

# **Inspiring Confidence in Jersey's Future**

**Strategic Plan Progress Update, May 2012 – June 2014**

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# INTRODUCTION

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In May 2012, the States of Jersey adopted its 2012 Strategic Plan, 'Inspiring Confidence in Jersey's Future', a statement of common strategic policy that government intended to focus on during its term of office ending in November 2014.

The Strategic Plan set out an overarching vision, comprising five key themes that the Council of Ministers deemed integral to Jersey's future.

- A Safe and Caring Community
- A Strong Sustainable Economy
- Preparing for the Future
- Protecting our Environment
- A Highly Skilled and Motivated Workforce

These vision statements provided the framework for operational delivery of public services and the continued implementation of strategies and policies agreed in the previous Strategic Plan.

Having set the stage for the ongoing delivery of the full range of public services, the 2012 Strategic Plan then focused on a set of Priorities for the Council of Ministers' term of office. These Priorities were considered to be the key challenges requiring significant government intervention in order to secure a better future for the Island. These Priorities were:

- Get people into work
- Manage population growth and migration
- House our community
- Promote family and community values
- Reform Health and Social Services
- Reform government and the public sector
- Develop sustainable long term planning

Each of these Priorities was then broken down into a set of Key Actions defining what government intended to do in order to deliver change, providing a high level framework for more detailed business planning, policy making and budgeting.<sup>1</sup>

The Plan was adopted by the States in May 2012. This report provides a comprehensive review of what was done to help deliver each Priority and its associated Key Actions in the period up to June 2014. It is deliberately selective in focusing on these areas in order to provide a clear line of sight from each commitment made in the 2012 Plan to the action and change that was introduced as a consequence.

All Islanders have a vested interest in this Strategic Plan Update because these interventions and their impact will shape our future. As such, the report breaks new ground as a means of enhancing both the transparency and the accountability of government in Jersey. It is also one element of a broader review of performance reporting within the States which will improve the way we monitor the implementation of change initiatives and evaluate their contribution to economic, social and environmental goals.

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<sup>1</sup> *Delivery of the Strategic Plan was supported by a new three-year Medium Term Financial Plan. This key change from an annual budgeting cycle allowed departments to plan the delivery of services in response to the requirements set by the Strategic Plan within a more certain financial framework. [Departmental Business Plans](#) provided a greater level of detail on how core operational services as well as change initiatives would support each of the Priorities.*

## HOW TO USE THIS REPORT

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The main purpose of this Report is to review progress against each of the seven Priorities set out in the Strategic Plan since it was prepared by the Council of Ministers in 2012.

For each of the Priorities, this report:

- Reiterates what the Strategic Plan defined the Priority to be
- Reflects on why the particular Strategic Priority was chosen in 2012
- Restates each of the Key Actions listed against the Priority in 2012 and describes what has been done since then to help deliver progress.<sup>2</sup>

Where appropriate, this report contains electronic links to relevant Propositions debated by the States Assembly and other key Reports so that readers can view the full information on the changes made.

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<sup>2</sup> *Some Key Actions in the Strategic Plan actually comprised several different actions. Where appropriate, these have been broken down into their constituent parts so that progress against each can be better explained.*

## Executive Summary

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The current Council of Ministers took office at a time when Jersey, like many other jurisdictions, was dealing with the challenges of a global economic downturn whilst also facing up to the reality of impending economic, social and environmental change.

The task facing the Council was twofold – implement policies that would help steer the Island through difficult times in the short term but also ensure that Jersey would be able to meet the challenges of the future with confidence.

This report highlights both the breadth and depth of the changes introduced since the Assembly approved ‘Inspiring Confidence in Jersey’s Future’ in May 2012. On the one hand, there has been a clear focus on issues of immediate concern to the community such as getting people back into work, a deposit scheme for first time buyers, introducing tighter controls on immigration and improvements to the standards of existing social housing stock. In addition, it has been a defining period of two years in which the States has approved an unprecedented programme of structural and service change. Some highlights include -

- Fundamental reform of health care in Jersey to ensure that Islanders will enjoy safe, affordable and sustainable health and social services in the future.
- The creation of a Strategic Housing Unit to manage and coordinate housing supply and a Housing Transformation Programme to secure a modern 21st Century social housing sector.
- A new Long Term Care Scheme to provide financial support to Jersey residents who have significant long-term care needs and who are being cared for either in their own home or in a care home.
- Development of a new Financial Services Policy Framework to secure and enhance Jersey’s position as a leading global finance centre.
- Approval of a new 2050 Energy Plan to ensure a sustainable energy future for the Island.
- The introduction of a Discrimination Law which provides an overarching legal framework for the introduction of protection against all forms of discrimination in the Island.
- Implementation of a six-year Reform Programme designed to forge a more innovative, efficient and sustainable public sector.
- Key changes to the management of public finances to improve medium and long term financial planning.
- A fundamental review of the States’ approach to strategic planning which lays the foundations for a new and enduring way of working and planning for our future.

Unfortunately, not everything set out in the Strategic Plan came to fruition, as evidenced by the Assembly’s decision not to support proposed changes to the composition of the States and the electoral process.

There is still more to come. A review of our current education system will be conducted in the summer of 2014 and will inform the development of a new Education Strategy.

The impact of these reforms on our economy, society and environment will gather pace and be measured over a period of years. Our hope and belief is that they will provide a lasting legacy helping the Island to address the future with confidence.

# **Get People into Work**

# GET PEOPLE INTO WORK

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## What the Strategic Plan said:

Our most urgent priority is to get unemployed Islanders working, keep people in work and create new employment opportunities and jobs through sustainable economic growth

## Why was this a Priority?

In common with other jurisdictions, the global economic downturn led to an increase in unemployment in Jersey. In March 2012, the month when the draft Strategic Plan was published, 1,810 people were registered with the Social Security Department as unemployed and actively seeking work. On a seasonally adjusted basis, the number of unemployed had increased by over a third compared to March 2011 and had reached the highest level ever recorded in Jersey.<sup>3</sup> The number of long term unemployed (330) had almost doubled over the same twelve-month period.

For an Island community that had benefited from very low levels of unemployment for many years, the socio-economic consequences were profound. With only a slow economic recovery expected, the labour market was expected to remain fragile for some time so growing rates of long term unemployment, particularly amongst school leavers, was a particular concern.

This Priority therefore recognised the need for short term interventions to help unemployed people find work and, in particular, to prevent long term unemployment, whilst also investing in the economic growth to secure sustainable, well-paid employment opportunities for the Island's population over the longer term.

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<sup>3</sup> Seasonal adjustment is a statistical technique which enables examination of the underlying behaviour in a series of data by removing variations associated with the time of year, e.g. Christmas, Easter, academic year.

## What has been done to address the Priority?

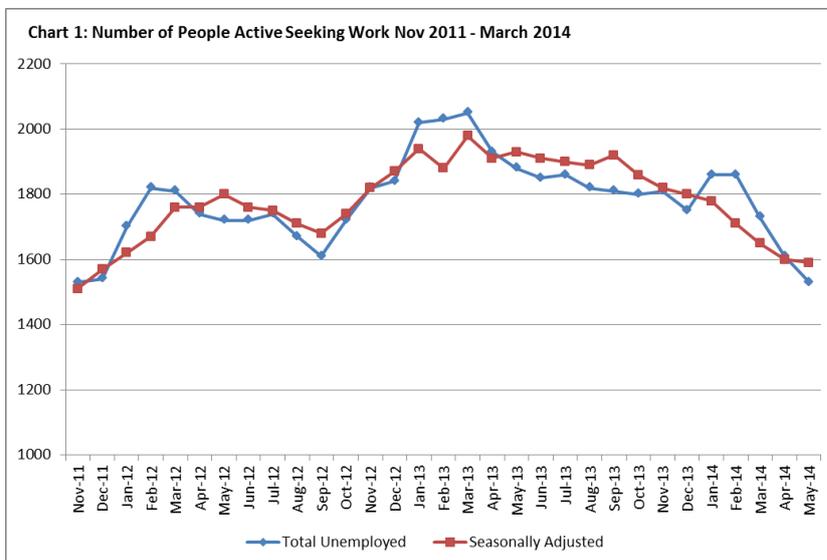
The Strategic Plan identified six Key Actions in support of this Priority.

### Reduce the number of unemployed Islanders.

In May, 2014, the actual number of people actively seeking work in Jersey stood at 1,590, which is over 7.5% down compared to when the Strategic Plan was approved in May 2012.

Seasonally adjusted unemployment peaked in March 2013 but has shown a downward trend since. This figure now shows a reduction of over 20% compared to last March and 12% compared to May 2012.

Chart 1 shows how unemployment rose sharply in the Island in the autumn and winter of 2012/13 which followed the removal of low value consignment relief by the UK Government. The ensuing decline in the local fulfilment industry cost at least 700 jobs and was one of the significant drivers behind the rise in unemployment.



The challenge facing the Island in dealing with this blow was exacerbated by the depth of the Eurozone Crisis, which both deepened and lengthened the recession across Europe and held back the global economic recovery.

Government support through the Back to Work programme is targeted at those needing most help (e.g. the long term unemployed, those under 25 and those on Income Support). In 2013 1,818 job starts were achieved through the support of the Back to Work Programme which has helped limit increases expected through the loss of LVCR and, at the end of 2013, reduce unemployment levels compared to the year earlier.

### Implement a 'Back to Work' policy leading to lower unemployment.

Significant progress has been made in helping people who are registered as unemployed and targeting support at those groups who need most help to get into the work place. As a result of government investment in Back to Work and the innovative approach taken by the team, the number of people registered as unemployed has remained lower than forecast and has remained steady.

Since it was established in late 2011, Back to Work has enhanced the existing provision and provided a swift and flexible response to the needs of both jobseekers and employers. Its role is to co-ordinate the work of all government employment schemes, develop targeted schemes to support locally qualified jobseekers and build a partnership with employers to provide sustainable job opportunities for locally qualified islanders.

During 2012, the existing employment schemes which came under the administration of Back to Work were:

- Advance to Work

- Advance Plus
- Workwise
- Work Zone

Over the course of 2012 and 2013, Advance to Work, Advance Plus and the Work Zone at Social Security was expanded to cater for greater demand.

The aim of every Back to Work team and initiative is to bridge the gap between employers and jobseekers. Employers have benefitted from an increase in support and financial incentives and jobseekers have excellent access to training and support to improve their confidence and motivation to move into the workplace.

In addition to the development and expansion of these schemes, Back to Work has launched:

- **The Employment Grant.** The Employment Grant was first launched in May 2012 and adjusted a year later based on employer feedback. It improves the employability of those who are furthest from the job market by offering employers £7,200 for each long-term unemployed individual they employ on a long-term or permanent contract.
- **A dedicated Employer Engagement team.** Services provided include:
  - Matching employers with job-seekers
  - Providing pre-selection, interview and feedback for companies which are recruiting.
  - Access to Employment Grant and incentives
  - Information about job trials and the various employment schemes
  - Support with short-term vocational training
- **Hospitality Campaigns** in 2012, 2013 and 2014. The annual campaigns aimed to encourage employment in the hospitality sector and increase the number of unemployed people able to take up seasonal and permanent vacancies in the industry. Each successive campaign has built on the feedback from employers and offered programmes of training for unemployed candidates and incentives for both the employer and employee.
- **Long term unemployment programme.** The new employment scheme was established specifically to target increased support to people who have been unemployed for 12 months or more to ensure that they are as prepared as possible to re-enter the workplace. This includes motivational and work-readiness training and intensive mentoring with a Back to Work personal mentor. It was set up, in part, to work with the Employment Grant.
- **Job Matches.** As part of the Hospitality Campaign 2013, Back to Work introduced the job Match formula allowing employers with current vacancies to meet unemployed individuals motivated to work in that industry. The formula was successful and subsequently rolled out for other Back to Work recruitment drives.
- **Job Club.** A Job Club which offers expert support to unemployed people wanting to make independent job searches opened in Colomberie. People who are registered as unemployed book are referred for appointments. Over 1,000 people have received support from Job Club since it opened its doors in early 2013.
- **JobsFest.** JobsFest was designed and timed specifically to help people who have been out of work all year and at the time of year when trends suggest that unemployment would rise. JobsFest provided an employer incentive, a job match event and an eight week programme of 67 workshops and talks to help jobseekers meet potential employers, improve their CV, gain new skills and stay motivated. The

JobsFest employer incentive has accounted for 91 job starts during October 2013 with that number rising to 109 in November.

