

# STATES OF JERSEY

## BUDGET 2006

### COMMITTEE ANNEX

#### Finance and Economics Committee

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P.F.C. Ozouf	Senator	Vice-President
P.F. Routier	Senator	
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# Introduction

This year's budget documentation is in two parts. A main Budget Report, summarising the expenditure proposals and presenting the detail of the tax and funding proposals, and a Budget Annex providing the detail of each Committee's expenditure and resources.

Under the new Public Finances Law, to be effective from 1 January 2006, the detail of each Committee's expenditure and resources will be required at the States Business Plan debate in September each year. It will be the Business Plan debate in future at which all States spending decisions will be made.

The production of a detailed annex of Committee's expenditure and resources has been developed by the Treasury and Finance and Economics Committee over the last three years.

The annex provides the detail for a Committee which will also be presented in their individual business plan and includes:

- Commentary on the financial position for the next three years;
- Statement of Committee cash limits and manpower levels;
- Summary Service Analysis for the Committee;
- Reconciliation of the changes in cash limit from 2005 to 2006;
- Detailed Service Analysis identifying expenditure and income, direct and indirect expenditure and manpower numbers;
- Statement of Support Service costs; and
- Statement of efficiency savings by committee.

The service analysis is intended to focus on the "outputs" of a Committee, in contrast to the more traditional breakdown of "input" costs. It is at this level that the activities of a Committee can be linked to service objectives and ultimately then to the strategic plan aims and objectives.

This information, provided by departments themselves, and with links through to business and strategic planning, is a key area for development alongside the aim to allocate resources more in line with strategic objectives. The Committee is indebted to all departments for their co-operation in providing this information and would emphasise the importance of their contribution through the further development of this work.

The Committee hopes readers will find this additional information of benefit and would encourage any queries in relation to the Annex to be addressed to the relevant Committee or department.



# Non-Trading Committee Cash Limits 2006

## Net Revenue Income and Expenditure

COMMITTEE	Authorised Revenue Expenditure £	Income £	Net Revenue Expenditure £
Policy and Resources	7,176,400	1,128,000	6,048,400
Privileges and Procedures	6,089,600	91,000	5,998,600
Finance and Economics			
- Finance and Economics Departments	65,348,100	3,002,000	62,346,100
- Grant to Overseas Aid Commission	5,686,000	-	5,686,000
Environment and Public Services	46,570,700	18,417,000	28,153,700
Economic Development	16,852,200	1,025,000	15,827,200
Health and Social Services	148,057,500	15,638,000	132,419,500
Education, Sport and Culture	104,807,300	11,071,000	93,736,300
Home Affairs	42,880,100	2,295,000	40,585,100
Employment and Social Security	85,756,200	5,000	85,751,200
Housing	37,323,700	35,488,000	1,835,700
Legislation	49,400	-	49,400
Harbours and Airport - La Collette	138,300	288,000	(149,700)
	<b>£ 566,735,500</b>	<b>£ 88,448,000</b>	<b>£ 478,287,500</b>
<b>Adjustments:</b>			
Finance and Economics			
Interest and Repayments on Capital Debt	(36,900,000)	(403,800)	(36,496,200)
<b>Total Cash Limit</b>	<b>£ 529,835,500</b>	<b>£ 88,044,200</b>	<b>£ 441,791,300</b>

Note:

The existing Public Finances Law does not recognise the Overseas Aid Commission so a grant is included under the Finance and Economics Committee for this year's Budget, in future this will appear under Chief Minister.

In previous years the Finance and Economics Committee income has included income tax fees, these have now been transferred to Other Income under General Revenues on page 2, this has caused a change in the revenue expenditure totals since those approved in the States Business Plan 2006-2010.

# Summary of Trading Activities

## Operating Accounts of the Trading Activities

COMMITTEE	Operating Income £	Authorised Operating Expenditure £	Gross Operating Surplus £	Capital Servicing £	Financial Return £	Transfer to Trading Fund £
Harbours	12,632,500	9,313,100	3,319,400	1,709,300	253,643	1,356,457
Airport	21,766,400	15,209,800	6,556,600	2,666,000	-	3,890,600
Postal	54,500,000	48,323,000	6,177,000	-	-	6,177,000
<b>Total Trading Committees</b>	<b>88,898,900</b>	<b>72,845,900</b>	<b>16,053,000</b>	<b>4,375,300</b>	<b>253,643</b>	<b>11,424,057</b>
Car Parks Trading Account	5,123,400	4,431,200	692,200	-	-	692,200
<b>Total All Trading Activities</b>	<b>£ 94,022,300</b>	<b>£ 77,277,100</b>	<b>£ 16,745,200</b>	<b>£ 4,375,300</b>	<b>£ 253,643</b>	<b>£ 12,116,257</b>

## Trading Funds of Trading Activities

COMMITTEE	Opening Balance £	Additions £	Expenditure £	Balance Carried Forward £
Harbours	1,453,979	1,411,407	1,876,804	988,582
Airport	22,999,969	7,431,600	7,051,200	23,380,369
Postal	9,276,777	6,177,000	2,334,000	13,119,777
<b>Total Trading Committees</b>	<b>33,730,725</b>	<b>15,020,007</b>	<b>11,262,004</b>	<b>37,488,728</b>
Car Parks Trading Account	7,275,646	692,200	280,000	7,687,846
<b>Total All Trading Activities</b>	<b>£ 41,006,371</b>	<b>£ 15,712,207</b>	<b>£ 11,542,004</b>	<b>£ 45,176,574</b>



# **Policy and Resources Committee**



# Policy and Resources

## Financial Implications 2006 to 2008

The Committee has a pivotal role to play in overseeing the establishment, co-ordination and implementation of States-approved policies and objectives and in providing direction and leadership to the public service to ensure that policies and programmes are delivered in accordance with agreed priorities.

The Committee's primary responsibilities, amongst others, are:

- to ensure the implementation of the States Strategic Plan;
- to deliver a modernised, more accountable government structure which delivers improved, timely decisions and oversees a modern efficient public service;
- to ensure that Jersey's international responsibilities are fulfilled and to develop beneficial relations with other countries and regional organisations which will raise Jersey's positive international profile and promote the Island's external influence, including growing international recognition for Jersey among various international audiences as a well-regulated, co-operative international finance centre with increasing market access to major economies and trading entities (i.e. the European Union);
- to improve decision-making and ensure that debate is better-informed, through the provision of accurate, timely independent professional economic and statistical advice and information on major issues;
- to ensure harmonious employment relations within the public sector which are consistent with the States of Jersey budgetary strategies;
- to develop and implement a corporate Human Resource strategy and service; and
- to develop and deliver a corporate IT strategy, technical infrastructure, corporate applications, project management and support.

Under the new Ministerial Government, the responsibilities of the Policy and Resources Committee will be transferred to the Chief Ministers Department which will also include the Law Draftsman's Office, the Emergency Planning Office and the executive element of Commission Amicale. The Chief Minister's Department will also have political responsibility for the Non-Executive functions of Probation, Overseas Aid Commission and those Judicial functions currently part of the Finance and Economics Committee.

## Resource Allocation Process 2006 to 2008

The States Business Plan 2006 - 2010 details the service reductions and additional funding proposed by all Committees as part of the 2006 to 2008 Revenue Resource Allocation Process. Bids for additional funding were considered alongside the proposals for service reductions and a total net additional funding of £16 million was proposed, one of the most significant service reductions being submitted by the Policy and Resources Committee.

