based on full costs and achieve best value (T&R).
- Examine whether borrowing is an alternative and optional way forward for long-term capital projects (T&R).

Key Indicators:

- States planned budget deficit/surplus.
- States actual budget deficit/surplus.
- Balanced budgets over the planning cycle.
- Percentage increase/decrease in total expenditure and tax revenues.
- Government expenditure as percentage of GNI and per capita.
- Capital expenditure as percentage of total States expenditure.

5. Limit population growth

Sustainable population levels are a matter of great public interest, which is why this issue should form part of this Strategic Plan. There can be few people who are unaware of the changes in the population caused by falling birth rates, falling death rates and the movement of people.

The challenge for Jersey is to maintain a working age population which enables the economy to function and public services to be sustained without threatening our environment, essential infrastructure and quality of life. If Jersey is to maintain a high standard of living, health and well-being, continue to be a beautiful island to live in and to provide meaningful jobs for future generations of Islanders, it is vital that its population is capable of sustaining this delicate balance.

New mechanisms for managing migration are being developed through new registration and migration laws. However, these new mechanisms are dependent on the agreement of the overall policy direction.

Why we must do this:

- Islanders are concerned about the effect of a growing population on the environment, pressure on essential services, opportunities for local people and keeping Jersey as a special place.
- With the background of an ageing population it is crucial that the working population of the Island is able to sustain the economy, provide employment for future generations and fund essential services.
- A clear maximum target for inward migration - along with a robust method of managing long-term population levels - will enable effective forecasting and planning to strike a balance between protecting our environment and economic necessity.

A limit on
population
levels



What we will do:

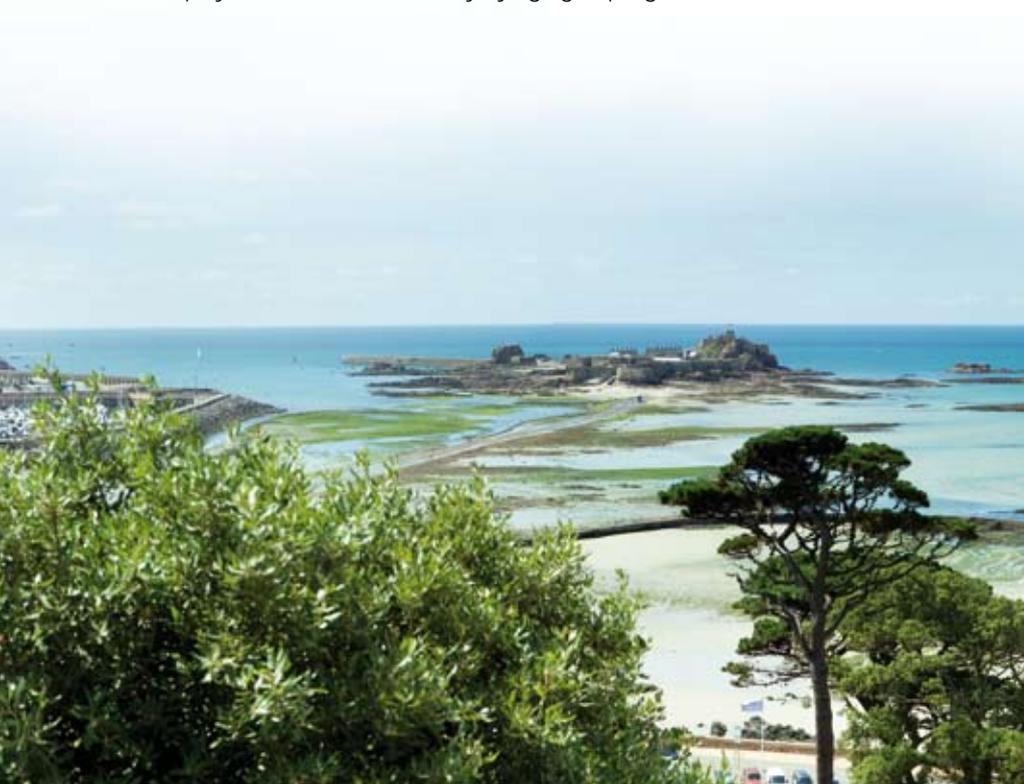
- Ensure that there is a clear approach to future population levels (CM).
- Set a population policy which:
 - maintains the level of the working age population in the Island;
 - ensures the total population does not exceed 100,000;
 - ensures population levels do not increase continuously in the longer term;
 - protects the countryside and green fields;
 - maintains inward migration within a range between 150 and 200 heads of household per annum in the long term;
 - in the short term, allows maximum inward migration at a rolling five-year average of no more than 150 heads of household per annum (an overall increase of circa 325 people per annum). This would be reviewed and reset every three years (CM).
- Implement new mechanisms to control the population through the Migration Policy (CM).
- Devise policies to mitigate the effect of an increased population on the natural and built environment (P&E).

Key Indicators:

- Changes in overall population.
- Levels of inward migration.
- Employment/economic activity by age group / gender.

Ensure there
are enough
workers to
sustain the
Island

Protect the
countryside



6. Provide for the ageing population

Managing the effects of an ageing population is a long-term challenge that we have already begun to prepare for. However, decisions need to be made now if this challenge is to be met successfully.

Keep people healthier for longer

Lifelong health and well-being

Ultimately, an ageing population will mean significant extra costs and pressures on services. We need to ensure that, as far as possible, older people can lead independent, healthy and productive lives for as long as possible, and then to provide high quality care when it becomes necessary.

Why we must do this:

- The number of people over the age of 65 will increase dramatically and will have to be supported by a decreasing number of people of working age.
- Measures are needed to encourage older people to continue working beyond present retiring ages, to keep them economically active and less reliant on public services.
- We need to focus services on promoting well-being and independence, helping older people to stay healthy and active and encouraging their participation in the community.
- The needs of older people have to be met flexibly, allowing them to remain in their community for as long as possible.
- The demand for long-term residential care will increase as the numbers of very old people increase.

What we will do:

- Work together to co-ordinate the actions required to deal with the ageing population in a cohesive way including:
 - reviewing pension provision, including a review of the age at which the Social Security pension is first payable (Soc Sec);
 - providing better opportunities for independent living in old age, including support in the community (HSS);
 - providing health and long-term care provision in the future - including introducing an Island-wide scheme to meet the costs of individuals' residential care needs (HSS, Soc Sec);
 - removing barriers and improving opportunities to enable people to work longer and ensure employers do not discriminate against older workers (Soc Sec, ED, HA, CM);
 - investigating schemes to encourage people to make provision for the future (Soc Sec, T&R, CM).

