



Treasury and Resources Business Plan 2014

CONTENTS

FOREWORD	2
Minister's introduction	2
SECTION 1	3
Introduction by the Treasurer of the States	3
Who we are	4
What we do	5
Our values	11
SECTION 2A – SUMMARY OF KEY OBJECTIVES AND PRIORITIES	12
SECTION 2B - ACTIVITIES, KEY PERFORMANCE INDICATORS, KEY RISKS	
TREASURY	
Accounting Services	17
Decision Support	21
Internal Audit	22
Tax Policy Unit	23
Taxes Office	23
Treasury Operations	26
RESOURCES	
Procurement	31
Property Holdings	32
SECTION 3 – FUNDING AND RESOURCE ALLOCATION	
Minister's introduction	34
Net Revenue Expenditure – Service Analysis	38
Statement of Comprehensive Net Expenditure	39
Reconciliation of Net Revenue Expenditure	40

FOREWORD

This is the second year of the Medium Term Financial Plan which saw a move to a three-year planning framework and is a significant part of Treasury policies to maintain our stable and strong public finances. This is evident by the credit rating which has been secured in 2013 which is not only the best rating possible for an Island but has a coveted stable outlook.

The last few years have been difficult for many Islanders and States employees. However we are beginning to see developments that show positive improvements for the Island. The Capital Economics work showed the benefit of Jersey to the UK and has resulted in the UK being much more supportive. We are looking ahead with more confidence about our prospects in Financial Services and the outlook for the Digital sector is strong. I hope that 2014 proves to be a turning point in the economic cycle and we exit this period of significant uncertainty better equipped and in better shape than almost anywhere we compare ourselves to.

During the 2014 budget the States approved some of the most far-sighted projects in recent history. A new hospital: paid for as result of Treasury work on investments. Agreement for a substantial improvement and extension of social housing: funded by a bond to secure low interest rates to be issued on the back of a strong credit rating. Finally, amongst many other initiatives agreement to fund the Island's liquid waste infrastructure funding largely from internal sources.

Turning now to some of the work of the Department. I am pleased that the Taxes Transformation programme is proceeding well. The Taxes Office introduced online submission of personal tax returns (for taxpayers using agents) as well as online payments during 2013. In addition, substantial work has been carried out to make changes to computer systems ready for the implementation of Long Term Care.

On tax policy, work has this year focused on international matters such as the implementation of FATCA, reviewing independent taxation and modernising the tax law relating to pensions. Looking forward the work will focus on the development of a long-term tax programme, which will be published alongside the 2015 Budget. This programme will define the way forward for Jersey's tax regime and will include a proposal to modernise and simplify the personal tax regime, including the introduction of independent taxation and consideration of self-assessment and current year basis of tax.

So much of the vital work that Treasury and Resources undertakes goes unnoticed but all of it contributes in keeping the Island's finances running smoothly. I extend my thanks to all staff in the Department for their endeavours and look forward to further successes in 2014.

Senator Philip Ozouf

Treasury and Resources Minister

SECTION 1

INTRODUCTION BY THE TREASURER OF THE STATES

The work that has been undertaken in developing a Medium Term Financial Plan (MTFP) as well the continued work in developing a long term capital plan, has meant the Island is in a strong position going forward as we start to see more positive indicators in our Island's economy.

The MTFP set out the capital programme for each of the years 2013-2015 and the Treasury continues to support the necessary work in supporting critical major capital projects. The Island faces a need for major infrastructure investment in housing and the Treasury will seek to finance this work by the issue of a bond to secure low interest rates on the back of a strong AA+ credit rating. Other major capital projects include hospital facilities and liquid waste infrastructure. Innovative and cost effective ways of funding these projects will maximise the use of existing resources whilst minimising the cost and safeguard our Island for the long term.

The Taxes Office is now in the second year of a major modernisation programme. Since 2012 the main focus has been working with the Social Security Department to implement the new Long Term Care scheme. The Long Term Care contributions will be collected by the Taxes Office as agents on behalf of the Social Security Department and work continues to ensure we are ready.

It is sometimes easy to overlook some of the vital work that Treasury and Resources does in keeping the Island's finances running smoothly. Whether that be managing capital projects, accounts payable and receivable, cashiering, supporting ministerial decisions, procuring services, completing monthly and year-end accounts, overseeing the Island's significant investments, managing pensions and payroll, maintaining public property, assessing and collecting taxes.

I would like to thank staff throughout Treasury and Resources for the continued hard work and dedication they continue to show and I look forward to meeting the challenges that 2014 will present.

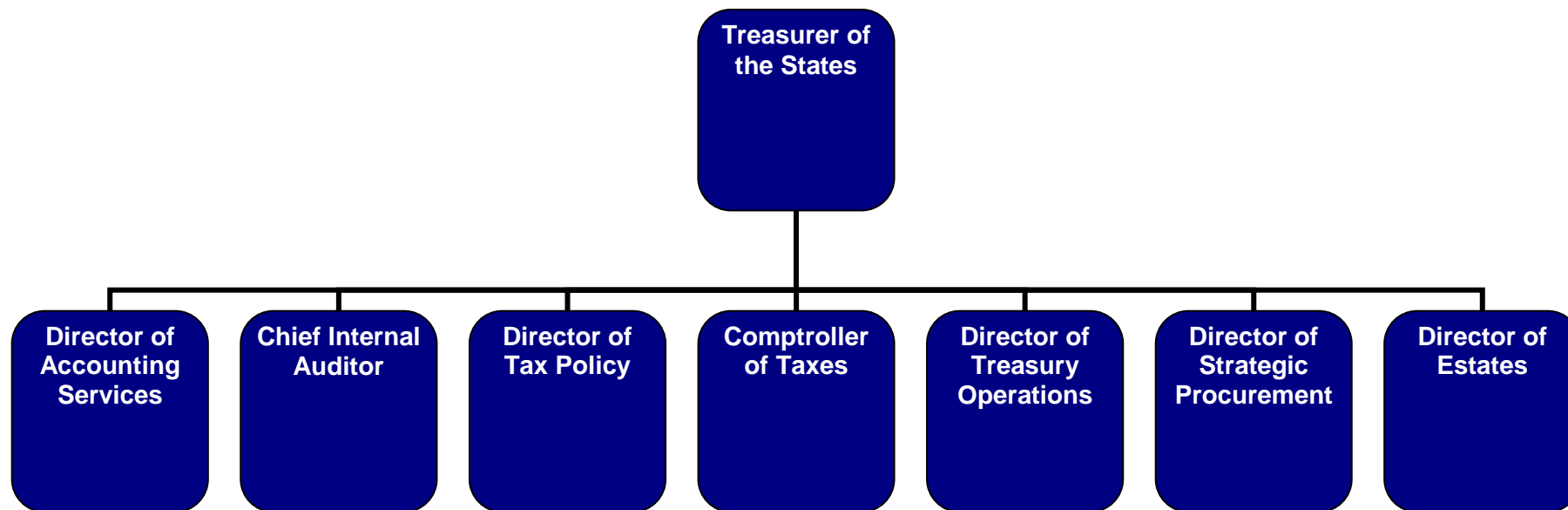
Laura Rowley

Treasurer of the States

WHO WE ARE

TREASURY

The Treasury and Resources Department employs a total of 262.3 full time equivalent (fte) staff organised to deliver services as follows:



WHAT WE DO

Treasury and Resources is two divisions, both under the direction of the Treasurer of the States.

TREASURY

The main services provided by each section within the Treasury are as follows:

Accounting Services

The Shared services team have responsibility for:

- payments to suppliers for all goods and services purchased by the States
- administering the receipt and payment of cash, including States housing rentals, income tax payments and court stamps
- renewing liquor licenses
- credit control and recovery of States debts
- paying all States employees correctly and on time
- disbursing monies deducted from employees' pay
- providing a pension administration service for the Public Employees Contributory Retirement Scheme (PECRS) and Jersey Teachers Superannuation Fund (JTSF)
- providing a pensions advisory service for members
- reconciliation and governance of States bank accounts
- corporate administration of all purchase cards
- Health & Safety and facilitating building related services, including internal messenger
- vault security and operational currency management for the Island.
- all staff, customer, supplier and general public interactions associated with the above activities.