The Committee proposes to save a total of £374,800 and 9 FTE's by 2008 as a result of service reductions, almost half of these savings to be realised in 2006. No additional funding requests have been made, which demonstrates the Committee's commitment to deliver budget allocations within agreed total States spending targets. However the Committee, through a process of continuous review and prioritisation, has been able to re-direct funds to a number of major initiatives including the co-ordination of the Change Programme. The public sector Change Programme "Better Simpler Cheaper" is a 5-year programme that will ultimately deliver savings of £20 million per annum by 2009. It is committed to providing a reformed, high quality and efficient public service that is accountable for achieving the States strategic objectives.

# Policy and Resources

## **Additional Funding 2006 to 2008**

The Policy and Resources Committee did not submit any bids for additional funding for the period 2006 to 2008.

## **Service Reductions 2006 to 2008**

Service reductions amounting to £174,800 will be achieved in 2006 and £100,000 in each of the subsequent two years.

The following savings have been identified from 2006 to 2008, comprising a total of £374,800:

- £120,000 from reduced pensions paid, as the existing number of pensioners within the old non-contributory scheme continue to decrease;
- £89,800 from a reduction in officer support to Machinery of Government Reform;
- £70,000 from an overall reduction in the level of Human Resources support which will have an impact on the expertise available to the Centre and to States Departments;
- £55,000 from the cessation of the States Secretarial Training Scheme, which will have a major impact on the availability of secretaries throughout the States; and
- £40,000 from reduced IT support, which is likely to impact on the ability of the Department to maintain its high level of customer support.

## **Efficiency Savings 2006 to 2008**

The public sector Change Programme aims to deliver efficiency savings of £20 million over 5 years by transforming its key corporate support services of Human Resources (HR), Information and Communications Technology (ICT), Finance and Property into single co-ordinated services to improve efficiency, consistency of process and reduce costs with no unacceptable loss of service.

By 2009, the Committee will contribute a total of £680,000 (3.4%) towards the efficiency savings target of £20 million, which will come mainly from the HR and ICT transformation process. The majority of these savings will be realised in 2006.

From this transformation process the Committee aims to provide:

- a new HR organisational model, shifting from an administrative based local service to a business partnering function;
- an integrated HR Information System. Project benefits include a centralised database to access all HR related staff information, which places greater responsibility on supervisors and managers to undertake management activities such as appraisal, discipline and grievance and absence management;
- a well defined and appropriate structure to govern all aspects of ICT including investment, prioritisation, information security, strategy, policy, standards and architecture;
- States departments and staff with the appropriate ICT tools to support the business needs of the States, such as access to corporate office information systems, corporate filing structure and a document management system;
- reduced cost of States data storage and processing by moving to a more efficient, scalable and robust platform using the latest storage technology. Project benefits include better disaster recovery and business continuity capability and an ability for ICT to respond more quickly to changes in service needs, particularly in the provision of new systems or increased capacity; and

# Policy and Resources

- a modern telephone system for the whole organisation that merges savings from voice and data by using the existing data network for voice communication between States departments.

## **Summary of three year position**

A major challenge facing the Committee is the successful implementation of the Change Programme, which aims to deliver a “Better Simpler Cheaper” public service and achieve efficiency savings. Moreover, the Committee will continue to work towards provision of a reformed, cost-effective government with a consultative approach, greater transparency and accountability.

The implementation of the Change Programme will require a one-off investment of £9.4 million over a 5 year period to deliver the £20 million annual savings in the States revenue budget. Investments will be made in IT systems, improvements to processes and customer access facilities.

The Committee will strive to achieve its vision outlined in the Strategic Plan by ensuring that the Aims set out in the Plan are effectively linked to individual Committee Business Plans. Major transformation will take place in the next three year period, resulting in a high-quality public service which is modern, efficient and coherent.

# Policy and Resources

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	6,280.6	6,048.4	6,055.1
Additional funding	-	-	-
Service reductions	(174.8)	(100.0)	(100.0)
Efficiency savings	(462.1)	(37.1)	(39.7)
Pay awards	368.3	120.0	119.8
Non-staff inflation	36.4	23.8	21.4
Other adjustments	-	-	-
<b>Cash Limit</b>	<b>6,048.4</b>	<b>6,055.1</b>	<b>6,056.6</b>
<b>Variation (%)</b>	<b>(3.7%)</b>	<b>0.1%</b>	<b>0.0%</b>
<b>Manpower Costs (£'000)</b>	<b>5,153</b>	<b>5,213</b>	<b>5,273</b>
<b>Manpower Numbers (FTE)</b>	<b>84.58</b>	<b>83.87</b>	<b>82.58</b>

## Capital Programme 2006 to 2008

<b>2006</b>	<b>£</b>
<b>Total</b>	<b>-</b>
<b>2007</b>	<b>£</b>
Corporate IT Vote	1,500,000
<b>Total</b>	<b>1,500,000</b>
<b>2008</b>	<b>£</b>
Corporate IT Vote	3,500,000
<b>Total</b>	<b>3,500,000</b>

# Policy and Resources

## Net Expenditure – Service Analysis

2004 Actual £	2005 Estimate £		2006 Estimate £
		<b>Office of the Chief Executive</b>	
895,324	816,100	Chief Executive's Office	888,900
673,815	587,600	International Finance / Economics	586,200
285,285	171,800	International Relations	177,600
312,674	427,800	Government Reform	99,100
83,139	99,600	Employee Relations	273,700
-	-	Communications Unit	122,100
218,245	-	Change Team	200,000
		<b>Statistics Unit</b>	
328,970	396,900	Statistics	430,400
		<b>Computer Services</b>	
363,555	288,000	Corporate Projects	308,000
962,634	594,000	Infrastructure	663,000
		<b>Human Resources</b>	
845,318	926,900	Pensions	779,000
1,601,526	1,587,200	Employee Development	1,571,900
347,869	384,700	Human Resource Systems	410,600
-	-	Efficiency Savings	(462,100)
<b>£ 6,918,354</b>	<b>£ 6,280,600</b>	<b>Net Revenue Expenditure</b>	<b>£ 6,048,400</b>

# Policy and Resources

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>6,280,600</b>
<b>2006 Resource Allocation Process:</b>		
Service Reduction Approved:		
Office of the Chief Executive:		
Government Reform - staffing reductions	(89,800)	
Human Resources Department:		
Reduced cost of Pre-1967 Pension scheme	(40,000)	
Secretarial Training Scheme	(45,000)	
Allocation of Efficiency Savings	(462,100)	
		<b>(636,900)</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	354,900	
Non-Staff Inflation	36,400	
Specific Pay Awards - PECRS Provision	13,400	
		<b>404,700</b>
<b>Re-Prioritisation of Resources:</b>		
Government Reform	(320,800)	
Employee Relations	273,700	
Communications Unit	122,100	
Change Team	200,000	
Pensions	(275,000)	
		-
<b>2006 Net Revenue Expenditure</b>		<b>£6,048,400</b>