Key Indicators:

- Percentage of households with various types of pension.
- Value of pensions.
- Pension households receiving Income Support.
- Economic activity of people over 55 years.
- Households receiving home care compared to demand.

7. Protect the public and keep our community safe

Islanders should all be able to enjoy a safe, just and thriving community. This means securing public confidence in our ability to deal successfully with all aspects of community safety.

People need to feel safe in their homes and community

People have the right to expect that the fundamentals of the state are in place, such as protection from harm, effective law enforcement and security, a fair and functioning criminal justice system, secure borders, and clear rights and responsibilities for individuals. For society to function properly, people need the confidence to be active citizens, contributing to the success of their own neighbourhoods and society as a whole.

Why we must do this:

- People have the right to live in a safe society free from the fear of crime and other threats. We want people to feel safe and confident in their homes and neighbourhoods so that they can contribute to society and prosper in their daily lives.
- Jersey benefits from low levels of crime and disorder. If we are to tackle the problems that can undermine the quality of life for people who live in and visit the Island, we must work together to continue reducing crime, anti-social behaviour and substance misuse and to tackle the anxiety they provoke, recognising that no one agency or sector can make a difference on its own.
- Early and positive intervention to divert people away from offending and deal effectively with those who break the law, ensuring that proper measures are taken to prevent further offending, are essential to reducing the impact that criminal activity can have on a safe and vibrant community.
- Reducing the harm caused by drug and alcohol abuse to individuals and families and the economic and social well-being of the wider community through a multi-agency approach is fundamental to ensuring a safe society.
- We must be prepared to deliver an effective response in the event of critical incidents and emergencies and manage civil contingencies.

What we will do:

- Work together to ensure that the Island is as resilient as possible to threats to its security and way of life (HA, CM, HSS).
- Work together to help people feel secure in their homes and local communities by driving down levels of crime, anti-social behaviour and disorder, vulnerability and harm (HA).
- Invest in early preventative interventions to address anti-social behaviour in young people with a view to turning them away from crime (HA, ESC).
- Focus on the reasons for, and harm caused by, alcohol and illegal drug use and develop and implement policies that will bring about attitudinal change and deliver permanent and sustainable reductions (HA, HSS).
- Support the efficient and effective delivery of justice (HA).
- Focus on the rehabilitation of offenders (HA).
- Support the recruitment, development and training of the Island's Honorary Police (HA).

Key Indicators:

- Levels of recorded crime.
- Crime detection rates.
- Perceptions of public safety.
- Rates of re-offending behaviour.

8. Increase social inclusion by encouraging and supporting people to help themselves

People who live independent lives tend to flourish when opportunities and incentives empower them to manage their own lives. A new approach to social policy is needed which recognises the shared responsibility of the States and the people of Jersey to create a better future for individuals and the community. Helping individuals to help themselves, their families and neighbourhoods is central to this approach. Everyone has a stake in the outcome.

The role of government is to address the economic and social conditions that are beyond the control of individuals; to support people at critical points in their lives; to protect those in need; to provide continued support for the most vulnerable; and to help people understand the implications of their lifestyle decisions on themselves and on the wider community.

Not every member of our community is able to take advantage of the opportunities that the Island has to offer. Our social policies need to promote equal opportunities and access to services, so that all members of society can share in the Island's success.

Why we must do this:

- Many social problems are caused by barriers that prevent individuals from maximising their potential. If not recognised and addressed early on, these problems can become entrenched and pass from one generation to the next. Government has a key role to play by intervening early to break the cycle of disadvantage.
- Our Island will be strengthened through a more cohesive community where participation in work, leisure and local activities is encouraged and all sectors of the Island, including Government, are more engaged with each other.
- Current trends will, if not checked, result in unprecedented dependency and demand for health care and social protection.
- We have lost much of the community spirit and personal responsibility of previous generations. People need to take more responsibility for their own lives and well-being.
- Government's role should be to facilitate and encourage people and to discourage dependency.

What we will do:

- Work together to help people to help themselves by providing real incentives to improve their situation and standard of living (Soc Sec, HSS, CM, ESC).
- Provide a 'safety net' and active support for the vulnerable and people in need by making the system easier to access and flexible, to ensure against unusual circumstances (Soc Sec, HSS, Hsg, ESC).
- Ensure that employment and other legislation provides a safe and fair working environment and encourages employment (Soc Sec).

The Parish at
the heart of
our community

Help people
to help
themselves

- Work together to determine the causes of individuals' inability to fulfil their potential with a view to encouraging greater independence by providing appropriate training for available jobs (ESC, ED, Soc Sec, HSS).
- Work together with all agencies to co-ordinate efficient and effective social and community services and support as set out in the Social Policy Framework (Soc Sec, HA, HSS, Hsg, ESC).
- Encourage community involvement and voluntary service (CM).
- Work with the Parishes to develop community initiatives (CM).
- Preserve, enhance and promote community values (CM).
- Work to maintain a healthy economy which helps people to provide for themselves (ED).
- Review and strengthen the community role of the parish (CM, Soc Sec).

Key Indicators:

- Percentage of Income Support households.
- Cost of benefits paid.
- Islanders' perceptions of quality of life (Jersey Annual Social Survey).
- Levels of voluntary service.
- Level of incentives to gain employment and stay in work.
- Amount of real training available for jobs.
- Number of claimants supported in full-time or part-time work and training.

Promote
community
values



9. Enhance support services to vulnerable children, families and others at risk

Whilst the majority of Islanders take pride in their independence and self-determination, we recognise that some sections of our community need support to improve their life-chances and access the same opportunities available to others.

Understanding child and family characteristics, parenting practices, family structures and influences in the wider community and social environment is vital for the development of policy and the provision of services to families. Our aim is to work with local families to reduce the number of young people leaving school with poor skills, qualifications and low expectations and to reduce personal and social problems in later life. Subject to the report of the Scrutiny Panel, one priority will be to immediately implement the recommendations of the Williamson review of children's services⁴.