- **National Trust Volunteer Scheme.** Back to Work and the National Trust for Jersey was first launched the volunteer scheme in March 2013 to undertake a wide range of conservation tasks on land owned by the Trust and provide placements and skills training for locally qualified jobseekers. The Scheme takes supervised groups of up to 16 people on month-long unpaid placements to do conservation work on the Trust's land.
- **Community Jobs Fund.** Was set up to provide funding for community-based jobs for people struggling to find work. Organisations can apply for the Community Jobs Fund to fully fund up to six months wages for young or long term jobseekers employed by a charity or organisation which has provided a role offering a clear benefit to the community.
- **Provision for non-English speakers.** The department has been proactive in addressing the rise in the number of Portuguese and Madeiran nationals who have been registering as unemployed. Back to Work has provided the targeted support to those who have been resident in Jersey for five years. To improve employability, the ESOL (speaking English as a second language) course is now compulsory for people who are registered as unemployed and need help with English literacy.
- **Start Up Business Programme.** A partnership between Back to Work employment scheme Advance Plus and Jersey Business to help motivated unemployed people with a viable business idea to set up their own business.
- **Construction Programme.** In early 2014, Back to Work established a programme of training with industry-standard accreditation in association with the Jersey Construction Council. The objective for the programme was to train up to 200 jobseekers to ensure that they are prepared to meet any future demand for workers from the industry.
- **Youth Incentive.** The Youth Incentive, launched in May 2014 aims to tackle youth unemployment by creating specific incentives for employers to take on young people on permanent contracts. As well as providing financial help for the first six months of employment, the initiative provides in-work support to help candidates settle in to the workplace.

In October 2013, the States approved changes to Income Support regulations to strengthen the sanctions that can be applied to benefit claimants who fail to actively seek work. For the first time, penalties were also introduced in respect of benefit claimants who give up work without a valid reason. These changes endorse the principle of getting people back to work by creating immediate and appropriate financial penalties for the small minority of benefit claimants who seek to avoid their responsibilities.

In April 2014, the earnings disregard for Income Support Claimants was increased to 23% (from 20%) making the financial incentive to work at its strongest since the introduction of Income Support.

### **Introduce an Economic Growth Strategy that assists job creation and better aligns inward migration with new high value employment opportunities for local people.**

This Key Action has given rise to a number of aligned initiatives designed to stimulate economic growth, promote stronger, more competitive local businesses and so create new employment opportunities for local jobseekers.

- ✓ In June 2012, the Council lodged **P.55/2012 Economic Growth and Diversification Strategy**, which was approved by the States the following month. The Strategy included 4 priorities to help deliver economic growth, deliver new jobs and invest taxpayers' money wisely to support our economy, encourage innovation, attract quality businesses and maximise local enterprise. This is not simply a role that Government can discharge in isolation and the Strategy is intended to provide the basis of a partnership between government, business and the third sector in Jersey for the benefit of everyone in our community
- ✓ The Economic Growth Strategy proposed the appointment of a Shadow Board, drawn from the private sector, to oversee strategy and the day to day operation of the Island's destination marketing programme in the UK, Continental Europe and other international markets, P.113/2012 Tourism Shadow Board: Establishment was duly lodged in October 2012 and subsequently approved by the States in January 2013. The Shadow Board produced a **Preliminary Report** in March 2014 setting out its proposals for the future operational and governance structure for tourism in Jersey.
- ✓ In November 2012, the Treasury and Resources Minister followed through another of the priorities set out in the Economic Growth Strategy by lodging P.124/2012 Jersey Innovation Fund: establishment, funding and operation. Following recommendations by Scrutiny, the Minister lodged an amendment in April 2013 and the amended P.124 was agreed by the States in the following month.<sup>4</sup> The aim of the Fund is to support innovation and lead to significant employment creation. It is available to support a wide range of activity, from direct business support to strategic infrastructure investments, in the private, public and third sectors. The Medium Term Financial Plan 2013 – 2015 (MTFP) made provision for the Fund to be established with an initial allocation of £5 million.
- ✓ One of the 4 key strategic aims in the Economic Growth Strategy was to grow and diversify the financial services sector capacity and profitability. In late 2012, Jersey Finance Limited commissioned **"Securing Jersey's future as a leading international finance centre" (the McKinsey report)** with McKinsey management consultants, which reviewed future opportunities and threats to Jersey's financial services sector. The recommendations of this review were developed with the support of a steering committee that included representatives of Government, financial regulator and the finance industry and drew on the experience and knowledge of a joint Jersey Finance and McKinsey team. The review findings formed the foundation of a new **Financial Services Policy Framework** launched in April 2014. This document outlines the policies that are vital to the future of the financial services industry and sets out the government's framework to achieve future success, and thereby support local employment and the provision of public services to the benefit of all Island residents
- ✓ In December 2013, Economic Development Department announced plans to establish a Jersey Aircraft Registry (JAR) in the summer of 2014. In April 2014, the Minister for Economic Development duly lodged P.62/2014 Draft Aircraft Registration (Jersey) Law 201- proposing the draft legislation that would enable a Jersey Aircraft Registry (JAR) to be established. The JAR would allow for the registration of private and corporate high-value aircraft, aircraft engines and aircraft mortgages. The Registry is anticipated to be particularly attractive to internationally mobile business jet owners and will provide local businesses with significant opportunities, particularly in the fiduciary, legal and financial services arenas.
- ✓ A new Enterprise Action Plan aligned to the Economic Growth and Diversification Strategy was presented to the States in May 2014 (R.73/2014). The emphasis of the Plan will be on raising the productivity of businesses and on the development and growth of businesses with high growth potential engaging in high value added activity across all non-finance sectors. The support available

is in addition to that already included in sector specific strategies such as the Rural and Tourism sectors. The Strategy will present a range of new policies and actions, and set out the rationale for each.

- ✓ Increased investment into **Locate Jersey** which has lead responsibility of attracting high value business to Jersey.
- ✓ In June 2012, the Planning and Environment Minister published [Supplementary Planning Guidance](#) on the operation of Island Plan Policy E1. Looking forward, this guidance on the protection of employment land will be reviewed to incorporate more structured involvement of the Economic Development Department in the assessment of such planning applications.
- ✓ There is currently planning permission for over one million square feet of office accommodation, including the development of the first phase of the new International Finance Centre on the Esplanade.

### **Work with business to ensure that government policies and processes create an environment for enterprise and allow new and existing businesses to flourish.**

This Key Action provided strategic direction to focus a range of initiatives and activity.

- ✓ In June 2012, new supplementary planning guidance was introduced to explain in more detail how the Island Plan Policy E1 would be applied in decision making to ensure that existing employment land would be protected and not be lost to other forms of development.
- ✓ July 2012 saw the legal formation of [Digital Jersey Limited](#), a new independent organisation set up to represent digital industries in Jersey and to promote the Island as a centre for digital business. Digital Jersey will work with Government and the private sector to aid understanding of the digital economy and the opportunities it brings. It will work on developing relevant education and skills, promoting legislative guidance and providing strategic direction. The organisation's ultimate aim will be to create employment opportunities for local people in the digital sector, including areas such as e-commerce, information and communications technology (ICT) services and data hosting.
- ✓ On 10 July 2012, the States approved P.26/2012 Tourism Development Fund: Assistance to the Private Sector which varied the purposes of the Fund to allow the Minister for Economic Development to grant financial assistance to private sector entities. This opened the Fund to applications from the private as well as the public and non-profit sectors to help support the development of tourism in Jersey.
- ✓ Continued investment in [Jersey Business](#) a new independent organisation set up to support entrepreneurs and businesses in all sectors of the local economy.
- ✓ In September 2013, a new outreach service was launched by the Jersey Advisory and Conciliation Service (JACS) to help small businesses comply with the essential requirements of the Employment Law, such as providing staff with contracts and pay slips.

### **Raise academic and vocational standards in our schools and colleges and improve the skills of the local workforce to provide the skills that business needs**

The Education, Sport and Culture Department has undertaken a range of developmental work in support of this Key Action, including -.

- ✓ In June 2012, a review to explore closer collaboration between Highlands College and Hautlieu was announced. The project is being led by the Head of Hautlieu, who became Interim Executive Principal of both Highlands and Hautlieu from 1<sup>st</sup> September 2012 in order to facilitate the review. The aim is to give students more opportunities to study a wider range of subjects and different courses, if possible.
- ✓ In November 2012, the Department announced plans for full-scale independent reviews of maths, English and science teaching in Jersey. The reviews would look at both primary and secondary schools in the States sector as part of an ongoing drive to raise standards for all pupils and to close the gap between the highest and lowest performing students. The maths review was completed in spring 2013 and an action plan put in place to address the issues raised.
- ✓ In 2013, the first results arising from a new system to monitor and evaluate teaching standards across primary schools demonstrated that an increase in numeracy and literary standards had been achieved.
- ✓ The [Think Differently IT Skills Strategy](#), launched in October 2013, was developed to ensure the Island's next generation have the ability to keep pace with the rapid, constant developments in technology and are well equipped to succeed in their careers.

In addition, the Key Action provided the strategic direction for a range of development activity focused on skills in the local workforce -

- ✓ In September 2012, Skills Jersey and Digital Jersey published an interim report on the findings of a review focusing on the skills and educational needs of the Jersey workforce, both current and future. This review was commissioned with the aim of providing the information-base needed to underpin their future strategies and policies related to the skills and education needs of the Digital sector in Jersey.
- ✓ In December 2012, the **Trackers Apprentices Programme** was launched by Education, Sport and Culture (ESC) to provide training opportunities and career progression for both full-time learners and people who are already in employment. An important aspect of the new Trackers programme is the use of mentors to help track the apprentice's progress, identify employment or placement opportunities and offer support. The launch of the new scheme has had an impact on numbers in the first two years; prior to the new scheme apprentice numbers were around 40 each year with 58 registered in 2012, and 55 enrolments for the programme commencing in September 2013.
- ✓ The States has also been making a direct contribution to work-placed training. In July 2012, the States linked up with Highlands College to offer placements to students enrolled on the Business and Management degree, one of the College's 12 undergraduate degree programmes. The degree offers students the opportunity to study for a degree in Jersey whilst acquiring skills of practical use in a working environment. Placements run for periods of 13 weeks in year 1 and 15 weeks in year 2 and are paid work. Funding has been identified for 85 apprentice healthcare assistants within the 2013-16 Medium-Term Financial Plan and, in April 2013, TTS offered up to eight apprenticeship posts in a variety of engineering, gardening and groundsman roles for a fixed term of four years
- ✓ In September 2013, Skills Jersey launched the **Skills Accelerator** programme to provide financial support to encourage and support work force training and development. The initiative has been designed to provide financial assistance to allow employees of small and medium sized enterprises to access training that will make a difference to the viability or diversification of their employer's business. Funding for the scheme is budgeted at around £500,000 over the next three years.
- ✓ In April 2014, a new Skills Strategy, called [Skills for Success](#), was launched by the Skills Executive, a body that brings together the Ministers of Education, Sport and Culture, Economic Development and Social

Security. Their strategy aims to ensure the Island is well-placed to meet the requirements of current and emerging labour markets. Its objectives are to:

- ensure our children enjoy the best start possible and prepare our young people to make a positive contribution to the Island
- encourage lifelong learning and equip individuals with the skills that Jersey needs
- align opportunities for skills development with the needs of current and emerging labour market
- tackle unemployment and help people gain a foothold in the labour market

## **Build Jersey's international profile to attract investment and create jobs**

There are two key aspects to this Key Action, which are detailed below -

### **Strengthen international relations and partnerships, supporting new and existing business and cultural links which benefit Islanders.**

A Common Policy for External Relations was agreed by the Council of Ministers in October 2012 and reported to the States Assembly in November 2012. The principles decided upon for the conduct of external relations included a commitment to promote Jersey's international identity and good reputation as a responsible country committed to the rule of law, international standards, and respect for internationally recognised human and labour rights; to serve Jersey's best economic interests by promoting a strong, diversified economy, safeguarding its competitive position and promoting growth through trade and inward investment; and to promote Jersey's national and cultural identity abroad.

