

PM/SC/312

COUNCIL OF MINISTERS

(35th Meeting)

29th October 2012PART A

All members were present, with the exception of Senator A.J.H. Maclean, Minister for Economic Development; Deputy R.C. Duhamel, Minister for Planning and Environment; and Deputy A.K.F. Green, M.B.E, Minister for Housing, from whom apologies for absence had been received.

Senator I.J. Gorst, Chief Minister
 Senator P.F.C. Ozouf, Minister for Treasury and Resources (for a time)
 Senator B.I. Le Marquand, Minister for Home Affairs
 Senator F. du H. Le Gresley, M.B.E., Minister for Social Security
 Deputy A.E. Pryke, Minister for Health and Social Services
 Deputy K.C. Lewis, Minister for Transport and Technical Services
 Deputy P.J.D. Ryan, Minister for Education, Sport and Culture
 Connétable J.M. Refault of St. Peter, Assistant Minister for Housing

In attendance -

Senator P.F. Routier, M.B.E., Assistant to the Chief Minister
 Sir P.M. Bailhache, Assistant to the Chief Minister (for a time)
 Deputy E.J. Noel, Assistant Minister for Treasury and Resources
 J.D. Richardson, Chief Executive, States of Jersey
 M.N. de la Haye, Greffier of the States
 Mrs. L. Rowley, Treasurer of the States
 Mrs. D. Le Gresley, Director of Financial Planning and Performance,
 Treasury and Resources Department
 C. Haws, Head of Financial Planning, Treasury and Resources Department
 S. Le Quesne, Communications Officer, Communications Unit
 P. Monamy, Clerk to the Council of Ministers

Note: The Minutes of this meeting comprise Part A only.

Medium Term
 Financial Plan
 2013 -2015:
 amendments.
 477/1/1/7(1)

A1. The Council, with reference to its Minute No. B3 of 24th October 2012, gave further consideration to the amendments to the draft Medium Term Financial Plan 2013- 2015 (P.69/2012 refers) which had been lodged '*au Greffe*' by various States members and/or the Corporate Services Scrutiny Panel.

The Council, with the Treasurer of the States, the Director of Financial Planning and Performance and the Head of Financial Planning, Treasury and Resources Department in attendance, considered its draft comments on each of the amendments, together with the running order for the debate

In particular, the Council considered the **Second Amendment (lodged '*au Greffe*' by Deputy J.H. Young of St. Brelade)**, which it was recalled sought to increase the budget of the Department of the Environment by £300,000 in 2013 and 2014 in order to provide additional funding for Countryside Infrastructure, Island Plan 2011 Implementation and strengthening the protection and regulation of the Island's Environment. The Council heard from the Treasurer of the States that the

aims of the amendment were to be accommodated by alternative means and it was understood that the Deputy was likely to withdraw the amendment once the Council's comment had been published.

The Council also considered the **Ninth Amendment (lodged 'au Greffe' by the Corporate Services Scrutiny Panel)** which proposed that for the financial years 2014 and 2015 the net revenue expenditure of certain States-funded bodies should be decreased, with the amounts of £5,690,000 and £7,730,000 being allocated to growth expenditure and allocations to departments appropriated in the Annual Budgets for 2014 and 2015 respectively. The Council noted that the overall financial implications of the proposed Amendment were neutral with funding to be removed from departments' budgets in 2014 and 2015 and held in a central growth allocation. The Council, having recalled that the Amendment was in 3 parts, agreed to accept Amendment 3 which requested "*the Minister for Treasury and resources to develop a defined performance-monitoring and reporting framework which produces a high level of transparency on the tracking of actual performance against the Medium term Financial Plan and to report to the assembly on the development of such a framework by July 2013.*" The Treasurer of the States undertook to include in the Council's comment reference to the approach likely to be adopted in this regard. As regards parts 1 and 2 of the Amendment, the Council agreed that it was minded to defer some expenditure in 2014 and 2015 (£460,000 in each year - £50,000 from the Home Affairs Department - "Marine Incident Response Group"; and £410,000 from the Chief Minister's Department - "External Relations" and "CSR: Fund permanent members of the CSR delivery team") so as to provide a central growth allocation. The Council also recognised that the Social Security department had identified amounts within the growth allocation for 2014 and 2015 (£750,000 and £1 million respectively) related to private sector rental support which were subject to States debate and which, in the event that they were not supported by the Assembly, would be returned to the States Treasury. The Council, having agreed that those sums might be removed from the Social Security Department's budgets in 2014 and 2015 so as to provide a central growth allocation, decided that a further sum of £150,000 which was also subject to States debate (in respect of draft Discrimination Law) should remain within that department's budgets for those years. The Council accordingly decided to proceed with an amendment to the Ninth Amendment so as to provide a central growth allocation, based on the outcome from the additional exercise undertaken, and delegated authority to the Minister for Treasury and Resources to finalise the text of the amendment.