# Policy and Resources

## Detailed Service Analysis 2006

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
<b>Office of the Chief Executive</b>	The provision of support and advice to the Policy and Resources Committee, the States and others on:						
Chief Executive's Office	- Corporate strategy and policy co-ordination (including ICT and E-Government).	889	-	889	-	889	9.0
International Finance / Economics	- Co-ordinated economic strategy and policy making.	586	-	586	-	586	3.0
International Relations	- National and International relations.	178	-	178	-	178	1.0
Government Reform	- Machinery of Government reform.	99	-	99	-	99	1.0
Employee Relations	- Employee / Industrial relations, including negotiation and implementation of pay policy.	274	-	274	-	274	4.0
Communications Unit	- Communication with and feedback from the general public on emerging policies, as well as internal communication within the public sector.	122	-	122	-	122	2.0
Change Team	- Implementation of the Change Programme.	200	-	200	-	200	2.5
<b>Statistics Unit</b>							
Statistics	- Economic, social and population statistics.	430	-	430	-	430	4.4
<b>Computer Services</b>	<b>Infrastructure</b>						
Comms, Security and Continuity	Support and maintain States networking and communications infrastructure. Ensure States information and systems are secure. Manage corporate and CSD business continuity policy, planning and testing. Support Health IT systems and provide technical support for 3,800 States users, 50 States Members and twelve Parish Halls. Provision of technical advice and guidance.	271	38	309	(166)	143	4.2
Service Delivery	Support, maintain and enhance the States' corporate and departmental computing platforms. Manage the States wide security environment including Internet connection (external email and web browsing), Firewall, Anti-virus and access control. Support for 3,800 States users, 50 States Members and twelve Parish Halls. Provision of technical advice and guidance.	415	76	491	(264)	227	8.3
Customer Support	Provide helpdesk and emergency support for 3,800 States users, 50 States Members and twelve Parish Halls. Manage service level agreements and resolution of problems. Undertake operational support, including change control, for corporate and departmental systems. Manage environment / security protection of computer room facilities. Manage equipment support contracts and corporate ICT inventory.	418	75	493	(265)	228	8.3

# Policy and Resources

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Policy and Standards	Develop and promote ICT strategy, IS strategy and information security policy and their supporting architectures, standards and procedures. Provide advice and consultancy to departments and third parties on policy and standards issues. Consult with specialists to provide independent assurance of the States of Jersey ICT and information security policy frameworks. Manage the corporate ICT vote allocation process. Develop standard contracts for procurement of ICT services.	121	19	140	(75)	65	2.1
<b>Computer Services</b>	<b>Projects</b>						
Corporate Projects	Implement corporate ICT projects that impact 3,800 States users and provide advice and guidance on ICT project lifecycles. Provide an administration service to the department. Current projects include £11million on Office System Upgrade and Electronic Document Management and Workflow systems.	185	38	223	(120)	103	4.2
Business Change	Provide programme management and support to JLIB, plan programme of ICT led Business change. Manage programme of e-government project. Manage and support intranet and internet platforms and content. Provide guidance, support and web development to all States departments, including BIC and MOGR websites for the Policy and Resources Committee.	287	76	363	(195)	168	8.3
Research and International Relations	Research and recommend products for States wide deployment; provide consultancy advice and guidance to all States departments; support States project boards as technical expert; track global technology developments and trends and run new technology pilots prior to making recommendations. Lead the work of the British-Irish Council Knowledge Economy sector (eight national jurisdictions) and represent the Island on other technical bodies.	70	10	80	(43)	37	1.0
<b>Human Resources</b>							
Pensions	Negotiation of terms and conditions of service for all paygroups. Resolution of Industrial disputes, grievances and disciplinary issues arising in all States Departments. Support to P&R Committee as principal employer of PECRS, policy development, advice to managers and employees, support to ill health retirement sub committee of PECRS, administration of redundancy, VER schemes.	644	136	780	-	780	3.4

# Policy and Resources

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Employee Development	Generation of HR policy and strategy. HR support to administering departments, recruitment and selection, performance review and appraisal etc. Supply of temporary staff to administering departments. Provision of training and development programmes for all States Departments.	1,436	135	1,571	-	1,571	12.9
Human Resources Systems	Development and support of States Corporate HR Information Systems (MAPS). Management of corporate job evaluation schemes.	275	135	410	-	410	4.9
	Efficiency Savings					(462)	
<b>Total Net Revenue Expenditure 2006</b>		<b>6,900</b>	<b>738</b>	<b>7,638</b>	<b>(1,128)</b>	<b>6,048</b>	<b>84.5</b>

# Policy and Resources

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation
Service Management	157	-	157	1.3	Estimated % of time spent
Finance	3	-	3	0.0	Estimated % of time spent
IT	6	-	6	0.0	Non-Staff costs
HR	9	-	9	0.0	Estimated % of time spent plus Non-Staff Costs
Training	39	-	39	0.0	Estimated % of time spent plus Non-Staff Costs
Property	208	-	208	0.0	Estimated % of time spent plus Non-Staff Costs
Transport	3	-	3	0.0	Non-Staff costs
Admin	248	-	248	5.3	Estimated % of time spent plus Non-Staff Costs
Catering	2	-	2	0.0	Non-Staff costs
Other	63	-	63	0.6	Estimated % of time spent
	738	-	738	7.3	

## Summary of Efficiency Savings Allocations in Committee Cash Limits

Allocation	Efficiency Savings						Total	Savings %
	Baseline £'000	2005 £'000	2006 £'000	2007 £'000	2008 £'000	2009 £'000		
<b>Departmental Efficiencies</b>	3,499.6	89.7	(23.1)	11.7	9.4	-	<b>87.7</b>	2.5%
<b>Corporate Efficiencies</b>								
- Human Resources	3,013.4	6.1	371.8	-	-	-	<b>377.9</b>	12.5%
- ICT	888.0	10.1	119.9	-	-	-	<b>130.0</b>	14.6%
- Finance	3.0	7.1	(6.8)	0.1	-	-	<b>0.4</b>	13.3%
- Property		-	-	14.9	19.8	19.8	<b>54.5</b>	
- Procurement		6.1	0.4	6.0	6.0	-	<b>18.5</b>	
- Other		2.4	(0.1)	4.4	4.5	-	<b>11.2</b>	
		31.8	485.2	25.4	30.3	19.8	<b>592.5</b>	
<b>Total Efficiency Savings</b>		121.5	462.1	37.1	39.7	19.8	<b>680.2</b>	

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.

# **Privileges and Procedures Committee**



# Privileges and Procedures

## **Financial Implications 2006 to 2008**

The Privileges and Procedures Committee will experience significant demand on its financial resources in order to meet a growth in services provided through the States Greffe in 2006 and beyond following the introduction of ministerial government; this brings with it the permanent Scrutiny function and the establishment of the Comptroller and Auditor General in addition to the provision of a 'Hansard' type service to provide an official report of the proceedings of the States. The addition of such services requires additional financial resources which have previously been the subject of States approval.

On 19th January 2005, the States approved an amendment to the Public Finance (Jersey) Law 200-, (P180/2004 Amd. lodged "au Greffe" on 14th December 2004), which distinguishes the Committee as having a non-executive function in the provision of resources to the States Assembly, and provides the future methodology for securing appropriate resources for the required provision of all parliamentary related services and functions.

## **Resource Allocation Process 2006 to 2008**

The Committee participated fully in the resource allocation process for the period 2006 to 2008, and was successful in securing resources for the provision of additional States agreed services following the introduction of ministerial government at the end of 2005. The increase in resources is particularly applicable to 2006; in 2007 and 2008 the Committee is required to make savings and will not experience any resource growth.

## **Additional Funding 2006 to 2008**

The Committee will receive £549,000 growth in 2006 as a result of the resource allocation process; this is in addition to additional sums granted in respect of pay awards of £190,000, non-staff inflation of £82,300, and PECRS provision of £7,100. The additional funding for growth is targeted towards the establishment of the permanent Scrutiny function and the Comptroller and Auditor General, and the provision of a 'Hansard' type service.

## **Service Reductions 2006 to 2008**

Although the Committee will receive funding for growth in 2006, this has been netted off against a reduction in the Clerk service operated in the past during the Committee system of government. However, in 2007 and 2008, the Committee is required to make a saving of £80,000 in each respective year, and these savings have been identified in the Law Drafting service by the reduction in current levels of staff resources in both applicable years.