- ✓ Accordingly, Ministers have led high level delegations to China and Hong Kong in recognition of the growing importance of China in world economy. The dialogue has developed an understanding of Jersey as a confident and self-reliant jurisdiction with a history of stability, strong financial regulation and a robust, modern legal system. Engagement with China and other major emerging markets is important in order to foster diversity and support economic co-operation.
- ✓ Ministers have made a series of visits to the UAE (primarily Dubai and Abu Dhabi) where Jersey has strong financial services links. These visits seek to strengthen and develop Jersey's bilateral relationships and build upon more than a decade of ministerial engagement with the region. This cordial relationship has enabled ministers to support the role of Jersey as the leading off-shore international finance centre and a place to do business, whilst also engaging on themes of wider economic cooperation including species conservation (Durrell), renewable energies and services which Jersey could offer to energy companies.
- ✓ Ministers have also visited Israel, given its role as an acknowledged world leader in digital technology. In addition, the Chief Minister took the opportunity to attend the Globes Israel Business Conference in Tel Aviv in December 2013, a leading economic event of which Locate Jersey was a sponsor. The Chief Minister's visit served as an ideal opportunity to strengthen Jersey's commercial links with the country, and promote the Island among Israel's business community work with particular regard to businesses in the high-tech, digital and IT sectors.
- ✓ A report from Capital Economics on [Jersey's Value to Britain](#), commissioned by Jersey Finance Limited, and endorsed by the Government, was published in July 2013. The report demonstrated how Jersey provided vital liquidity to the UK economy, facilitated investment from around the world and consumed UK exports, all of which supported UK jobs. The report provided a comprehensive evidence based analysis highlighting the mutually beneficial (economic) relationship between Jersey and the UK.

- ✓ Ministers are conscious of the need to safeguard Jersey's constitutional position and explain the Island's relationship as a Crown Dependency when engaged on governmental business. Ministers have therefore pursued a programme of targeted engagements with political, diplomatic and business communities in the UK, Europe, and across the world, to further Jersey's interests economically, politically and culturally. This activity has helped ensure that Jersey is viewed as stable and well regulated, with a growth economy, and as a place to do business.
- ✓ This ability to promote Jersey's interests in the UK has been enhanced with the establishment of an office in London. Jersey is now able to strengthen its ties with UK Government, the diplomatic community and the City of London. This follows the decision to establish a Channel Islands' office in Brussels, and the intention to build upon the Bureau in Caen by establishing a joint Channel Islands office which will engage with the French authorities at both national and regional level.
- ✓ In November 2013, the Island hosted the British-Irish Council (BIC) Leaders' Summit. The meeting was attended by Leaders and Ministers from the eight BIC member administrations. The Council, formed under the Good Friday Agreement, focused on the economy, including the effectiveness of programmes to support youth employment.
- ✓ Cultural exchanges have also taken place and in June 2013, the Chief Minister, with the Bailiff of Jersey, visited Madeira. The visit covered issues such as the exchange of nurses from Madeira to work in Jersey, sharing information about social security, developing relations between Public Health officials and the enhancement of trade links between the two islands. In June 2014, a Jersey delegation led by the Chief Minister also attended the 70<sup>th</sup> anniversary celebrations of the D-Day landings in Normandy and the Connétable of St Helier represented the Island at New Jersey's 350<sup>th</sup> anniversary celebrations in a visit initiated by Senator Ozouf in February 2014.

### **Maintain Jersey's international profile as a transparent and cooperative jurisdiction**

The Common Policy for External Relations recognises the need to promote Jersey's international identity and good reputation as a responsible country committed to the rule of law and international standards. The policy includes a decision to sustain a strong international profile, supported by relevant international agreements and by relationships with the international diplomatic community, to enhance recognition of Jersey's commitment to international standards;

Accordingly, in response to the findings of the IMF Detailed Assessment of Observance of anti-money laundering and combating the financing of terrorism standards (published 2009), and the Core FATF Recommendations (international standards on combating money laundering and the financing of terrorism and proliferation), and for the follow up assessment by the Council of Europe (Moneyval) in 2013, and the 4<sup>th</sup> round follow up evaluation in September 2014, Ministers have proactively engaged in demonstrating Jersey's commitment to international compliance standards, most notably:-

- ✓ In March 2013, the Debt Relief (Developing Countries) (Jersey) Law 2013 came into force to deal with so called "vulture funds". Jersey became one of only three jurisdictions in the world to have passed a law to limit practices that could undermine international debt relief.
- ✓ In May 2013, Jersey joined the [initiative of the G5 countries](#) on automatic exchange of information (AEOI). The Island entered into a joint statement issued on the 28 November 2013 committing to the early adoption of the Common Reporting Standard.
- ✓ In June 2013, the Chief Minister attended a meeting with the UK Prime Minister at Downing Street to discuss global information exchange and tax transparency in the run up to the G8 Summit. The UK Prime Minister commended the leadership shown by the Crown Dependencies and Overseas Territories, saying it would enable the UK to speak with a stronger voice at the G8 summit.

- ✓ In June 2013, Jersey issued its [Action Plan](#), to coincide with the G8 Summit and to share in the G8's action to enhance transparency on beneficial ownership of companies. The Action Plan built on Jersey's leading position on beneficial ownership information – recognised by the World Bank - which formed a key part of the Island's continuing commitment to tackling tax evasion and fraud.
- ✓ The value of these efforts was demonstrated in September 2013 when the UK Prime Minister, the Right Honourable David Cameron, MP, told fellow members of Parliament -

*"I do not think it is fair any longer to refer to any of the overseas territories or Crown Dependencies as tax havens. They have taken action to make sure that they have fair and open tax systems. It is very important that our focus should now shift to those territories and countries that really are tax havens. The Crown dependencies and overseas territories, which matter so much – quite rightly – to the British people and Members have taken the necessary action and should get the backing for it."*

- ✓ In October 2013, Jersey signed a FATCA-style intergovernmental agreement with the UK, and in December it signed a FATCA intergovernmental agreement with the USA; for improving international tax compliance between the two jurisdictions.
- ✓ As part of an international effort to identify and recover illicitly obtained assets linked to Arab Spring jurisdictions, the government established an [Asset Recovery Task Force](#) to coordinate Jersey's activity as part of an international effort.
- ✓ On tax information exchange, to date Jersey has signed 33 Tax Information Exchange Agreements (TIEAs) and 8 Double Taxation Agreements (DTAs) to the international standard. Government policy is to seek agreements with all G20, OECD and EU Member States.
- ✓ Furthermore, Jersey has been rated by the OECD Global Forum as largely compliant, a rating that matches that of Germany, the UK and the USA, and has been invited to become a vice-chair of the AEOI working group of the OECD Global Forum on Tax Transparency, which will monitor the implementation of the new international standard, as requested by the G20. This invitation is an expression of the trust placed in Jersey and its standing in international fora.
- ✓ In August 2013, the French Government decided to place Jersey (along with Bermuda) on a list of jurisdictions considered non-cooperative in the exchange of tax information. Following engagement at the highest level and between respective competent authorities, the French Government was able to announce in December 2013 that Jersey was no longer blacklisted and that sanctions would not be imposed.

# **Manage Population Growth and Migration**

## What has been done to address the Priority?

The Strategic Plan identified five Key Actions in support of this Priority.

**Update the population model using the new Census information and bring realistic targets for population and immigration limits to the Assembly by July 2013.**

A revised [Population Model](#) based on data from the 2011 Census was published by the States Statistics Unit in September 2013. As work progressed on a revised population policy, it became apparent that the work was inextricably linked to the development of a sustainable Long Term Strategic Plan for the Island (see Page 42) recognising that there are a number of important long term issues that will affect the Island over the next 15-25 years. These issues need to be addressed with co-ordinated strategies that deliver sustainability and liveability in the longer term. Population policy needed to serve and align to the Long Term Strategy and the balance it set between economic, social and environmental interests and should not be developed in isolation.

Given that the development of a Long Term Strategic Plan was working to a different agreed timescale, the Council of Ministers decided not to bring a long term population policy to the Assembly in July 2013 as originally proposed. Nevertheless, the Council acknowledged the need to reassure the public that coherent and effective measures were being pursued in the meantime and so lodged an **“Interim Population Policy”** in January 2014. This would set out a short term population policy pending the implementation of a new long term strategy in 2015.

[P.10/2014 Interim Population Policy 2014-15](#) was approved by the States Assembly in May 2014

**Use legislation to support the engagement and training of registered people and only grant permissions for additional non-locally qualified staff in limited cases over the next 12 months.**

Chart 1 shows the decline in the number of non-locally qualified people (now called “registered” staff) employed in the private sector since 2010. In June 2013, the number of non-local employees was the lowest for the time of year in question for at least ten years.

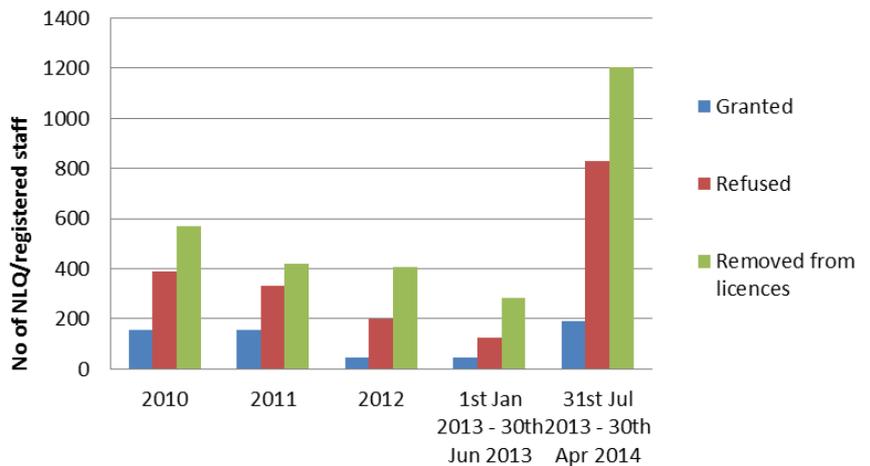
It should be recognized that one factor behind the decline in the number of non-locally qualified/registered workers is that people are becoming

qualified as a result of completing five years continuous residency in Jersey. This is an inevitable consequence of past decisions, and the effects will take time to work their way through the system as people who have arrived in the Island since 2008 secure the right to work after five years.



Key to the future therefore is our ability to manage the number of additional non-locally qualified/registered people entering the workforce. A key aim of current policy, as set out in the Key Action, is to tightly control the number of permissions for businesses to recruit non-locally qualified/registered staff and Chart 2 illustrates this policy in action. It shows the total number of applications received and granted for non-locally qualified/registered staff from 2010 to the end of April 2014 as well as permissions that have been removed. Processes have been put in place to ensure coordination between the Housing and Work Advisory Group and the Back to Work Programme to support the engagement and training of local people by businesses. Officers from Back to Work comment on all applications for registered staff before they are considered by the Advisory Group. This work will be further advanced through the Interim Population Policy, focusing on businesses that employ more registered staff than their direct competitors, and making decisions based on driving the greatest economic and social value.

**Chart 2: Non-locally qualified/registered decisions**

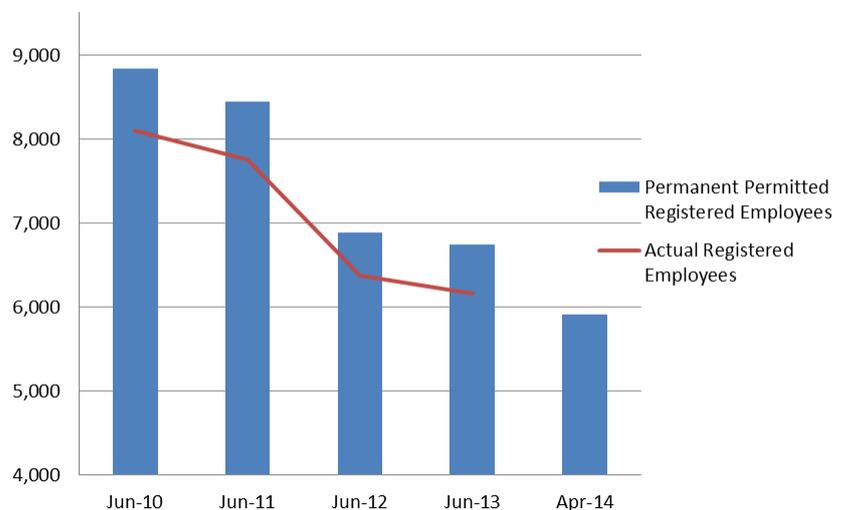


**Actively manage licence capacity in concert with ‘back to work’ initiatives to support employers and locally qualified employees and endeavour to reduce the number of non-locally qualified licences in the economy**

Over the course of the last 3 years, the number of permissions for registered staff in the economy has been reduced. Since January 2013, 1,485 such licences have been removed.