The Financial Accounting and Control Team have the following responsibilities

- preparation of the States' annual report and accounts
- maintenance and updating of the Financial Control Framework
- delivering a programme for compliance with new and existing accounting standard requirements

The Corporate Group are responsible for providing professional financial advice to the Treasury and Resources, Chief Ministers and Economic Development. The services include:-

- management & statutory accounting
- assurance on financial governance and controls

Accounting Services are also responsible for supporting the Technical Working Group to develop options for further consideration on changes to public sector pension schemes in Jersey with the aim of ensuring that they are sustainable and affordable for the long term.

Internal Audit

Internal audit provides an independent and objective review and advisory service to:

- provide assurance to the Corporate Management Board that the States of Jersey's financial and operational controls designed to manage the organisation's risks and achieve the organisation's objectives are operating in an efficient, effective and ethical manner, and
- assist management in improving the organisation's business performance.

Internal audit activity encompasses the review of financial and non-financial policies and operations. In developing the Internal Audit Plan, the Chief Internal Auditor will assess activities of the States of Jersey together with associated entities in conjunction with the Medium Term Financial Plan. Audit activities are selected on the basis of a risk assessment process, which included discussions with the Chief Officers and Finance Directors of the States Departments in order to understand their risk perspectives and new programmes or ways of working expected to be implemented in the time frame. The audit activities will adopt a mixture of systems based or other techniques as appropriate to the area under review. In the conduct of its activities, internal audit will play an active role in promoting:

- the development and maintenance of a culture of accountability and integrity
- the integration of risk management into day-to-day business activities and processes, and
- a culture of cost-consciousness, self-assessment and adherence to high ethical standards.

The Chief Internal Auditor as per the Public Finances (Jersey) Law 2005 reports to the Treasurer of the States of Jersey; and The Internal Audit Plan has been agreed with the Treasurer of the States of Jersey. In addition to the Internal Audit Plan, Internal Audit has resource capacity to perform additional reviews both at the request of the departments and in response to the needs of the States of Jersey.

Tax Policy Unit

The Tax Policy Unit (TPU) is responsible for developing and implementing changes to domestic tax policy matters, in close liaison with the Taxes Office. The TPU also supports the Ministry of External Affairs in relation to international tax policy. The key responsibilities of the TPU include:

- the development of a long term tax policy
- the design and implementation of changes to tax legislation to deliver that long term tax policy, including revenue raising measures to the extent needed to meet fiscal policy

- advising Ministers on the implications of tax propositions brought to the States
- ensuring prompt response to tax related questions raised by States Members
- providing tax technical support to the External Relations department to aid the negotiation of international tax agreements
- building relationships with key stakeholders both within and outside the States.

Taxes Office

Administration of the Income Tax and Goods and Services Tax Laws are entrusted to the Office of the Comptroller of Taxes. Annually the Comptroller of Taxes collects approximately 60% of total States' revenues from personal and corporate taxpayers.

The Taxes Office also administers the European Union Savings Directive Bilateral Agreements (EUSD) with 28 European Union countries. The administration and enforcement of Jersey's Double Taxation Agreements and Tax Information Exchange Agreements with OECD and G20 countries worldwide are also entrusted to the office of the Comptroller of Taxes as the authorised representative of the Minister of Treasury and Resources. Additional duties of the Taxes Office also include:-

- advise the Treasury and Resources Minister, as required, on proposed amendments to the Income Tax Law and Goods and Services Tax Law and implement that policy efficiently and effectively
- continue compliance activities and the investigation of taxpayers who try to either avoid or evade tax properly due under the Income Tax and the Goods and Services Tax Laws and ensure that the taxes properly due are paid, in addition to any interest or penalties that the Comptroller has the power to levy under the Law
- ensure the prompt issuing of rulings to professionals and taxpayers to facilitate transactions with a tax content
- ensure the efficient and effective administration of the Income Tax and Goods and Services Tax Laws through the most proficient use of resources by training and developing staff to their fullest potential and utilising information technology to its fullest extent
- administration of all private occupational and retirement annuity pension schemes
- ensure that we continue to provide high quality service to all customers of the Taxes Office, whether they are taxpayers, professionals, the Treasury and Resources Minister, other politicians and officers in other States departments.

Treasury Operations

The Treasury Operations function is responsible for States wide treasury management, development and insurance arrangements. The following provides an outline of the key tasks undertaken by the section:-

- development and operation of effective treasury management policies and investment strategies

- management of States investments and cash balances, maximising financial returns whilst managing security and liquidity requirements
- management of the Island's currency
- management of States' insurances
- management of States' charitable funds
- manage the Financial Planning and Accounting for all Non-Ministerial departments
- provide accounting and operational investment support for the pension funds including preparation of accounts and information for the States accounts.
- preparation of the States' medium term financial plan and long term capital plan
- implementation of the current Fiscal Strategy
- support the review and development of future Fiscal Strategy
- central financial planning support and research to inform strategic, departmental and capital projects
- strategic financial analysis and advice to Ministers, Chief Officers and departments
- assist with performance measurement, review and reporting
- development of an active shareholder role in respect of States owned companies, delivering improved governance and financial performance from companies
- responsibility for all States loans and borrowings, miscellaneous loan funds and separately constituted funds.
- financial monitoring and consolidation of quarterly financial reporting
- financial and manpower resource allocation

RESOURCES

The main services provided by each section within Resources are as follows:

Procurement

During 2011-2013 A procurement transformation programme was initiated as part of the CSR programme. This was a three year programme and comprised three key work streams.

1. A programme of States wide procurement initiatives to deliver net savings of £6.5 million during the CSR timeframe
2. The organisation and development of a professional procurement function that is based upon category management. This model requires that procurement professionals / category managers are embedded in key areas of the business
3. The procurement and implementation of a modern procure to pay system.

In 2014 budget reductions to the value of £6.5 million will have made, however a number of projects commenced in 2013 were not completed and during 2014 further work will continue on these identified projects to deliver the balance of recurring cashable savings identified as part of the CSR programme.

The Category Management approach to procurement has delivered significant benefits in terms of savings (cash and efficiency savings and), governance and compliance. work will continue to develop this approach further in the areas of IS, Health, TTS and JPH.

Professional training will commence during 2014 and this will support the development of a sustainable and credible procurement service for the States of Jersey.

Underpinning all of the work streams for 2014 is the implementation of an "Amazon style" procurement to pay solution "Supply Jersey". This solution is planned to go live during the last quarter of 2014.

Key aims for procurement are:-

- Continue to develop the procurement function to ensure a visible, credible, commercial and professional service is delivered at the appropriate level within the organisation
- Implement category plans and work with departments to deliver commercial arrangements that result in process improvement, more efficient ways of working and savings where appropriate
- Deliver improvements to the whole procure to pay process by implementing Supply Jersey to all Departments during 2014 – 2015. With the aim of improving compliance and driving out inefficiency in processes.
- Develop procurement skills across the States of Jersey and build capacity within the organisation in order to support best practice procurement and sustainable savings.
- lead the development of a local supply base with appropriate departments and external organisations

Property Holdings

Jersey Property Holdings has two primary focuses. The first is to provide fit for purpose and affordable accommodation for all States' departments whilst also ensuring property is safe, legally compliant functionally and environmentally supportive of the activity it houses, to support the delivery of improved services to the Public. This will be achieved through the management and ongoing maintenance requirements of the States property portfolio and delivery of capital replacement and improvement works.

JPH is also responsible for progressing a phased programme of rationalisation and consolidation of the States property portfolio, with the objective of reducing cost to the Public of property ownership; enabling greater efficiency of occupation; and to releasing latent assets for alternative use or disposal.

These objectives are mutually supportive, as rationalisation of the estate will result in the realisation of disposal proceeds or deliver surplus sites with the potential for affordable housing development or other strategic use, and, by reducing the size of the gross built area maintained, reduce property operating costs.