## **Efficiency Savings 2006 to 2008**

In addition to participating in the corporate transformation work involving resource savings in the areas of human resources, IT and finance, the Committee is required to address efficiency savings for the period 2006 to 2008 by reviewing the way in which it delivers its key services without any reduction in the level of those services provided. In the period 2006 to 2008, the Privileges and Procedures Committee is required to make annual efficiency savings of £63,200 in the first year, £56,100 in 2007, and £59,600 in the third year.

# Privileges and Procedures

## Summary of three year position

The Committee's budget provides for a wide range of States Assembly, member and public services which continue to evolve and develop in accordance with States decisions on government reform. The approved growth in 2006 will enable the Committee to ensure that the non-executive functions of the States Assembly are adequately resourced, and that good parliamentary practice and best value for money continue to be upheld across the range of services provided. The Committee will continue to invest, where appropriate, its resources within the constraints of its budget in developing and improving key services notwithstanding the requirement for savings in 2007 and 2008 together with the corporate lead to improve general overall performance and efficiency across all areas of States expenditure.

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	5,233.4	5,998.6	6,004.6
Additional funding	549.0	-	-
Service reductions	-	(80.0)	(80.0)
Efficiency savings	(63.2)	(56.1)	(59.6)
Pay awards	190.0	59.3	56.6
Non-staff inflation	82.3	82.8	83.5
Other adjustments***	7.1	-	-
<b>Cash Limit</b>	<b>5,998.6</b>	<b>6,004.6</b>	<b>6,005.1</b>
<b>Variation (%)</b>	14.6%	0.1%	0.0%
<b>Manpower Costs (£'000)</b>	2,288	2,267*	2,244**
<b>Manpower Numbers (FTE)</b>	45.78	44.78	43.78

\* Based on 2006 costs less savings plus pay awards in 2007

\*\* Based on 2007 costs less savings plus pay awards in 2008

\*\*\* PECRS provision



# Privileges and Procedures

## Net Expenditure – Service Analysis

2004 Actual £	2005 Estimate £		2006 Estimate £
		<b>Privileges and Procedures</b>	
2,149,015	2,217,586	Members' Support Services	2,348,971
136,107	22,163	Committee Secretariat and Admin Support	25,262
3,613	9,910	Admin Appeals	11,803
		<b>States Greffe</b>	
257,134	177,562	States Assembly Secretariat and Admin Support	212,702
12,736	20,696	Statutory Functions and Inter-Parliamentary Support	25,225
67,016	74,429	Publications Editor	83,169
1,128,212	931,979	Law Drafting	1,004,608
329,252	791,991	Scrutiny *	1,178,428
-	91,000	Comptroller and Auditor General **	280,000
369,982	542,021	Clerks Secretariat ***	396,022
128,489	136,841	Registry	158,940
48,424	48,606	States Messenger Service	54,137
83,282	58,021	Bookshop	91,986
69,434	52,372	Reprographics and Print	68,852
70,000	45,721	Commonwealth Parliamentary Association	46,079
5,990	12,502	Assemblée Parlementaire de la Francophonie	12,416
<b>£ 4,858,686</b>	<b>£ 5,233,400</b>	<b>Net Revenue Expenditure</b>	<b>£ 5,998,600</b>

\* Re-positioned service under States Greffe from 2006 onwards

\*\* Separate service identified from Scrutiny in 2006 onwards

\*\*\* Renamed as "Committees" no longer exist from 2006 onwards

# Privileges and Procedures

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>5,233,400</b>
<b>2006 Resource Allocation Process:</b>		
Additional Funding Approved:		
Scrunity	212,000	
Comptroller and Auditor General	188,000	
Hansard	149,000	
Allocation of Efficiency Savings	(63,200)	
		<b>485,800</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	190,000	
Non-Staff Inflation	82,300	
Specific Pay Awards – PECRS provision	7,100	
		<b>279,400</b>
<b>2006 Net Revenue Expenditure</b>		<b>£5,998,600</b>

# Privileges and Procedures

## Detailed Service Analysis 2006

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Members' Support Services	Financial support for members income supplement and expenses, States Building service costs, support staff and general Assembly expenses.	2,280	69	2,349	-	2,349	0.8
Committee Secretariat and Admin Support	Full range of administrative and secretarial support to Privileges and Procedures Committee.	4	21	25	-	25	0.3
Admin Appeals	As required under the Administrative Decisions (Review) (Jersey) Law 1982, as amended.	8	4	12	-	12	0.1
States Assembly Secretariat and Admin Support	Full range of Parliamentary administrative and secretarial support to States Assembly.	-	213	213	-	213	3.2
Statutory Functions and Inter-Parliamentary Support	Services required outside of States duties and support services to inter-Parliamentary functions of the Greffier.	7	18	25	-	25	0.2
Publications Editor	Formatting and issue of all Official Publications of the States.	44	39	83	-	83	1.2
Law Drafting	Full range of law drafting services for all primary and secondary legislation requirements of the States.	829	176	1,005	-	1,005	10.7
Scrutiny	Scrutinizing and holding to account the decisions of proposed executive government as part of MOGR arrangements - shadow panels established first.	958	220	1,178	-	1,178	11.3
Comptroller and Auditor General	Internal Audit and scrutiny of States expenditure.	280	-	280	-	280	1.0
Clerks Secretariat	Provision of recording, secretarial, administrative and advisory support services to Committees of the States.	253	143	396	-	396	5.1
Registry	Data archiving, management, storage and retrieval for States, its Committees and Department.	84	75	159	-	159	3.2
States Messenger Service	Corporate distribution and collection of mail.	27	27	54	-	54	1.1
Bookshop	Provision of official publications by sale to public, point of information on general States, Committee and various Departments literature.	65	74	139	(47)	92	3.2
Reprographics and Print	Printing of all Official Publications of the States, Committee agendas/minutes, and various Departments publications.	57	56	113	(44)	69	2.2
Commonwealth Parliamentary Association	Membership obligations/duties of the CPA.	40	6	46	-	46	0.1
Assemblée Parlementaire de la Francophonie	Promotion of links with other French speaking Parliaments.	9	4	13	-	13	0.1
<b>Total Net Revenue Expenditure 2006</b>		<b>4,945</b>	<b>1,145</b>	<b>6,090</b>	<b>(91)</b>	<b>5,999</b>	<b>43.8</b>

# Privileges and Procedures

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation
Service Management	256	-	256	2.6	Annual % estimate of time spent on service area
Finance	21	-	21	0.0	Annual % estimate of time spent on service area
IT	82	-	82	0.5	Number of staff
HR	17	-	17	0.1	Annual % estimate of time spent on service area
Training	1	-	1	0.0	Annual % estimate of time spent on service area
Property	486	-	486	0.0	Number of staff
Admin	236	-	236	2.9	Annual % estimate of time spent on service area
Catering	5	-	5	0.0	Number of staff
Other	41	-	41	0.0	Number of staff
	1,145	-	1,145	6.2	

## Summary of Efficiency Savings Allocations in Committee Cash Limits

	Allocation Baseline £'000	Efficiency Savings					Total £'000	Savings %
		2005 £'000	2006 £'000	2007 £'000	2008 £'000	2009 £'000		
<b>Departmental Efficiencies</b>	5,239.0	48.0	52.0	17.6	14.1	-	<b>131.8</b>	2.5%
<b>Corporate Efficiencies</b>								
- Human Resources	5.0	3.3	(2.6)	-	-	-	<b>0.6</b>	12.5%
- ICT	83.0	5.4	6.7	-	-	-	<b>12.2</b>	14.6%
- Finance	17.0	3.8	(2.4)	0.5	-	-	<b>1.9</b>	11.2%
- Property		-	-	22.3	29.8	29.8	<b>81.9</b>	
- Procurement		3.3	7.2	8.9	8.9	-	<b>28.4</b>	
- Other		1.3	2.3	6.7	6.7	-	<b>17.0</b>	
		17.0	11.2	38.5	45.4	29.8	<b>141.9</b>	
<b>Total Efficiency Savings</b>		65.1	63.2	56.1	59.6	29.8	<b>273.7</b>	

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.