With the introduction of the new Control of Housing and Work Law, powers exist to remove permissions at any time. These powers will be exercised in an informed and reasonable manner, appreciating the needs of businesses and the requirement to support the employment of entitled and entitled to work persons. Again, this work will advance through the implementation of the Interim Population Policy.

**Chart 3: Registered Staff: Permanent Permitted and Actual**

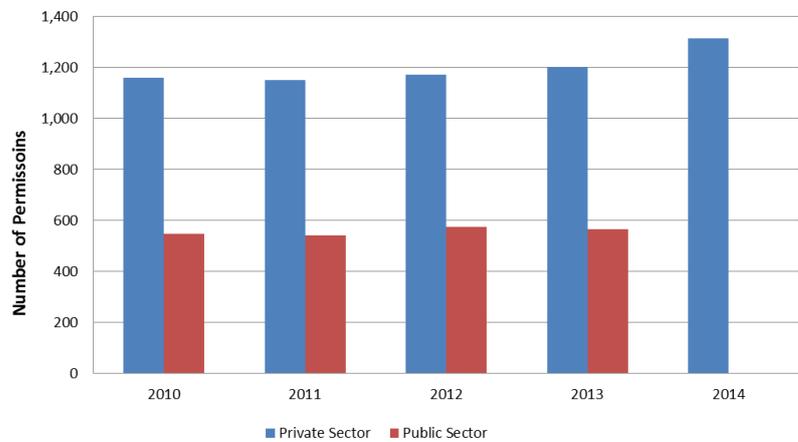


**Continue to issue 1(1)(j) consents only where high economic or social value is compellingly demonstrated, where local staff are not available and which safeguard or create employment.**

Chart 4 shows that the overall number of licensed employees working in the private and public sector in Jersey has remained relatively stable over the last few years.

These permissions are only granted to support high economic or social value activities, and a moderate increase in the private sector, combined with controlled numbers in the public sector, is aligned with the Strategic Plan.

**Chart 4: J category/Licensed Employee Permissions**



**Introduce a new Control of Housing and Work (Jersey) Law and Register of Names and Addresses Law (Jersey) to significantly improve the effectiveness of our migration controls, including a new Population Register.**

The new [Control of Housing and Work Law](#) was introduced on 1<sup>st</sup> July, 2013, including a population register, improved compliance capabilities, and a streamlining of processes.

The [Register of Names and Addresses \(Jersey\) Law 2012](#) had already been approved by the States Assembly in July 2011, and received Privy Council Assent in October 2012. The Law required a register to be maintained and enabled “public authorities” to share very basic information on Island residents: specifically, their name, address, date and place of birth, date of arrival, gender, and social security number. An Appointed Day Act and [Regulations](#) required to give effect to the Law were presented to the States in 2013 so that the Law could come into force on 1<sup>st</sup> July 2013.

**Review our migration controls and report to the States on our findings, including recommendations, within 12 months of the introduction of the new legislation.**

This review is planned to take place in the summer of 2014, including an assessment of the “5 year rule”; photographs on registration cards; exemptions. Findings from the review will support the development of a long term Strategic Plan and associated population policy in 2015.

# House our Community

# HOUSE OUR COMMUNITY

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## **What the Strategic Plan said:**

The provision of housing is a major challenge for the Island in the face of increased demand. All Island residents should be housed adequately.

## **Why was this a Priority?**

The challenges associated with the supply and affordability of homes has been a recurrent theme for government in Jersey for decades but, in 2012, the new Council recognized that many of these challenges were coming to a head.

In 2012, experience showed that many households aspiring to own their own home in Jersey would face an uphill struggle. Over the previous ten years, working households with mean net income in Jersey had been unable to afford a mortgage to buy a median priced house of any size. All indications were that this position was likely to get worse. New housing schemes and financial support for first time buyers were needed to provide some temporary relief but the real answer lay in radical reform to the development and delivery of long term housing strategy for the Island.

In particular the new Council identified that urgent action was needed to follow through work undertaken by the previous Council on the issues facing social housing provision. In 2010, an independent study had identified that the existing method of delivering social housing in Jersey was no longer sustainable. In addition, about a quarter of the States-owned stock of 4,500 social rental homes failed to meet the English Decent Homes Standard. Key decisions were now required to secure a modern 21st Century social housing sector and fund the refurbishment, maintenance and expansion of the existing States-owned rental stock.

The new Council recognized that its tenure would represent a defining period in addressing these issues through structural change and reform and therefore defined housing as one of its key priorities.

## What has been done to address the Priority?

The Strategic Plan identified six Key Actions in support of this Priority.

### Put in place schemes to generate affordable housing for social rental and purchase.

- ✓ The States are due to debate [P.37/2014 Island Plan Revised Draft](#) in June 2014 which sets out the recommendations arising from a focused review of the 2011 Island Plan. The latest set of changes take account of extensive consultation and a public enquiry during which more than 250 people and organisations made approximately 700 comments. Two independent inspectors also examined the proposed changes in the light of public consultation. They supported many of the proposed changes. In the report and proposition, the Minister for Planning and Environment proposes a number of sites for rezoning to provide up to 300 units of affordable housing for rent and purchase. Up to 70% of the provision will be made on States-owned land, including Summerland, and the rezoning of four glasshouse sites. The proposition also includes a new, more targeted definition of affordable housing to those people on or below median income levels.
- ✓ Andium Homes Limited, the new wholly States owned Housing Company created through the incorporation of the former Housing Department has a development programme which aims to generate additional affordable homes primarily for rental purposes. Alongside this it has for a number of years operated a Deferred Payment Purchase Scheme which has provided opportunities for existing social housing tenants to purchase a home. This scheme was extended in 2013 to allow those registered on the Affordable Housing Gateway to qualify to purchase. Key achievements in 2012 and 2013 were:-

	2012	2013	Projected 2014
New rental homes completed	74 <sup>5</sup>	29 <sup>6</sup>	74 <sup>7</sup>
New rental homes commenced development	33 <sup>8</sup>	106 <sup>9</sup>	95 <sup>10</sup>
Sales on deferred payment scheme	2	9	15

- ✓ In addition, Health and Social Services have acquired 6 & 7 Springfield Crescent to further enhance the range of services offered by The Shelter Trust through its agreed Service Level Agreement. The new facility opened in December 2013 and will provide a home for an additional 22 people.
- ✓ Research and development is underway into alternative policy mechanisms to capture value from the development of land to support the provision of affordable homes. This work is being led by the States Treasury as part of a review of property taxes in Jersey.

### Bring forward schemes to support first time buyers.

#### *Starter Home Deposit Loan Scheme*

On 4<sup>th</sup> December 2012, [P.131/2012 Starter Home Deposit Loan Scheme](#) was lodged proposing that a targeted pilot loan scheme be established to support Islanders to attain home ownership suitable to their

<sup>5</sup> Phases 2a & 2b, Le Squez and Jardin de Haut

<sup>6</sup> 2-4 Journeaux Street & Les Freres

<sup>7</sup> Le Squez Phase 2c & Langtry Gardens Apartments & 2 bungalows (balance of 30 bungalows to complete in 2015)

<sup>8</sup> Le Squez 2c & 2-4 Journeaux Street

<sup>9</sup> Lesquende Phase 1, Langtry Gardens Apartments & Le Coin

<sup>10</sup> Le Squez Phase 3, Lesquende Phase 2 & Langtry Gardens Bungalows

needs and means, where they otherwise could not afford the full deposit, but could afford to make repayments if a low interest deposit loan was available. Under the proposal, the States would lend up to a maximum of 15% of the purchase price of the unit, repayable at 0% interest over an agreed period, with the subsidy on market rates recoverable if the property was sold at a profit before the term of the mortgage. A minimum deposit of 5% was required from prospective home-owner to reward frugal households. The balance of any lending would be provided by an approved mortgage provider.

P.131/2012 was adopted by the States on 16<sup>th</sup> April 2013 and in accordance with the provisions of Article 2(1) of the Building Loans (Jersey) Law 1950, £3 million was transferred from the Dwelling Houses Loans Fund to the Consolidated Fund for the purposes of providing cash balances for the operation of Scheme for an initial trial period.

The trial period ended in January 2014 and is currently under review. Over the course of the trial, loans to the value of £2.5 million assisted 51 households to purchase homes ranging in value from £200-410,000.

### ***Deferred payment sales scheme extended to Affordable Housing Gateway qualifiers (HSG)***

In June 2013, the Housing Department which has since been incorporated as Andium Homes Limited, extended its Deferred Payment Purchase Scheme from existing social housing tenants to include all those who qualify for assistance through the Affordable Housing Gateway. Andium Homes identifies properties within its portfolio which may be sold to qualifying purchasers at the assessed first time buyer value. The scheme offers a means tested deferred payment of up to 25% of the first time buyer value to those applicants who can demonstrate, through a means tested process, that they cannot afford to buy the property outright.

Andium Homes intends to continue to operate the scheme and anticipates an average of 15 homes per annum; further detail can be seen in [R.15/2013](#).

### **Continue work on existing homes to meet the ‘Decent Homes Standard’.**

[P.33/2013 The Reform of Social Housing](#) and [R.15/2013 States of Jersey Housing Transformation Programme: Full Business Case](#) set out that Andium Homes will achieve full Decent Homes Standard compliance within 10 years.

A programme of works is already underway with a number of refurbishment schemes already completed and others in varying stages of planning and/or procurement.

	<b>2012</b>	<b>2013</b>	<b>Planned for 2014</b>
Homes Upgraded	453 <sup>11</sup>	287 <sup>12</sup>	55 <sup>13</sup>
Homes Demolished	0	0	21 <sup>14</sup>
Homes Disposed of	10	9	15
New Homes Acquired/Developed	74 <sup>15</sup>	29 <sup>16</sup>	104 <sup>17</sup>

<sup>11</sup> Final year of 3 year electric heating switchover programme

<sup>12</sup> Hillside Court, Jardin des Carreaux, Clos Gosset, La Collette Tower, Pomme D’Or Farm

<sup>13</sup> De Quetteville Court Tower & Osborne Court

<sup>14</sup> Phase 3 Le Squez

<sup>15</sup> Phases 2a & 2b Le Squez & Jardin de Haut

<sup>16</sup> 2-4 Journeaux Street & Les Freres

<sup>17</sup> Le Squez Phase 2c & Langtry Gardens

## Establish a Strategic Housing Unit to co-ordinate a long term housing strategy.

P.33/2013 formally established the Strategic Housing Unit in the Chief Minister's Department to oversee the development of housing policy and strategy across all tenures. Its role includes –

- Developing a robust cross-tenure Island Housing Strategy.
- Prioritizing resource allocations within the social housing sector.
- Championing the Supply of Homes.
- Managing the Affordable Housing Gateway.
- Proposing new affordable housing products to meet the needs identified through the new Affordable Housing Gateway.
- Proposing and updating a Jersey Social Housing Standard.
- The development of housing policy within a States-wide strategic policy framework.
- Carrying out (or commissioning) survey work.
- Proposing and delivering the social housing rent policy.
- Proposing eligibility criteria for social housing in Jersey through the Affordable Housing Gateway.
- Proposing standards for Tenant engagement and consultation.
- Setting performance and probity standards for Social Housing Providers.

A key factor in locating the Strategic Housing Unit within the Chief Minister's Department was to ensure that it would be fully integrated into the coordinated delivery of social policy and other related plans which impact on housing requirements.

