



Economic Development Business Plan 2010

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FOREWORD

The aim of the Economic Development Department is to facilitate productivity improvements in all sectors of Jersey's economy in order to deliver sustainable economic growth whilst maintaining low inflation, create genuine economic diversification and provide high-value job opportunities for local people.

The Enterprise and Business Development Strategy will continue to be a key element in achieving our growth targets. The strategy has three aims:

- Increasing the rate of business start ups and growth;
- Developing international trade and inward investment;
- Encouraging commitment and investment into work related skills training.

The provision of a First Stop Shop for business in Jubilee Wharf continues to provide, a valuable service to both new and existing businesses, plus a first class entry point to the increasing range of products and services made available by the Department to support businesses. The 2009 budget available to Jersey Enterprise increased as a result of a successful bid for funds from the Economic Stimulus Fund. This additional funding comes at a time when economic conditions locally are beginning to show signs of slowdown. The new stimulus measures are intended to increase demand for business services to counteract the slowdown in private sector purchasing and importantly to support employment in the Island.

With our limited land and labour, we have to manage all our resources effectively and our skills development strategy will continue to be a key element of our emphasis in 2010. Higher productivity across the **whole** economy is **the** priority and I see Economic Development's raison d'etre as improving productivity and skills. The Skills Executive (combining staff and financial resources from Economic Development, Education Sport & Culture and Social Security into a single entity with direct industry involvement) moves into its second year of operation and based upon its strong early track record and in-depth understanding of the requirements of local business, will continue to champion a more joined up approach to skills development and its interface with education.

One of the biggest challenges, if not **the** biggest in managing a successful Island economy is keeping inflation in check. Inflation is the thing that undermines all businesses and today it undermines efficiency and erodes our competitiveness. Inflation measured by RPI might turn out to be low during 2010 partly as a result of continuing low interest rates. However, this should not lead to complacency as underlying inflationary pressure is still a concern and will be even more so when the economy recovers. The new Anti-inflation Strategy sets out how we ensure that we keep inflation under control going forward – through setting fiscal policy relative to our position in the economic cycle (in accordance with the advice of the FPP), supporting productivity growth across the economy and creating the conditions for competition to prevail. When recovery does return we cannot afford to see a repeat of past problems when strong economic growth has fed quickly into higher inflation and then into higher costs (e.g. wages and rents) sucking the economy into an inflationary cycle. It is important that the groundwork starts now.

The Department's support for our Tourism sector and the rural economy remains an important facet of our work. During 2009, the Department progressed work on a private/public partnership (PPP) to assume responsibility for the marketing and promotion of the Island as a visitor destination. Subject to review by the Economic Affairs Scrutiny Panel and approval of the States, I hope to bring the PPP into operation in 2010.

The rural economy saw significant progress in 2009 with the beginning of construction of the new Jersey Dairy facility in Trinity and the first year of operation of a new entrant producing and exporting Jersey Royals to the UK. In 2010 a new Rural Economy Strategy will be published, creating the framework for further growth in the sector that, more than any other, represents part of Jersey's "DNA"

Sustaining a competitive global finance industry continues to be a major pillar in our economic development plan. Clearly the effects of the disruption to global markets have further to run, but Jersey is well placed to deal with these challenges with a well diversified range of financial services businesses, many of which are built on a sound annuity model with solid streams of recurring income.

Working with Jersey Finance and the Jersey Financial Services Commission we will seek to further enhance and build the reputation of our financial services industry to counter some of the negative reporting regarding off-shore centres and ensure a market leading position through significantly increased investment in promotion, product and service innovation. In particular we expect to consolidate the launch of Foundations, further enhance Trust laws and move to the next stage in the continuous upgrade of our funds offering. We will work to attract entrants across all sectors from new markets with the emphasis remaining on high quality, high value, and low footprint business.

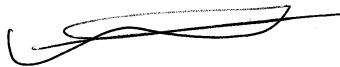
Our key objectives for the financial services industry are:-

- Development of new markets accompanied by rapid product and service innovation through carefully targeted investment
- Focused improvement of the skill base of our graduates and school leavers to ensure appropriate qualifications
- Investment in long term infrastructure, including premises, telecommunications, travel connections and housing

Competition is the healthy way of ensuring that efficiency improvements continue and that the pressure to keep prices and costs down remains strong. In this regard Economic Development will continue to support the JCRA.

It has been a difficult year for everyone during 2009 with the effects of the global financial crisis creating a unique set of challenging circumstances. I am delighted that a professional and dedicated team at Economic Development have been able to deliver effective support to businesses in all sectors. Supporting local businesses helps to create and sustain employment, a key platform for economic growth, which is our primary objective.

Jersey's economic future will be delivered by businesses and the people who work in them. Although 2010 will continue to be challenging I have no doubt that the entrepreneurial spirit that prevails in Jersey will rise to meet the challenges ahead. In particular Economic Development will continue to work in partnership with businesses in all sectors to help identify and seize opportunities during 2010.



Senator Alan Maclean
Minister for Economic Development

SECTION 1 – THE DEPARTMENT

INTRODUCTION BY THE CHIEF EXECUTIVE OFFICER

In my introduction to the 2009 Economic Development Department (EDD) business plan I said:

“2009 will be one of the most challenging years ever faced by Jersey’s economy and the businesses that deliver growth and provide employment opportunities for local people.”

The events in the last quarter of 2008 and throughout 2009 served to reinforce this point as the global economy, led by the major European and US economies entered a recession, where despite some signs of stabilisation following unprecedented government intervention, it remains today. Stabilisation is no grounds for complacency, because governmental intervention across the developed world has so far only succeeded in delivering stabilisation and not a return to sustained growth. Most analysts still believe there is still more risk on the downside and the possibility of a double dip recession cannot and should not be discounted.

Whilst Jersey fared well in relative terms, recording a 2% real growth in GVA for 2008, it is clear that 2009 is, and 2010 could, present unprecedented threats to continued economic prosperity in the Island. Against this backdrop, during 2009, the Treasury and Resources Minister announced a £44million package of discretionary fiscal stimulus, some of which will be delivered by EDD. This much-welcomed intervention will bolster the work of EDD across the economy.

The Economic Development Department, Chief Minister's Department, Treasury and Resources, the JFSC and Jersey Finance Limited, share a collective responsibility for the development and diversification of financial services in Jersey. The challenges that emerged in 2009 will require an even greater level of co-ordinated action and increase resources in 2010. 2009 saw the creation of the Financial Services Advisory Board that brings together Ministers, the Regulator and Industry to ensure all challenges and opportunities benefit from truly joint up policy, strategy and delivery. During 2009, Jersey Finance Limited opened two overseas promotional offices in London and Hong Kong which should assist greatly in these challenging times.

High value economic diversification remains a top priority. The first major element of the new Intellectual Property legislation, the Unregistered Rights Law will, subject to States approval, come into being in 2010. This will open significant business opportunities in the e-commerce sector. It is now clear that the convergence between Intellectual Property (IP) and e-commerce is a vehicle for genuine diversification. During 2010, delivering a plan to exploit the value of IP/e-commerce convergence will be proposed.

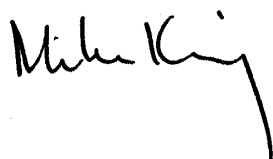
2010 will be another extremely challenging year for Jersey’s tourism sector. In 2009, along with every other destination across the globe, Jersey saw a decline in visitor arrivals. Figures available at the time of writing indicate that, year to date, Staying Leisure Visitors were 5.8% down on the same period in 2008 and Staying Business Visitors were 18% down. Whilst the decline in business visitors is comparable to other jurisdictions the decline in staying leisure visitors is significantly less than other destinations. Returning the sector to growth in 2010 will be a challenging task that Jersey Tourism will not achieve in isolation. Whilst marketing campaigns are resulting in increased enquiry levels – for instance web hits on jersey.com are up 53% on the previous twelve months Jersey’s ability to convert these enquiries into bookings demonstrates much room for improvement. Achieving success in this objective is a collective task for Jersey Tourism and the industry. Delivering this success will be a top priority during 2010.

Event-led tourism will be given a higher priority. Whilst EDD will continue to support key events including, but not limited to, the Battle of Flowers, Jersey International Air Display and Liberation Day, the Department will also develop a new events strategy for 2010. It is anticipated that the Tourism Development Fund and its Board will have a key role to play in “pump priming” a broader range of events. EDD will progress the Private Public Sector Partnership (PPP) to take the marketing and promotion to new levels. Subject to the completion of a review by the Economic Affairs Scrutiny Panel and the approval of the States, the PPP will be progressed to completion in 2010.

The challenge to Jersey’s rural economy is to deliver growth, whilst also maintaining and increasing the environmental and social value of the land on which the vast majority of rural economic activity is undertaken. To achieve this, in 2010, EDD will work in partnership, with businesses, to review the current Rural Economy Strategy. For this to be successful, industry and government will need to agree a direction for the future for all sectors of the rural economy, including the fishing industry, based on strong, sustainable growth, that also delivers tangible environmental goods and services, taking account of the needs and requirements of those who live and work in the countryside. These goods and services can only be delivered by profitable businesses. As such, EDD will continue to provide basic support to underpin the agricultural sector to avoid disadvantaging Jersey farmers in their European markets. It will also continue to assist the final phase of the dairy industry restructuring programme and assist with improving profitability, to supplement the efficiencies and opportunities for new export products associated with the opening of the new dairy this year. In addition, the Department will support and protect the Jersey Royal brand, by promoting Jersey’s high value early potato sector and through the development of the Jersey Royal Trademark. In order to diversify economic activity in the countryside and pump prime innovation and enterprise activity, the Rural Initiative Scheme will continue to be an important component of the Department’s activity in the rural economy.

Jersey Enterprise has continued to develop in 2009. This progress will be accelerated in 2010 as the economy, and in particular small businesses, faces very different economic times. With the benefit of funds allocated from the Economic Stimulus Package both the capacity and range of products and services will be increased to cope with, what is expected to be, greatly increased demand. During a period of economic downturn, sustaining and growing existing businesses, export trade development, business start up and broad based inward investment are all vital elements of preserving jobs and creating new employment opportunities. This will be the core focus of Jersey Enterprise in 2010. In addition EDD and Jersey Enterprise will continue to support the Skills Executive and the Skills Board who have a key role in providing job opportunities for Jersey residents.