JPH will seek to maximize rental income from those properties within the Public estate that are let on commercial terms to third parties. This additional revenue forms part of JPH's contribution to the ongoing CSR savings targets.

OUR VALUES

We believe that the following six values are fundamental to how the States must develop. We will strive to deliver these values every day for our customers (the public), our partners and ourselves.

The Core Values reflect the values of the States. A process of engagement with staff at all levels within the States Treasury is planned to ensure that these core values are further developed to reflect the values and aspirations of all our staff.

Our values are:-

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

Section 2(a) Key Objectives and priorities of the Treasury and Resources Department agreed as part of the States Annual Business Plan

AIM

Support the delivery of the States' strategic objectives by maintaining sustainable public finances, providing effective financial advice and managing States assets.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Key Objective 1: Effective long term strategic and financial planning and sustainable public finances.

Success criteria:

- (i) Develop, implement and maintain a financial planning framework to ensure accurate forecasting and the setting of an overall financial envelope within which budgets are set – to include:
 - Medium Term Financial Plan
 - Long-term Capital Programme
- (ii) In conjunction with the Chief Minister's Department, continue to develop a robust strategic and business planning and performance framework ensuring firm linkages between financial and non financial information;
- (iii) Develop and gain approval of a Fiscal Strategy delivering:
 - balanced budgets over the economic cycle
 - a fiscal stimuli programme as necessary
 - measures to maintain low levels of inflation
 - necessary justifiable and sustainable taxes and charges
- (iv) Implementation of International Financial Reporting Standards (IFRS);
- (v) Effective monitoring, management and reporting on States investments;
- (vi) Maintenance and development of the Public Finances Law and associated governance arrangements.
- (vii) The affordability, sustainability and fairness of PECRS and JTSF Pensions Schemes reviewed and proposals for change brought forward and implemented.

Strategic Plan Reference:

- **Vision:** *A strong and sustainable economy; Preparing for the future*
- **Priorities:** *Develop sustainable long-term planning*

Key Objective 2: Improved monitoring and reporting of Financial Performance.

Success criteria:

- (i) Improved internal in-year financial performance reporting, forecasting, budgeting and analysis of both net revenue expenditure and capital expenditure;
- (ii) Financial assessment of major policy developments;
- (iii) Provision of information and advice to enable informed decision-making, thereby ensuring demonstrable value for money;
- (iv) Development of clear KPIs and other financial performance reports by which departmental Performance can be monitored, reviewed and improved.
- (v) Development of an active shareholder role in respect of States owned companies, delivering improved accountability and financial performance from companies, subject to funding;

- (vi) Production of Annual Accounts in accordance with International Financial Reporting Standards (IFRS).

Strategic Plan Reference:

- *Vision: A strong and sustainable economy*

Key Objective 3: Effective governance of funding designed to aid the economy.

Success criteria:

- (i) Management of funds provided for Social Housing Schemes.

Strategic Plan Reference:

- *Vision: A strong and sustainable economy; Preparing for the future*
- *Priorities: House our community*

Key Objective 4: Efficient and effective Treasury services.

Success criteria:

- (i) Maintain and operate effective treasury management policies and investment strategies;
- (ii) Maximise financial returns on cash and investments whilst managing security and liquidity requirements;
- (iii) Effective management of the Island's currency;
- (iv) Maintain and develop governance arrangements to facilitate improvement in value for money and performance in respect of States trading departments, States companies, States funds and funds held in trust;
- (v) Effective management of States insurance;
- (vi) Maintain an effective control and compliance framework for Treasury Operations.

Strategic Plan Reference:

- *Vision: A strong and sustainable economy; Preparing for the future*
- *Priorities: Develop sustainable long-term planning*

Key Objective 5: Efficient and Effective Financial Management and Financial Processing Services.

Success criteria:

- (i) Improved external financial reporting;
- (ii) Maintain and develop a robust financial control and assurance framework across the States;
- (iii) Maintain and develop financial systems and processes;
- (iv) Pay States suppliers in accordance with agreed terms, conditions and policies;
- (v) Pay States employees in accordance with agreed terms and conditions;
- (vi) An effective cashing and accounts receivable service for the collection of States income charged for the provision of goods and services;
- (vii) Provision of services to support the administration of PECRS and Teachers pension schemes;
- (viii) Effective and efficient provision of a range of processing and back-office support services.

Strategic Plan Reference:

- *Vision: A strong and sustainable economy*

Key Objective 6: Long-term Tax Policy and Efficient and Effective Tax Administration and Collection.

Success criteria:

- (i) Development and implementation of new Tax Policy and changes to current Tax Policy;
- (ii) Assessment, collection and enforcement of income tax and goods and services tax;

- (iii) Administration and enforcement of both sets of Jersey's international tax agreements.

Strategic Plan Reference:

- **Vision:** *A strong and sustainable economy; Preparing for the future*
- **Priorities:** *Develop sustainable long-term planning*

Key Objective 7: Effective audit and risk management.

Success criteria:

- (i) Agreed audit plan delivered in accordance with IIA Standards;
- (ii) Regular reports provided to the Audit Committee and C&AG;
- (iii) Risk management promoted and reviewed throughout the organisation to achieve "managed" status;
- (iv) Contribution to development and implementation of an effective Assurance Framework;
- (v) Review and appraise the soundness, adequacy, and application of accounting, financial and other operating controls, and promoting effective control at reasonable cost;
- (vi) Ascertain the extent of compliance with established policies, plans, procedures, laws, and regulations;
- (vii) Determine the extent of which the States assets are accounted for and safeguarded from losses of all kinds;

Strategic Plan Reference:

- **Vision:** *A strong and sustainable economy*

Key Objective 8: Deliver allocated savings to contribute to achieving the £65 million Comprehensive Spending Review savings target by 2013 and deliver outline budget reduction programme for 2014 and 2015.

Success criteria:

- (i) Sustainable, effective low cost services;
- (ii) Medium Term Financial Plan delivered within agreed Cash Limits.

Strategic Plan Reference:

- **Vision:** *A strong and sustainable economy; Preparing for the future*
- **Priorities:** *Reform government & the public sector; Develop sustainable long-term planning*

Jersey Property Holdings

Key Objective 9: A disposal programme which reduces the States' Property Portfolio to a size which is affordable and efficient, and releases capital proceeds for investment in addition to sites suitable for Housing development.

Success criteria:

- (i) Improved asset utilisation and reduced property operating costs;
- (ii) The concentration of States' administration into fewer geographic locations and the development of new working environments which support more collaborative and efficient ways of working;
- (iii) The release of surplus or high alternative use value properties to provide funds to support capital investment, with a strong focus on progressing sites which may be developed for social rented or private sector housing.

Strategic Plan Reference:

- **Priorities:** *House our community; Reform government & the public sector; Develop sustainable long-term planning*

Key Objective 10: Addressing building stock condition resulting from a legacy of under funding of maintenance and capital works.**Success criteria:**

- (i) A significant reduction in “backlog” maintenance which has resulted from structural under-funding of property maintenance over a number of years, through the progression of remedial works in a phased and prioritised programme plan;
- (ii) The delivery of capital projects to replace assets which have deteriorated beyond reasonable repair, funded from proceeds generated by the disposal of property over and above that required to meet agreed capital proceeds targets;
- (iii) Capital projects commenced and completed on time and within budget.

Strategic Plan Reference:

- **Priorities:** *Develop sustainable long-term planning*

Key Objective 11: Development and maintenance of a five year rolling Portfolio Plan.**Success criteria:**

- (i) The continued consolidation of all property information, asset valuations and legal commitments in a single database;
- (ii) The identification of all future investment and asset management activity through the single comprehensive Integrated Property System.

Strategic Plan Reference:

- **Vision:** *Preparing for the future; Protecting the environment; A highly skilled workforce*
- **Priorities:** *Develop sustainable long-term planning*

Key Objective 12: Continued development of the Jersey Property Holdings organisation.**Success criteria:**

- (i) The introduction of new financial directions, policies and procedures to clarify all internal and external operating procedures for property transactions and utilisation;
- (ii) The completion of Health and Safety and supplier management training for all appropriate personnel;
- (iii) The development of service level agreements for all property users in conjunction with lease agreements, including customer satisfaction indices;
- (iv) Co-location of all Jersey Property Holdings staff.