**Finance and  
Economics Committee**



# Finance and Economics

## Financial Implications 2006 to 2008

The Committee will continue to strive to meet its core aim, 'to regulate, control and supervise the public finances of the Island' and, within a framework of constraints on expenditure growth, has been able to minimise requests for additional funding by continually reviewing and prioritising its core functions. The Committee's commitment to the provision of a 'better, simpler, cheaper' service is reflected in the size of its contribution to efficiency savings including those to be generated through the transformation of the Finance function.

The period will be one of transition due primarily to the change from a Committee to a Ministerial form of Government. The primary Departments within the remit of the new Treasury and Resources Ministry will consist of the Treasury, Income Tax and Data Protection as well as the addition of the Property function. As part of this reorganisation, the Non-Executive functions for which the Committee had financial responsibility, but no political authority will be clustered under the Chief Minister who will be responsible for presenting their budget directly to the Council of Ministers. Further organisational challenges will result from the transformation of the Finance function which will enable the Committee to make a material contribution to the corporate efficiency savings requirement over the next three years.

## Resource Allocation Process 2006 to 2008

The major growth request submitted to the Resource Allocation Process was for approximately £1 million in respect of funding pressures faced by a number of non-executive Departments that fall within the remit of the Committee. These included:

- £100,000 required to be able to implement fully the provisions of the Police Procedures and Criminal Evidence (Jersey) Law 2003 and to be able to bring the Human Rights (Jersey) Law into force;
- additional staff required in the Law Officers' Department, at a cost of £440,000 to meet the minimum requirement for additional staff to be able to meet the Departments current and imminent statutory and international responsibilities;
- £300,000 to fund the revenue implications of the new Magistrates Court; and
- £200,000 to be able to reinstate previous cuts in the Judicial Greffe and Viscounts Departments which had resulted in those Departments being unable to meet their obligations under Article 1 of the Departments of the Judiciary and the Legislature (Jersey) Law 1965 and Article 24 of the Public Finances (Administration)(Jersey) Law 1967.

The Committee also submitted requests for additional funding to support new income tax initiatives however these were offset by a number of savings initiatives. It should be noted that a major proportion of these requests will generate further income that will accrue to the States of Jersey rather than the Finance and Economics Committee.

## Additional Funding 2006 to 2008

Additional funding following the outcome of the Resource Allocation process amounted to £417,000 in 2006, which will be utilised to generate additional income through the Income Tax Department: £285,000 for the introduction of a simplified form of PAYE, the Income Tax Instalment System (ITIS), facilitating both the collection of all taxation due on income and helping taxpayers budget for their tax liability. In addition, £52,000 will be used to appoint additional staff to ensure a proper investigation function for the assessment of Benefits In Kind. These measures are expected to generate additional income for General Funds amounting to approximately £5 million and £2 million respectively.

The introduction of ITIS will inevitably have an impact of the income currently generated by the Income Tax Department from late payment surcharges and late filing fees therefore the budget for such income has been transferred to General Funds, which is consistent with the overall policy, to transfer income which cannot be directly influenced by Committee.

# Finance and Economics

A further £80,000 has been allocated to establish a Business Continuity site for the Income Tax Department which is essential to protect, as far as possible, States' taxation revenues and to ensure the good and proper administration of the Income Tax (Jersey) Law 1961. It is anticipated that the site will be utilised by other Departments, enabling the States of Jersey to manage any business interruption and thus protect the services upon which the public of the Island rely.

The pressure on the Non-Executive Departments was recognised within the Resource Allocation Process and it was agreed that a sustainable level of additional revenue expenditure, subsequently established as £750,000 per annum, should be charged against the Criminal Offences Confiscation Fund from 2006 onwards to be used to meet the cost of additional staff in the Law Officers' Department with the balance being provided for the remaining requests from the Judicial Greffe and the Viscount's Department.

## **Service Reductions 2006 to 2008**

Over the three year period, reductions amount to a total of £355,000. The majority represents the gradual withdrawal of funding for the Waterfront Enterprise Board thereby placing pressure on the Board to maximise income from both the commercialisation of undeveloped sites and developed public spaces and by generating greater long-term income streams from development agreements with private sector partners.

In order to achieve further reductions, the Treasury will review the potential to reduce manpower reporting and control thereby removing unnecessary bureaucracy and allowing departments to make the most efficient use of their cash resources, which will require the approval of the States. The requirement for drawings for capital projects to be approved by the States will also be considered, as this will reduce the number of reports to Committee and will require changes to existing legislation.

## **Efficiency Savings 2006 to 2008**

The majority of efficiency savings arise from the Finance Transformation Project and a number of key improvement areas have been identified, including:

- improved efficiency and effectiveness of transaction processes;
- greater emphasis on financial management for non-financial managers;
- enhanced and automated financial reporting and ease of access to budgetary information;
- a consistent control framework across the States and clearly defined accountability;
- a greater emphasis on professional financial advice;
- a consistent financial control framework; and
- clear links between strategic objectives and the allocation of funds.

The Committee will also contribute both to departmental efficiencies and other corporate transformation initiatives

## **Summary of three year position**

The Committee has, in the past, had to strike a balance between its primary and non-executive functions, and the separation of these will allow the new Treasury and Resources Ministry to focus on its primary objectives and services.

The Committee will continue to achieve the objectives in line with its core aim within a tight financial framework within which the significant savings in the finance function will have to be achieved. The three year period will see much change and will result in a leaner, more focused and efficient organisation.



# Finance and Economics

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	24,433.7	25,849.8	26,135.6
Additional funding	417.0	-	-
Service reductions	(234.6)	(80.0)	(50.0)
Efficiency savings	(231.3)	(278.0)	(123.8)
Pay awards	1,236.7	420.8	431.3
Non-staff inflation	228.3	223.0	219.0
Other adjustments	-	-	-
<b>Cash Limit</b>	<b>25,849.8</b>	<b>26,135.6</b>	<b>26,612.1</b>
<b>Variation (%)</b>	5.8%	1.1%	1.8%
<b>Manpower Costs (£'000)</b>	17,086.00	17,507.00	17,938.00
<b>Manpower Numbers (FTE)</b>	330.27	330.27	330.27

## Capital Programme 2006 to 2008

<b>2006</b>	<b>£</b>
Central Planning Vote	500,000
<b>Total</b>	<b>500,000</b>
<b>2007</b>	<b>£</b>
<b>Total</b>	<b>-</b>
<b>2008</b>	<b>£</b>
<b>Total</b>	<b>-</b>