I would like to thank all EDD staff for their hard work in 2009. I have the privilege of leading a team of dedicated and enthusiastic professionals who continue to deliver consistent results in a world where budget constraints are the norm. Their work is focussed to ensure that we spend our budget wisely in order to achieve the greatest possible outputs. 2009 has been a difficult year and 2010 will be even more challenging for both EDD staff and all businesses in the Island. Over the last four years we have worked hard to justify the tag that EDD is “Supporting Business”. These efforts will continue in 2010 when we increase our efforts if we are to overcome the collective threat that faces us all.



Mike King
Chief Executive Officer

Switzerland, Ireland and the Netherlands. The objective of increasing industry contribution to marketing spend will be continued following the success of this initiative in recent years with carriers, tour operators and accommodation providers.

During 2010 we intend to re-evaluate our Festival and Event strategy, recognising that we already have a fantastic range of events taking place throughout the year and especially during the summer months. Many of these are capable of growing visitor numbers particularly for sporting activities. However recognising that new events need to be both affordable and on brand there is a significant challenge to be met in identifying new opportunities.

The Department will be preparing for the appointment of a Tourism Board, starting in a shadow capacity to advise the Minister and provide strategic direction for the future growth and administration of tourism in Jersey.

Strategic Development

Aims to develop a fair, efficient and trusted regulatory environment to support existing businesses and create new opportunities for economic growth and diversification whilst protecting the public's interests. To achieve this, we develop new and administer existing legislation, research and develop policy to inform regulatory decision making and consider and develop solutions to identified or referred cases which affect the health of Island businesses. Areas of law and policy under administration include:

1. Aviation and maritime transport policy
 - I. Consider and safeguard the Island's interests in all matters connected with external transport links to and from the Island.
 - II. Have access to, and be consulted by, any airline or shipping service operator in all matters affecting transport links to and from the Island.
 - III. Give attention to the way in which air and shipping transport interests of the Island can best be fostered and co-ordinated.
2. Intellectual Property
 - I. Develop modern intellectual property legislation and strategy in the areas of Copyright, Design Right, Performers' Protection, Patents and Registered Designs, Trademarks and Plant Breeders Rights;
 - II. Work with the Intellectual Property Services Industry to identify and take advantage of new intellectual property based business opportunities (legal services, patent and trademark agents, licensing bodies, trust and financial Services);
3. Strategic Development
 - I. Work with the Retail industry to support its further development and contribution to the economic growth plan and implement the retail industry framework
 - II. Develop industry policies, strategies and plans as appropriate in support of States objectives to grow and diversify the economy.

Regulatory Services

Aims to develop a fair, efficient and trusted regulatory environment to support existing businesses and create new opportunities for economic growth and diversification whilst protecting the public's interests. Areas of law and policy under administration, review and development include:

1. The way the Jersey Competition Regulatory Authority conducts its business as a public body.

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2. Monitoring the effectiveness of the Competition (Jersey) Law 2005, the Telecommunications (Jersey) Law 2001 and the Postal Services (Jersey) Law 2004.
 3. Monitoring and advising with regard to broadcasting matters in relation to the Communications (Jersey) Order 2003, Wireless Telegraphy Act (as extended) and Broadcasting (Jersey) Order 2003. This provides the regulatory structure for the broadcasting of television and commercial radio as well as the need for a licence to receive television broadcasts. Stakeholders are the Law Officers and UK Departments for Culture, Media and Sport, and Business Investment and Skills, together with Ofcom, Digital UK, the BBC and the Public.
 4. Assisting with Management and delivery of Digital Switchover in broadcasting from the current analogue service.
 5. Development of sectoral strategies in association with relevant partners, e.g. e-commerce, States-owned Utilities etc.
 6. Monitoring, enforcement and advice in relation to Maritime Law and ensuring that the Island complies with International Conventions, introducing new legislation as required. Overseeing the Jersey Shipping Register and the duties of the Registrar, ensuring that Jersey-registered ships comply as required.
 7. Administering the Regulations under the Gambling (Jersey) Law (1964) as amended. This involves dealings with the public, clubs and societies and, in relation to the CI Lottery, the States of Guernsey and CI Lottery Main Agents on all Islands. The section has also been tasked to deliver a new modern Gambling Law, together with a new regulatory structure based upon a Jersey Gambling Commission.
 8. Reviewing and keeping up to date legislation relating to Policing of Beaches, Places of Refreshment and the Tourism Law, enforcing relevant provisions as required.
 9. Producing drafting instructions after consultation for a modern, effective regulatory system for liquor licensing that maintains public confidence, prevents criminality and mitigates harm.

Regulation of Undertakings and Development

Although the Population Office is under the administration of the Chief Minister's Department, political responsibility for the Regulation of Undertakings and Development (Jersey) Law, 1973, as amended remains with the Minister for Economic Development and works in close co-operation with the Economic Development Department:

1. Administer the Law to regulate immigration and promote local employment opportunities.
2. Develop policies and strategies to enhance efficiency, effectiveness, and customer relations.
3. Within the context of managing migration, support economic growth and diversity in conjunction with Jersey Enterprise and other States services.

Consumer Affairs & Trading Standards

The Trading Standards Service is responsible for the enforcement of a broad range of legislation aimed at protecting consumers in regulating the way businesses conduct themselves. Also provided is a free, confidential consumer advice and conciliation service which supports the Supply of Goods and Services (Jersey) Law introduced in 2009. Information and assistance on this new Law is also provided to businesses as and when required.

There is a statutory duty to carry out a range of activities under the following Laws:-

1. Price and Charge Indicators (Jersey) Law 2008
2. Weights and Measures (Jersey) Law 1967
3. Consumer Safety (Jersey) Law 2006
4. Merchandise Marks (Jersey) Law 1958
5. Trade Marks (Jersey) Law 2000
6. Video Recordings (Jersey) Law 1990
7. Distance Selling (Jersey) Law 2007
8. Protection of Children (Restriction on Supply of Goods) (Jersey) Law 2009

Trading Standards follow an enforcement policy which aims to deal with non-compliance in a fair but firm manner, with due regard to the principles of proportionality, consistency and transparency. In 2010, resources will be targeted towards those businesses or business sectors impacting most upon the day to day transactional decisions made by consumers in their economic activity.

New legislation currently in progress is the Supply of Goods and Services Regulations which will restrict the use of unfair contract terms, particularly in consumer contracts.

Rural Economy

Develop and implement strategies, legislation and policy that will ensure a viable future for the rural economy, including the agriculture and fisheries industries, based on the principles of sustainable development:

1. Strategic development for the rural sector as a whole including the key sector of Agriculture.
2. Review the Rural Economy Strategy and develop proposals for a new 5-year strategy from 2011, which promotes economic, efficient and diverse land use whilst at the same time promoting appropriate environmental stewardship of the countryside.
3. Administration of the Rural Initiative Scheme – a grant based scheme which is designed to accelerate growth in the rural economy by supporting appropriate diversification and enterprise.
4. Administration of the Agricultural Loans Scheme made under the Agriculture (Loans and Guarantees) (Jersey) Law 1974 as amended and subordinate Regulations. Currently there is a Loans Portfolio of approx. £2.5 million.
5. Administration of the Agricultural Marketing (Jersey) Law 1953 and schemes such as the Milk Marketing Scheme 1954.
6. Prepare annual rural economy and agricultural statistics involving a census under the Agricultural Returns (Jersey) Law 1947.
7. Ensure compliance with EC trade directives relating to agricultural products.
8. Administer and ensure maximum efficiency from the budgets for direct and indirect aid; this includes subsidy schemes, the Rural Initiative Scheme, and industry service provision grants.
9. Maintain industry liaison and service links to RJA & HS, Jersey Milk Marketing Board, Jersey Farmers' Union, Planning and Environment Department, Transport and Technical Services department and other key stakeholders and Public Services Departments.
10. Develop legislation to facilitate economic activity around the production, import and export of bovine embryo and ova.
11. To achieve or confirm for Jersey EU recognition of disease free status from bovine tuberculosis, brucellosis, enzootic bovine leucosis, infectious bovine rhinotracheitis (IBR) and bovine virus diarrhoea (BVD), bluetongue serotypes 1 and 8. This will

provide international recognition of high health status, which will add value in the livestock export market, decreased testing requirement following recognition, remove the requirement and associated costs for bluetongue vaccination.

The Rural Economy section is now fully integrated with the Environment division of the Planning and Environment Department. Functions such as ecology, countryside management, agricultural advisors and laboratories are managed as a single function (Environmental Management and Rural Economy) from Howard Davis Farm in Trinity.

Legislation Programme

The department will continue to bring forward appropriate new legislation in 2010. It is difficult to give an exact timetable for the lodging of each piece of legislation but the following summary should give an indication of the work to be done in the coming months.

Intellectual Property

Five Laws are proposed which will enable Jersey to sign up to international conventions on intellectual property. Work will start on -

- the substantial package of subordinate legislation required to underpin the Intellectual Property (Unregistered Rights) (Jersey) Law 200- (which is expected to be lodged in 2009)
- the Trademarks (Jersey) Law 200-, allowing first registration of trademarks in Jersey.
- amendments to update the Registered Designs (Jersey) Law 1957
- amendments to the Patents (Jersey) Law 1957, to allow first registration of patents in Jersey

Financial services business development

Work will start on new legislation to enable Islamic finance products to be offered in Jersey.

Financial services business regulation

Work continues on -

- the Business Names (Jersey) Law 200- which replaces and updates existing requirements for registration of business names
- the Companies (Amendment No. 4) (Jersey) Regulations 200-, which require public companies to have their accounts audited by properly regulated auditors
- the Financial Regulation (Miscellaneous Provisions- Auditors) (Jersey) Law 200- and 8 implementing Orders, which require financial institutions to have their auditors approved by the Jersey Financial Services Commission

Work will start on a new Financial Services Ombudsman (Jersey) Law 200-

Financial services business as usual 25 days will be set aside for routine amendments needed to financial services and companies legislation to ensure that the legislation is kept up-to-date.

General business regulation

Work will continue on the Gambling Commission (Jersey) Law 200-, the Gambling (Jersey) Law 200- and the package of subordinate legislation needed to underpin the new Gambling Law, with the aim of lodging the principal Laws in 2010

Work will start on an amendment to the Telecommunications (Jersey) Law 2002 to increase the powers of the Jersey Competition Regulatory Authority in respect of telecommunications service providers.

New drafting time has been allocated to start work on the establishment of the Jersey Consumer Council.