Strategic Plan Reference:

- **Priorities:** *Reform government & the public sector*

Procurement

Key Objective 13: A single corporate procurement function across the States.**Success criteria:**

- (i) The implementation of a procurement strategy;
- (ii) A procurement plan to deliver cash and efficiency savings across the States focussing on large corporate initiatives that will deliver maximum benefit to the States;
- (iii) Educate to improve procurement skills at departmental and operational level;
- (iv) Support the implementation of an e sourcing system and supplier portal across all departments;
- (v) Implement effective strategies, policies and procedures to support a corporate approach to the procurement of goods, services and works;

- (vi) Implement planning and performance management criteria in respect of the States' procurement activities;
- (vii) Promulgate best practice with regard to supplier management and work with Economic Development to develop capacity of local suppliers.

Strategic Plan Reference:

- **Priorities:** *Reform government & the public sector*

SECTION 2 (b) – ACTIVITIES, KEY PERFORMANCE INDICATORS, KEY RISKS

*DKO Ref - Departmental Key Objective Reference

TREASURY**Total Staff: 203.3fte****Net Revenue Expenditure: £14,078,200**

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
Accounting Services					
1	Pay suppliers accurately, promptly and efficiently	Cost per invoice. Client feedback Increased electronic transactions. Audit Report score. Compliance with FDs and Accounting policy (Corporate Performance). Prompt payments (Corporate Performance).	Maintain or reduce compared to previous year. An average score of 3 or more from feedback questionnaires Increased compared to previous year. Score of 3 or more. 80% of paid invoices matched to orders and 60% GRN'ed.	2014	External departmental cooperation System and IT network integrity Departmental support
2	Provide an accurate, prompt and efficient credit control service for States debt	Cost per invoice. Client feedback Audit Report score. Reduction of internal debt over 90 days. Reduction of external debt over 90 days	Maintain or reduce compared to previous year. An average score of 3 or more from feedback questionnaires. Score of 3 or more 10% reduction compared to same quarter in previous year. 5% reduction	2014	External departmental cooperation. System and IT network integrity. Staff support Approval and implementation of proposed process changes Departmental Support

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
			compared to same quarter in previous year.		
3	Provide an accurate, prompt, courteous and efficient Cashiering service including a timely and efficient service to the local clearing banks	Cost per transaction Client feedback Audit Report score	Maintain or improve compared to previous year. An average score of 3 or more from feedback questionnaires and audit reports.	2014	External departmental cooperation. System and IT network integrity. Staff support.
4	Pay States employees accurately, promptly and efficiently	Cost per pay slip. Client feedback. Increased electronic transactions. Audit Report score. Accuracy of payments made	Maintain or reduce compared to previous year. An average score of 3 or more from feedback questionnaires. Increased compared to previous year. Score of 3 or more 99.5% accurate.	2014	Timely receipt of accurate and complete data from HR officers and managers. External departmental cooperation. System and IT network integrity.
5	Provide a pensions administration service to PECRS and JTSF in accordance with the Pensions Administration Agreement	Benefit payment errors. Audit Report score. Client satisfaction Review and further develop communication materials for PECRS and JTSF.	Less than 0.5%. Score of 3 or more. All service standards achieved. Progress against plan.	2014	Insufficient support. Agreement by all States Stakeholders. Staff support
6	Develop system specification and tender for a new payroll system	Achieve progress against agreed plan	Progress achieved within 1 month of agreed plan	Dec 2014	Resources to support development of system, Interdependencies with HRIS replacement project
7	Establish a robust and efficient pension administration service for the JTSF including a record by record check of data transferred on to pension administration system	Progress against the agreed transfer plan.	Progress achieved within 1 month of agreed plan.	Jun 2014	Insufficient resources

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
8	Implement new processes and reconciliations for the processing of PECRS and JTSF benefits to further improve systems of internal control	Progress against the agreed plan.	Progress achieved within 1 month of agreed plan.	Jun 2014	Staff availability
9	Develop further the PECRS and JTSF websites	Progress against the agreed plan.	Progress achieved within 1 month of agreed plan.	Dec 2014	Software supplier reliability Staff availability
10	AP Scanning review	Identifying and progressing the most effective AP Scanning and P2P solution.	Progress achieved within one month of agreed plan.	2014	Departmental support. Staff availability.
11	Bank accounts and Balance Sheet reconciliations	Monthly reconciliations undertaken and reviewed.	Reconciliations prepared within 15 working days of month end.	2014	Staff availability. System and IT network availability.
12	Develop and increase take-up of online payments	Quarterly increase in online payments.	Roll out of new payments online within one month of agreed plan	2014	Staff availability
13	Contribute to the roll out of the Supply Jersey Procure to Pay system for the States of Jersey	Contribute to and assist in the delivery of the improvement agenda.	Progress achieved within one month of agreed plan	2014	Staff availability
14	Provide law drafting instructions for the Law and Regulations supporting changes to PECRS and implement system changes for the administration of CARE benefits	Contribute to and assist in the delivery of changes to pensions schemes.	Progress achieved within one month of agreed plan.	Dec 2014	Political / JNG / employer support for the proposals Staff availability
15	Delivery of Health & Safety requirements for Treasury	Progress against the agreed plan	Progress achieved within 1 month of agreed plan.	2014	Staff availability
16	Prepare monthly accounts for Treasury, Resources, CMD and EDD	Monthly accounts prepared.	7 working days of month end	2014	Information is not understood by reader
17	Prepare quarterly returns for Treasury	Quarterly returns prepared.	Last day in month after	2014	

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
	and Resources, CMD and EDD		Quarter end		
18	Prepare annual accounts for Treasury and Resources, CMD, EDD and other areas	Annual Accounts prepared.	Within deadlines laid out in Financial Direction	2014	
19	Prepare, monitor, control and advise on departmental budgets for Treasury and Resources, CMD and EDD	Monthly forecasts prepared Reports for each SMT.	14 working days of month end Monthly SMT date.	2014	Forecasts provided are not accurate. Recommendations are not adopted
20	Provide compliance and financial advice to Treasury and Resources, CMD and EDD	Informed budget decisions and controlled departmental finances.	No errors within given timescales.	2014	Recommendations are not adopted
21	Prepare and publish the States' Accounts in accordance with the Jersey Financial Reporting Manual	Ensure Accounts are published within statutory deadline and receive an unqualified Audit Opinion.	Present 2013 Accounts to CAG for audit. Present 2013 Accounts to States. Clean audit opinion.	2014	Compliance with Accounting Standards
22	Develop the accounting standards used by the States of Jersey in line with agreed Accounting Standards Policy	Continue to update annually the Accounting Standards. Corporate approach on training, monitoring and compliance.	Updated JFReM Organise quarterly training courses	2014	Compliance with Accounting Standards
23	Manage the publication of grant information	Publish information on significant grants to the States to comply with previous States decision and the Financial Direction on Management of Grants. News bulletin of key impact of Finance Directions on We All Count website.	Comply with Financial Direction	2014	
24	Review and improve the Financial Control Framework against best practice	Publish Financial Directions and review the Financial Control Framework for completeness News bulletin of key impact of	Complete review of all Financial Directions and re-issue to comply with latest best practice. Meet	Dec 2014	Lack of resources to complete agreed workplan