This is reflected in the work undertaken in relation to the private sector rental market. Jersey relies heavily on this sector to provide accommodation for its residents and it is only fair that there is a modern legal framework which provides clarity and protection for both tenant and landlord. The new [Residential Tenancy Law](#), which came into force on 1<sup>st</sup> May 2014 is a major piece of social policy legislation in this respect. It sets out a modern framework of rights and responsibilities for both tenants and landlords and will benefit all those in the rental sector by providing clear legal obligations. Key features of the Residential Tenancy Law include:

- clear notice periods. A landlord will be required to give his tenants three months' notice, and a tenant will have to give one month (the law gives the Housing Minister the power to vary these notice periods)
- basic requirements for all tenancy agreements (eg who the rent is to be paid to and its frequency; how much the deposit is; when the rent is to be reviewed; contact details)
- a requirement for the landlord to give a written and signed copy of the tenancy agreement to the tenant, and to allow the tenant 24 hours to seek advice on its content before signing
- clear court processes to be followed in cases of breach or eviction, including grounds for stays of eviction

The law was also extended to people without residential qualifications when the States approved the Control of Housing and Work Law in July 2013. This move ensured that all tenants in Jersey enjoy the same rights

In October 2013 an Order under the Residential Tenancy Law made it an offence for landlords to profiteer from utility services by over-charging tenants. The new legislation covers all utility services including

electricity, gas supplies, water and drainage. It also clarifies the process for using metered and unmetered supplies and where service charges are made for communal areas.

[P.111/2014 Residential Tenancy \(Deposit Scheme\) \(Jersey\) Regulations 201](#)- is also due to come before the States by July 2014. They will establish a scheme for the safekeeping of rental deposits paid in connection with residential tenancies and also provide a facility to resolve disputes when deposits are recovered.

Further work is also underway, in conjunction with the Health and Social Services Department, to introduce proportionate measures to ensure housing conditions in rental dwellings meet appropriate health and safety standards.

### **Address the funding of the maintenance and reinvestment of the States owned social housing stock.**

The long term sustainable funding of social housing was comprehensively addressed in [P.33/2013](#) and [R.15/2013](#). This established the necessary funding mechanisms to ensure that within 10 years all existing social rented homes would be brought up to the Decent Homes Standard and maintained at that level thereafter. It also established the funding to permit the development of a planned 899 new homes.

A Bond issue of £250m was approved as part of the 2014 Budget Statement [P.122/2013](#) and £207m of this bond is ring fenced to ensure that the Decent Homes Standard can be met and the identified new homes developed. As part of the overall programme of works 164 existing homes will be demolished and 308 will be sold on the existing Deferred Payment Purchase Scheme and the proceeds of sale reinvested in the Decent Homes Programme.

The additional £43m bond funding will be made available for additional housing projects such as the development of sites identified through the Review of the 2011 Island Plan or other windfall sites.

The initial drawdown of bond funding will include a repayment of £38m of funding previously advanced to the Housing Department for its ongoing development and refurbishment programme.

### **Complete the Housing Transformation programme to allow more flexibility in tackling housing issues.**

- The States approval of P.33/2013 achieved the required separation of Policy, Regulatory and landlord functions.
- The Affordable Housing Gateway has been established and transferred to the Strategic Housing Unit. The establishment of the Gateway has enabled affordable homes to be better targeted to those most in housing need and is becoming integral to the work of the Department of the Environment in seeking to identify land for homes, and States of Jersey approved Affordable Housing providers in the allocation of housing stock.
- The Strategic Housing Unit has been established within the Chief Ministers' Department and work has commenced on a long term Housing Strategy.
- The Social Housing (Transfer) (Jersey) Law 2013 ([P.63/2013](#)) came into force on 1<sup>st</sup> July 2014, incorporating the former Housing Department as Andium Homes Limited and transferring homes and staff to the new company.

- The Repeal of the General Principles for Victoria Cottage Homes and George V Homes approved by the States ([P.44/2013](#)) in July 2013.
- A £250m Bond funding for Housing Investment was approved as part of 2014 Budget Statement ([P.122/2013](#)) in December 2013. This was finalised in June 2014 when the States were able to secure a low fixed rate of interest of 3.75% per year, with a final maturity of 40 years. The proceeds of the bond will go into a ring fenced fund which will be lent to affordable housing providers in the Island, including Andium Homes Limited. These providers will use the funds to finance a comprehensive programme of housing investment, providing up to a thousand new affordable homes for Islanders. Financing for the bond was secured at a time when interest rates are historically low, which has allowed the States to maintain its reserves and achieve the best return on them. The net effect of the strategy is that Jersey will make more in interest on its reserves than it is paying in interest on the bond repayments.
- The Social Security Department has developed changes to Income Support Regulations to support the 90% market rent policy.
- Proposals for the Regulation of the Social Housing Sector are being developed by the Chief Ministers' Department prior to being presented to States as part of a wider Housing Strategy.
- Improvements to income support for private sector tenants were published as [R.44/2013](#) by the Social Security Department and will be implemented in parallel to the changes to income support for social sector tenants.

# **Promote Family and Community Values**

# PROMOTE FAMILY AND COMMUNITY VALUES

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## What the Strategic Plan said:

Providing appropriate support to both families and individuals is essential if we are to develop a strong sense of community where everyone is valued

## Why was this a Priority?

This Priority was added to the Strategic Plan as a result of an amendment proposed by the Health, Social Security and Housing Scrutiny Panel. The Panel felt that, whilst “*A safe and caring community*” was included as part of the Council of Ministers’ vision, there was no priority to specify how this part of the vision would be delivered.

When the Council defined its original Priorities, it was not intended that the Priorities would be regarded as the means by which the broader vision statements would be delivered. Rather, the Priorities were intended to highlight critical issues or challenges confronting the Island that needed particular focus over the next three years. Indeed, the Plan emphasised that, in addition to these priorities, the States would continue to implement agreed policies and provide the wide range of public services that Islanders need.

In this sense, the Priority proposed by the Scrutiny Panel differed from the original six Priorities in that it represented a key principle rather than a response to a specific identified problem. Nevertheless, the Council accepted the change as it was already committed to the principle and delivery of the key actions proposed in the Amendment.

## What has been done to address the Priority?

Four Key Actions were identified in the 2012 Strategic Plan in support of this Priority. Progress against these Key Actions has been as follows –

### Preserve and enhance community values

This Key Action provided strategic direction to focus a range of initiatives and activity designed to increase our understanding of community wellbeing and nurture a caring, integrated society.

- ✓ The **Jersey Community and Voluntary Sector Partnership (JCVSP)**, was set up as an independent body in 2012 with a grant from the Treasury Minister, to help support the development of this sector. JCVSP works to help ensure of the “voice” of the sector is heard and that the concerns and aspirations of voluntary and community sector organisations are better understood by the States of Jersey.
- ✓ Published for the first time in 2013, **Jersey’s Better Life Index** aims to provide a measure of the Island’s “well-being”, both from an overall perspective and also at a more detailed level. Furthermore, findings presented in this report facilitate comparison of Jersey’s “well-being” with that of other jurisdictions. A fundamental purpose of the report is to strengthen the evidence base for policy making and to improve understanding of the factors which influence societal progress in the Island. The headline Better Life Index, together with a set of subsidiary indicators, will be used to monitor performance against the strategic objectives set by the States of Jersey.
- ✓ In January 2013, the Minister for Social Security lodged **P.6/2013 Draft Discrimination Law**, which was adopted by the States the following May<sup>18</sup>. The Law will introduce protection against race discrimination from 1 September 2014, subject to States approval of the appointed day. This will give sufficient time for employers, organisations and other individuals to make any necessary preparations.
- ✓ Consultation on discrimination on grounds of sex (including pregnancy, maternity, gender re-assignment and sexual orientation) is underway and the introduction of the resulting Regulations will be co-ordinated with the first stage of family friendly employment legislation which will introduce statutory rights associated with maternity.
- ✓ The discrimination law will be introduced in a phased approach, with age and disability regulations following after sex discrimination. This will enable full public consultation to be undertaken at each stage and spread any potential administrative burden for employers, organisations and other individuals over an appropriate period of time.
- ✓ During the summer of 2013, a public consultation was undertaken about a proposed new Charities Law. The aim is to develop a legal and regulatory framework that supports charities to grow and flourish, whilst also protecting public trust and confidence. The proposals received very significant support and, following a further round of consultation in the spring, **P.108/2014 Draft Charities (Jersey) Law 201-** was lodged in June 2014.
- ✓ Following public consultation, a five-year strategy for sport and physical activity in Jersey was launched in October 2013. One of the key aims of **‘Fit for the Future’** is to use the power of sport to help develop social cohesion and positive behaviour. Extra States funding to support the strategy is included in the 2014 Budget proposals. If approved, £4.5 million will be invested over the next two years to improve sports facilities and infrastructure, support initiatives that improve sport in Jersey and get more people active.

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<sup>18</sup> See also [P.6 Amendment as adopted](#)

- ✓ In the first half of 2013, the Home Affairs Department was asked to lead on research into the reduction of youth offending being experienced in the Island. A report was presented to the Children's Policy Group in July entitled "[Youth Offending in Jersey](#)" which recognised and celebrated the good practice that is occurring Island-wide and acknowledged the real reduction in youth offending is being evidenced by statistics from the courts, the States of Jersey Police, the Jersey Probation and After-Care Service, HMP La Moye and Greenfields. The findings, however, indicated that this welcome reduction is being experienced in other jurisdictions, not just in Jersey. On further investigation, the evidence from both the Island and other places pointed to the advent of internet usage as a link. Consequently, we have recognised that there are potential concerns arising with regard to safeguarding children and vulnerable adults, the changing nature of crime, crimes committed on-line, the collection of reliable data about internet crimes and the laws that we have to deal with this. The Children's Policy Group has asked that the issues raised by the report are taken forward.
- ✓ Jersey has seen considerable changes to patterns and trends of problematic drug use in recent years. Conventional drugs such as heroin, cocaine and amphetamines have largely been overtaken by cheaper and more easily obtainable designer drugs or new psychoactive substances. Multi-agency measures are in place to identify and ban emerging and harmful new psychoactive substances, raise parental awareness and provide support mechanisms for vulnerable young people. Funding has also been obtained from the Drug Trafficking Confiscation Fund to commission research into illegal drug use into current trends in drug use to help inform future development of appropriate prevention and treatment services.
- ✓ The new **2013 - 2015 Carers' Strategy**, which builds on the original Carers Strategy, involved extensive consultation with local groups and charities that support carers. The purpose of the new strategy is to raise awareness in Jersey of carers and the needs arising from their caring roles and responsibilities. It will also strengthen multi-agency support to allow carers to achieve a balance between caring and living ordinary lives. The goal is that carers will be recognised and valued as being fundamental to stable families and communities. Support will be tailored to meet the needs of the individual, enabling carers to maintain a balance between their caring responsibilities and a life outside caring, whilst ensuring that the person they support will be a full and equal citizen.

### **Work together with the parishes and other agencies to coordinate efficient and effective social and community services.**

Similarly, this Key Action also provided a strategic direction to help inform and guide service delivery.

- ✓ In October 2013, an independent report by the Care Inspectorate confirmed significant improvement in services for looked after children and young people in Jersey. These included a new structure for children's services, increased confidence in strategic leadership and some positive outcomes for children and young people who are looked after in foster care and in residential units.
- ✓ In September 2012, Les Amis and Health and Social Services signed a new contract which will maintain the charity's provision to Islanders with learning disabilities and their families. The signing of the new service level agreement marked a new era for both organisations, maintaining the essential provision of both long term residential support for adults with learning disabilities, and the provision of short breaks for both children and adults, and their family members.
- ✓ In October 2012, the Council of Ministers agreed additional measures aimed at helping to protect vulnerable people living in our community, by establishing a **Vulnerable Adults Protection Committee** and a **Vulnerable Adults Policy Group**. The Vulnerable Adults Protection Committee will put in place multi-agency arrangements to help safeguard vulnerable adults, and have the power to commission serious case reviews to investigate apparent failures in service. It will make recommendations to the

Vulnerable Adults Policy Group which will provide robust political leadership across all services that impact on, benefit or protect vulnerable adults in Jersey. The new Vulnerable Adults Protection Committee will share a joint independent Chair with the Jersey Child Protection Committee, creating one identifiable safeguarding champion.