Agriculture

Work will start on legislation to enable the transition from the present milk marketing scheme to a voluntary co-operative.

Shipping

Work will start on -

- legislation to enable Jersey to accede to the protocol to the Convention on Civil Liability for Oil Pollution Damage
- amendments to the Shipping (Fishing Vessels Safety Provisions) (Jersey) Order 2004, to ensure that Jersey's fishing vessels are compliant with international standards

Sea fisheries business as usual 20 days will be set aside for ongoing amendments to sea fisheries legislation to ensure that Jersey implements its international obligations.

Indicative A new Licensing Law; the further development of financial services products and regulation; further consumer protection.

JERSEY HARBOURS

Jersey Harbours is a States of Jersey Trading Operation, as the strategic asset providing the life-line link to the Island, underpinning the economy. Our vision is to be recognised for providing modern port and coastguard services with guaranteed long term viability. We do this by:

1. Keeping the port open and safe
2. Looking after our customers
3. Seeking to be self funding and sustainable
4. Developing competitive commercial port, marina and shipping activities

Approximately 99% of goods arriving in the Island enter Jersey through the Port of St Helier, and the viability and availability of the port is a vital and absolute necessity.

All commercial expenditure is achieved from income generated from the three business divisions (each with specific commercial objectives):

1. Port of Jersey: comprising the Commercial and Passenger Port (self funding with guaranteed viability)
2. Jersey Coastguard: tasked with a number of roles but in particular the preservation of life and vessels at sea (value for money service)
3. Jersey Marinas: which comprises three marinas, outlying moorings and associated services (profitable)

Combining these elements, Jersey Harbours brings clarity to manage the unique challenges and the often conflicting needs and expectations of users, customers and stakeholders. The combination also provides integrated knowledge and experience that has evolved across each of the Business Divisions. The application of this expertise benefits all our customers and the Island.

The 2008 Business Review indicated that Jersey Harbours business is basically sound with a relatively stable trading position, with revenue risks well diversified for a port business. Changes to the financial regime (e.g. tariff restructure and commercial borrowing) are required however to fund our future capital programme. Our key financial indicators compare favourably with those of other ports, as do Harbour Dues, once the cost of providing the Coastguard service and other heritage costs are accounted for. The policy for heritage assets (e.g. heritage property and outlying harbours) requires confirmation; these assets have limited commercial value but add to overall operating costs and Capital Expenditure. Progress on this issue has been demonstrated by the inclusion of Gorey and St Aubin's remediation projects in centrally funded programmes.

Significant long term growth potential lies in the marine leisure sector, with the focus on adding value alongside restructuring tariffs for greater productivity and profitability, and working closely with our stakeholders. Grasping these opportunities significantly impacts on our future budget with the aim of increasing both the financial and economic contribution of this increasingly important sector.

To deliver on all of these and other opportunities, corporate governance requires specific strengthening; this is planned in line with the key review governance recommendations, and will drive the desired more corporate way of doing business, promoting transparency and greater still commercial and businesslike behaviour. Our 2010 budget reflects the Business Review findings.

JERSEY AIRPORT

Vision

To be a successful airport which, by working in partnership, delivers sustainable benefits to Jersey and creates a positive first and last impression of the Island.

Mission

Jersey Airport will achieve its vision by:

- Working as an integral part of the States Economic Development Department to enhance the economy through long term business partnerships
- Creating an environment that encourages airlines to expand the range of destinations served with a range of products that increase the number of inbound and outbound passengers
- Recognising staff are at the heart of the airport's future prosperity
- Challenging traditional thinking and leading productive change

Key Aims and Objectives – Future Directions Strategy

The Future Directions Strategy was developed in 2006 in consultation with States of Jersey departments, the tourism industry, finance sector and Jersey Airport staff.

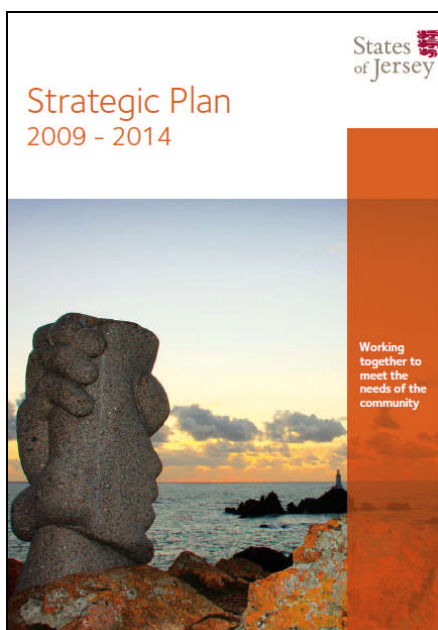
With the overriding objective of operating as a self-sufficient strategic asset, the following seven core strategies were adopted by the Minister for Economic Development and Assistant Minister for Economic Development in November 2006.

1. Grow passenger numbers by increasing the network of destinations between Jersey, the UK and Europe while sustaining existing air services.
2. Reduce the reliance on aeronautical revenue by increasing yield from non-aeronautical sources and increasing commercial development activity.
3. In partnership with France and the United Kingdom, continue to provide air traffic services within the Channel islands Control Zone on a commercially sustainable basis.
4. Improve operational and commercial efficiency through restructuring the organisation with no detrimental impacts on staff terms and conditions, and no compulsory redundancies.
5. Invest in the personal and professional development of staff.
6. Ensure Jersey Airport is prominent in States of Jersey strategies and that the airport remains a strategic asset to the island.
7. Implement best practice policies that meet safety, security, environment and corporate governance requirements.

OUR VALUES

1. We put the customer at the heart of everything we do
2. We take pride in delivering an effective public service for Jersey
3. We relentlessly drive out waste and inefficiency
4. We will always be fair, honest and act with integrity
5. We constantly look for ways to improve what we do and are flexible and open to change
6. We will achieve success in all we do by working together

OUR STRATEGIC AIMS



The States of Jersey Strategic Plan 2009 – 2014 charges Economic Development with responsibility for a number of key aims.

Support the Island community through the Economic Downturn (1).

Maintain a strong, environmentally sustainable and diverse economy (2).

Maintain high quality education and skills (12).

Economic Development has been asked to lead on a number of objectives in the Strategic Plan and we will work closely with all States Departments to ensure that as a corporate organisation we provide best value for the tax payer.

SECTION 2 – SUMMARY OF KEY OBJECTIVES AND PRIORITIES**AIM:**

The aim of the Economic Development Department is:

To encourage and facilitate economy wide productivity improvements in the medium-term which will lead to sustainable economic growth with low levels of inflation coupled with economic diversification and the creation of job opportunities.

SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

Objective 1: During the period of economic downturn, by utilising funds from the Stabilisation Fund, reduce the impact on Jersey's economy and provide the platform for sustainable long term economic growth, at or above target. In doing so, deliver tax receipts that fund public services and a more diverse economy that will provide employment opportunities for local people whilst managing inflationary pressures within the economy.

Success criteria:

Minimise decline in GVA during the period of economic downturn in the island as a function of global economic conditions;

- I. Lay the foundations for the return to sustainable economic growth;
- II. New strategies to support economic sustainability and a return to growth, including but not limited to e-commerce, intellectual property, rural economic strategy, tourism strategy and a Business Enterprise Development strategy fully implemented;
- III. Maximise employment and minimise unemployment for local people through an increase in job opportunities, skills development or inclusion activities in both existing and new sectors;
- IV. Higher efficiency and profitability in all sectors of the economy;
- V. Less reliance on government subsidy within the rural economy;
- VI. Increased diversification of the economic and tax base through higher value added activity;
- VII. Broader skills base in the island meeting business needs;
- VIII. In conjunction with the Population Office, Regulation of Undertakings Law applied;
- IX. Inflation kept close to target of 2.5%.

Strategic Plan Priority: 1, 2, 4, 8, 10 and 12

Objective 2: New enterprises and companies with high value-added potential developed.

Success criteria:

- I. Increased number of business start-ups with high value-added potential;
- II. Increased business success defined by % of start ups still trading after three years;

-
- III. Increased number of high value-added businesses and individuals migrating to the Island.

Strategic Plan Priority: 1, 2 and 4

Objective 3: A co-ordinated approach to developing the skills required to support the economy.

Success criteria:

- I. EDD to play its full role in the success of the Skills Executive in particular the delivery of the demand capture function.

Strategic Plan Priority: 1, 2, 4, 8 and 12

Objective 4: A Financial Services Industry with an international reputation for integrity.

Success criteria:

- I. Short-term sustainability and medium term real growth in the financial sector;
- II. Compliance with existing and evolving international financial standards to which Jersey is subscribed;
- III. Increased productivity in the finance industry;
- IV. Stable or growing employment in financial services.

Strategic Plan Priority: 1, 2, 4, 10 and 12

Objective 5: A vibrant visitor economy which adds value to Island life.

Success criteria:

- I. Increased productivity in the tourism sector
- II. Increased capital expenditure in the tourism sector to align the Jersey product to current market demand;
- III. Increased number of visitors to the island and increased on-island visitor spend;

Strategic Plan Priority: 1, 2, 4, 10, 12, 13, 15 and 16

Objective 6: A diverse working countryside.

Success criteria:

- I. Higher productivity from the rural economy ;
- II. Greater diversity and enterprise in the rural economy;
- III. Less reliance on government subsidy within the rural economy;
- IV. Sustainable and internationally competitive rural economy, including the dairy and potato sectors.
- V. Increased proportion of local produce finding its way into retail food supply chain

Strategic Plan Priority: 1, 2, 4, 10, 13 and 15

Objective 7: A regulatory environment in which business can prosper***Success criteria:***

- I. A strong consumer voice;
- II. Competition and consumer choice in all sectors;
- III. Appropriate levels of consumer choice and protection;
- IV. Reduced processing time for the regulatory applications;
- V. Fit for purpose regulatory regimes for postal services and telecommunications in Jersey.

Strategic Plan Priority: 1 and 2**Objective 8: A comprehensive external transport strategy which benefits both business and residents.*****Success criteria:***

- I. Regular, reliable, efficient and sustainable air and sea services provided;
- II. Development of new routes and extension of capacity where possible to existing routes;
- III. Competitive passenger charges;
- IV. Reduce or maintain low freight charges;
- V. Increased passenger traffic across a broader transport network;
- VI. Improve freight services.