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
		Financial Directions on the We All Count website	deadlines set by timetable.		
25	Prepare a Governance Statement	Statement prepared annually for inclusion in the States Accounts.	Statement prepared and agreed by Chief Executive and Treasurer	Mar 2014	
26	Maintain the integrity of the Chart of Accounts	Ensure the Chart of Accounts is regularly maintained to ensure a high quality of financial management and reporting.	Review of Chart of Accounts completed	2014	Departments request significant additional codes
DECISION SUPPORT					
27	Prepare and implement structure and content for: T&R area of gov.je T&R area of intranet We All Count website	Update who's who and who does what Migrate We All Count site to Sharepoint Communication of changes to We All Count site via the website Advertise the content of We All Count	Improved use of the T&R information available on line.	Dec 2014	Lack of resources to implement revised web presence
28	Support the Minister for Treasury and Resources in responding to States' Member and Scrutiny questions, hearings, reports and third party correspondence	Ensure all questions and requests are dealt with in a timely way. Sharing and making it easier to collaborate via Sharepoint. Data store area for key links.	Implement Sharepoint site for team access..	Dec 2014	
29	Review all States Propositions identifying potential financial consequences are identified to ensure whether T&R actions are required	Ensure that weekly Business meeting process identifies all States propositions requiring T&R comment or amendment	100% propositions reviewed.	Ongoing	
30	Review all Council of Ministers papers identifying potential financial consequences	Ensure all papers fully identify financial consequences and bring these to the attention of the Treasurer as part of the weekly Business Meeting process.	100% CoM papers reviewed.	Ongoing	Reports may not be received to review
31	Provide advice and information	Through the weekly Business	Production of reliable and	Ongoing	

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
	enabling the Minister and Treasurer to discharge their obligations under the Public Finances Law and other legislation	Meeting and MD processes ensure that legal obligations are met	effective advice to the Minister and Treasurer.		
32	Develop and promote professional standards to improve financial expertise across States functions	Work with colleagues in FAB and FMRG to ensure the availability of training all staff and budget holders	Organise at least two training courses.	Dec 2014	
33	Prepare for implementation of Freedom of Information Law (Fol) within T&R	Review and implement changes to:- physical and electronic storage; retention policy; question handling procedure; complaints policy; and email usage policy.	Fol successfully implemented in T&R	Dec 2014	Affordability of proposals
34	Approval and implementation of Audit changes to the Public Finances Law	Ensure Audit changes are lodged and successfully debated.	Schedule of changes agreed by Treasurer for proposal to Council of Ministers	Sep 2014	Departmental support and resources
35	Participate in the Finance Staff Group in implementation of its Learning and Development Strategy	Support We All Count initiatives such as Team Briefing.	Participation in Finance Staff Group meetings	Ongoing	
INTERNAL AUDIT					
36	Prepare and deliver all reviews in the agreed audit plan	That all reviews are complete and compliant with Public Sector Internal Audit Standards.	All reviews complete by the end of quarter 1 2015	2014	Planned reviews being cancelled, unplanned reviews being requested or departments delaying the process outside of agreed reporting protocols.
37	Facilitate and record output from the Corporate Management Board risk work	Compliance with States policy on risk management	Mid year	2014	CMB not engaging with risk work
38	Prepare and distribute a States' wide Assurance Framework	In line with best practice	Jun 2014	2014	CMB not engaging with the proposed assurance framework and undertaking

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
					their own line of assurance recording
TAX POLICY UNIT					
39	Research key priorities as set out in the 2014 Budget Statement, leading to recommendations to the Treasury Minister and proposed legislative changes	Completion of research, delivery of reports recommending action and where appropriate lodging propositions and legislation.	By Budget 2015, completion of the reviews and recommendations. Proposals brought forward where appropriate during 2014 and 2015.	2014/ 2015	
40	Identify, develop and advise on important tax policy issues which support fiscal requirements not specifically identified in the 2014 Budget Statement	Completion of research and recommendations as required.	Inclusion in the 2015 Budget Statement of the key tax policy priorities to be addressed during 2015 and 2016.	Julv2014	
41	Continued advice on tax related propositions lodged and questions raised by States Members	Prompt and appropriate responses prepared on all tax related propositions lodged and questions raised.	All relevant propositions and questions dealt with in the prescribed deadline.	2014	
42	Provide tax technical support to the External Relations department to aid the negotiation of Tax Information Exchange Agreements and Double Tax Agreements	Provision of tax advice on a timely basis to aid the negotiation of agreements	Provide appropriate and timely tax advice where required in relation to agreements negotiated by the External Relations division during 2014	2014	Lack of resources available, particularly if a significant amount of tax advice is required during 2014
TAXES OFFICE					
43	Co-ordinate 2015 Budget process	Legislation finalised and Budget Statement presented to States Assembly	Lodge July 2014 for States debate September 2014.	Ongoing	Key dependencies and resource issues.
44	IS - Implement long term care system. Enhance and extend online filing. Import and integration for data	Progress monitored against detailed plans	Ltc Phase 2 March 2014. Online filing Q1 2014. Data sharing Jul 2014. Migration	2014	Resource and time constraints

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
	sharing. Migration to Windows. FATCA reporting.		ongoing in 2014		
45	Taxes Transformation Programme (TTP) (a) Long Term Care (LTC) Charge Implement the LTC charge component in partnership with Social Security Department (SSD) as part of the new long term care benefit scheme	Issue ITIS/LTC charge rate notices. Issue payment on account notices including LTC charge for taxpayers under direct billing. First monthly transfer of LTC charge receipts to SSD.	November 2014, February 2015, Early March 2016	From January 2015	Funding and adequate resources (trained and skilled resources)
46	Taxes Transformation Programme (TTP) (b) Implement recommendations from Deloitte. Introduce online filing for personal taxpayers with agents. Implement data sharing with other States departments.	Receipt of 'online' personal tax returns and usage. Commencement of exchange of data.	Online filing for personal taxpayers with agents March 2014. Target date for data sharing July 2014.	2014	Delivery of IS programs .Resource / time constraints.
47	Implement changes arising from Budget 2014	Legislation approved by States Assembly in 2013 implemented	Changes implemented by December 2014	Ongoing	None identified
48	Pensions and Assurance – consultation ongoing regarding amendments to Article 131 of the Income Tax Law to ensure that it fits with modern flexible pension arrangements	Consultation ends mid January 2014. Appropriate measures to aid flexible retirement are identified.	Final Law to be debated by the States Spring 2014	2014	Legislative changes are not agreed.
49	Compliance with existing and new international Tax Information Exchange Agreements, Double Tax Agreements, European Union Savings Directive Bilateral Agreements, the US Foreign Account Tax Compliance Act (FATCA), UK FATCA and other FATCA type agreements.	Information and retention tax exchanged with relevant international authorities. FATCA requirements to be monitored.	Within 90 days of receipt of specific Tax Information Exchange Agreement request. 30th June annually for the EU Savings Directive Bilateral Agreements. FATCA pending issue of guidance notes by Jersey, Guernsey & IOM.	Ongoing	Resources and funding : Incurring costs of appeal, if requesting authority fails to honour the terms covering reimbursements of costs. Reporting requirements not met by paying agents. Resources and funding.

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
50	As a member of the Global Forum on Transparency & Exchange of Information for Tax Purposes, provide assessors for the Peer Review assessment of the legal and administrative framework of the Global Forum jurisdictions for transparency and EOI.	Peer Review agreed with the Global Forum and performed to the international standards of transparency and exchange of information for tax purposes.	Work to deadlines agreed with Global Forum Secretariat and jurisdiction under assessment	Ongoing	Resources and funding.
51	Completion and issue of all Income Tax and Goods and Services Tax assessments.	Target of 95% of income tax revenues tax collected by end of January 2015. Target for error rate on personal tax assessments met. 90% of GST returns received within 3 months of due date. Current levels of compliance enhanced.	£556 million in income tax and goods and services tax collected. 95% of 2014 income tax collected by January 2015. 100% of corporate tax assessment closed by February 2014. 100% of personal tax assessments closed by end of November 2014.	Ongoing	Lack of trained staff and resources
52	Identification of irregular and fraudulent activity leading to enquiries resulting in a monetary settlement or prosecution.	Yearly statistics published in Taxes Office Annual Report. Number of cases investigated, amount of tax settlements per annum.	Statistics published by 31st December 2014. Target of £2.25 million in back taxes and penalties	Ongoing	Lack of trained staff and resources
53	Continue to list delay and contentious appeals at five meetings a year for the hearing and determination by the independent Commissioners of Appeal	Appeals heard by the Commissioners of Appeal	100% of appeals heard	Ongoing	Insufficient number of Commissioners available. Increase in number and complexity of appeals.
54	Continue programme of feedback from taxpayers and professionals on the quality of our customer service throughout the Office.	Anonymous feedback on level of service given. Next questionnaire to be issued mid 2014	Improvement on level of service in previous years	Ongoing	None identified
55	Work together with colleagues from	Number of new high net worth	Increase in number of high	Ongoing	Other jurisdictions appearing