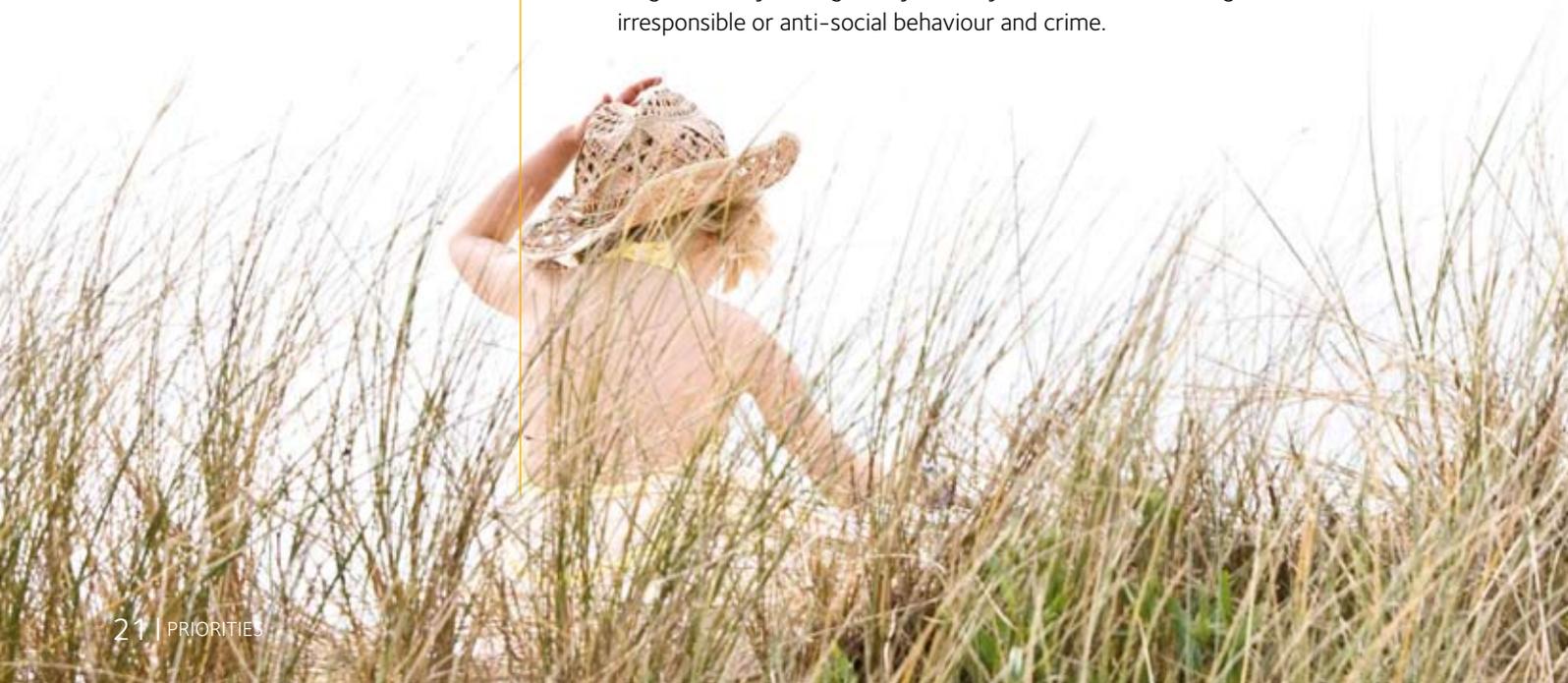
There is also a need to support adults of all ages, who have become dependent through infirmity, injury or disability, to lead full lives. Some require institutional care whereas others need practical help so they can continue to live in their own homes and remain as independent as possible.

The Services for this group have been through a traumatic period which has affected staff morale and shaken the trust and perceptions of some service users. The task of rebuilding confidence requires robust whistle-blowing, complaints and advocacy procedures.

Why we must do this:

- Children fare badly when their families face multiple disadvantages – poor parenting, poor physical or mental health, substance and alcohol misuse, domestic violence, learning disabilities, crime and financial stress. If we are to tackle the challenges faced by disadvantaged families we need to address the root causes and consequences.
- Early investment in, and support for, vulnerable children and families not only improves the outlook for the individuals concerned, it also benefits society in the longer term by ending the cycle of dysfunction and reducing ill-health, irresponsible or anti-social behaviour and crime.

Raise ambitions and tackle exclusion



Early investment in vulnerable families

- Children need to be equipped for adulthood so that they can play a part in meeting the Island's challenges through increased educational attainment, better skills and more social responsibility.
- All Islanders should have the opportunity to make their maximum contribution to society and, as far as possible, to lead independent and empowered lives.

What we will do:

- Work together to ensure effective and co-ordinated actions are taken to protect the safety and welfare of vulnerable children (HSS, HA, ESC, Hsg).
- Seek extension of the UK ratification of the United Nations Convention on the Rights of the Child (CM).
- Support both those in care and those needing support in the community (HSS, Soc Sec, Hsg).
- Target low ambition and exclusion (ESC, HSS, Hsg).
- Intervene to identify under-achievers early (ESC).
- Improve the health and emotional well-being of children, including healthier lifestyles (HSS, ESC).
- Help parents to understand and meet their children's needs by improving their parenting skills (HSS, ESC).
- Provide community care for the continuing care needs of dependent adults under the age of 65 years (HSS).

Key Indicators:

- Proportion of children in care in family placements.
- Children and vulnerable adults in Income Support.
- Numbers of children excluded from education.
- Reported instances of child abuse.

Encourage social responsibility

10. Maintain and develop the Island's infrastructure

A fundamental role of government is to provide and maintain the essential infrastructure to meet the Island's needs now and for future generations. This means anything from sea defences, roads and public areas, to waste disposal, utilities and government buildings.

The cost of maintaining and updating these services and assets will require a fundamental rethink of long-term asset management plans and we will need to take a more commercial approach to managing our infrastructure.

Why we must do this:

- Sound infrastructure underpins our environment, way of life and well-being.
- We need to ensure that our infrastructure is fit for purpose, well maintained and sustainable for future generations.
- Our waste disposal systems must meet international standards to protect our health and environment.
- An independent survey has confirmed that under-investment in States property and infrastructure over a number of years has resulted in a backlog of deferred maintenance works.
- We need to use public assets – especially our public buildings – efficiently in order to reduce maintenance costs, and improve the delivery of services to the public.

What we will do:

- Develop funding mechanisms to address the backlog of deferred maintenance of roads, sea defences, sewers, States property, social rented housing, Harbours and Airport etc. (T&R).
- Develop investment/divestment plans to ensure the States property and infrastructure is properly maintained⁵ (CM).

- Investigate alternative ways to fund and deliver key infrastructure services, such as disposing of liquid and inert waste (TTS, T&R).
- Invest in an improved solid and liquid waste infrastructure (TTS).
- Review the economic, environmental and social benefits from States-owned utilities (T&R).
- Adopt appropriate internationally agreed carbon-emission standards for all new buildings (P&E, CM).
- Give priority to energy saving measures in refurbished properties (P&E, CM).