Strategic Plan Priority: 1, 2 and 10**Objective 9: An Airport that meets the economic and social needs of the Island, the expectations of passengers and the expectations of airlines.*****Success criteria:***

- I. Optimise revenue generation to address operating costs and future capital liabilities;
- II. Increased annual passenger numbers;
- III. Existing routes retained and UK/European route network expanded;
- IV. Increased commercial revenues;
- V. Improve freight services;
- VI. No significant pollution problems;
- VII. Positive and influential contribution to the development of a transport strategy.

Strategic Plan Priority: 1, 2, 10 and 13

Objective 10: A modern port that meet the economic and social needs of the Island, the expectations of passengers and the expectations of carriers.

Success criteria:

- I. A more efficient port that optimises revenue generation to address operating costs and future capital liabilities;
- II. Increased growth in annual passenger numbers;
- III. Existing routes retained and expanded;
- IV. Improve freight services;
- V. Effective Coastguard service;
- VI. Increased economic contribution from Jersey's marine leisure sector
- VII. Positive and influential contribution to the development of a transport strategy.

Strategic Plan Priority: 1, 2, 10 and 13

Objective 11: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

- I. Financial balance achieved and, total budget and spend profile consistent with forecast;
- II. Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions;
- III. Management costs minimised to ensure maximum resources are directed to front line services;
- IV. Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;
- V. Staff developed to help them achieve their full potential.

Strategic Plan Priority: 1 and 4

SECTION 3 – KEY OBJECTIVES, PERFORMANCE INDICATORS & RISKS

*Key Objectives as agreed by the States (see Section 2A)

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|--|--|------------------------|--------------------------------------|--------------|---|--|-----------|--|
| Enterprise and Business Development | | 1,571,115 | 1,752,297 | 11.10 | | | | |
| 1 | Sustaining the Jersey Enterprise Centre. | 126,659 | 159,013 | 2.00 | Provision of high quality business advice & support from within an appropriate, accessible location. | 1250 companies provided bespoke support, services or referrals, including 250 start-ups. | 2010 | Continuity issues arising from staff or premises non-availability. |
| 2 | Develop a programme of on-island business-focussed events i.e. 'Meet the Buyer', Master classes, B2B Events, States Procurement opportunities. | 52,998 | 62,704 | 0.60 | 5 successful events staged - access to States procurement portal agreed for local companies. | 70 companies attending each event, Number/value of contracts tendered/secured, Levels of States on-Island procurement. | 2010 | Lack of project management resources. |
| 3 | Establish a pro-active internal and external communications programme to deliver time-critical strategic and tactical messages to all of EDD's target audiences. | 41,245 | 47,715 | 0.30 | Consistent and measurable Jersey Enterprise communications performance as monitored by annual online surveys. | Pre and post year awareness and service delivery performance. | 2010 | Being more reactive than pro-active, responding to rather than foreseeing or predicting events/issues. |
| 4 | Grant Support for Jersey Business Ventures. | 96,333 | 97,951 | 0.10 | Quantitative and qualitative measures of team performance: Appointments made, Start-ups advised, qualitative client feedback. | Contribution towards Jersey Enterprise overall targets and performance measures: increased utilisation figures and outcomes. | 2010 | Failure to perform to targets and indicators set out in SLA. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|--|------------------------|--------------------------------------|------|---|--|-----------|---|
| 5 | Develop client-friendly online access to Jersey Enterprise support through the completion of Phase 2 of Jersey.com/Enterprise. | 21,333 | 22,951 | 0.10 | New website launched. | New site being used to delivery business support and B2B opportunities. | 2010 | Delays in delivery from outside agency. |
| 6 | Expansion of business incubator to provide easy access start up premises and early stage business support. | 56,997 | 71,556 | 0.90 | Incubator open. | The creation of 20 new high value start- ups. | 2010 | Delays in delivery from outside agency. |
| 7 | Introduce Business Advisory Service- generic business coaches/mentors- marketing and IT consultants- access to professional advice from lawyers accountants etc. | 125,665 | 133,753 | 0.50 | External team of advisors providing advice. | 100 companies referred to external advisors. | 2010 | Lack of support from outside agencies. |
| 8 | Promote and support the best practice business Standards such as IIP Business Excellence. | 30,332 | 36,803 | 0.40 | 10 companies committing to Investors in People. | 5 companies becoming accredited to the Standard. | 2010 | Change in agreement with IIP UK. |
| 9 | Recognise good practices through the Jersey Awards for Enterprise. | 64,331 | 75,655 | 0.70 | Delivery the Jersey Enterprise Awards initiative. | 50 entries for the business category, 40 for the community awards. 800 guests attending gala dinner. | 2010 | Lack of interest from sponsors. |
| 10 | Encourage and support the growth in exports of Jersey products and services. JEDI. | 102,832 | 109,303 | 0.40 | 20 companies developing exports. | Growth in export trade from Jersey. | 2010 | Decline in business confidence. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|---|------------------------|--------------------------------------|------|---|--|-----------|---|
| 11 | Improve access to finance. Small firms Loan Guarantee Scheme, Business Angels Network & links to the British Venture Capital Association. | 25,332 | 31,803 | 0.40 | 20 businesses receiving support. | Increased availability of working capital, growth within the supported companies. | 2010 | Decline in business confidence. |
| 12 | Seek out and attract high value, low footprint inward investment and new market opportunities to Jersey. | 136,997 | 151,556 | 0.90 | Identify and develop new inward investment and new market opportunities. | Increased International profile/Increased level of business enquiries/press coverage/Partnerships developed with private sector. | Ongoing | Lack of financial resource or buy in from private sector. |
| 13 | Increase scope of Cluster Development programme to increase on Island capacity and grow the supply chain. | 106,665 | 114,753 | 0.50 | New clusters identified and developed action plans produced. | Networks established and action plans in place. | Ongoing | Lack of buy in from businesses and failure of cluster to produce business plan. |
| 14 | Develop with strategic public and private sector partners an appropriate programme of off-island promotional events covering a wide range of Jersey promotional opportunities and messages. | 121,664 | 134,605 | 0.80 | Five high quality off-Island events held incorporating other EDD sections where possible. | Increased International profile/Increased level of business enquiries/press coverage/Partnerships developed with private sector. | Ongoing | Lack of financial resource or buy in from private sector. |
| 15 | High Growth Companies Programme. | 54,331 | 65,655 | 0.70 | 5 companies on HGP. | 5 companies reporting high growth and the creation of new jobs. | | Decline in business confidence. |
| 16 | Jersey Innovation Initiative. | 95,664 | 108,605 | 0.80 | 20 companies investing in innovation. | 10 companies selling or trading with new development. | | Delays in securing IP on inventions. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------------|--|------------------------|--------------------------------------|--------------|---|---|-------------|---|
| 17 | Actively promote and encourage high wealth individuals to take up residency. | 106,739 | 122,916 | 1.00 | Actively promote & encourage high wealth individuals to take up residency. | Increased number of applications from high Value Residents wishing to live in Jersey. Increased number of High Value Residents taking up residence in the Island. Increased tax receipts. | Ongoing | Changes in the regulatory environment in Jersey or competitor territories could cause interested parties to go elsewhere. |
| 18 | Bureau de Jersey - Develop greater economic, education, sport and cultural links with France. Also act as the de facto Consulate in Caen. | 75,000 | 75,000 | 0.00 | Additional business with France. More exchange between sports Clubs and schools and cultural exchanges. | Additional business with France. More exchange between sports Clubs and schools and cultural exchanges. | 2010 - 2012 | Unable to satisfy the increasing demand for assistance from both French and Jersey stakeholders. |
| 19 | Funding for Jersey Product Promotion Limited/Genuine Jersey to promote local produce & products. | 130,000 | 130,000 | 0.00 | Increased business growth of members. Increase in exports. | Increased economic activity of members. Higher recognition of Brand. | 2010 | Loss of brand quality and inappropriate pricing devaluing the brand. |
| Marketing | | 5,857,626 | 6,275,803 | 25.85 | | | | |
| | <u>Destination Marketing and Communication</u> | | | | | | | |
| 20 | Route Development - Develop new routes. | 200,000 | 200,000 | 0.00 | Maintain Paris route and add new routes. | Paris route maintained and new routes added. | 2010 | Airlines pull out of loss making services. |
| 21 | Deliver an integrated French & German marketing campaign designed to drive further growth in visitor numbers, these markets deliver £12m into the economy. | 529,103 | 556,610 | 1.70 | Visitor Numbers, Length of stay & Market Value. | Maintain brand presence and grow visitor economy from European markets. | | European business is affected by transport provision. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|---|------------------------|--------------------------------------|------|---|---|-----------|--|
| 22 | Publish & distribute a series of supporting print & electronic material to service enquiries & promote strong elements of the Jersey brand to potential customers in English, French and German (inc. Jersey Pass). | 532,103 | 559,604 | 1.70 | Increase in conversion ratio from looking to booking. | 2% increase in conversion ratio without increase in distribution. | 2010 | Competitive prices and value are necessary. |
| 23 | Development and content management of Jersey.com in 3 languages, to maximise the potential for on-line sales of tourism and other products. | 173,103 | 200,604 | 1.70 | Value of CRS bookings. Value of click through billings, online market share and total web visits. | Number of unique site visits and value of sales. | 2010 | Cheaper competitive product from online providers. |
| 24 | Jersey.com registration, licensing & related IT services i.e. CRS & web trends. | 53,388 | 55,006 | 0.10 | Intellectual property protection of Jersey URL's & web analytics. | Continued ownership of Jersey related URL's such as Jersey.com. | | Promotional funds for Jersey.com. |
| 25 | JHA Grant. | 54,888 | 56,506 | 0.10 | Training and recruitment services for the industry. | Fully staffed and trained hospitality industry. | 2010 | Programmes require day release by owners. |
| 26 | Deliver a UK consumer marketing campaign to develop the Jersey Brand and generate value for the visitor economy. Includes online marketing. | 1,715,631 | 1,764,163 | 3.00 | Visitor Numbers, Length of stay & Market Value. | 2% Growth. More visitors, staying longer, spending more. | 2010 | Recession is having an adverse affect on all travel. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|--|------------------------|--------------------------------------|------|---|--|-----------|---|
| 27 | Communicate Jersey's core attributes of appeal to major UK tourism market segments. Leverage positive editorial exposure in relevant media titles from the Jersey visitor event programme, to maximise media value for existing and potential sponsors, & grow awareness for future years. | 232,121 | 256,387 | 1.50 | Number of press visits. Opportunities to see (OTS) Return on investment per 1000 of target audience. Third party evaluation process tracking message delivery and photography. Key spokesperson tracking. | Significant positive editorial Jersey coverage across the range of UK media (TV, radio, print an online) to targeted audiences. | 2010 | Positive public relations can be affected by adverse publicity. |
| 28 | Communicate the core appeal of Jersey as a tourism destination in non UK tourism markets, through positive editorial exposure. Utilise the Jersey visitor event programme to maximise media value for existing and potential event sponsors & grow awareness for future years. | 226,121 | 250,387 | 1.50 | Number of press visits. Opportunities to see (OTS) Return on investment per 1000 of target audience. | Positive editorial Jersey coverage through TV, radio, print and online, primarily in France & Germany plus adhoc coverage worldwide. | 2010 | Positive public relations can be affected by adverse publicity. |
| 29 | To establish a Tourism board to benefit the local tourism industry. | 71,192 | 77,824 | 0.41 | An integrated management structure of the tourism industry. | Improved co operation and partnership with the tourism industry. | | The programme requires agreement on future direction. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|----------------------|--|------------------------|--------------------------------------|------|--|--|-----------|---|
| 30 | Develop Jersey's potential as a conference and incentive destination. Contractual commitment to fund the Jersey Conference Bureau. | 316,200 | 332,377 | 1.00 | Meeting, conference and incentive business promotion. | Increase in number and value of meetings, conference and incentive business and revenue from membership scheme. | 2010 | Affected by recession. |
| <u>Events</u> | | | | | | | | |
| 31 | Develop and implement an annual programme of events to encourage new business to Jersey, increase stay and on island spend. | 192,104 | 208,281 | 1.00 | Customer satisfaction analysis. Visitor value during periods of key events. | Lively, animated and well attended events which act as marketing communication platforms, are on brand and which animate the holiday experience. | 2010 | Bad weather, outbreak of swine flu, suppliers unable to provide infrastructure. |
| 32 | Develop a range of products and experiences to encourage new business to Jersey and maintain visitor satisfaction. | 124,104 | 140,281 | 1.00 | Customer satisfaction analysis. Visitor value during periods of key activity, maintenance of walking statistics. | Range of activities including guided walking programme, night and farmers' markets, street theatre and monthly activities. | 2010 | Bad weather, outbreak of swine flu, suppliers unable to provide infrastructure. |
| 33 | Grants and sponsorships - Battle, Jersey Seniors Classic and Air Display. | 353,136 | 361,872 | 0.54 | Customer satisfaction analysis. Visitor value during periods of key events. | Lively, animated and well attended events which act as marketing communication platforms are on brand and which animate the holiday experience. | 2010 | Event organisers not complying with Financial Code of Directions. Suppliers unable to provide services. |
| 34 | Band of the Island of Jersey. | 10,000 | 10,000 | 0.00 | Customer satisfaction analysis. Visitor value during periods of key events. | Programme of music for civic occasions and general animation for visitors throughout the summer season. | 2010 | Band members unable to perform. |