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
	other relevant departments, to increase the tax take from high net worth individuals	individuals per annum.	net worth individuals. Statistics published by 31st December, 2014		more attractive
TREASURY OPERATIONS					
56	Provide support to the Charitable Funds Oversight Board	The Charitable Funds Oversight Board are supported in their objectives, ensuring that bequeathed funds and property are utilised in the way in which they were intended to be used	Bequeathed funds do not remain unused, accumulating small returns that are not distributed and the wishes of the will are not carried out	2014	The Oversight Board is disbanded and no oversight is made leading to multiple small funds not achieving anything
57	To operate a comprehensive set of treasury policies including: cash management lending investment management	Compliance with CIPFA best practice	Adherence to Treasury policies, processes and procedures	Ongoing	Loss of key staff
58	Effective governance and management of States' investments and treasury matters	Quarterly meetings of the Treasury Advisory Panel Review of all investment strategies. Development and implementation of specific investment strategies for smaller funds	Continued operation of governance arrangements Existing Investment strategies reviewed and updated. Development of specific investment strategies for all funds with permanent assets in excess of £50,000	2014	Changes to membership of Treasury Advisory panel
59	Manage and maintain the States Common Investment Fund	Maintain fund within published investments strategies. Monitor investment managers against agreed benchmark.	Fund remains within investments strategies. Investment manager performance reported to TAP	Qtrly Qtrly	Loss of key staff
60	Improve Cash flow monitoring, reporting and forecasting	Cash balances. Interest Earned	Develop States cash flow forecast by March 2014 Minimal operational cash balances Maximise interest	2014	Departmental support

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
			earned on cash balances by effective investment		
61	Promote the use of Jersey currency to increase circulation	Amount of Jersey currency in circulation.	Increased circulation by RPI, compared to previous year.	2014	Co-operation of retail banks. Public demand for cash
62	Arrange adequate and appropriate insurance for the States of Jersey assets	Monitor insurance claims and manage risks through the risk forum.	Maintain insurance cost within budget	2014	Ensuring that insurance cover is both adequate and sufficient, that departments are complying with any conditions set by the insurers ensuring cover is maintained.
63	Account for, monitor and report on the Common Investment Fund, the Pension Fund Investments, States Separately Constituted funds, other investments, loans and Charitable Funds	Quarterly accounts prepared for funds. Accounting records processed and reconciled Separately Constituted Fund Accounts prepared. Charitable fund accounts prepared. Prepare Pension Fund accounts for PECRS and JTSF	Accounts prepared in a timely manner. Accounting reconciliations completed each month. Accounts prepared in accordance with Financial Direction. Separate accounts prepared for funds with significant net assets.	2014	Insufficient resources Custodian fails to deliver reporting Reliance on other departments to supply data
64	Develop and provide an administrative support to the new JTSF Secretarial arrangements including the distribution of Management Board papers	Timely distribution of papers to JTSF Management Board and sub-committees	Papers prepared and distributed to timetable	Qtrly	Administrative support is deemed insufficient
65	Manage accounting and financial planning services for the Non-Ministerial departments	States annual accounts information prepared Monthly budget maintained	Information prepared in accordance with the financial direction Information provided on a timely basis	2014	Insufficient resources
66	Support sustainable long term planning objective within the Strategic Plan	Develop a long term planning framework for departmental growth requests and savings targets so that Corporate Management can make informed decisions on allocations. Assist	Departments provide details on the framework provided which will allow consistent review of growth requests and savings targets by CMB.	2014	Delay in output and lack of detail in output from departments to allow CMB time to assess the allocations

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
		Treasurer in the Long Term Planning Group.			
67	Prepare a Long Term Revenue Plan for the period 2014-2020	Develop framework for LTRP and manage any publication. Support further development of longer term income tax forecasting. Support further development of longer term forecasts of other States income.	In line with requirements set out by Treasurer. Subject to decision on timing of formal update of Financial Forecast	2014	Lack of data availability. Lack of clarity from information available
68	Continue to develop a Long Term Capital Plan for the period 2015-2040	Develop a framework for LTCP.	Continue to develop the current draft to reflect a 15 year plan	2014	Delays in source plans
69	Assist with the preparation of the States 2015 Annual Budget	Manage capital projects input. Manage general revenues income input. Manage growth allocation	Budget prepared and lodged 6 weeks in advance of debate Subject to TRM proposals to extend lodging period	2014	Departmental information not provided within agreed timescales
70	Support the completion of the CSR process 2014-2016 and the implementation of Public Sector Reform Programme	Monitoring of the CSR programme of savings still to be delivered. Support Public Sector Reform Officer Group.	Monitoring in line with Scrutiny requirements, including six months position statement	2014	
71	Manage the Bond Issuance process	Recruitment of Lead Manager and Legal Advisors to assist the States of Jersey in its debut Bond Issuance. Meeting expectations with regards to price achieved. Looking at minimising the Cost of Carry.	A successful Bond Issuance.	2014	Advisors are not recruited in time, or not the most suitable advisors. Price achieved does not meet expectations. The cost of carry is high.
72	Ensure consistent financial appraisal of all capital schemes and development of the Capital Programme, in support of the Budget and the Medium Term Financial Plan	Monitoring of funding for capital expenditure. Monitoring of cashflow of projects. Monitoring to ensure funds are spent in a timely manner. Establishment of standard business cases for all	Work with departments to establish profiling of expenditure. Improved business case management and process. Linking of capital and ongoing revenue	2014	

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
		capital projects.	expenditure.		
73	Continue to develop and improve in-year financial forecasting	Assess the new Budgeting module in Insight with regards to using its forecasting capabilities.	Reduce reporting deadlines where possible and continue to improve reporting in other areas	2014	Unforeseen economic or service issues impacting on the accuracy of forecasting
74	Continue to develop and improve financial reporting to Corporate Management Board and Council of Ministers, strengthening and deepening the information provided on Capital whilst making sure departments are only asked once.	Monthly and quarterly reports produced are timely and accurate. Reports enhanced to include balance sheet matters Further education initiatives for departments, FMRG and FAB	Strengthening and deepening the information provided on Capital whilst making sure departments are only asked once. Look at reporting deadlines to make sure information is provided as soon as possible	2014	Departmental information not provided within agreed timescales
75	Manage the States shareholdings	Support the T&R Minister and Treasurer in discharging functions of the shareholder	Complete a timetable and manage deadlines to this timetable.	2014	Lack of information from States investments
76	Work with Strategic Investment companies and SoJDC to ensure compliance with MoUs and other regulatory framework documentation	Work with the project teams to develop and implement MoUs and governance arrangements for the potential incorporations of Housing and Harbours and Airports.	Participation in project teams and publication of MoUs	2014	Lack of information from Strategic Investment companies
77	Account for, monitor and report on States Separately Constituted loan Funds, miscellaneous loans and Guarantees and letters of Comfort	Quarterly management accounts prepared for funds. Accounting records processed and reconciled monthly. Separately Constituted Fund Accounts prepared annually.	Administration is managed according to overall governance arrangements	2014	Lack of resources
78	Effective management and control of central contingency provisions	Contingencies reported separately. Increase narrative explanations. Report contingencies in line with monitoring agreed as part of Scrutiny of MTFP.	100% adherence to published contingency policy. Implementation of contingency reporting	2014	Lack of clarity on calls on central contingency. Large numbers of early calls on contingency will result in a reduced ability to manage unforeseen events.