Key Indicators:

- Cleanliness and quality of municipal areas.
- Financial returns from States-owned utilities.
- Office costs per employee.
- Compliance with statutory regulations and industry standards.

Keep Jersey
special for
future
generations

⁵ Proposals for property rationalisation will be included each year in the Property Plan which forms part of the Annual Business Plan.

11. Enhance and improve health-care provision and promote a healthy lifestyle

A major shift in health and social care policy is needed if we are to improve Islanders' health and social well-being enough to head off the projected increases in health-care costs. We need to put the emphasis on prevention, rather than cure, and make the healthy choice the easy choice.

New and additional resources will need to be invested in the reduction of chronic diseases – such as diabetes, depression, respiratory diseases and long term back conditions – and the management of infectious diseases. We will also need to invest in improved, comprehensive services for older people that promote independence at a time when demographic shifts within the population are taking place.

Why we must do this:

- A healthy population will have a greater sense of well-being and will be more productive.
- Investment in restructuring our health and social care system ('New Directions') will lead to improved health and social well-being within the population. In the longer term, costs which would otherwise have risen exponentially, will be contained and properly managed into the future.
- In the light of the ageing population, we must ensure that people stay healthier and remain living independently for longer. This will improve the quality of life for the individual and be less costly. If we do not, health and social care costs will overwhelm our resources.
- Government leadership and action will be required to support individuals in taking responsibility for adopting or maintaining healthy lifestyles.

What we will do:

- Shift the balance from secondary to primary care with a greater emphasis being placed upon prevention (HSS).
- Identify the funding and aims for each phased programme of investment in health and social care services. The success of each programme will be tracked before further investment is agreed (HSS).
- Lead on the actions necessary to support people to manage their own health through the promotion of healthy lifestyles (HSS).
- Find new funding to pay for changes to the health and social care system (HSS, T&R).
- Consider remodelling provision of primary care through mechanisms such as walk-in clinics and group practices oriented to preventative services.
- Support healthy choices via policies in all areas.

Key Indicators

- Increased life expectancy.
- Reduced mortality rates from circulatory disease, cancer and the complications arising from diabetes.
- Elective waiting time.
- Percentage of working age residents with long-term health conditions.
- Sport and leisure participation levels.
- Indicators of positive health across the population.

Prevention
rather than
cure

12. Maintain high quality education and skills

By developing the skills that the local economy requires, we not only provide opportunities and employment for local people and enable them to fulfil their potential; we also provide a future for our young people and the foundations for future economic growth.

Best use of Islander's skills

Why we must do this:

- If we are to keep our population levels under control, make the best use of local people's skills and have a self-supporting, inclusive society which can support the Island's economy, we need to help individuals realise their full potential and provide access to local job opportunities.
- These skills, fostered and developed through a strong education system, provide a solid foundation on which to support the Island's economy.
- Priority must be given to core skills such as literacy and numeracy, as well as to higher education and vocational training which responds to changes in the Island's economy.
- It is important to equip everyone for the workplace and ensure that no-one is excluded from educational opportunities.
- We must recognise that not all young people are suited to, or wish to, pursue a career in finance and pro-actively target our education curriculum accordingly.

What we will do:

- Maintain academic success, and ensure equally good vocational support for young people to help them achieve their potential (ESC).
- Ensure high levels of literacy and numeracy (ESC).
- Increase support for non-academic pupils (ESC).
- Invest in skills development and vocational training to support new and existing industries in providing suitable jobs for local people (ED, ESC).
- Develop local people for public sector jobs at all levels (CM).
- Continue to encourage and support Islanders in the pursuit of sporting excellence (ESC).

Educational opportunities for all Islanders

Key Indicators

- Examination results.
- Higher education / university participation rates.
- Literacy rates.
- Skills gap.
- Employment levels of local residents (5 year continuous residency or housing qualified).

13. Protect and enhance our natural and built environment

Jersey's natural environment is an integral part of our Island heritage. Maintaining a working countryside that harmonises with nature is vital, as is giving special protection to our most vulnerable and important habitats. A growing population will increase the pressure on natural resources and make it necessary to find ways to maintain our quality of life whilst consuming less and creating less waste. Our climate will change and we will need to respond to this in many areas of life. 'Keeping Jersey Special', presented to the States in July 2008, set out principles and actions which will be brought forward into this Plan.

Our coast, countryside and built heritage are what make Jersey unique. The challenge is to protect and enhance these most valuable assets whilst remaining economically viable and managing our population.

There is also a need to consider our responsibilities in dealing with the major global environmental issues that need to be tackled, including global warming and general climate change, longer-term dependence on fossil fuels and carbon emissions. A particular challenge will be to take full advantage of our renewable energy sources - wind and tide - to provide the Island with more secure and sustainable energy.

Why we must do this:

- We must continue to protect our environment, countryside, agricultural land, marine environment and coastal areas now and for future generations.
- Maintaining our high quality environment means tackling a number of challenges that cannot be avoided. In particular the need to balance a sustainable environment for the future with economic prosperity. Critical to this is effective land use and planning, and the importance of design quality in the built environment.
- St Helier is the heart of Jersey's community and we must continue to regenerate and develop it, including the development and integration of the waterfront and port areas. We must do this to meet the needs of the future and support economic growth. Avoiding further green field development will mean creating attractive new homes in our existing built up areas
- Jersey is potentially vulnerable since it imports almost all of its energy. The provision of long-term, secure, affordable and sustainable energy supplies is critical and we must become more efficient in reducing current levels of energy consumption if we are to achieve this.
- In addition, we will need to make the best use of our own natural resources which will bring opportunities to diversify the economy.
- Jersey has signed up to a number of international agreements to demonstrate that it is a jurisdiction that takes its global environmental responsibilities seriously. This means that the Island has pledged, in the international arena, that we will continue to reduce CO₂ emissions and other forms of pollution, and to continue to protect those habitats and species which are of importance to the Island.