| EDD BP Ref | <u>Key Objective</u> | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|---------------------------------------|---|------------------------|--------------------------------------|------|--|--|-----------|--|
| <u>Joint Marketing</u> | | | | | | | | |
| 35 | Support the promotion of Jersey through trade channels - working with Tour operators, travel agents & trade media. These channels delivered approx 53% of visitor volume and £71M in value. | 683,103 | 710,600 | 1.70 | Increase in sales via trade channels, currently 53% of all SLV business. | Increase in trade sales by 2%. | 2010 | Relies upon joint funding from industry. |
| <u>Research and Statistics</u> | | | | | | | | |
| 36 | Measure marketing/industry performance through effective management of visitor economy data. | 125,000 | 125,000 | 0.00 | Compilation of visitor statistics, annual report, and some adhoc work. | Quality data produced on a monthly basis. | 2010 | Supplier unable to provide service. |
| <u>Visitor Services</u> | | | | | | | | |
| 37 | Operate information and sales outlets to ensure that potential and actual visitors are directed to relevant segments of the Jersey offering and to maximise revenue. | 317,326 | 461,300 | 8.90 | Increased revenue from retail items. Client satisfaction. | Increase in visitor numbers to the centre. | 2010 | Service dependent upon visitor numbers. |
| 38 | To maintain and grow market share of CRS bookings into the local industry. | -51,000 | -51,000 | 0.00 | Improved accessibility to Jerseylink system. | Increase in number and value of bookings made using CRS. | 2010 | Competition from On line commercial providers. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|--|---|------------------------|--------------------------------------|--------------|---|--|-----------|---|
| Policy and Regulation | | 4,352,406 | 4,838,100 | 30.02 | | | | |
| <u>Competition Law</u> | | | | | | | | |
| 39 | Work with the JCRA to create a more competitive commercial environment through the application of the Competition (Jersey) Law, in line with the States Strategic Plan (1.2.1) (1.6.1) (1.7.1). | 411,121 | 414,357 | 0.20 | Monitoring of SLA, especially timeliness of response to complaints. Number of complaints. Number of complaints investigated. Number of complaints successfully resolved. Number of Article 6(4) requests. | Increase in consumer choice in telecommunications, postal services and other sectors. Possible price reductions. | Ongoing | Delays to legislative improvements due to pressure on law drafting. |
| <u>Consumer Affairs / Trading Standards</u> | | | | | | | | |
| 40 | Monitor and enforce Price Indicators (Jersey) Law 2008 and subordinate Regulations. | 20,849 | 26,569 | 0.35 | Clear and consistent pricing of consumer goods. | Price conscious, confident consumers. | Ongoing | Price Indications not clear to consumers. |
| 41 | Monitor and enforce the Anti Counterfeiting provisions of the Trade Marks (Jersey) Law 2000. | 14,921 | 18,965 | 0.25 | Reduced quantities of counterfeit goods offered for sale to support reputable businesses. | Reputable traders do not suffer from unfair competition and consumers get the quality of goods associated with brands. | Ongoing | Increased instances of unauthorised use of registered trade marks. |
| 42 | Monitor and Enforce the Consumer Safety (Jersey) Law 2006. | 29,641 | 37,730 | 0.50 | Prevent the supply of unsafe goods and publish safety recalls. | Personal injury or damage from failed consumer goods kept to a minimum. | Ongoing | Personal injuries from unsafe goods. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|---|------------------------|--------------------------------------|------|--|--|-----------|---|
| 43 | Monitor and enforce the Distance Selling (Jersey) Law 2007. | 37,434 | 47,949 | 0.65 | Increase in the average % compliance for Jersey e-traders. | Increased consumer confidence when dealing with Jersey e-traders. | Ongoing | Reduced sales by Jersey e-traders - Reputation Issues. |
| 44 | Monitor and enforce the Merchandise Marks (Jersey) Law 1958 and the Video Recordings (Jersey) Law 1990. | 5,795 | 7,251 | 0.09 | Reduced numbers of complaints relating to mis-description of goods and classifications of DVD/Games. | Consumers can rely on descriptions applied to goods and children are protected from purchasing unsuitable video material. | Ongoing | Unfair trading environment and children exposed to unsuitable material. |
| 45 | Provision of the Consumer Advisory Service in relation to Supply of Goods and Services (Jersey) Law 2009 and subordinate Regulations. | 107,138 | 137,389 | 1.87 | Educating consumers on their statutory rights and provide businesses with guidance on their responsibilities. | Increased awareness of consumer statutory rights leading to increase instances of appropriate redress from informed traders with less recourse to Petty Debts Court. | Ongoing | Consumer detriment when statutory rights not honoured. |
| 46 | Review, monitor and enforce the Weights and Measures (Jersey) Law 1967. | 101,630 | 132,366 | 1.90 | Provide pro-active inspection, verification services and business advice. Review existing subordinate legislation. | Maintain a fair trading environment with de-regulation where possible. | Ongoing | Unfair trading environment leading to consumer detriment. |
| 47 | Monitor and enforce the Protection of Children (Restriction on Supply of Goods) (Jersey) Law 2009. | 5,795 | 7,251 | 0.09 | Provide guidance to businesses on new Law. Take appropriate enforcement action. | No instances of children obtaining butane gas from retailers for abuse purposes. | Ongoing | Children able to obtain age restricted goods. |
| 48 | Manage the partnership agreement with the Jersey Consumer Council. | 103,730 | 104,862 | 0.07 | Compliance with the Partnership Agreement. | Ensuring value for money from ED grants. | 2010 | Lack of strong consumer voice impacting on economic growth. |
| 49 | Progress proposed Estate Agency legislation. | 3,730 | 4,862 | 0.07 | If drafting time allocated - detailed drafting instructions. | A new law regulating the activities of estate agents in Jersey. | 2010 | Estate agency businesses continue to be unregulated. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------------------------|---|------------------------|--------------------------------------|------|---|--|-----------|--|
| 50 | Progress the Consumer Protection Strategy with regard to the Unfair Commercial Practices Directive (2005/29/EC). | 10,328 | 11,946 | 0.10 | Assessment of the need for similar consumer protection legislation in Jersey. | Progress up to date Consumer Protection regimes appropriate for Jersey. | Ongoing | Consumers less protected from unfair trading practices compared to E.U. consumers. |
| <u>Finance Sector</u> | | | | | | | | |
| 51 | Provide funding for Jersey Finance Limited, as per the partnership agreement with the Department. | 1,800,000 | 1,800,000 | 0.00 | Activities promoting the Island's Finance Industry go ahead, and the reputation of the Island as an International Finance centre is maintained. | The island's reputation as an International Finance centre will be maintained with growth in the Island's financial services businesses relative to overall global economic situation. | Ongoing | That financial conditions around the world prevent continued growth. |
| 52 | Depositors Compensation Scheme. | 40,000 | 40,000 | 0.20 | The establishment of the organisational functions necessary to support the law establishing a Depositors compensation scheme. | A fully operational Depositors Compensation Scheme. | Ongoing | That adequate resources are not available. |
| 53 | To support the finance industry, particularly through developing new legislation for the benefit of the industry. | 375,722 | 408,077 | 1.80 | Number of pieces of legislation passed on time/industry feedback. | Reform and development of existing laws including company law, trusts and partnership law. | Ongoing | That adequate resources are not available. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|--|---|------------------------|--------------------------------------|------|--|--|-----------|---|
| <u>Gambling Legislation and Control</u> | | | | | | | | |
| 54 | Administer Gambling (Jersey) Law and Regulations. | -104,675 | -89,307 | 0.95 | Monitor numbers of licences issued. Monitor incidents of non-compliance. Monitor numbers of complaints. Complaints to be investigated within two days. Registrations and Permits to be processed within ten days. All income to be paid into Treasury within 5 days. | No successful appeals of departmental decisions. Any illegal activity to be prevented or halted. | Ongoing | Other criminal activity delays investigation. |
| 55 | Continue to support Public Lotteries Board and operate CI Lottery at a profit. | -1,697 | 6,391 | 0.50 | Board continues to meet, inform and advise the Minister on policy relating to the CI Lottery. The Board to meet at least twice a year. | A successful exchange of views between the Board and the Minister. | Ongoing | Ticket sales may decline with economic cycle. |
| 56 | Present new draft Gambling Law & Regulations to the States. | 25,022 | 32,302 | 0.45 | Present to the States a new Gambling law and regulations. | Gambling Law and Regulations presented to the States for Debate. | 2010 | Changes in regulatory regime may delay delivery of draft legislation. |
| 57 | Work with the Gambling Commission to create a more competitive commercial environment through the application of the Gambling (Jersey) Law. | 145,022 | 152,285 | 0.45 | Establishment of the Gambling Commission. Transfer of functions from the Gambling Assembly and new SLA to govern departmental funding. | New Law and Regulations passed by the States. Gambling Commission established and functions transferred from the Gambling Assembly. SLA implemented. | 2010 | States may decide not to pass draft legislation. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|--|------------------------|--------------------------------------|------|--|--|-------------|--|
| | <u>Regulation of Undertakings</u> | | | | | | | |
| 58 | Regulation of Undertakings and Development. | 333,921 | 431,000 | 6.00 | A balance between economic growth and demand on the resources of the Island. | Adherence to States approved target of +150 inward migration (heads of household) / +325 individuals over 3 years on average annualised basis. | 2006 - 2011 | Economic slow down, in particular, one that does not produce a balance between available job opportunities and the skills of locally qualified persons looking for work. |
| | <u>Rural Sector</u> | | | | | | | |
| 59 | Prepare agricultural statistics involving an annual census under the Agricultural Returns (Jersey) Law 1947. | 23,968 | 30,439 | 0.40 | Annual report produced by following August. | Good data leading to intelligence led decisions. Analysis of effect of Rural Economy Strategy over time. | 2009 | Missing or inaccurate returns. |
| 60 | Strategic development for the Rural Sector. Implementation of the Rural Economy Strategy. Compliance with EC trade directives relating to agricultural products. | 166,609 | 209,155 | 2.63 | Increased productivity with a target of 2% real economic growth in the Rural Economy in 2010 - 2011. | Growth in the rural economy, with a focus on agriculture. Compliance with EU Trade commitments. | 2010 - 2011 | Loss of strategic direction, through lack of resources, restricting implementation. |
| 61 | Administer Plant Breeders Rights (Jersey) Order 200- & appeals. | 4,706 | 5,515 | 0.05 | Plant Varieties Office set up within 6 months of adoption of Order. | Facility opened for protection of Plant Varieties in Jersey. | 2010 | Lack of administrative capacity. |