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
79	Treasury input into Housing Transformation Project	Financial oversight. Treasury input into transfer. Risk management. Impact of monitoring and planning	Successful and effective accounting, financial processes and reporting of Housing Department. Development of the new relationship that will be created when the Housing Company takes on the Social Housing requirements.	2014	Departmental support and resources
80	Ports Incorporation	Financial oversight. Treasury input into transfer. Risk management. Impact on monitoring and planning.	Successful and effective accounting, financial processes and reporting of Ports Authority	2014	Departmental support and resources

RESOURCES

Total Staff: 59fte

Net Revenue Expenditure: £29,407,100

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
PROCUREMENT					
81	Align with Public Sector Reform delivery teams to ensure the successful delivery of departmental and corporate procurement projects through a commercial, professional approach to procurement.	Category plans in place and procurement strategies agreed:- for IS, FM and Infrastructure, Professional services and Health and Social Services categories	Deliver 95% of projects on time and in accordance with the plans throughout 2014	2014	Competing priorities means that unscheduled support is required to assist departments to deliver procurement projects
82	Deliver the pilot for Supply Jersey (procure to pay system) across the States – (Systems and Processes) in support of the Public Sector Reform Work stream (Back office integration)	Resources required for implementation in place end of January 2014 and implementation of rollout to pilot sites in accordance with the project plan	Pilot to be completed by 30/4/2014	2014	Difficulty in identifying appropriate resources to assist due to competing priorities across the States of Jersey (Public Sector Reform, Lean, HRIS, Payroll etc)
83	Develop collaborative working arrangements with Guernsey	Projects identified and plans in place for collaborative work	Quarterly meetings with Head of Procurement in Guernsey	2014	Jersey projects take priority. Unable to agree projects due to alignment of timings and contractual commitments
84	Procurement training in place for identified members of Corporate Procurement and key individuals from Departments	Learning plans in place with CIPS	Plans in place by 31/1/2014	2014	Time required to study to the level required may impact on individual's ability to complete procurement projects. Alternatively Work commitments impact on student's ability to allocate sufficient time to study.

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
85	Deliver Supply Jersey (procure to pay system) across the States - (Systems and Processes) in support of the Public Sector Reform Work stream (Back office integration)	Implementation across departments in accordance with the project plan	2nd quarter 2014 to 2015	2014 to 2015	Resourcing due to competing priorities. Blueprint design for organisation of procurement in SOJ is not agreed/optimised to deliver full benefits. Supplier on boarding & catalogue creation takes longer than planned due to supplier engagement
PROPERTY HOLDINGS					
86	Deliver a programme of capital projects in accordance with MTFP and LTCP	Delivery of projects on time, on budget and in accordance with FD's and best practice.	To successfully meet the client brief	2014 and ongoing	Local market capacity, client needs change, internal resource constraints, inflation impact on budget
87	Develop a series of Asset Management Plans with occupying clients	All properties to be included within approved asset management plans	All client needs captured within approved asset management plans	2014 and ongoing	Unrealistic client expectations, financial constraints, special interest groups, internal resource,
88	To complete disposals identified in the approved Asset Management Plans	To meet MTFP target and maximise receipts from sales	To progress disposals in accordance with the plans.	2014 and ongoing	Market softens further - anticipated sale receipts not achieved. Resistance to disposals. External factors affecting ability to maximise value
89	Establish a clear and unambiguous relationship with property occupiers	Occupation agreements, leases/licences in place for all properties.	To have formal agreements in place for all properties occupied by external parties by Q4 2014. Progress agreements with States departments by Q4 2015	2014 and ongoing	Resources not sufficient. Unable to agree and enforce terms with occupiers
90	Achieve all due rental income and	Undertake timely rent reviews,	Meet or exceed budget	2014	Economic circumstances

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk
	seek opportunities to increase return on assets	lease renewals. Voids are less than 2% of our rent roll	income targets.	and Ongoing	leading to non payment of rent. Community or other approved uses for properties below market rental.
91	Deliver a backlog Maintenance Programme	Demonstrate a reduction in backlog maintenance	Deliver prioritised backlog maintenance programme based on the following criteria: Health & Safety. Asset Preservation. Operational Continuity. Improvement Works.	Ongoing whilst funded	Funding insufficient to meet identified works. Client requirements change. Legislative changes. Delays in approvals process e.g Planning
92	To ensure that the portfolio under JPH management meets statutory requirements	Measure performance against specific statutory requirements	Meet target of all compliance level of 95% across all measured activities.	Ongoing	Impact on resources of adding additional properties with insufficient budget
93	Review JPH policy, processes and structure to improve effectiveness	Proposals encapsulated in plan by Q3 2014 for 2015 business plan	Delivery of review in accordance with LEAN methodology	2014/15	Competing demands on internal resources

SECTION 3 – FUNDING AND RESOURCE ALLOCATION

Minister's Introduction

The Treasury and Resources Department consists of the following sections:

- Treasury functions;
- Taxes Office;
- Jersey Property Holdings;
- Corporate Procurement;
- Insurance; and
- Pensions.

The Minister also has responsibility for all contingencies in addition to his Departmental accountabilities.

The Treasury and Resources Department manages the Island's finances and assets, ensuring the protection and good use of public funds. It is responsible for all taxation, States budgets and financial policies. It also manages States property and represents the States shareholder interests in publicly owned companies.

The Department's financial plan over the three years of the MTFP is to deliver its objectives largely within its existing resources except for an additional £700,000 necessary to maintain community health and social care facilities to an acceptable standard.

This additional sum will support the States Strategic Priority 'Reform Health and Social Services' by boosting the maintenance budget required to keep community buildings fit to deliver modern models of care, as described in the HSS White Paper 'Caring for each other, Caring for ourselves'.

In addition to business as usual during the MTFP period, the Department will:

- effectively manage insurance risks and make use of the improved contract terms to exceed its CSR savings target;
- provide professional procurement advice to departments to help them to secure savings and achieve better value for money;
- manage the balance sheet as well as the budget through continued improvements in the management of its property portfolio and returns on investments and strategic shareholdings;
- support departments in achieving their strategic aims and delivering their infrastructure projects through funding advice;
- continue to improve financial performance reporting;
- support departments in the move to longer term financial planning and the delivery of the MTFP;
- implement the Taxes Transformation Programme to improve the efficiency of tax administration and maximise the receipt of income due;
- deliver a fair and affordable public sector pension scheme; and
- keep tax policy under review in order to protect and grow the Island's economy.

The sections below expand on a selection of the more substantial projects which are being undertaken by the Department during the MTFP period in support of the States strategic priorities.

Taxes

The MTFP assumes that there will be no substantial tax increases and no new taxes introduced during this period.

The Tax Policy team will focus on reviewing measures to safeguard revenues and simplify the tax regime, in line with the principles of 'low, broad and simple'. This will include:

- continuing to monitor and enhance the robustness of the income tax system with regard to corporate structures and to property ownership and development;
- reviewing the feasibility of moving to independent and current year taxation for all taxpayers; and
- continuing to monitor and respond to international tax standards.

Further details of specific measures will be included in the annual Budget Statements.

The Taxes Office will continue to implement its Taxes Transformation Programme (TTP) during this period which aims to modernise its operational processes.

The Taxes Transformation Programme is the action plan arising from the independent review of the tax functions within the States undertaken by Deloitte in the summer of 2010. The review focused mainly on the structure and activities of the Taxes Office but also considered its interaction with Customs & Immigration and the Social Security Department.

At the end of their review, Deloitte recommended that the States of Jersey embark on a Taxes Transformation Programme (TTP), to be supported by a dedicated implementation team to deliver what is a major 3 to 4 year modernisation and reform project of the Taxes Office.

The Deloitte report included around 140 recommendations and the key deliverables of the TTP are:

- potential increases in tax revenues through improved collection of taxes due;
- agreed efficiency savings in Taxes Office for 2012 and 2013 in line with the CSR;
- introduce increased information powers and information sharing;
- implement self assessment in both Business and Personal Tax Divisions;
- simplify Personal Tax rates, allowances and exemptions where possible; and
- deliver effective, fit-for-purpose Information Systems solutions across all Tax departments.