Protect our environment for future generations

What we will do:

- Implement a range of measures to reduce waste, energy use, pollution and traffic and to increase the environmental protection regime operating in the Island (TTS, P&E).
- Develop a sustainable internal transport infrastructure (TTS).
- Persuade people out of cars by providing practical alternatives such as improved bus services, cycle tracks and footpaths (TTS).
- Through the Island Plan / planning process, ensure that the Island's natural beauty and environment is protected, whilst making inventive use of urban areas to cater for future business/housing needs and increasing the quality of built design (P&E).
- Identify long-term solutions for sustainable housing provision and protection of the environment (P&E).
- Introduce an integrated energy policy to secure an affordable and sustainable energy supply to meet the changing world energy challenges and underpin economic and social prosperity, including assessing whether the Island's natural resources could be a future sustainable source of energy (P&E).
- Ensure that environmental education is taught at all levels in schools so that pupils are aware of issues and are able to understand environmental choices based on balance and impact (P&E, ESC).
- Work towards a low carbon economy (P&E, ED).
- In 2009 debate and implement an Air Quality Strategy for Jersey, including proposals for monitoring and publishing levels of local air pollution, and targets, policies and timescales for reductions in air pollution levels that reflect best practice globally (P&E, HSS).
- In 2009 debate and implement a Sustainable Transport Policy for Jersey, including targets, policies and timescales that reflect best practice globally, and proposals for monitoring and publishing them (TTS).
- Implement the five Environmental Priorities in the Executive Summary of "The State of Jersey – a report on the condition of Jersey's environment" (January 2005) (P&E).
- Adopt the overall goal of the Biodiversity Strategy for Jersey and pursue the objectives for conserving biodiversity (P&E).
- Provide an annual Report to the States by the Director of the Environment (P&E).

Key Indicators:

- Level of CO₂ emissions.
- Land coverage / change in habitat / land use.
- Traffic congestion.
- Air/water quality compliance with international standards.
- Waste produced / recycling rates.
- Energy consumption.

Reduce waste,
save energy,
cut pollution

Plan for
climate
change

14. Adequately house the population

Housing in Jersey is an expensive commodity and there is good evidence of a pent up demand for homes to purchase particularly from first time buyers. In common with other western societies our population is changing and by 2031 assessments are that 30% of our population will be above working age. Providing adequate homes to meet the aspirations of both these groups is a significant challenge but is one we must get right if our population is to be adequately housed in the medium to long term.

Jersey has a good stock of affordable homes to rent across a number of providers which ensures a safety net for the most disadvantaged in society. Ensuring that stock is used to best effect would be a significant step towards seeing that all residents are adequately housed.

Why we must do this:

- All Island residents should be housed adequately.
- Older people need to be housed in accommodation which support the principles of 'life time homes' and which can adapt over time to allow independence to be maintained.
- Changing demographics and migration may put pressure on certain types of accommodation.
- If we want to meet the aspirations of Islanders to own their own homes, then homes must be made more affordable.
- The affordable housing should be targeted at only those who need the support.



What we will do:

- Introduce schemes to encourage more home ownership (Hsg).
- Identify sufficient appropriate development sites for housing – without further rezoning of green areas – in the Island Plan ensuring that the unit mix and tenure types meet prevailing demand (P&E).
- Improve equity, tenure rights and living standards for accommodation accessible to migrants (CM).
- Support the development of affordable housing (P&E, Hsg).
- Define a new 'Jersey Standard' for social rented accommodation (Hsg).
- Continue to upgrade and improve older States rental homes to meet the new 'Jersey Standard' (Hsg).
- Implement proposals for the regulation of all affordable housing providers including common waiting lists and allocation criteria and improve regulation relating to the wider rental market (Hsg).
- Establish a 'gateway' for all affordable housing to ensure that existing and future stock is targeted to deliver maximum benefit (Hsg).

Key Indicators

- States rental homes meeting 'Jersey Standard'.
- House Price Index / earnings ratio.
- Home ownership compared to rental.
- Supply of homes.

Improve
housing
standards

Support
affordable
housing



15. Protect and enhance our unique culture and identity

Jersey's proud, independent heritage and tradition is a cause for celebration. We want to move toward a society that has an improved sense of self-confidence and where the public has a greater ability to contribute to Island life. The Parish system, which has served Jersey so well in the past, also has an important role in the future by providing a focus for local communities.

There has been much debate by politicians and other observers in recent years about a 'disconnect' between the public and the government. Public confidence in government is essential if we are to successfully manage the difficult choices facing us over the next few years. Government often has to make decisions on matters that are more complex than they may appear and, in the interests of the Island's future, make decisions that require clear political leadership. We want to hear the legitimate views of individuals and interest groups. We need to show we are listening, even if after consideration of all the options, the final decisions made in the interests of the Island fly in the face of public opinion.

The world has seen some seismic changes in the last quarter of a century, politically, economically, environmentally and socially. One result has been a growing expectation that jurisdictions should meet common standards across a wide variety of subjects and should sign up to international instruments. That has been seen in almost every area of government business. There has also been a change in the structure and composition of the European Union and in the United Kingdom's relationship with it.

Jersey is not immune from these changes and we should expect that there will be more changes in the years to come. We must be ready to defend our historic rights if those should come under threat and to adopt changes ourselves if and where that is necessary to meet any new challenges that may arise.

Why we must do this:

- We need to preserve, enhance and promote our unique cultural identity.
- We want the public to participate in the development of government policy, through real community engagement, making the best use of the existing Parish system.
- We need to enable the public to understand the reasons behind government policy by developing strong, two-way communication with representative cross-sections of the community.
- We need to show that Islanders' views are valued.
- The engagement of the electorate in the political process is necessary if Island residents are to feel that they are being listened to and that their concerns are being addressed.
- We need to recognise that a consequence of Jersey's autonomy in domestic affairs is that effective representation of our reputation internationally requires not only a better information flow to the United Kingdom but also a proactive effort ourselves to get our message across to the international community.
- We must be alert to ensure that there is a better understanding within and outside Jersey that we are a democratic self-governing society subscribing to

Value
Islanders'
views

internationally accepted principles; and also to international conventions where the scope of them means that it is possible and sensible for us to do so.

Safeguard our unique culture

What we will do:

- Keep our constitutional relationship under review (CM).
- Protect our unique constitution and domestic autonomy (CM).
- Protect and extend our international identity and personality (CM).
- Create a strong, recognised identity for Jersey and promote a real sense of belonging (CM).
- Reinforce a strong sense of local identity both internally and externally through policies designed to promote the Island's distinctive local culture and tradition (ESC).
- Ensure that young people are taught about local history, culture and the workings of Jersey's political system as a key part of the Personal, Social and Health Education curriculum (ESC).
- Improve consultation on key policy issues by ensuring representation from all the different communities that make up our Island (CM).
- Develop more varied, comprehensive and targeted consultation with all sectors of the community and concentrate on providing easily accessible information on what the government is doing and why (CM).
- Work with the Comité des Connétables to develop a programme of community engagement (CM).
- We will work to improve the public trust in government and establish a system of greater transparency, public participation, and collaboration to strengthen our democracy and promote efficiency and effectiveness in government (CM).
- Introduce time limits for the public release of government information with appropriate safeguards in relation to these rules to protect matters such as the privacy of individuals in appropriate circumstances (CM).