# Finance and Economics

## Net Expenditure – Service Analysis

2004 Actual Restated £	2005 Estimate Restated £		2006 Estimate £
1,541,487	1,428,600	<b>States Treasury</b>	
84,400	48,900	Corporate Financial Strategy	1,420,000
1,192,608	1,289,500	Investments	58,600
1,426,131	1,278,400	Financial Services	1,420,000
501,998	630,100	Systems	1,289,000
677,199	437,800	Audit and Risk	635,200
		Purchasing and Supply	433,000
		<b>Income Tax Department</b>	
2,321,083	2,401,330	Personal Tax Assessing	2,844,800
993,722	960,220	Company Assessing	1,040,900
290,338	270,030	Policy Development	389,000
224,621	214,550	Investigations and Compliance	233,100
444,317	414,070	Tax Collection and Arrears	445,100
		<b>Bailiff's Chambers</b>	
569,753	570,600	Royal Court	838,900
99,087	92,600	States Assembly	101,600
49,543	6,600	Licensing	12,500
107,345	108,000	Civic Head	97,000
25,214	30,000	Commemorative Functions	24,100
		<b>Law Officers' Department</b>	
812,606	722,900	Criminal Prosecutions	965,800
985,305	851,700	Legal Advice	1,347,800
255,337	353,000	Conveyancing	336,900
176,522	153,700	Civil Proceedings	224,600
485,055	422,100	Interjurisdictional Assistance	626,900
26,529	23,700	Duties of the Attorney General	30,400
1,045,190	2,265,000	Court and Case Costs	2,321,800
-	-	COCF Recovery	(795,600)
		<b>Judicial Greffe</b>	
583,743	647,700	Samedi, Family, Appellate and Interlocutory	701,100
846,790	813,100	Magistrates Court	919,400
283,091	343,600	Maintenance of Registries	336,100
1,448,507	1,912,700	Court and Case Costs	1,755,500
		<b>Viscount's Department</b>	
92,623	84,900	Coroner	94,200
45,574	272,000	Desastre	228,600
439,819	402,300	Enforcement	503,400
76,353	73,800	Assize Jury Functions	80,600
57,066	68,500	Curatorships	68,200
39,549	351,900	Court and Case Costs	360,700
		<b>Official Analyst</b>	
446,728	529,600	Forensic, Environmental Analysis	560,000
		<b>Emergency Planning</b>	
110,316	116,800	Planning and Monitoring	123,500
649,721	648,100	<b>H E the Lieutenant Governor</b>	693,000
167,590	194,900	<b>Data Protection</b>	208,300
<b>£ 19,622,860</b>	<b>£ 21,433,300</b>	<b>Balance carried forward</b>	<b>£ 22,974,000</b>

# Finance and Economics

## Net Expenditure – Service Analysis (continued)

2004 Actual Restated £	2005 Estimate Restated £		2006 Estimate £
19,622,860	21,433,300	<b>Balance brought forward</b>	22,974,000
		<b>Non-Departmental</b>	
(520,000)	(180,000)	Balance of Crown Revenues	(200,000)
2,550,000	2,509,200	Insurance	2,552,100
189,912	186,600	Cost of Audit/Shadow PAC	189,700
463,100	309,100	WEB Limited Grant	156,500
118,473	80,700	Distinguished Visitors and Conferences	82,100
52,591	55,400	Commission Amicale	56,300
17,704	20,500	Jurats' Expenses	18,400
19,446	17,800	Dean of Jersey	20,700
924,541	-	Courts and Case Costs	-
44,271	1,100	Other Expenditure	-
23,482,898	24,433,700	<b>Sub Total Finance and Economics Departments</b>	25,849,800
5,260,528	5,524,000	<b>Grant to Overseas Aid Commission (Note)</b>	5,686,000
28,743,426	29,957,700	<b>Sub Total</b>	31,535,800
		<b>Non-Cash Limit Items</b>	
32,126,853	33,009,700	Repayment and Interest on Capital Debt	36,496,200
<b>£ 60,870,279</b>	<b>£ 62,967,400</b>	<b>Net Revenue Expenditure</b>	<b>£ 68,032,000</b>

Note:  
The Overseas Aid Committee is to be replaced by the Overseas Aid Commission before the 2006 Budget debate and the existing Public Finances Law (1967) requires funds to be voted to the Commission via a Committee of the States. For this reason a grant to the Overseas Aid Commission appears under the Finance and Economics Committee this year.

Details of the Overseas Aid Commission activities are shown at page 32

# Finance and Economics

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>24,433,700</b>
<b>2006 Resource Allocation Process:</b>		
Additional Funding Approved:		
Income Tax: Introduction of ITIS	285,000	
Income Tax: Business Continuity Planning	80,000	
Income Tax: Benefits in Kind	52,000	
Service Reduction Approved:		
WEB Grant 3 Year plan	(154,000)	
CFSD Cessation of Manpower Controls	(33,000)	
CFSD Capital Drawings to States	(30,000)	
Prorata Savings	(17,600)	
Allocation of Efficiency Savings	(231,300)	
		<b>(48,900)</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	1,182,800	
Non-Staff Inflation	228,300	
Specific Pay Awards - PECRS Provision	53,900	
		<b>1,465,000</b>
<b>2006 Net Revenue Expenditure</b>		<b>£25,849,800</b>

# Finance and Economics

## Detailed Service Analysis 2006

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Corporate Financial Strategy	Preparation and Production of States Annual Budget, Resource Plan and States Annual Accounts. Appraisal of proposed capital projects. Appraising Committee requests for additional revenue funding. Monitoring of capital projects against budget ad programme.	1,208	402	1,610	(190)	1,420	17.6
Investments	Ensure that the best return is being secured by our Pooled Fund managers by comparing it to index. The balances on the General Revenues are invested on a daily basis to maximise the return to the Finance and Economics Committee. All Investment fund reconciliations are completed on a quarterly basis. Meeting and accommodating investment managers and liaising with the actuaries. Produce reports on General Revenue balances.	164	76	240	(181)	59	4.4
Financial Services	Payroll, transaction processing, credit control and cashiering services to all Departments. Management of the Island's currency. Advice and support on all finance matters to smaller Departments.	1,552	410	1,962	(542)	1,420	39.4
Systems	Provision and maintenance of States resource management and control systems. Also, advice to Departments on all financial, assets and procurement systems.	1,181	214	1,395	(106)	1,289	17.9
Audit and Risk	Systems and controls audits, capital expenditure audit, Value for Money Audit and IT Audit. Additionally the section offers ad hoc advice to Departments, takes part in project development (e.g. JDE) and assist in a number of other tasks e.g. supervision of lottery draws.	594	114	708	(73)	635	9.0
Purchasing and Supply	Centralised purchasing and supplies service to States departments, with a strong focus on health. As well as, guidance to Departments on all procurement matters. Also provision of a rechargeable print and design service.	387	78	465	(32)	433	5.1
Pensions	Pension increases are completed each year and any change in circumstance updated and documented on the system. Being the administrative service to the Committee of Management, producing year end accounts, adhoc reports and publications. Dealing with union reps., politicians and Chief Officers on pension matters and producing publications for members. Net contributions are paid to investment managers. Information for the benefit statements is produced, verified, calculated and sent out on a timely basis to all active members of the scheme, deal with a whole range of people from actuaries and politicians to pensioners and their families. Investment accounts are produced at the year end, consolidated with the administrative accounts and reported via						