| EDD BP Ref | <u>Key Objective</u> | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|----------------------------------|---|------------------------|--------------------------------------|------|--|---|-----------|---|
| <u>Policy Development</u> | | | | | | | | |
| 62 | Secure and maintain air and sea transport links. | 31,834 | 39,114 | 0.45 | Ongoing advice to the Minister on external transport links. | A Green Paper consultation on the regulation of sea transport will have been carried out; Planning for expiry of car ferry permits commenced (notice in June 2011) UK and international aviation and shipping policy initiatives will have been considered and action taken as appropriate. | 2010 | Technical nature of subject matter may make it difficult to agree style and content of Green paper. |
| 63 | Retail industry policy and legislation development. | 76,453 | 95,057 | 1.15 | Administer the retail industry framework and Sunday trading legislation. | Sunday Trading Law approved by the States, Regulations drafted and available for presentation to the States subject to consultation. | 2010 | States may not approve Sunday trading law. A reasonable level of consensus is needed to progress Regulations. Island Plan policies on retail development have a direct effect on the retail framework. A reasonable level of consensus on the retail framework may be difficult to achieve. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|---|------------------------|--------------------------------------|------|--|---|-----------|---|
| 64 | Develop a fair, trusted and efficient regulatory environment for the owners and users of intellectual property. | 276,984 | 309,338 | 2.00 | Copyright law and subordinate legislation will be brought into force subject to States approval. Administrative functions under the copyright law will be managed. Trade Marks and Plant Varieties law drafting instructions will be progressed. | New copyright law in force. Plant Varieties law will be put out to consultation and scope of changes to the Trademarks law will have been considered. E-commerce / Intellectual Property PPP will have been considered. | 2010 | States may not approve the Law. It may prove difficult to draft copyright subordinate legislation. May be a need to consult on subordinate legislation. |
| 65 | Support improved customs arrangements for Jersey exporters to France. | 7,474 | 9,092 | 0.10 | Arrangements for exporters to France will be kept under review. | Customs and VAT arrangements and the effectiveness of the St Malo Customs Agreement with Jersey shellfish exporters will have been considered. | 2010 | None identified. |
| 66 | Develop policy on the expansion of the Jersey Ships Register. | 14,948 | 18,184 | 0.20 | Work will take place with the MCA surveyors and legal advisers to prepare the ground for the expansion of the registry. | Policy agreed as to scope of expanded registry. | 2010 | States may not approve expansion of the register. Business case for expansion may not achieve wider support. |
| 67 | Administer the Places of Refreshment Law. | 3,621 | 6,857 | 0.20 | Places of Refreshment licences awarded within justifiable timeframe (subject to police checks). | The future of this legislation will have to be reviewed along side the liquor licensing review. Subject to this review the Law will continue to be administered as efficiently as possible. | Ongoing | No provision made for staff replacement and training. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|---|------------------------|--------------------------------------|------|---|---|-----------|---|
| 68 | Administer the relevant sections of the Licensing Law and produce drafting instructions for new licensing law by the end of 2008 in line with objective 3.2.5 of the States Strategic Plan. | -273,879 | -270,643 | 0.20 | Attend upon the Licensing Assembly. Delivery Law Drafting Instructions for new law. | The Licensing Assembly will have answers to any queries raised by applications from premises registered under the Tourism Law. Instructions to the Law Draftsman will have been provided by September 2010. | 2010 | Lack of agreement over priorities between departments, industry and public delays delivery. |
| 69 | Continue to administer the Policing of Beaches Regulations and advise the Minister on licensing applications there-under. | 2,621 | 5,857 | 0.20 | Licences issued within justifiable timescale. Continue to liaise with Jersey Harbours on marine safety issues and concessionaires on improving the process. | The maintenance of a transparent and accepted process for the awarding of licences under the Policing of Beaches Regulation. | Ongoing | Lack of co-operation between stakeholders increases regulatory intervention. |
| 70 | Continue to monitor and keep up to date with Communications, Broadcasting, and Wireless Telegraphy in line with UK. | 12,962 | 18,624 | 0.35 | All necessary UK sponsored legislation reviewed, adapted and extended to the Island in a timely manner. | All legislation extended within prescribed periods and no disruption of service. | Ongoing | Frequency of reviews, consultations and legislative updates means policy development purely reactive. |
| 71 | Monitor and oversee enforcement of existing maritime legislation (navigation, safety at sea etc.) Oversee investigations into accidents & breaches of legislation. | 15,621 | 18,857 | 0.20 | Compliance in accordance with Jersey Harbours and H&S MoUs. Management of safety reports. | Prompt reporting and effective inter-agency liaison. | Ongoing | Lack of enforcement damages Jersey's international reputation. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|---|------------------------|--------------------------------------|------|--|---|-----------|--|
| 72 | Produce Law drafting instructions to ensure modern and compliant marine legislation. | 20,121 | 23,357 | 0.20 | Law drafting instructions drawn up. | Law drafting underway. | 2010 | Consultation or other drafting delays delivery. |
| 73 | Undertake Registration, inspection and complaints administration of Tourism Law. | -37,840 | -30,884 | 0.43 | Numbers of premises registered under the Law. Number of complaints by registration category. Number of complaints resolved within one week. (Complaints must be received during visitor stay). Percentage of complaints from total visitor numbers. | Registration complaints will be investigated within one week and total complaints should be no higher than 5% of total visitor numbers. | Ongoing | No provision made for staff replacement and training. |
| 74 | Work with Ofcom, States of Guernsey and UK Government departments to produce an integrated Digital Television Strategy for the Channel Islands. | 23,130 | 29,277 | 0.38 | Strategy developed to ensure delivery of digital television and supporting infrastructure in line with UK Digital Action Plan. | An agreed action plan which ensures that the same percentage of residents have access to TV reception after analogue switchover. | 2010 | Differing department priorities result in delay to delivery programme. |
| 75 | In dialogue with key stakeholders, ensure the role and purpose of the Tourism Law and subordinate legislation remains fit for purpose. | 13,345 | 17,228 | 0.24 | Targeted discussions with JHA and wider industry undertaken as necessary. | Tourism industry given opportunity to comment. | 2010 | Industry may not be sufficiently united to provide strategic overview. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|---|------------------------|--------------------------------------|------|---|--|-----------|---|
| 76 | Produce work stream under 'Knowledge Economy' Heading of the British Irish Council to encourage take-up of business continuity planning by SMEs and micro businesses. | 22,130 | 28,277 | 0.38 | Interim progress report produced and accepted by all participating jurisdictions. Final plan and report produced and agreed by Heads of Government Summit. This work should be brought to a conclusion. | Meetings will have taken place in participating jurisdictions and all parties will have agreed a progress report. A final report and presentation should be agreed at the next BIC Summit. | 2010 | Changing political priorities across the jurisdictions delay acceptance of Working Group recommendations. |
| 77 | Develop and maintain Ecommerce strategy for Jersey. | 65,605 | 81,783 | 1.00 | Draft new eCommerce policy document. Document to be with the Minister by Q3. | Ministerial approval for draft policy leading to a well defined roadmap and framework for the Islands Ecommerce infrastructure. | Ongoing | Key member of staff may not be appointed. |
| 78 | Manage contract with CTV to provide sub-titling services for the benefit of the deaf and hard of hearing - Contract runs until 2012. | 81,437 | 85,482 | 0.25 | The provisions of the contract will be monitored quarterly and reported against annually. | The provision of an adequate sub-titling service that caters for the legitimate expectations of the deaf and hard of hearing. | Ongoing | Contract may not be renewed because of funding pressures. |
| 79 | Manage the contract with the BBC for use of spectrum by BBC Radio Jersey. | 2,224 | 2,871 | 0.04 | Monitor the contract with the BBC for compliance. Liaise with the BBC as necessary. Monitor the number of complaints. Refer complaints to BBC within two days. | The continued broadcasting of BBC Radio Jersey in accordance with the agreed terms of reference. | Ongoing | Cost of supplying the service will exceed the public service commitment of the BBC. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|---|------------------------|--------------------------------------|------|---|--|-----------|--|
| 80 | Monitor and enforce the SLA between Jersey Harbours and Regulatory Services for the provision of the Beach Lifeguard Service. | 261,121 | 264,357 | 0.20 | The provisions of the SLA will be monitored quarterly and reported against annually. | The provision of an efficient and adequately resourced beach life guard service. | Ongoing | Resource constraints may mean reduced levels of service provision. |
| 81 | Work with Jersey Enterprise, Maritime Cluster and Jersey Harbours to support growth in Shipping Register and related maritime industry. | 11,121 | 14,357 | 0.20 | Maritime Cluster formed and representing needs of industry. | Improved market profile and measurable growth for ship registry and related industry. | 2010 | Lack of investment necessary to generate longer term returns and additionality in the economy. |
| 82 | Work with Ofcom and the JCRA to ensure that there is sufficient competition in the communications industries. | 11,121 | 14,357 | 0.20 | Choice of products for local consumers increase and price variability enhanced. | Jersey consumers have increased choice of service provider, product and price. The market will stabilise allowing long-term competition with at least two providers. | Ongoing | Increased competition in the marketplace causes current operators to withdraw. |
| 83 | Work with Treasury and Resources to address the future of States-held utilities. | 2,224 | 2,871 | 0.04 | Liaise with Treasury and Resources Department to ensure that utilities legislation sponsored by Economic Development is reviewed in the event of a proposed sale. | To ensure that in the event of a sale, the public interest is protected and the consumer is offered appropriate safeguards. | Ongoing | Political and market conditions predicate against privatisation. |
| 84 | Maintain current statutory Shipping Registry functions. | 7,314 | 37,080 | 1.84 | Management of all ship registration processes as required by law. | A safe and efficient Jersey ship register, in full compliance with international standards. | 2010 | Lack of enforcement damages Jersey's international reputation. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|-----------------------------------|---|------------------------|--------------------------------------|-------------|---|--|-----------|--|
| 85 | Appoint Consultant to provide technical representation and expertise at international level and ensure compliance. | 40,000 | 40,000 | 0.00 | Management of all ship surveying processes as required by law and attendance at international meetings as required. | High levels of safety code compliance (<2 notifiable breaches); Improved international representation and technical knowledge; MOU with 1 Classification Society. | 2010 | Key member of staff may not be appointed. |
| RURAL ECONOMY | | 2,495,142 | 2,537,099 | 2.60 | | | | |
| <u>Single Area Payment</u> | | | | | | | | |
| 86 | Continuation of decoupled direct aid with conditionality for rural businesses in line with the Rural Economy Strategy and similar aid provided in the EU, to promote greater efficiency and market focus. | 1,021,918 | 1,028,300 | 0.40 | Increase in GVA per vergee. | Sustained economic growth through new and number of businesses supported. A decoupled payment unmasking the inefficiencies of a subsidy driven support system and allowing businesses to grow crops that are required by the market rather than those they are encouraged to grow through specific crop subsidy. | 2010 | SAP claims exceed forecast budget due to competition in the potato sector. |