Key Indicators:

- Statements of recognition by other countries and international organisations of our domestic autonomy and of our commitment to relevant international standards.
- A continuing close relationship with the United Kingdom which appropriately respects and develops the principles laid down in the international framework agreed in 2007.
- Number of responses to formal public consultation.
- Levels of participation in informal, face-to-face focus groups, Parish Assemblies and other consultation meetings.
- Public views on satisfaction with government.
- Electoral turnout.

16. Support the development of arts and heritage in Jersey

Whilst one function of Heritage is to protect, conserve and explain our community's past for the education and enjoyment of future generations, the arts are a living expression of a community's vibrant present. The Arts can be enlightening, thought provoking, entertaining, disturbing, challenging and sometimes controversial but they should be valued for all these qualities. The role of government is not to direct or control creative expression but to support it in all its forms.

Why we must do this:

- Arts, heritage and culture are central to the life of the community.
- Creative endeavour has been, and always will be critical to the Island's development and it is for government to establish the environment in which such activity can thrive.
- We need to preserve, enhance and promote our rich heritage.

What we will do:

- Implement, monitor and review the cultural strategy.
- Continue to support the work of the Jersey Heritage Trust and other organisations responsible for the Island's arts and heritage.
- Champion the development of creative expression and awareness of our heritage through schools, youth groups, adult education, and partnership arrangements with voluntary organisations.
- Encourage all States departments to consider the impact on heritage and the opportunities for the development of the arts in carrying out their day-to-day business.'

Key indicators:

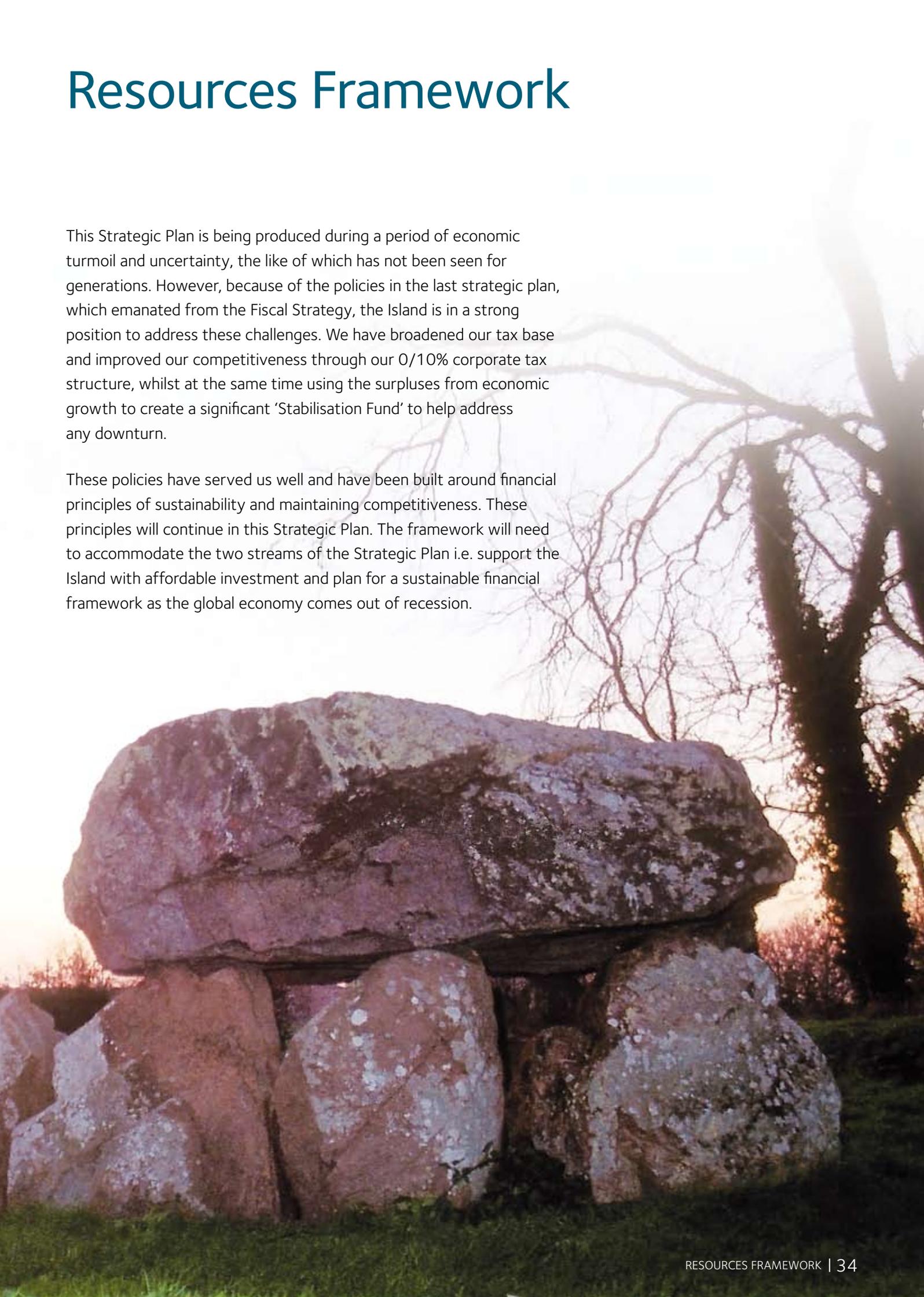
- To be developed by Education Sport and Culture.

Arts, culture
and heritage –
the life blood
of our
community

Resources Framework

This Strategic Plan is being produced during a period of economic turmoil and uncertainty, the like of which has not been seen for generations. However, because of the policies in the last strategic plan, which emanated from the Fiscal Strategy, the Island is in a strong position to address these challenges. We have broadened our tax base and improved our competitiveness through our 0/10% corporate tax structure, whilst at the same time using the surpluses from economic growth to create a significant 'Stabilisation Fund' to help address any downturn.

These policies have served us well and have been built around financial principles of sustainability and maintaining competitiveness. These principles will continue in this Strategic Plan. The framework will need to accommodate the two streams of the Strategic Plan i.e. support the Island with affordable investment and plan for a sustainable financial framework as the global economy comes out of recession.



a. Economic outlook (Priority 1)

The outlook for the global economy is a key determining factor in the outlook for the Jersey economy. In early 2009 the consensus is that the year will see the worst global economic performance since the Second World War with only a weak recovery in 2010. Given that the global economy is entering uncharted waters there remains a large degree of uncertainty surrounding this outlook.