- ✓ In December 2013, the Chief Minister lodged **P.158/2013 Access to Justice: Review** which proposed a review of access to justice in Jersey, including a review of legal aid, which would –
  - provide a comprehensive and factual description of the current legal aid scheme;
  - examine the scope for alternative approaches;
  - make proposals for developing further an efficient and effective legal system, which would improve access to justice and the resolution of complaints, whilst delivering value for money in the use of public funds;

The proposition was approved by the States in January 2014 and public consultation on the issue began in May 2014.

- ✓ In March 2014, the Minister for Health and Social Services launched a stakeholder consultation about a draft Regulation of Care Law with health and social care providers, including States departments, care homes, primary care, dentists and relevant charitable organisations. [P.95/2014](#) was subsequently approved by the States and will, over the next few years, ensure regulation of all health and social care in Jersey. This will bring the Island into line with the rest of Britain and take into account care services that many people may already assume are regulated. This should enable the public to have full confidence in the standards of care provided within their health and social care services.

## **Seek extension of the UK ratification of the UN Convention on the Rights of the Child**

- ✓ In September 2012, the Council of Ministers endorsed Jersey's UNCRC submission. This was approved by the UK Ministry of Justice earlier this year and the extension of the Convention to Jersey was launched and celebrated in June 2014. The UNCRC, introduced by the United Nations in 1989, sets out a list of rights that belong to every child under 18 years old. These rights include:
  - the right to a childhood, including protection from harm
  - the right to be educated
  - the right to be treated fairly, including changing laws and practices that are unfair on children
  - the right to be heard, including considering children's views.

Extension of the Convention provides the States of Jersey with a framework within which to consider the extent to which our laws, policies and services protect and empower children and young people.

## **Work towards delivering the range of objectives contained in 'Children and Young People: Strategic Framework for Jersey'.**

- ✓ Health and Social Services' reform agenda includes a 10 year Transition Plan for the development of services for children as part of this strategy.

Over a period of time, responsibility for the existing Children's Policy Group will transfer from the Health and Social Services Department to the Chief Minister's Department, creating a focal point for social policy development which meets objectives in the Strategic Plan (in particular, the priority to promote family and community values) and reflects the importance that the Council of Minister's places on social policy.

# **Reform Health and Social Services**

# REFORM HEALTH AND SOCIAL SERVICES

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## **What the Strategic Plan said:**

Jersey's residents deserve safe, affordable and sustainable health and social services

## **Why was this a Priority?**

When the Council of Ministers developed its Strategic Plan in 2012, it was already evident that the future of health and social care in Jersey stood at a crossroads. Current service provision and standards of care were recognised as being high, but it was acknowledged that future challenges would make the existing service delivery model unsustainable in the longer term. These issues included an ageing population, growing demand for services, spiralling costs, difficulties associated with recruitment of staff plus buildings and facilities in need of significant investment.

Doing nothing would inevitably lead to shortages of the beds, facilities and staff required to treat Jersey residents on the Island and costs would become prohibitive. Public consultation in 2011 endorsed the need for change and the Strategic Plan prioritised a fundamental redesign of the Island's care services.

## What has been done to address the Priority?

The Strategic Plan set out four Key Actions

### **Develop options for providing and funding sustainable health and social services.**

#### Options for the health and social care system

In November 2010, the Health and Social Services Department embarked upon its 'strategic roadmap' work. The overarching aim was to devise a system-wide model which retains the best of the current system and is appropriate for Jersey, and which will address the current and future challenges in health and social care.

Assisted by KPMG, the Department undertook a significant amount of work with a wide range of stakeholders, including clinical and professional staff, primary care, voluntary and community service providers and organisations who represent the views and interests of Islanders. The work included data analysis, gathering information and views which identified key issues and areas where services were working well. A review of international best practice was undertaken, in order to generate a suite of alternative service models, which were then grouped into three scenarios for the Green Paper. The detailed work was contained within the KPMG 'technical document'<sup>19</sup>

The Health and Social Services [Green Paper](#) on the future of health and social services was subject to public consultation between May and August 2011. Over 1,300 responses were received, with 86% of respondents agreeing that a new system for health and social care was needed, in order to address the current and future challenges. Islanders agreed that 'doing nothing is not an option'.

#### Sustainable services

Health and Social Care services are provided by a range of organisations including HSSD, Primary Care and private sector and more than 30 Voluntary and Community sector organisations. Relationships have continued to be built, and officers are working closely with organisations to assist them in thinking through the opportunities and challenges presented by the transformational change programme, and to prepare themselves for the future. In addition, contracts have developed which are longer term, to provide greater stability, and are more reflective of a two-way relationship. Each contract requires clear metrics to be collated, including quality metrics and service user opinion.

#### Safe services

Significant progress has also been made in establishing a local governance framework for general practice and providing improved flexibility in the funding of GP services. Work undertaken in 2011 and 2012 led to new legislation being in place which provides for:

- contracts for primary care services;
- patient registration with an individual GP;
- a local Primary Care Governance Team.

Work continues on the setting up of a local "performers list" which will create a rolling register of practising GPs on the island. This will be debated in July 2014.

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<sup>19</sup> [Click on this link to see the KPMG review report](#)

In addition, substantial work has been undertaken to plan for the co-ordinated storage of GP patient records to provide better patient services and to allow detailed public health statistics to be collated for local residents. The 'GP Central Server' will be live from July 2014.

Work regarding sustainable funding for health and social care is being progressed by the Treasury & Resources Department.

### **Publish a White Paper setting out the way forward for health and social services.**

Between May and July 2012, Health and Social Services undertook a public consultation on its White Paper '[Caring for each other, Caring for ourselves](#)'. This outlined proposals for the redesign of health and social care in Jersey to allow it to deliver the best for Islanders for the future. The proposals were built upon 'scenario 3' from the Green Paper, and adjusted with the feedback from public consultation and as a result of more detailed work undertaken between August 2011 and May 2012 to produce a set of 'Outline Business Cases' for the priority service developments.

Over 1,000 Islanders were consulted face-to-face, in a variety of Parishes, age groups and organisations. Consultation activities included drop in sessions in HSSD locations, meetings with voluntary and community sector organisations, focus groups with Islanders who access the support from voluntary and community sector organisations, and an 'open door'

### **Bring forward a 10-year Transition Plan, including priority business cases for children's services; adult mental health; health lifestyles; older adults mental health; frail elderly; long term conditions; and end of life care.**

A [detailed consultation report](#) was produced from the White Paper. Outline Business Cases were agreed in May 2012, as a result of further analysis and stakeholder workshops and based on applying appropriate International best practice to Jersey, whilst retaining the positive aspects of existing services. These formed the basis of the [P.82/2012 'A New Way Forward for Health and Social Care'](#), which was debated in October 2012.<sup>20</sup>

P82/2012 provided a high level 10-year Transition Plan, indicating the priority service developments for each MTFP period between 2013 and 2021. This was endorsed by the States.

Detailed planning was undertaken in the period from November 2012, working with stakeholders to produce a suite of 20 'service specifications' which provide detailed information on the services required. These specifications state access and eligibility, opening times, the service within a care pathway, staffing competencies and metrics – including outcomes and quality:

#### **Services for Children**

- Specialist Fostering
- Short Breaks
- Family Care Co-ordination
- Community Midwifery
- Parenting Support Programme
- Public information & Volunteering: Parenting Engagement
- Sustained Home Visiting

#### **Healthy Lifestyles**

- Community Detox & Relapse prevention

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<sup>20</sup> [Click on this link to see amendments to P.82/2012](#)

- Opportunistic Screening & Brief Intervention
- Alcohol Liaison

### **Mental Health**

- Jersey Talking Therapies low intensity
- Jersey Talking Therapies high intensity

### **Older adults' mental health; frail elderly; long term conditions; and end of life care**

- Older Adults Community Mental Health Team
- Memory Assessment and Early Diagnosis
- Mental Health Liaison
- Carers Support Services
- Community Specialist Team
- Pulmonary Rehabilitation
- Community Intermediate Care Service
- Specialist Palliative Care Team

As at May 2014, most of the services have been implemented or are in their final stages of detailed implementation planning. Transition Plans have been produced for each of the four service areas, which bring together the strategic vision, service specifications and implementation plans. These documents also demonstrate where service models have been adjusted since the Outline Business Cases, as a result of further stakeholder engagement and opinion and/or as a result of an emerging evidence base.

### **Undertake a feasibility study for the future of the Health and Social Services estate.**

- ✓ A pre-feasibility study was undertaken for the Future Hospital. This was overseen by the Ministerial Oversight Group, with the proposal being included in the Budget debate in December 2013. In addition, the following major capital works were planned and delivered in 2012/13. These are also in addition to the routine and backlog maintenance, which continues:
  - Refurbishment of ITU
  - Outpatients refurbishment programme commenced
  - Planning permission for the temporary theatres received
  - Refurbishment of some young people's residential facilities
  - Commenced refurbishment of Clinique Pinel (over 65's mental health services)
- ✓ The Future Hospital project continues to develop. Following the approval of Budget 2014 (P.122/2013), work on the Future Hospital Feasibility Study formally commenced in January 2014.
- ✓ As at May 2014, an Acute Service Strategy has been developed in consultation with clinicians and managers. Acute Service Plans are being developed for each of the Directorates. These will inform the brief for the ongoing feasibility and detailed design work.
  - Negotiations have commenced with owners of land required for the Future Hospital capacity to complete site acquisition to enable enabling works to be undertaken. Surveys on bed usage have been undertaken which have confirmed the potential for admissions avoidance. Design work on transitional bed capacity has commenced and reviews of alternative strategies for community bed capacity have been completed.
  - Appointment of the Independent Client Advisory Team will shortly take place who will assist in undertaking the feasibility studies and options appraisals, submission of Outline Planning for the

Feasibility Design Concept and development of the Outline and Full Business Cases for Future Hospital development. Market engagement with local and international suppliers to inform an outline procurement strategy has been initiated.

- Environmental Impact Assessment screening and scoping work has commenced. Feasibility studies will be commissioned including contaminated land and traffic impact assessment preliminary work. Design work has commenced for enabling and relocation works, with consideration also being given to design proposals to address issues raised following consultation work with key stakeholders.
- During the remainder of 2014, further feasibility studies will be undertaken and an options appraisal process completed to inform the development of a detailed procurement strategy, Outline Business Case and Project Execution Plan for construction of the Future Hospital Capacity. Following the 2014 States Assembly Elections, proposals for the feasibility concept will be considered by the Ministerial Oversight Group for Health and Social Service transformation with a view to submitting an Outline Planning Application for the Future Hospital feasibility design concept.

# **Reform Government and the Public Sector**

# REFORM GOVERNMENT AND THE PUBLIC SECTOR

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## What the Strategic Plan said:

We need a strong government with a sense of purpose and direction to deliver the real and lasting changes that are needed to take the Island into the future

## Why was this a Priority?

When the Council took office at the end of 2011, two key strands of work relating to government reform were high on the political agenda:

- in 2011, the States had agreed to appoint an Electoral Commission to investigate and report on all aspects of the composition of the elected membership of the States Assembly and the election and voting processes for such members;
- shortly before the 2011 election, pressure of business had forced the previous Council of Ministers to withdraw its proposition for a parallel review to reflect on the machinery of government under the ministerial system and identify opportunities for improvement.

Both of these proposals reflected a general consensus that political processes in the Island were in need of change and the Council decided to press ahead and prioritise government reform.

At the same time, the Council recognized that change needed to go beyond political structures and processes to embrace the operation and management of public services as a whole. This was not about squeezing our valuable public services or intervening because they were failing. Rather, the reform agenda was about reshaping our public sector in preparation for the fundamental challenges that lie ahead. Otherwise, rising demand for health services, social care and pensions would drive up costs at a time when Jersey needed to become more competitive, keep taxes low and attract business here to create jobs. By embedding systemic reform into the way the public sector operates, the Council aimed to contain future spending and develop agile, flexible services that could continue to meet Islanders' needs into the future.