| <u>EDD BP Ref</u> | <u>Key Objective</u> | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|---|---|------------------------------|---|------|---|---|--------------|---|
| <u>Quality Milk Payment</u> | | | | | | | | |
| 87 | Continue Quality Milk Payment, linked to conditionality. | 631,242 | 632,900 | 0.10 | 100% of holdings receiving QMP to have a Farm Manure and Waste Management Plan in order to protect water and maximise the financial value of waste by using it as a fertilizer. Reduced infractions of Dairy Hygiene regulations. | Reducing levels of Nitrate in water. Increased compliance with dairy hygiene regulations. Increased trend in % EBITDA of top 50% towards a target of 20% EBITDA | 2010-2012 | % EBITDA targets not met. |
| <u>Dairy Service Support Payment</u> | | | | | | | | |
| - | | | | | | | | |
| 88 | Administer dairy industry provision service grant. | 202,740 | 203,500 | 0.05 | Provision of a Milk Recording, Artificial Insemination and Bull Proving Service. | Service delivered to the dairy industry and quarterly payment met as per SLA with the RJA&HS. | 2009 | Key services to the dairy industry are unavailable. |
| <u>Provision of School Milk</u> | | | | | | | | |
| 89 | To provide milk, free at point of delivery, to all primary school children in Jersey. | 180,740 | 181,500 | 0.05 | Administration of an annual SLA for the provision of School Milk. | Monthly monitoring to ensure protocols and payment schedules are met. | 2009 | Requirement for political support. |

| <u>EDD BP Ref</u> | <u>Key Objective</u> | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|--------------------------------|--|------------------------------|---|------|--|--|--------------|--|
| <u>Rural Initiative</u> | | | | | | | | |
| 90 | Rural Initiative Scheme. | 332,877 | 342,600 | 0.60 | The provision of a grant that is open to all rural and fishing businesses to assist with researching and diversifying in to new markets, assist with the provision of common modern infrastructure and improving facilities. | The provision of grant support that will accelerate growth in the rural economy, achieved by supporting appropriate diversification, enterprise and innovation, whilst avoiding the displacement of existing Island businesses. Also to provide pump-priming funding for businesses that are finding difficulties with financing projects due to the lack of available credit as a consequence of the economic downturn. | 2010-2011 | Scheme over subscribed. Projects not delivered to timetable. |
| <u>General Support</u> | | | | | | | | |
| 90 | Administration of the Agricultural Loans Scheme made under the Agriculture (Loans and Guarantees) Jersey) Law 1974 as amended and subordinate Regulations. | 35,953 | 41,642 | 0.35 | Arrears lowered by 10% per annum. | Lower level of outstanding loans. | Ongoing | External economic factors leading to failure of repayment plans and increased arrears. |
| 91 | Statutory Compensation Payments under the Diseases of Animals (Jersey) Law 1956. | 5,240 | 6,049 | 0.05 | Payments made against validated claims. | Compensation paid to farmers according to the law. | 2009 | Higher budget required if major disease outbreak occurs. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|--|---|------------------------|--------------------------------------|-------------|--|--|-----------|---|
| 92 | To maintain the provision of a UK based produce export manager to quality control and market Jersey produce and products. | 84,432 | 100,610 | 1.00 | Maintenance of existing export markets, especially potato exports worth £24m + to Jersey economy. | Increased competitiveness and GVA in rural economy - businesses that invest in marketing during an economic downturn can outperform those that decrease their marketing efforts by a large margin. | Ongoing | Loss of export markets. |
| SKILLS | | 461,997 | 476,600 | 0.90 | | | | |
| <u>Training and Workforce Development</u> | | | | | | | | |
| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
| 93 | Enterprise Education. | 1,333 | 2,995 | 0.10 | Take up levels of Enterprise Education training in schools & College. | 75% level of take up in secondary schools. | Ongoing | Lack of funding. |
| 94 | Demand Capture. | 32,666 | 35,901 | 0.20 | Monitor measure and report to Skills Jersey Board the future on-island demand for skills and training. | Annual Report successfully produced with quarterly updates as appropriate. | Ongoing | Lack of resources or access to information. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------|---------------------------|------------------------|--------------------------------------|------|--|---|-----------|--|
| 95 | Skills Development. | 198,999 | 203,852 | 0.30 | Identification, development & delivery of appropriate ad-hoc skills training to meet the priorities of the skills Executive and Skills Jersey Board. | Training or skills placements provided for at least 100 people. | Ongoing | Inability to source or resource appropriate skills providers in certain Skills Board priority areas. |
| 96 | Apprenticeships. | 192,666 | 195,901 | 0.20 | Re-launch and expansion of Jersey Apprenticeship Scheme. | 40+ new Apprentices recruited in existing or new study areas. | Ongoing | Lack of progress in implementing the review outcomes. |
| 97 | Undergraduate Internship. | 36,333 | 37,951 | 0.10 | Provision of over 60 U/G internship placements for Jersey students returning to Jersey. | 60 companies and students successfully matched. | Ongoing | Economic conditions reducing the availability of appropriate student placements. |

| EDD BP Ref | Key Objective | 2010 Net Expenditure £ | 2010 Expenditure Including Overheads | FTE | Key Performance Indicators | Target / What will success look like | Imp. Year | Key Risk |
|------------------|---|------------------------|--------------------------------------|--------------|---|--|-----------|--|
| OVERHEADS | | 1,141,615 | 0 | 5.00 | This overhead budget has been apportioned over the service areas above | | | |
| 98 | Corporate Resources – <u>Administrative Costs.</u> | 100,100 | | 0.00 | Centralised administration of day to day activities. | Continued administration of non sectional activities. | Ongoing | Exceptional administrative costs beyond Departmental control. |
| 99 | Corporate Resources - <u>Manpower.</u> | 406,132 | | 5.00 | Recharge non departmental sections of costs whilst occupying space within Liberation Place offices. | Continued administration of non sectional activities. | Ongoing | Exceptional staff costs beyond Departmental control. |
| 100 | Corporate Resources - <u>Premises and Maintenance.</u> | 407,883 | | 0.00 | Centralised administration of non section specific premises. | Continued administration of non sectional activities. | Ongoing | Exceptional capital or maintenance costs beyond Departmental control. |
| 101 | Corporate Resources - <u>Supplies and Services.</u> | 112,500 | | 0.00 | Centralised administration of day to day activities. | Continued administration of non sectional activities. | Ongoing | Exceptional revenue costs beyond Departmental control. |
| 102 | <u>Grants</u> and Subs. | 80,000 | | 0.00 | Departmental contribution towards states Oxera costs. | Delivery by Oxera of work directly related to Departmental responsibilities. | Ongoing | Exceptional costs beyond Departmental control. |
| 103 | Maintain accurate records of EDD client contacts by maintaining and delivering a departmental CRM system. | 35,000 | | 0.00 | Implementation & enhancement of CRM system. | 100% user acceptance; development of appropriate EDD-wide reporting. | 2010 | Failure to secure compliance or development activity meeting Departmental needs. |
| Total | | 15,879,900 | 15,879,899 | 75.47 | | | | |

SECTION 4 - RESOURCES

FINANCIAL COMMENTARY

The Economic Development department is responsible for the strategy and economic outputs of all areas of the Jersey economy. It delivers a coordinated customer focused operation that is both fit for delivering sustainable economic growth and is responsive to the demands of both the local and global economy.