In Jersey, our economy is dependent on the demand in other countries for the goods and services we produce, so the outlook for the Island economy is similarly bleak this year. Given the tendency for the Jersey economy to lag behind developments in the global economy there is also a risk of the downturn lasting into 2010.

New research by the States of Jersey Economics Unit has examined the relationship between Jersey's overall economic performance in terms of GVA⁶ – both in the finance and non-finance sectors – and a range of economic variables from inside and outside the Island. This allows, for the first time, estimation of broad economic forecasts a year ahead. The output from this work, given the limited amount of data available in Jersey and the unusually uncertain global economic outlook, is surrounded by uncertainty.

These new forecasts have been complemented with significant analysis by the Economic Development Department, who have used their contacts with local firms to assess current business conditions. This ensures that the forecasts are informed by the latest experiences of local businesses.

Recognising the significant uncertainty around such forecasts, the preliminary results show that the economy slowed significantly in 2008 (although was still likely to have recorded some positive growth overall) and there is likely to be a significant fall in real GVA in 2009 which will be prolonged into 2010. The preliminary estimates for the range of trends in real GVA in 2009 are -2% to -6% and in 2010 are 0% to -4%. Under such circumstances interest rates are likely to remain low during 2009 and into 2010. It would also be sensible to expect a weaker housing market performance.

While the precise outlook for 2009 and 2010 is still unclear, these new forecasts justify reassessing existing financial forecasts to take into account a significant deterioration in our economic performance. The uncertainty surrounding the forecasts suggests that it would be prudent to use a wide range of variations in GVA to cover a range of possible outcomes for planning purposes.

Potential impact on financial forecasts

In October 2008, the assumptions for the Budget 2009 were still for low levels of economic growth, although it was highlighted that the majority of risks were on the downside. The financial forecasts at that time showed a surplus of £66 million in 2009 followed by small but manageable deficits during the introduction of the 0/10% corporate tax strategy.

The significant change in the economic outlook and new analysis by the Economics Unit requires a revision of the financial forecasts to:

- provide a range of possible forecasts for the Strategic Plan;
- estimate the impact on the consolidated fund balance; and
- estimate whether the existing Stabilisation Fund could absorb the probable range of costs of the automatic stabilisers which are likely to result from an economic downturn, but also still provide funding for discretionary economic stimulus.

On the basis of a two year downturn and with assumptions for GVA in 2009 within the range of -2% to -6% and in 2010 of 0% to -4% company profits and earnings will fall impacting directly on income tax revenues.

The low levels of interest rates and significant falls in financial markets will affect the income tax collected on investment returns and also the return on the States own cash balances. It is also expected that the downturn in the property market will result in stamp duty revenue falling significantly.

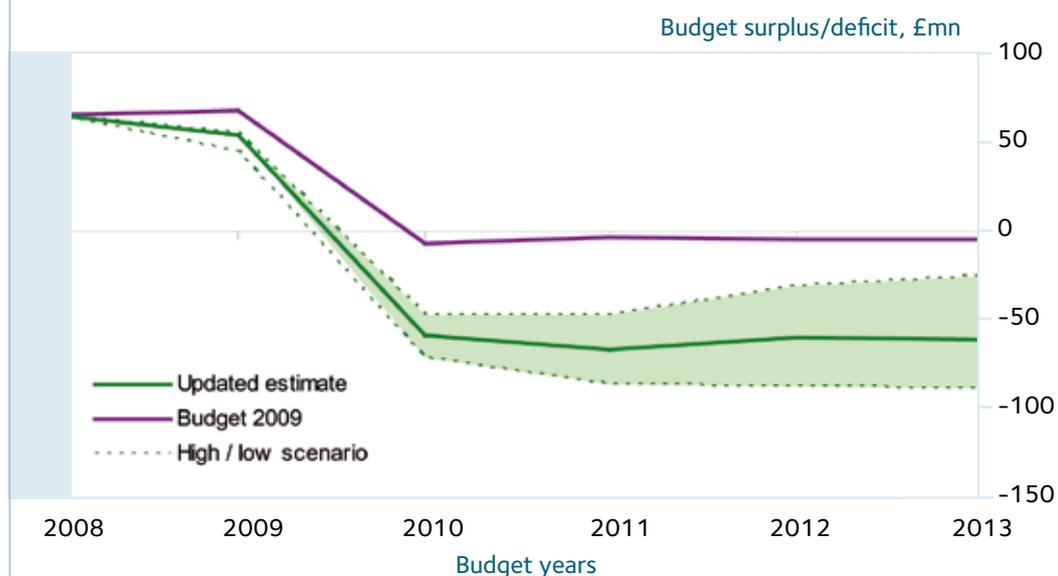
Further work on the past relationships between various economic factors and the levels of income tax revenues has been analysed to identify trends which can improve the current income tax forecasts. This work, vetted by the existing income tax forecasting group has been used to improve the latest forecasts.

Work has also been carried out across departments to assess the impact of falls in GVA, employment and interest rates on States expenditure. This will be seen most directly in increases in welfare and housing benefits, which are now a part of the new income support system.

⁶ Gross Value Added – the value of economic activity used to measure economic growth.

The latest forecasts suggest that there will be a substantial reduction in States revenues resulting in much larger deficits from 2010. The extent of the possible range of deficits may well require a significant proportion of the balance of the Stabilisation Fund in 2010 and 2011.

Graph shows a comparison of the range of deficits within the latest forecasts (March 09) and the estimated financial position from the 2009 Budget (October 08)



The graph suggests that whilst there is likely to be a return to more normal levels of growth after 2011, the extent of the downturn may mean that deficits will continue beyond 2011. The first course of action must be to make savings and, if possible, reduce expenditure in the short-term, to reduce the action that may be required in future years.

b. Key resource principles (Priority 3 & 4)

Against this economic and financial background the Council of Ministers propose certain principles that underpin the allocation of resources over the lifetime of this Plan:

- Be prudent, taking account of the uncertain economic and financial outlook.
- Identify and implement all possible savings and efficiencies.
- There will be no additional spend unless matched by savings or income.

- The Stabilisation Fund will only be used as advised by the Fiscal Policy Panel in any downturn to:
 - Fund the effects of reductions in States revenues or increased demand for States services i.e. the “automatic stabilisers”;
 - To provide appropriate stimulus to the economy.

These principles dictate that the financial framework for this Strategic Plan cannot afford to exceed the expenditure limits agreed in the 2009 Business Plan unless equivalent sources of funding are also identified and agreed.

c. Delivering savings (Priority 3 & 4)

Delivering a programme of savings alongside public sector reform to ensure that public services are sustainable in the future.