The TTP started in October 2011 with a 3 month phase of scoping, mobilisation and planning and also included some immediate work-related tasks which will have a major impact on the future shape of programme.

Early in 2012 it was agreed that the Taxes Office would take on responsibility, acting as agents of the Social Security Department, for the collection of charges to be paid into a ring

fenced fund and used for new Long Term Care (LTC) provisions. Working with Social Security on the implementation of LTC contributions has been added as a component of TTP and is the number one priority.

It was announced in 2013 that the LTC contributions will not start until 2015 which is a delay of one year from the original plan and is subject to States debate / approval.

Property

During 2013 to 2015, Jersey Property Holdings (JPH) will focus on continuation of the rolling programme of works to address the poor state of repair of the States of Jersey estate. Additional funds of £11.25m have been allocated to JPH for backlog maintenance for this period.

The two key capital projects to be progressed in this period are the relocation of the Police into new facilities and the development of a full feasibility study for a replacement General Hospital, following the initial pre-feasibility work undertaken in 2012.

The office rationalisation programme, of which the Police relocation is the first phase, will continue through the period of the MTFP. This will free up sites for residential development and reduce the running costs of States office accommodation in the future.

JPH will be managing all other building projects which house public services on behalf of the sponsoring departments as described in the capital programme.

Procurement

Corporate Procurement will complete the roll out of its transformation programme which began in 2011 and comprised of 3 main activities:

- a programme of cross departmental procurement projects which together are targeted to deliver the £6.5m CSR savings;
- the organisation and development of a professional procurement function that is based on category management. This model requires that procurement professionals/category managers are embedded in the key areas of the business;
- the procurement and implementation of a modern procure-to-pay computer system which will complement the e-tendering system currently used within the States.

Pensions

People are living longer which is increasing the cost of providing pensions. Employee and employer contributions into the public sector pension schemes have remained static for many years over which time the cost of providing the pension benefits has increased as people have been living longer.

It is necessary to ensure that pensions are affordable and sustainable for employees, employers and the taxpayer. Changes to public sector pensions are required to ensure the pension schemes are sustainable for the long term and provide benefits that are appropriate for the way people live and work today. The public sector pension scheme

landscape has changed both in Jersey and the UK and changes are being proposed that will provide sustainable public sector pension schemes for at least the next 25 years.

Public sector pension schemes in the UK have been reviewed following the publication of a report by the Independent Public Service Pensions Commission chaired by Lord Hutton. In mid-2011, a Technical Working Group comprising of representatives from the PECRS Committee of Management and Treasury was established to develop a report on possible options for changes to PECRS to ensure its viability and sustainability for the future. In March 2013, the Technical Working Group brought forward options that aim to ensure PECRS is affordable and sustainable for the long term, have regard to the Hutton recommendations, facilitates continued membership of the Transfer Club and provides clarity over future arrangements for the sharing of risks and benefits between employer and employee.

During 2013, negotiations with the Joint Negotiating Group have progressed with a view to bringing in changes to PECRS in 2015.

Service Transfers

Transfer of Rent and Service Charges – £50,000 to Housing Department

As part of the Housing Transformation Programme it was agreed that rental and service charges budgets for Jubilee Wharf would be transferred from JPH to Housing.

Disbanding of the Customer Services Centre – £74,700 from Chief Minister's Department

Following a review of accommodation in the States and the effectiveness of the Cyril Le Marquand Customer Services Centre, it was identified that efficiencies could be achieved by closing the Customer Services Centre and budgets and resources were transferred back to the relevant departments.

Corporate Procurement Savings Recharge – £30,900 to Housing Department

Following the successful conclusion to the main insurance programme re-tendering process during the 4th quarter 2011, recurring saving were achieved and departmental budgets realigned to ensure budgets matched expenditure. A small recharge was required between Treasury and Resources and the Housing Department for the three years of the MTFP.

Finance Resource Staff Budget – £89,800 to Health and Social Services

Transfer of resources in order to further strengthen the senior finance team.

Senator Philip Ozouf

Treasury and Resources Minister

Net Revenue Expenditure - Service Analysis						
2013 Net Revenue Expenditure		2014 Gross Revenue Expenditure		2014 Income	2014 Revised Net Revenue Expenditure	2014 FTE
		DEL	AME			
£		£	£	£	£	
5,737,300	States Treasury	7,710,100	-	(1,303,000)	6,407,100	107.2
7,074,100	Taxes Office	6,589,300	1,261,000	(179,200)	7,671,100	96.1
19,959,300	Jersey Property Holdings	15,290,000	19,359,700	(5,729,800)	28,919,900	47.0
464,400	Corporate Procurement	530,700	-	(43,500)	487,200	12.0
2,334,500	Insurance	2,396,400	-	-	2,396,400	-
5,571,900	Pensions	6,747,800	-	-	6,747,800	-
41,141,500	Net Revenue Expenditure	39,264,300	20,620,700	(7,255,500)	52,629,500	262.3
11,140,300	Less: Depreciation	-	20,620,700	-	20,620,700	
30,001,200	Net Revenue Expenditure	39,264,300	-	(7,255,500)	32,008,800	

Statement of Comprehensive Net Expenditure			
2013 Net Revenue Expenditure			2014 Revised Net Revenue Expenditure
£			£
		Income	
-		Duties, Fees, Fines & Penalties	-
(6,849,000)		Sales of Goods and Services	(7,036,500)
-		Investment Income	-
(213,500)		Other Income	(219,000)
(7,062,500)		Total Income	(7,255,500)
		Expenditure	
-		Social Benefit Payments	-
14,551,900		Staff Costs	15,327,100
3,009,000		Supplies and Services	3,469,300
437,300		Administrative Expenses	450,300
13,751,400		Premises and Maintenance	13,592,900
179,800		Other Operating Expenses	182,300
-		Grants and Subsidies Payments	-
112,500		Impairment of Receivables	115,000
5,021,800		Finance Costs	6,127,400
-		Foreign Exchange (Gain)/Loss	-
-		Contingency Expenses	-
37,063,700		Total Expenditure	39,264,300
30,001,200		Net Revenue Expenditure	32,008,800
11,140,300		Depreciation	20,620,700
-		Impairment of Fixed Assets	-
-		Asset Disposal (Gain)/Loss	-
41,141,500		Net Revenue Expenditure	52,629,500

Reconciliation of Net Revenue Expenditure	
	2014
	£
Base Department Budget	30,001,200
Price Inflation - Dept Income	(191,700)
Price Inflation - Dept Expenditure	574,700
Price Inflation - Provision for Pay Award	70,000
Commitments from Existing Policies	
CSR Growth and Other Growth	(2,800)
Unallocated Growth Provision	391,000
Department Savings	-
Department User Pays	-
Departmental Transfers	-
Capital to Revenue Transfers	
Property Holdings: Backlog Maintenance Programme	(500,000)
MTFP Growth	70,000
Proposed Procurement Savings	-
Proposed Other Budget Measures	
Reduce PECRS Pre 1987 Repayment Term	1,000,000
Net Revenue Expenditure per MTFP	31,412,400
<u>Approved Variations to Expenditure Limits since MTFP</u>	
Service Transfers	
- Transfer of Rental and Service Charges budget for Jubilee Wharf to Housing Department	(50,000)
- Transfer upon the Disbanding of the Customer Services Centre from Chief Minister's Department	74,700
- Transfer of staff budget for Finance Resource to Health and Social Services	(89,800)
- Transfer for Corporate Procurement Savings Recharge to Housing Department	(30,900)
Allocations of Central Growth 2014	-
Pay Provisions	
- Recurring effect of 2013 1% Consolidated Pay Award	137,400
- 2014 4% Consolidated Pay Award	555,000
Procurement Savings	-
Capital to Revenue Transfers	-
Other Variations	-
Revised Net Revenue Expenditure 2014	32,008,800
Depreciation per MTFP	11,589,300
2014 Depreciation Adjustment	9,031,400
Depreciation	20,620,700
Revised Net Revenue Expenditure 2014	52,629,500

For further information visit

www.gov.je

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