# Finance and Economics

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
	the Annual Report and Accounts to the Committee of Management.	239	103	342	(342)	-	6.4
<b>Treasury Net Revenue Expenditure 2005</b>		<b>5,325</b>	<b>1,397</b>	<b>6,722</b>	<b>(1,466)</b>	<b>5,256</b>	<b>104.1</b>
Personal Tax Assessing	Assessing the liability of all individuals and partnerships to tax.	2,747	98	2,845	-	2,845	49.0
Company Assessing	Examining all company accounts and assessing their liability to tax.	1,007	34	1,041	-	1,041	15.0
Policy Development	Advising on the development of the Income Tax Law and the management of its implementation and IBC assessing.	382	7	389	-	389	5.0
Investigations and Compliance	Investigating compliance and fraud.	226	7	233	-	233	3.0
Tax Collection and Arrears	Debt management, collection of arrears and payment processing.	523	22	545	(100)	445	10.0
<b>Income Tax Net Revenue Expenditure 2006</b>		<b>4,885</b>	<b>168</b>	<b>5,053</b>	<b>(100)</b>	<b>4,953</b>	<b>82.0</b>
Royal Court	Presiding over the Royal Court and Licensing Assembly. Providing support to members of the Judiciary and other court users. Organising Royal Court sittings.	828	40	868	(29)	839	6.5
States Assembly	Presiding over the States Assembly. Co-ordinating the flow of official correspondence between Jersey and the UK. Providing support to the President and Members of the States.	79	22	101	-	101	1.0
Licensing	Granting Licensing permits and providing procedural advice on the Licensing (Jersey) Law 1974. Processing applications and providing advice on the provision of public entertainment licences.	37	11	48	(36)	12	1.0
Civic Head	Undertaking duties as Civic Head of the Island. Providing support to the Bailiff in his role as Civic Head of the Island. Arranging Royal Visits, visits of Ambassadors and other distinguished visitors.	90	7	97	-	97	1.7
Commemorative Functions	Liberation Day	25	-	25	-	25	0.0
<b>Bailiff's Chambers Net Revenue Expenditure 2006</b>		<b>1,059</b>	<b>80</b>	<b>1,139</b>	<b>(65)</b>	<b>1,074</b>	<b>10.2</b>
Criminal Prosecutions	The Law Officers' Department is responsible for all criminal prosecutions within the Island, working in the interests of justice and contributing to a reduction in the level of crime within the Island.	716	249	965	-	965	11.3
Legal Advice	The Law Officers' Department provides high quality legal advice within reasonable time-scales to the Crown, the States and others.	1,000	348	1,348	-	1,348	16.4
Conveyancing	The Department provides an efficient conveyancing service in relation to property matters effecting the Crown and States.	250	87	337	-	337	5.5

# Finance and Economics

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	← Gross Expenditure →			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Civil Proceedings	The Department ensures that the interests of the Crown and States are protected by acting on their behalf in civil proceeding brought by and against the Crown or States.	167	58	225	-	225	2.7
Interjurisdictional Assistance	The Department receives requests and assists overseas judicial and law enforcement agencies in criminal matters.	465	162	627	-	627	7.5
Duties of the AG	The Attorney General has a number of functions and duties arising from custom or statute.	23	8	31	-	31	0.2
Court and Case Costs		2,322	-	2,322	-	2,322	0.0
COCF Recharges		(796)	-	(796)	-	(796)	0.0
<b>Law Officers' Department Net Revenue Expenditure 2006</b>		<b>4,147</b>	<b>912</b>	<b>5,059</b>	<b>-</b>	<b>5,059</b>	<b>43.6</b>
Samedi, Family, Appellate and Interlocutory Service	Administrative service to the Royal Court and to the Court of Appeal. Judicial hearings in relation to divorces, interlocutory and ancillary matters.	519	489	1,008	(307)	701	17.9
Magistrates Court	Administrative service to the Magistrate's, Youth and Petty Debts Courts.	624	303	927	(8)	919	12.3
Maintenance of Registries	Running and maintaining the Public Registry, the Intellectual Property Registry and the Probate Registry.	246	263	509	(172)	337	9.6
Court and Case Costs		1,755	-	1,755	-	1,755	0.0
<b>Judicial Greffe Net Revenue Expenditure 2006</b>		<b>3,144</b>	<b>1,055</b>	<b>4,199</b>	<b>(487)</b>	<b>3,712</b>	<b>39.8</b>
Coroner	Investigation of sudden deaths to establish cause and reason.	82	12	94	-	94	1.0
Desastre	Administration of en Desastre proceedings.	234	67	301	(73)	228	5.3
Enforcement	Collect and enforce fines; receipt and payment of bail moneys; arrest and presentation for non-appearance in court; service of legal process; collect (and pay) costs and compensation; execute and enforce civil judgments; carry out evictions; enforce maintenance orders, collect and pay 'alimony', enforce drug trafficking and other such orders.	619	185	804	(300)	504	14.5
Assize Jury Functions	Service to compile and manage the jury selection procedure and manage the jury during assize trials.	63	18	81	-	81	1.4
Curatorships	Service to manage the financial affairs of impecunious interdicts.	58	18	76	(8)	68	1.4
Court and Case Costs		-	361	361	-	361	0.0
<b>Viscount's Department Net Revenue Expenditure 2006</b>		<b>1,056</b>	<b>661</b>	<b>1,717</b>	<b>(381)</b>	<b>1,336</b>	<b>23.6</b>
Forensic, Environmental Analysis	Forensic, Consumer Protection and Environmental Analysis.	448	182	630	(70)	560	8.3

# Finance and Economics

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
<b>Official Analyst Net Revenue Expenditure 2006</b>		<b>448</b>	<b>182</b>	<b>630</b>	<b>(70)</b>	<b>560</b>	<b>8.3</b>
Planning and Monitoring	Co-ordinate and prepare plans to mitigate the effects of major emergencies. To cover all hazards, related training exercising and review. Co-ordinate the activities of all response agencies including utilities, states departments and voluntary agencies.	123	-	123	-	123	1.8
<b>Emergency Planning Net Revenue Expenditure 2006</b>		<b>123</b>	<b>-</b>	<b>123</b>	<b>-</b>	<b>123</b>	<b>1.8</b>
Duties of the Lieutenant Governor		722	-	722	(29)	693	14.2
<b>Office of the Lieutenant Governor Net Revenue Expenditure 2006</b>		<b>722</b>	<b>-</b>	<b>722</b>	<b>(29)</b>	<b>693</b>	<b>14.2</b>
Data Protection		208	-	208	-	208	4.0
<b>Data Protection Net Revenue Expenditure 2006</b>		<b>208</b>	<b>-</b>	<b>208</b>	<b>-</b>	<b>208</b>	<b>4.0</b>
Non-Departmental		39,776	-	39,776	(404)	39,372	0.0
<b>Non-Departmental Net Revenue Expenditure 2006</b>		<b>39,776</b>	<b>-</b>	<b>39,776</b>	<b>(404)</b>	<b>39,372</b>	<b>0.0</b>
Overseas Aid Commission		5,686	-	5,686	-	5,686	0.0
<b>Overseas Aid Commission Net Revenue Expenditure 2006</b>		<b>5,686</b>	<b>-</b>	<b>5,686</b>	<b>-</b>	<b>5,686</b>	<b>0.0</b>
<b>Total Net Revenue Expenditure 2006</b>		<b>66,579</b>	<b>4,455</b>	<b>71,034</b>	<b>(3,002)</b>	<b>68,032</b>	<b>330.3</b>

Note:  
Details of the Overseas Aid Commission are shown on page 32.