In the face of the economic outlook described previously, there will be a requirement to make substantial savings throughout the public sector during the life of this plan if services are to be maintained. Work is already underway to scope a programme for the delivery of substantial savings to enable States services to remain affordable through the downturn. Building on the success of the Change Programme from 2006, which improved efficiency and achieved a £20 million reduction in expenditure, this new initiative will be setting even more ambitious targets alongside a programme of public sector reform.

To deliver such savings will require in-depth reviews of all services provided by the public sector to determine whether they are working at optimal efficiency and if not, what measures need to be put in place to make the necessary service improvements. It is unlikely that service efficiencies alone will deliver the level of savings required. Beyond this, departments will have to consider the services provided to the community and whether they need to

continue in their current form, be reduced, stopped or transferred to the private sector.

A plan to deliver savings will need to address:

- service efficiencies throughout all States departments;
- re-structuring of some high cost services provided to the Island through new working arrangements with current or new service providers;
- identifying services that might be better placed in the private sector or ‘Third Sector’;
- reviewing levels of service and determine which services should be reduced or stopped, based on whether the service is deemed core or desirable;
- a full review of terms and conditions of employment and pay levels within the public sector.

Achieving such a plan will require commitment and the resolve to see through difficult decisions such as termination of services, reduction in staffing levels and transferring services and staff to the private sector.

Developing long-term resource initiatives

Five key areas for focus over the lifetime of the Plan have been identified. These will require significant and sustainable funding streams to be identified over the course of time. Although the total funding package will not be required during the lifetime of this Plan, it is important that the principles are agreed, the projects to develop and identify the workstreams are started and particularly that there is certainty of funding. It is intended that at the appropriate time, propositions will be prepared by the lead departments setting out the proposals, recommended funding streams and alternatives to be put before the States for a decision.

1. Address the ageing population and long-term care (Priority 6)

The impact of the steadily ageing population will have long-term consequences for Jersey. One area is the provision of a Social Security pension. Although existing policies mean that we have built up a surplus in our pension fund, we now need to build on these strong foundations to agree the way in which we can meet the ongoing costs of pensions over the next decades by increasing pension ages and raising additional contributions.

An increased funding stream will need to be agreed implementing a number of increases in contribution rates between 2010 and 2020, followed by a phased increase in pension ages between 2020 and 2030. This should ensure that the cost of pension provision in the 2030s is affordable, and the scheme is sustainable in the long run. Plans to help mitigate the full impact of the ageing population through increases in economic activity and a limited, but controlled inward migration of people, also forms part of this strategy.

As the number of very elderly people increases over the coming decades, the cost of long-term care will inevitably rise and proposals to address these challenges form one of the key elements within the 'New Directions' strategy that has been developed by Health and Social Services. This strategy also recognises that there is an increasing need for long-term care for younger adults (as advances in medical science have brought about longer life

expectancies for many people with a range of disabilities and long-term illnesses). Pressures to increase the quality of care provided to these groups, and to extend funding to provide community support to allow individuals to remain living independently in their own homes – wherever possible – will add further to the total cost of care.

This will mean that, during the lifetime of this plan, proposals will need to be developed to identify and implement a new hypothecated long-term care funding mechanism. The intention is to provide a ring-fenced fund that will provide a substantial subsidy to individuals to help them cover the cost of their care (HSS/Soc Sec).

2. Implement 'New Directions' to improve the health of the population (Priority 11)

The 'New Directions' strategy comprises three main strands. The first is designed to promote public health issues and, in particular, to encourage and support Islanders in making healthy lifestyle choices throughout their lifespan. The second strand deals with improving primary and community care services, and the management of significant chronic diseases, in the expectation that this, too, will mean better health for Islanders. The third and final strand relates to long-term care, (see above) where it is recognised that investment in community-based services will also need to be matched by investment in secondary care, as part of the Sustainable Hospital initiative. This will include continuing the shift towards day care procedures, investment in rapid diagnostic techniques and screening services and improved discharge planning arrangements so as to avert, or foreshorten, inpatient activity whenever possible.

Although they each focus on different areas of health and social care, they are all motivated by the same overall objective; investing resources in services now in order to improve the health status and well-being of Jersey residents, thereby curbing future health and social care needs and consequently future expenditure. The overriding imperative is to secure investment now, in coherent policies, so that sufficient savings may be realised in the future to offset extra recurrent and capital costs incurred in implementing the strategy at this stage.

In order to fund these new streams of activity, a new hypothecated health insurance-style contribution will be required from individuals to provide a ring-fenced fund to cover the increasing cost of health care (HSS).

3. Maintain sewerage infrastructure (Priority 10)

A lot of work has been done on developing a Liquid Waste Strategy which is due to be published in 2009. It covers all the aspects of the treatment and disposal of Jersey's liquid waste and in particular the long-term plans for the major assets. The sewage treatment plant is coming to the end of its operational life and a replacement will be required.

Substantial funding will be needed, estimated to be £10 million annually for 10 – 15 years (capital) to replace the existing infrastructure and allow for further extensions to the network from 2014. Until then an additional £1 million per annum (capital) will be needed as a minimum investment to avoid further degradation of the foul and surface water network.

A funding solution needs to be identified which could involve a sewage charge or rate, similar to that applied in most other jurisdictions. A more commercial approach may need to be taken, and consideration will also be given to the benefits of outsourcing this service (TTS).

4. Disposal of inert waste (Priority 10)

It is expected that the existing landfill site for inert waste at La Collette will be full in 2015/16, depending on the levels of construction in the Island. It is essential that a site is identified and prepared so that it is ready to take over from the current site and provide an essential disposal facility into the future.

Depending on final location, total capital in the order of £50 million will be required, starting with £10 million in 2014.

A funding solution needs to be identified which could involve a change in the current charge structure to a landfill tax that can be applied to a waste operation provided by either the public or private sector (TTS).

5. Maintain States property (Priority 10)

An independent survey has confirmed that consistent under-investment in the States property and associated infrastructure assets over a number of years has resulted in a backlog of deferred maintenance works which exceeds £120 million.

The States is already at risk of operating an estate which fails to meet basic safety standards. Unless addressed this could result in the need to close buildings or severely compromise their ability to deliver services to the public. If maintenance continues to be deferred it will result in accelerated depreciation requiring major capital expenditure earlier than would otherwise be necessary.

If future costs are to be contained, it is essential that the estate is significantly reduced in size to that which is more financially sustainable. This will require an aggressive approach to increasing the efficiency of usage of States accommodation and the leasing or disposal of surplus properties. To achieve these objectives all States Departments must challenge their current ways of working with a view to reducing their occupancy requirements (CM).