With regard to the **Third Amendment (lodged 'au Greffe' by Deputy M. Tadier of St. Brelade)**, and having discussed the matter with the Minister for Education, Sport and Culture (ESC), the Council noted that no means had been identified of acceding to Deputy Tadier's proposal to provide additional funding for French Language Assistants, although it was recognised that the previous reduction in such funding had been part of the department's Comprehensive Spending Review (CSR) saving which had been delivered in 2011 and that in order to offset the impact of those savings, an investment had been made in training for staff and in new technologies which had resulted in primary teaching resources being written, new assessment tools developed to ensure progression into secondary schools, and 20 primary teachers provided with additional training to teach French in Upper Key Stage 2 (9-11 years). Consequently, some £20,000 of the additional funding of £25,000 envisaged by the Deputy was being spent in a different way (i.e. on video conferencing) in order to develop the teaching of French. The Minister for ESC undertook to hold further discussions with Deputy Tadier in order to attempt to resolve the matter.

Of the remaining amendments, the Council noted that parts 1 and 4 of the **Tenth**

Amendment (lodged ‘au Greffe’ by Deputy M.R. Higgins of St. Helier), proposed increasing the net revenue expenditure of the Economic Development Department by £60,000 in 2013 in order to provide uniforms for the Band of the Island of Jersey. The Treasurer of the States undertook to investigate further the costs associated with this proposal. In relation to parts 2 and 5 of the **Tenth Amendment**, the Council noted that this proposal sought to re-establish the post of Island Military Liaison Officer (IMLO). The Chief Minister reported that, following discussions with H.E. The Lieutenant Governor, it was proposed to fund the IMLO post for a period of 2 years from under-spending arising in 2012, on the basis that the post would be held within the staffing of Government House. Parts 3 and 6 of the **Tenth Amendment** were noted to relate to a proposed increase in total States net expenditure and the net allocation for capital expenditure of £800,000 in 2013 towards the cost of creating a new Headquarters for the Jersey Sea Cadets. The Council recalled that the 25th Amendment to the Island Plan (P.48/2011) had provided for the site at Les Galots (Old Harbour, St. Helier) to accommodate the Sea Cadets, but it was recognised that whilst there was evidence of substantial support for the development of a facility on the site, insufficient funding was in place to achieve this as a public development alone. The Council noted that a working party comprising representatives of Ports of Jersey, ESC, States of Jersey Development Company (SoJDC), Jersey Property Holdings (JPH) and the various water-based community groups had developed a comprehensive project plan and preliminary discussions had been entered into with a third party to explore the potential for the creation of a ‘Joint Venture’ whereby the Public would contribute the land at Les Galots, in the form of a long leasehold interest, and the £400,000 funding held by JPH in return for community facilities to be specified in a development agreement alongside some commercial development.

The Council noted that in respect of the **Eighth Amendment (lodged ‘au Greffe’ by Deputy J.A.N. Le Fondré of St. Lawrence)** the Deputy had been invited to discuss with members of the Board of Directors of Jersey Telecom Group Limited (JT) the proposal to redeem the 9 per cent preference shares held by the States.

The Council discussed the possibility that one or more amendments might be forthcoming to the Draft Social Security (Amendment of Law No. 4) (Jersey) Regulations 201- (P.101/2012 – set down for consideration by the States on 20th November 2012) which would –

- *“introduce a new benefit, home carer’s allowance, which replaces invalid care allowance;*
- *make further amendments connected with the introduction of insolvency benefit;*
- *revise an existing, and create a further, condition of eligibility for adoptive parent grant and create a further condition of eligibility for survivor’s pension.”*

Consideration was given to the extent to which such amendments might affect the outcome of the debate on the MTFP in the event that the need for funding to implement the draft Regulations was dependent on the adoption of legislation at a later date.

The Council, having *inter alia* considered the format of repeated references throughout the comments to Key Themes within the MTFP, authorised the Treasurer of the States to take the necessary action to finalise the Council’s comments in conjunction with the Minister for Treasury and Resources and the Chief Minister in order to reflect the discussion at this meeting.