## What has been done to address the Priority?

**Work with the Privileges and Procedures Committee and the Electoral Commission to propose reforms to the composition of the States Assembly and how our government works.**

### Composition of the States Assembly

On January 2012, the Privileges and Procedures Committee lodged [P.5/2012](#) proposing the composition and terms of reference for an Electoral Commission to report on all aspects of the composition of the elected membership of the States Assembly and the election and voting processes for such members. P.5/2012, as amended, was agreed by the States on 7<sup>th</sup> March 2012.<sup>21</sup>

Nine months later, following the widest consultation that had taken place on the composition of the Assembly for many years the Electoral Commission presented its recommendations to the States. In its report ([R.2/2013](#)), the Commission recommended that the Assembly should comprise 42 members with the abolition of the office of Senator and Deputies being elected in 6 new large districts. The Commission set out 2 options within this overall recommendation, Option A being a system of 42 Deputies and Option B being a system of 30 Deputies together with 12 Connétables elected as at present in the 12 parishes. On 24<sup>th</sup> April a public referendum opted for Option A with 55% of the votes cast compared to 45% in favour of Option B. A further option, which offered the electorate an opportunity to reject a reduction in the number of States Members, was eliminated during the first referendum count.

On 3rd June 2013, [P.64/2013](#) was duly lodged by the Privileges and Procedures Committee. If adopted, this proposition would have effectively implemented Option B and thereby reduced the number of elected States Members to 42 with effect from November 2014. On 16<sup>th</sup> July 2013, however, P.64/2013 was rejected by 28 votes to 21.

### Machinery of Government

In February 2012, the Privileges and Procedures Committee (PPC) established the Machinery of Government Review (MOGR) Sub-Committee and charged it with conducting a diagnostic review of the existing system.

The Sub-Committee produced a draft interim report in November 2012. This was initially considered by the PPC on 14th November 2012 and was referred to Scrutiny Panels and the Public Accounts Committee for comment. The interim report was then presented to the States as [R.39/2013](#).

A final report, [R.105/2013](#), was presented to the States on 9th September 2013 by the Privileges and Procedures Committee and subject to an in-Committee debate by the Assembly on 9<sup>th</sup> October 2013. The Chief Minister subsequently lodged [P.33/2014](#) in March 2014, containing those changes which had gained support through the two year process of consultation.

On 20<sup>th</sup> May 2014, the States adopted the States of Jersey (Amendment No.7) Law which included the introduction of the principle of collective responsibility to further enhance the effectiveness of the executive, a requirement to publish a code of conduct and code of practice for Ministers and Assistant Ministers, and improvements to the range of functions which can be undertaken by Assistant Ministers.

Two other changes introduced in 2013 were [P.67/2013](#) which provided for the creation of a ministerial post for External Relations and [P.92/2013](#) which clarified the responsibility of the Chief Minister for justice policy and resources.

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<sup>21</sup> For amendments to p.5/2012 see [States Assembly website](#)

## **Implement a co-ordinated Social Policy Framework that will promote sustainable, independent living and ensure protection and support for those in long term need.**

A key step in promoting delivery of the Social Policy Framework has been the appointment of a senior officer (from within existing resources) with specific responsibility for social policy to the Central Policy Unit in the Chief Minister's Department in February 2013.

## **Co-ordinate all major States policy from the Chief Minister's Department.**

The key structures and resources have been put in place in the Chief Minister's Department to provide corporate co-ordination and alignment of States policies. This has been achieved through the transfer of existing staff and resources to the Corporate Policy Unit within the Department and the establishment of a policy network that embraces all major departments of the States.

An example of strategy and policy work cutting across departmental boundaries has been the development of the proposed Alcohol and Licensing Strategy. The issues involved concern the Economic Development Minister who is responsible for the Licensing Law; the Health and Social Services Minister, responsible for the provision of services that deal with the consequences of overconsumption; the Home Affairs Minister for the police and fire services that support the safety of Islanders; the Treasury Minister for issues relating to impôt duty and the Chief Minister for broader social policy. The Corporate Policy Unit has played a key co-ordinating role in the ongoing development of the Strategy, which was subject to public consultation in early 2014.

A key purpose of the new Sustainable Long Term Planning Framework currently under development will be to facilitate the cross-functional consideration of policies, strategies and initiatives and ensure that their contribution and impact is fully understood.

## **Modernise and reform the public sector to create a values-based organisation.**

- ✓ The Public Sector Reform Programme continues to gather momentum under its four original workstreams of Lean, E-Government, Culture and Workforce Modernisation together with the Office Modernisation Project. The following are key highlights:

### **Lean**

- Lean leadership has been training delivered to all senior managers in the States of Jersey and 750 Lean 'yellow', 100 'green' and 6 'black' belt practitioners have been trained across the public sector. A Lean conference was held for 300 staff in June 2014 and Academy networking events have commenced. Approximately 50 priority improvement projects and over 150 small improvement projects have been undertaken by yellow belt practitioners. Specific projects include:
  - Hospital Restaurant – subsidy of £100,000 eliminated, gross margin increased from 27% to 45%.
  - Five Oaks Store – turnaround time of orders reduced from 7 days to 48 hours.
  - Nursing & Midwifery Appraisal – reduction from 15 types of nursing appraisal to one simplified set of documentation significantly reducing time taken and increasing time delivering care.
  - Emergency Assessment Unit – better and faster communication has led to patients leaving EAU in more timely manner. Ward sister given back two hours a day for direct patient care.
  - Phlebotomy Clinic (Blood testing) – utilisation increased by 20% and patient waiting times significantly reduced.

- Customer Services Pilot Programme on Income Support in Social Security has delivered significant improvements to both customer service and staff satisfaction and will be rolled out. An Income Support calculator will also be available on gov.je in early summer.

## **E-Government**

- Following engagement with States departments, Digital Jersey and businesses in Jersey's digital sector, an eGovernment vision, high level implementation plan, budget and business case were approved by the Council of Ministers. The project is now in delivery. It will enable core systems in all departments to communicate with each other to provide greatly enhanced customer service and a new citizen portal will allow residents and businesses to interact with the States through digital channels (The aim is to increase the proportion of customer interactions with the States through digital channels from 7.5% currently to 75% by 2018). Sessions have been held with local providers to optimise the amount of local businesses that will derive contracts through the procurement process. Practical projects now being delivered include, but are not limited to "Tell Us Once", the ability to pay online ("e-payments") and the ability to complete all documents electronically ("e-forms"). Data sharing protocols that will allow the safe and secure sharing of data to deliver better customer service have also been agreed

## **Workforce Modernisation**

- Establishment of a partnership based evaluation framework for the States of Jersey which integrates all Nursing, Civil Service and Manual pay groups into a single status group ensuring transparency and equal pay for equal value. This is evidenced by the role of the Workforce Modernisation Board in driving the Framework and deep involvement of TU's, staff and line managers in the process.
- The development of a Reward structure modelling framework which removes time served incremental progression and supports a contribution pay framework built upon an evaluation framework. This includes an initial model of an online assessment tool.
- The creation of a Joint Consultation and Negotiation Framework which allows all workforce representatives to work together collectively rather than in single pay groups. The Agreement to launch a Social partnership with Teaching Unions on the shape of the Island's educational system and their Terms and conditions. Approved by the Ministerial Oversight Group for Education.
- A constructive partnership /joint problem solving model has been adopted for the redesign of a modern policy framework for workforce polices resulting in jointly agreed policies on a variety of employee based matters.

## **Culture**

- A Values Event was held for the States Extended Leadership Team in June 2014 as part of the development of an overarching set of core values for the public sector.
- Active participation in the Reform Programme by over a third of all public sector staff has already been achieved through a series of Roadshows, Departmental visits, Workshops and Drop-in sessions. A major exhibition is being held in July to involve and communicate progress on reform to all staff.
- An integrated performance management system prototype has been tested in two pilot areas.

## **Office Modernisation**

- A Strategic Business Case for Office Modernisation is being developed. Refurbishment of Maritime House has created a modern office concept which could be used across the States of Jersey.

**Identify opportunities to develop partnerships with Private enterprise, the Third Sector and the Parishes.**

This Key Action provided a strategic direction to help inform and guide service delivery. Some examples in this report include initiatives under the Implement a 'Back to Work' policy (page 7), the introduction of the Jersey Community and Voluntary Sector Partnership (page 30), Support and enhance the parish system (page 48), the new Carers' Strategy and the work on the Charities Law (page 30)

A new bus operator LibertyBus was appointed in 2013 and TTS has developed a close working partnership to forward the implementation of the Sustainable Transport Policy and provide a better bus service across the Island which has resulted in increased passenger numbers. LibertyBus is also working with the parishes on a charitable enterprise to provide transport for those with mobility restrictions who can't access the mainstream public bus service.

# **Develop Sustainable Long Term Planning**

# DEVELOP SUSTAINABLE LONG TERM PLANNING

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## What the Strategic Plan said:

We need to put in place long term plans to address and resource future issues facing the Island

## Why was this a Priority?

The introduction of Ministerial Government in December 2005 led to significant reform of the States' planning processes. At the heart of this change was the requirement in law for each new Council of Ministers to produce 'a statement of their common strategic policy' within four months of their appointment. Under this arrangement, strategic planning was effectively aligned to the political election cycle and three new Strategic Plans were duly produced in the next seven years.

In setting this Priority, the Council recognized the need to introduce a longer term horizon into the planning process. Whilst addressing the issues of today, government must also look forward and position Jersey to best meet the challenges and opportunities that the future is likely to present. As an Island, we are facing some profound challenges that will inevitably transform our society and the way we live, testing our efforts to build a better Island for future generations. Tackling these issues requires consistency in strategic direction and investment of effort beyond what can be achieved in any single term of office.

This philosophy is reinforced by the fact that many key strategies, in areas such as education, energy, infrastructure planning and land use must work to timescales that outlast the short term political election cycle. Nevertheless, they cannot be developed in isolation and need to work in alignment, emphasising the need for a coherent, long term planning framework.

## What Have We Done?

### **Produce a 15 year social/economic/ environmental/financial plan drawing together all the long term strategies and other factors by the end of 2013.**

A new long term planning framework was launched in January 2013. The framework sets a 20-year planning horizon and will enable the States to define a desired balance between three key themes of economy, community and environment. Successive Councils can then consider the pressures that might impact on our ambitions for the future and develop adaptive ways of working to manage growth and change to sustain this balance over the long term.

The framework reflects international best practice and is based upon the introduction of a Long Term Vision and Plan that transcend the political election cycle. It is intended that the Long Term Plan will provide the context for the development of medium term Delivery Plan which equate to the 'common statement of strategic policy' that the law currently requires a new Council of Ministers to produce within 100 days of coming into office. Future Councils will always retain the absolute right to review and amend the Long Term Plan but the concept recognizes that long term planning requires consistency in strategic direction and investment of effort beyond what can be achieved in any single term of office.

Given the radical change to current strategic planning practices that this entails, the Council felt it appropriate that it should put all the structures and processes in place but allow the Council taking office in November 2014 to define the detail of both the Long Term Plan and the first medium term Delivery Plan.

The Council believes that the enduring legacy of this initiative will be a lean, integrated system of strategy and performance management that provides consistency and stability to Jersey's corporate planning process and provides a coherent picture of Jersey's ambitions for the future.

### **Implement a Medium Term Financial Plan for the Island and explore sustainable options for funding infrastructure investment**

The [Medium Term Financial Plan 2013-2015 \(P.69/2012\)](#) was lodged in July 2012 and approved by the States in November 2012.<sup>22</sup> The Medium Term Financial Plan (MTFP) provides the States for the first time with an agreed financial framework for the period of the current States Assembly. The MTFP provides the targets for State income and the total levels of expenditure within which the States and its individual service departments need to operate.

The MTFP provides certainty for departments and their services over a three year period and provides flexibility within the carry forward and contingency provisions to manage within the agreed allocations. Alongside the MTFP, enhanced monitoring has been introduced to report the progress of spending against growth funding, carry forwards and contingencies.

The Annual Budgets in 2013 and 2014 have been debated and agreed and these included the allocations of Central Growth and Capital Expenditure provisions to individual projects for each year.

In particular, the States agreed as part of the 2014 Budget the funding of three major infrastructure investment projects for social housing, hospital facilities and liquid waste infrastructure. The innovative and cost effective way of funding these proposals will minimize the cost, maximize the use of existing resources and safeguard our Island for the long term.