The consolidation of the former sector based activities ultimately provides better customer service and support. It is now possible for a business to access holistic advice, guidance and support on all aspects of business management from one source.

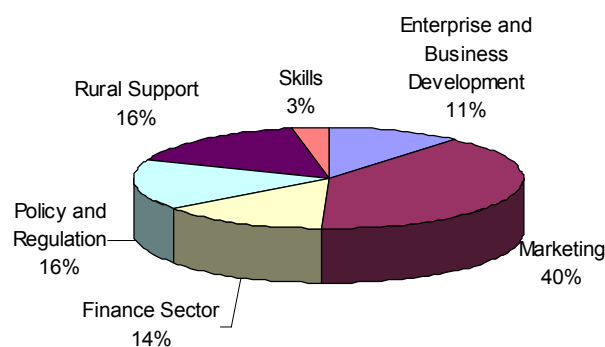
As in the 2009 Business Plan, the budget is presented in terms of activity as opposed to industry sector.

The department undertakes continuous business planning and monitoring throughout the year, which ensures that budgets are directed to the most effective investments. Hence, there are variations (highlighted in the attached tables) from the previously published States of Jersey Annex to the Draft Annual Business Plan 2009, which are explained below:

- To support an increase in Route Development, activities have been re-prioritised. Funding has been made available from the Enterprise and Business Development and the Gambling Legislation and Control budgets.
- A reduction of Shipping Registry costs has been partly used to fund an increased Tourism events programme.
- A reduction in the JCRA grant to match the agreed deliverables for 2010.

Due to the changing nature of the Jersey economy, there are likely to be further changes to the Economic Development budgets. These will be approved and implemented in line with the States' Financial Directions.

Net Revenue Expenditure - Sections



Economic Development will ensure that robust plans are in place to manage any disruptive challenges to routine activity. Emergency planning, critical incident management and business continuity management will be incorporated into strategic and operational planning as well as day to day business.

Economic Development

Net Revenue Expenditure - Service Analysis

| | Estimate as per 2010 Business Plan | Variation to 2010 estimate | Revised 2010 Estimate | Reason for Variation |
|--|--|----------------------------------|-----------------------------|--|
| | £ | £ | £ | |
| Enterprise and Business Development | 1,859,300 | (107,003) | 1,752,297 | Research & Development Budget reduced to fund Route Development |
| Marketing | | | | |
| Destination Marketing and Communication | 4,014,200 | 295,268 | 4,309,468 | Budget increased to fund Route Development |
| Events | 695,400 | 25,035 | 720,435 | Increased funding event programme |
| Joint Marketing | 710,600 | - | 710,600 | |
| Research and Statistics | 125,000 | - | 125,000 | |
| Visitor Services | 410,300 | - | 410,300 | |
| Policy and Regulation | | | | |
| Competition Law | 464,500 | (50,143) | 414,357 | Reduction in JCRA grant |
| Consumer Affairs / Trading Standards | 538,300 | (1,160) | 537,140 | |
| Finance Sector | 2,251,500 | (3,423) | 2,248,077 | |
| Gambling Legislation and Control | 226,700 | (125,028) | 101,672 | Reduction in budget due to delay in Gambling Commission & reduction in operating costs |
| Regulation of Undertakings | 431,000 | - | 431,000 | |
| Rural Sector | 248,600 | (3,492) | 245,108 | |
| Policy Development | 890,800 | (30,054) | 860,746 | Reduction of Shipping Registry Costs |
| Rural Support | | | | |
| Single Area Payment | 1,028,300 | - | 1,028,300 | |
| Quality Milk Payment | 632,900 | - | 632,900 | |
| Dairy Service Support Payment | 203,500 | - | 203,500 | |
| Provision of School Milk | 181,500 | - | 181,500 | |
| Rural Initiative | 342,600 | - | 342,600 | |
| General Support | 148,300 | - | 148,300 | |
| Skills | | | | |
| Training and Workforce Development | 476,600 | - | 476,600 | |
| Net Revenue Expenditure | £ 15,879,900 | | £ 15,879,900 | |

Economic Development

Reconciliation of Net Revenue Expenditure

| | 2010 £ | 2011 £ | 2012 £ |
|--|-------------------|-------------------|-------------------|
| Prior year Net Revenue Expenditure | 16,422,600 | 15,879,900 | 16,008,800 |
| 2009 Effect of June Pay Freeze | 44,800 | - | - |
| Revised Net Revenue Expenditure | 16,377,800 | 15,879,900 | 16,008,800 |
| Commitments in Base | | | |
| Overseas Aid Contribution | (11,900) | (23,000) | (23,700) |
| Additional Expenditure | | | |
| Provision for Annual Pay Awards | 62,800 | 102,600 | 100,800 |
| Non-staff Inflation | 313,400 | 299,300 | 300,000 |
| 2010 Business Plan Process | | | |
| Spending Priorities | | | |
| Overseas Aid Contribution | 11,900 | | |
| Savings Proposals | | | |
| Tourism Marketing PPP | (250,000) | (250,000) | (500,000) |
| Development of Routes (EDD) | (500,000) | | |
| Pro-rata savings | (144,000) | | |
| Business Enterprise PPP | | | (650,000) |
| Rural Economy rationalise grants and services | | | (450,000) |
| Rural Economy further target | | | (300,000) |
| Departmental Transfers | | | |
| Jubilee Wharf rent/electricity from Housing Department | 147,000 | | |
| Skills Strategy to Education, Sport and Culture | (127,100) | | |
| Net Revenue Expenditure | 15,879,900 | 16,008,800 | 14,485,900 |
| Manpower Numbers (FTE) | 75.6 | 75.6 | 75.6 |

Economic Development

Financial Summary 2010 - 2012

The Department's budget has decreased by £416,000 (3%) since 2009. The decrease is due to the savings proposals detailed in the Business Plan Process section below, which amount to £894,000 (5%), off-set by inflation of £376,000 (2%) and a budget transfer of £147,000 from Housing, relating to accommodation occupied by the Department in Jubilee Wharf.

During financial years 2011 to 2012, the Department will make further savings of £2,150,000, to support States wide cost pressures and developments.

Business Plan Process 2010-2012

To meet States wide cost pressures, during the 2010 Business Planning process, the Council of Ministers required Departments to review their budgets and service provision to identify potential savings. The Economic Development Department were required to find pro-rata savings of £144,000, which will be delivered through a combination of efficiencies and reducing service provision in low priority areas.

In addition to the pro-rata savings, the Department has identified several other areas where savings can be achieved.

By introducing a Public Private Partnership for Tourism it has been estimated that over the three years £1,000,000 can be saved, with ongoing savings after 2012 of £500,000 per annum.

Due to current industry requirements £500,000 less per annum can be invested in route development.

By introducing a Public Private Partnership for Enterprise and Development from 2012, £650,000 per annum can be saved.

Through making changes to way in which grants and services are delivered within the Rural Economy from 2012, £750,000 per annum can be saved.

Economic Development

Net Revenue Expenditure - Service Analysis (As published)

| | 2010 Gross Revenue Expenditure £ | 2010 Income £ | 2010 Net Revenue Expenditure £ |
|--|--|---------------------|---|
| Enterprise and Business Development | 1,984,800 | (125,500) | 1,859,300 |
| Marketing | | | |
| Destination Marketing and Communication | 4,351,200 | (337,000) | 4,014,200 |
| Events | 695,400 | - | 695,400 |
| Joint Marketing | 710,600 | - | 710,600 |
| Research and Statistics | 125,000 | - | 125,000 |
| Visitor Services | 600,300 | (190,000) | 410,300 |
| Policy and Regulation | | | |
| Competition Law | 464,500 | - | 464,500 |
| Consumer Affairs / Trading Standards | 552,900 | (14,600) | 538,300 |
| Finance Sector | 2,251,500 | - | 2,251,500 |
| Gambling Legislation and Control | 456,200 | (229,500) | 226,700 |
| Regulation of Undertakings | 441,000 | (10,000) | 431,000 |
| Rural Sector | 248,600 | - | 248,600 |
| Policy Development | 1,357,800 | (467,000) | 890,800 |
| Rural Support | | | |
| Single Area Payment | 1,028,300 | - | 1,028,300 |
| Quality Milk Payment | 632,900 | - | 632,900 |
| Dairy Service Support Payment | 203,500 | - | 203,500 |
| Provision of School Milk | 181,500 | - | 181,500 |
| Rural Initiative | 342,600 | - | 342,600 |
| General Support | 175,300 | (27,000) | 148,300 |
| Skills | | | |
| Training and Workforce Development | 491,600 | (15,000) | 476,600 |
| Net Revenue Expenditure | £ 17,295,500 | (1,415,600) | £ 15,879,900 |

Economic Development

| Capital Elements of Capital Projects | 2010 Expenditure Estimate £ | 2011 Expenditure Estimate £ | 2012-14 Expenditure Estimate £ | 2015+ Expenditure Estimate £ |
|--------------------------------------|--------------------------------------|--------------------------------------|---|---------------------------------------|
| Unspent pre-2010 Approvals | | | | |
| New Approvals 2010 | | | | |
| Airport - below ground works | 4,000,000 | - | - | - |
| New Approvals 2011 | | | | |
| Airport - below ground works | - | 4,750,000 | - | - |
| New Approvals 2012 | | | | |
| Airport - below ground works | - | - | 5,000,000 | - |
| Harbours - Gorey Pier Restoration | - | - | 2,966,000 | - |
| New Approvals 2013 | | | | |
| Airport - below ground works | - | - | 7,000,000 | - |
| New Approvals 2014 | | | | |
| Airport - below ground works | - | - | 4,250,000 | - |
| | £4,000,000 | £4,750,000 | £19,216,000 | - |

For further information visit

www.gov.je

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