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<sup>22</sup> *Link is to 2013 – 15 MTFP as amended*

In March 2014, the Council of Ministers lodged [P.39/2014 Waste Water Strategy](#) outlining plans for the next 20 years or so. The proposition was approved by the States at the beginning of June 2014. The main focus of the strategy is the need to replace the Bellozanne sewage treatment works, built in the 1950s, which is outdated and struggling to reach the required standards. The strategy also addresses the repair and refurbishment of the sewerage network, projects to install new drains to separate surface water from sewage and appropriate extensions of the network to properties that currently have no connection.

### **Develop and implement a Long Term Capital Plan.**

- ✓ An initial draft of a Long Term Capital Plan (LTCP), covering 25 years for 2013-2037, has been produced in preparation for the 2014 Budget and supporting the development of a Long Term Revenue Plan (LTRP). The LTCP has been developed alongside the proposals for the three major capital projects for the General Hospital, Social Housing and Liquid Waste Infrastructure. The LTCP considers the requirements for all other States assets and infrastructure in the longer term and as well as informing the 2014 and 2015 Budgets will provide a first draft of a capital programme for the next MTFP 2016-2019. Work will continue in 2014 with the intention that the Council of Ministers appointed in the autumn will inherit a draft Long Term Capital Plan which it is then free to adjust as necessary in line with its Long Term Strategic Plan and medium term Delivery Plan

### **Develop long-term sustainable funding for health and social care.**

- ✓ The 2013-15 Medium Term Financial Plan included investment of a further £26 million ongoing annual funding in Health and Social Services. Consideration to long term funding for health and social care will be incorporated into the development of a Long Term Revenue Plan (see above).
- ✓ Another major step forward was taken with regard to the funding of care provision in the Island in December 2013 when the States approved the details of [P.99/2013 Long-Term Care Scheme](#). The framework Law setting up such a scheme was passed by the States in July 2011. The new scheme will provide financial support to Jersey residents who have significant long-term care needs and who are being cared for either in their own home or in a care home. New contributions from residents liable for income tax (alongside existing States expenditure on long-term care) will be directed into a dedicated ring-fenced fund and the cost of long-term care will be shared more fairly across the community as a whole. The new scheme, which commences on 1 July 2014, will address much of the uncertainty and worry currently experienced by homeowners and their families when faced with unknown and potentially very significant care costs. Under the new scheme, care costs will be capped and home owners will be protected from needing to sell the family home to pay for their care costs. Means-tested support will continue to be available to assist the less well-off. In line with other strategic aims, the new scheme will also make it much easier for islanders to receive long-term care in their own homes.

### **Review the affordability, sustainability and fairness of public employee pension schemes.**

The Public Employees Contributory Retirement Scheme (PECRS) is the public sector pension scheme for all States of Jersey employees except teachers who have their own fund, the Jersey Teachers' Superannuation Fund (JTSF).

PECRS is a funded scheme. Employers and employees pay their contributions into a Fund and these contributions are invested in assets that produce investment returns. However, it has become, and is likely to remain, increasingly difficult to generate the investment returns that were expected when the scheme was set up. Improvements in longevity and lower expected investment returns have put huge financial

pressure on PECRS and two independent reports concluded that the Scheme was unsustainable in its current form.

In November 2012, a Technical Working Group of Treasury and PECRS Committee of Management representatives proposed options for change that would be fairer for all scheme members and include in-built mechanisms to deal with any future increases in longevity or financial pressures. In March 2013, public sector employees were briefed on the proposed options.

Following extensive negotiations with the Joint Negotiating Group, who negotiate pension provision for the majority of States employees, the States Employment Board lodged P28/2014, the [Draft Public Employees \(Pensions\) \(Jersey\) Law 201-](#) in March 2014. The proposition was adopted on 21<sup>st</sup> May 2014 and will enable the required changes to be made to the PECRS to provide a sustainable, affordable and fair public service pension scheme for the long term.

The focus to date has been on PECRS as it is the larger of the two schemes and affects the majority of States employees. The JTSF will be subjected to a review following the completion of the review of PECRS.

### **Review the affordability, sustainability and fairness of public pension schemes.**

The Government Actuarial Review of the Social Security Fund was completed in 2013, and will be published in early 2014. Further actions that may be required to maintain the long term funding of Social Security old age pensions will then be planned. Changes to legislation to implement changes to pensionable age as agreed by the States in 2011 will be brought for States approval by June 2014

### **Bring forward a strategy for the future of Education services.**

A Ministerial Oversight Group has now been formed to consider some of the issues facing the Education Service with a view to developing a sustainable long term strategy for the future. This will involve developing a clear vision that will deliver a broad curriculum, high standards of teaching and learning and equality of opportunity for all students. The Ministerial Oversight Group will work with key stakeholders including the teaching profession to bring this to fruition. An internal review of the structure of secondary education will be undertaken over summer of 2014.

### **Introduce an Energy Policy to move towards a low carbon economy, with more renewable energy and energy efficiency.**

The Minister for Planning and Environment undertook an extensive consultation on an energy plan for Jersey between November 2012 and January 2013. [P.38/2014 Energy Plan For Jersey: 'Pathway 2050'](#) was lodged in March and approved by the States in May 2014. It aims to reduce Jersey's carbon emissions to nearly 80% of 1990 levels by 2050 with the goal of achieving secure, sustainable and affordable energy.

### **Work with the Parish of St Helier to develop a co-ordinated long term strategy for the commercial future of the town area and the improvement of its environment.**

The 2011 Island Plan continues to provide the framework for the regeneration of St Helier. This is supplemented by the development of more detailed master planning for key areas and site with development potential in the town. In 2013 the Minister published new planning guidance for land in Bath Street and issued revised guidance for the development of the Jersey Gas site. The Minister has also

launched the 3D Model for the Town of St Helier in 2013 which provides a publicly accessible and adaptable tool to better assess and plan for change.

In April 2014, the Minister also announced a significant piece of work to explore opportunities to regenerate St Helier in the next 25 years. The Future St Helier project will consist of a series of seminars and workshops and will seek opinions on how St Helier should develop during the coming decades in order that it becomes a better place to live and work and a capital all can be proud of. The Future St Helier work will be led by the Department of the Environment and begin with a series of workshops and seminars during the summer.

### **Develop plans to enhance green skills, increase climate resilience, enhance International opportunities and enhance countryside access and awareness.**

- ✓ As part of the proposed Energy Plan (see above) a significantly increased demand for energy efficiency services and renewable energy are identified. Actions are proposed to empower the industry to take advantage of these opportunities over the long term.
- ✓ In November 2012, Eco-Active Business launched a new training programme to help Island businesses reach an international standard in environmental management. The training was run by Global Action Plan, the UK's leading environmental behaviour change charity, and hosted by Eco-Active Business in partnership with the Jersey Chamber of Commerce's Sustainable Business Forum. The course provided 11 local businesses with a smart, simple and flexible framework and toolkit to help them implement an Environmental Management System (EMS) that can be verifiable at international standard (ISO14001 or EMAS standard) and achieve Eco-Active Business Level three 'Leader' Status.
- ✓ The Home Energy Scheme helps people on reduced incomes become more energy efficient by funding home improvements at no cost to the applicant. In 2013, the Scheme supported energy efficiency improvements to 326 properties at no cost to the applicants.
- ✓ The current and projected impacts of climate change are being monitored and researched by the Department of the Environment's meteorological service who participate in national and international climate change programmes. This information is important when we consider long term infrastructure investment such as sea defences and water storage. Now that the Energy Plan is approved, an overall Climate Change adaptation strategy will be developed.
- ✓ Much of the existing infrastructure on the seventy kilometres of footpaths and bridle paths under the management of the Environment Department is past its expected lifespan and overdue for replacement. To address this, 2012 was the first year of a phased 5 year plan to upgrade the network to provide continued safe public access; this was carried on in 2013 and will continue in 2014 and beyond.

### **Support and enhance the Parish system.**

- ✓ A close relationship has been maintained with the parishes on matters of strategy and policy, with the Chairman of the Comité des Connétables being invited to attend meetings of the Council of Ministers.
- ✓ The States has been active in supporting the parishes to develop housing for their parishioners. In July 2012, the Treasury agreed Infrastructure Investment to the value of £6 million for the Parish of Trinity to finance the first phase of a housing development on Field 578 to provide 25 first time buyer homes. The Housing Department has also provided support to the Parish of St Saviour by overseeing the development of 30 homes at Langtry Gardens to appropriate standards and the Housing Gateway is supporting the allocation of parish housing.

- ✓ Looking forward, the Update to the MTFP agreed in December 2013 included £1.25 million for fiscal stimulus and urban regeneration projects. Much of this funding is intended for community-led projects to enhance the character of villages and provide safer walking and cycling access to important local amenities such as schools, shops and Parish Halls. Currently, proposals include projects in St Aubin, St Mary, St John and St Lawrence.
- ✓ The relationship between the States and the parishes is ultimately about a partnership approach to the delivery of services to the community and the integration of operational activity on a day-to-day basis. This ongoing co-operation is brought to the fore by the joint response to events such as the Gas Place fire in 2012 and, in 2013, the heavy snow in the coldest March in over fifty years, the Mount Bingham rockfall in September and the severe winter storms. Policing is one area where this working relationship is key and the progress being made is reflected in the comments of Hugh Raymond, President of the Honorary Police Association, in the 2014 Policing Plan -

*'It is important to stress that the partnership we have is reflected at all levels – from senior managers to front line officers and I cannot thank those at the top enough for involving us in a much more positive way'.*

## **Manage the States Balance Sheet and Budget, maximising returns on our investment whilst balancing risk and reward.**

### Investment Management

Improvements to the management of the States Balance Sheet continue to be made in terms of both risk and performance management. Key to the States approach is the consolidation of the States assets invested through the Common Investment Fund ('CIF') whilst maintenance of separate investment strategies for each of the underlying participating States Funds. These strategies balance risk and reward, managing asset allocation and ensuring appropriate diversification across asset classes. This approach ensures each individual States Fund is appropriately invested to maximise its own investment returns within its defined risk envelope, appropriate to both the Fund's purpose and position. Investment Strategies are published at least annually, the last version presented to the States in November 2013 ([R.139/2013](#)).

The Pooling of assets in the CIF however allows control to be exerted on a holistic basis over the combined States holdings; ensuring diversification through investment with multiple managers is maintained whilst achieving economies of scale in terms of both cost and performance reporting and monitoring. Overseen and monitored by the Treasury Advisory Panel, strict controls are applied to the actions of individual Investment Managers and to the investment allocations to these managers. The CIF continues to develop; during 2013 the CIF expanded to offer an additional six investment pools increasing the scope for diversification.

While pooling of assets in the CIF has facilitated improvements in risk management it has also improved opportunities for investment. Worthy of note is the performance of the Strategic Reserve Fund which has shown consistently good performance over the last two years with average returns in excess of the Fund's benchmark. The last valuation, as of the 31<sup>st</sup> of May 2014, valued the Fund at £757.8 million, up from £651.3 million as at December 2012 and £743.1 million as of 31 December 2013. Since inception of the CIF (June 2010) overall performance has exceeded benchmark which has generating considerable investment returns for the States.

### Half Year Corporate Reporting

In addition to the improvements made in investment management, in September 2012 Treasury and Resources published their first half-year corporate report, as part of their commitment to provide regular,

transparent information that gives States Members detailed information about the States finances and keeps the public better informed.

The most recent half-year corporate report, up to June 2013 (R.111/2013) was presented in September 2013. The final position for was set out in the 2013 Financial Report and Accounts, presented to the States on 16<sup>th</sup> May 2014. These were accompanied by a Summary document highlighting the key figures in an understandable and accessible format.

### **Improvement in financial management by way of amendments to the Public Finances Law**

The Treasury has been working on amendments to the Public Finances Law, which are intended to improve financial management in the States and extend the concept of Accounting Officer to all areas of the organisation's general revenue income and expenditure.

A summary of the main amendments are:-

- putting the Fiscal Policy Panel onto a statutory basis;
- establishing the existing States Insurance arrangements formally into a Special Fund;
- re-instating the provision that enables Council of Ministers to take requests for additional funding to the States (previously referred to as an Article 11(8) funding request);
- allowing more flexibility to transfer funds between different areas of expenditure, after approval by Ministers involved and the Minister for Treasury and Resources;
- extending the role of the Accounting Officer; and
- strengthening the role and remit of the Treasurer