# Finance and Economics

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation
Service Management	2,625	225	2,850	21.2	
Finance	398	-	398	3.5	
IT	157	-	157	1.7	
HR	93	-	93	1.8	
Training	76	-	76	0.6	
Property	550	-	550	0.1	
Transport	3	-	3	0.0	
Admin	514	-	514	9.5	
Other	37	-	37	1.1	
	4,455	225	4,680	39.5	

## Summary of Efficiency Savings Allocations in Committee Cash Limits

	Allocation Baseline £'000	Efficiency Savings					Total £'000	Savings %
		2005 £'000	2006 £'000	2007 £'000	2008 £'000	2009 £'000		
<b>Departmental Efficiencies</b>	10,885.2	334.7	(126.7)	36.5	29.4	-	<b>273.9</b>	2.5%
<b>Corporate Efficiencies</b>								
- Human Resources	96.0	22.7	(10.6)	-	-	-	<b>12.1</b>	12.6%
- ICT	91.0	37.8	(24.5)	-	-	-	<b>13.3</b>	14.6%
- Finance	5,229.3	26.4	395.1	162.6	-	-	<b>584.1</b>	11.2%
- Property		-	-	46.4	61.9	61.9	<b>170.2</b>	
- Procurement		22.7	(0.4)	18.6	18.6	-	<b>59.5</b>	
- Other		9.0	(1.6)	13.9	13.9	-	<b>35.2</b>	
		118.6	358.0	241.5	94.4	61.9	<b>874.4</b>	
<b>Total Efficiency Savings</b>		453.3	231.3	278.0	123.8	61.9	<b>1,148.3</b>	

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.

# Finance and Economics

## Overseas Aid Commission

Under the Jersey Overseas Aid Commission Law 2005 the functions and administration of the Committee will be transferred to a Commission during the latter part of 2005. The 2006 States budget will therefore require provision for a grant to be made to the Jersey Overseas Aid Commission.

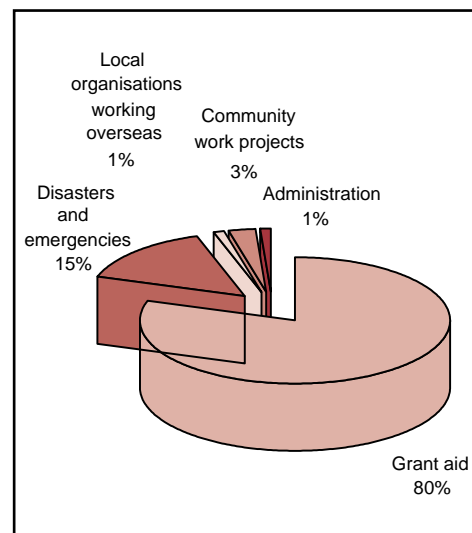
The Committee's sole source of income is a grant from the States of Jersey and was reviewed on 23rd October 2002 (P129/2002). It is based on a percentage of tax revenues increasing by 0.05% each year from 2004 – 1.25% to 2008 – 1.45%, when it will again be reviewed. The Commission will succeed to the rights of the Committee and thus the grant for **2006** is calculated at 1.35% of 2006 taxation receipts, the adjustment between estimated and actual receipts being made in 2008.

Treasury have calculated that the payment to be made in 2006 (taking into account the 2004 adjustment) will be **£5,686,000** and this compares with the Committee's grant of **£5,524,000** received in **2005**, an increase of £162,000.

The Committee's policy is directed towards the eradication of poverty and grants are based on the individual merits of the project and not the size of the agency. The projects supported are in the main in the areas of clean water, health, sanitation, education, agriculture and livestock, and revolving loans for small businesses.

The Committee committed £451,000 to be spent in 2006 and £176,000 in 2007 in respect of second and third year funding of approved long term projects.

Whilst it will be for the Commissioners to fix the 2006 Overseas Aid budget the Committee have provided an estimate of the 2006 expenditure based on the continuation of its existing policies and priorities. Administration expenses remain at less than one penny in the pound due to the honorary services provided to the Committee.



Expenditure and Income Category		
	2005 Estimate £	2006 Estimate £
<b>Expenditure</b>		
Staff	32,000	<b>35,000</b>
Supplies and Services	13,000	<b>15,000</b>
Overseas Aid	5,479,000	<b>5,636,000</b>
<b>Net Revenue Expenditure</b>	£5,524,000	<b>£5,686,000</b>

**Environment and  
Public Services Committee**



# Environment and Public Services

## **Financial Implications 2006 to 2008**

In 2006, the Environment and Public Services Committee will separate and form the Planning and Environment and Transport and Technical Services Ministries.

It will be the aim of the newly formed Ministries to ensure that the synergies achieved by the amalgamation of the two departments will not be lost in the new structure.

The Ministries will face major financial challenges in the years ahead most notably the implementation of some key Strategies, for Solid Waste, Travel and the Rural Economy, the latter in conjunction with the Economic Development Committee. The introductions of the Planning and Building, Waste Management and Water Resources Laws, the latter subject to States Members approval, are also significant pieces of works to be undertaken.

## **Resource Allocation Process 2006 to 2008**

The Committee participated fully in the resource allocation process, the net effect of which was a reduction in its cash limit of £815,700 for the period 2006-2008

## **Additional Funding 2006 to 2008**

The Committee was successful in securing additional funds amounting to £159,000, this will fund the shortfall in the budget that transferred from the Harbours and Airport Committee in respect of the Meteorology Department during 2005.

## **Service Reductions 2006 to 2008**

The service reductions amounting to £974,700 will have an impact across the range of services within the Committee's remit and include:

- a reduction in the Building Control's Trainee Scheme (£30,000) which will limit the Department's ability to plan for future succession;
- a reduction in the number of staff involved with Enforcement (£39,000) and Building Control (£110,000) which will impact on the quality of service and significantly increases the risk of non-compliant work going undetected;
- a reduction in the Policy Consultants Vote (£102,000) this service reduction will limit the ability of the Minister and/or Department to pursue policy initiatives arising from the Council of Ministers and/or Corporate Management Board;
- the loss of one member of the Property's Surveying Team (£45,000) which will ultimately impact on the quality of service provided to other departments;
- a reduction in the number of staff providing regulatory, scientific and environmental advice (£170,000) which will result in reduced technical expertise and laboratory services;
- reduced number of staff providing the meteorology service (£172,000) which will necessitate meteorology forecasts becoming more dependent on technology and costs partly passed on to customers as agreed as part of the Guernsey settlement;

# Environment and Public Services

- a budget reduction that will potentially be achieved by combining the knackers yard and the OTMS culling scheme which will enable the department to provide a full on-Island service for what is currently exported and also reduce the subsidy for animal product disposal, increasing the sale of compost and reducing the standard of out-of-town highways and footpath cleaning (£286,000); and
- a pro-rata allocation across all the Department's service areas (£20,700).

## **Efficiency Savings 2006 to 2008**

The efficiency savings amounting to £1,449,000 will be achieved by a reduction in support service costs and by making efficiency savings across the department but especially in the Parks and Garden area which has implemented a five year plan to reduce its budget by £730,000.

## **Summary of three year position**

The Committee is pleased to present a budget which balances the ability to achieve its core aims and objectives whilst also contributing a total of £2,265,500 towards corporate initiatives such as the resource allocation process and the requirement to achieve efficiency savings.

# Environment and Public Services

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	26,965.9	28,153.7	28,055.6
Additional funding	159.0	-	-
Service reductions	(377.7)	(297.0)	(300.0)
Efficiency savings	(463.1)	(484.7)	(502.0)
Pay awards	1,774.7	604.3	593.6
Non-staff inflation	94.9	79.3	72.4
Other adjustments	-	-	-
<b>Cash Limit</b>	<b>28,153.7</b>	<b>28,055.6</b>	<b>27,919.6</b>
<b>Variation (%)</b>	4.4%	(0.3%)	(0.5%)
<b>Manpower Costs (£'000)</b>	24,787	25,203	25,042
<b>Manpower Numbers (FTE)</b>	611.89	609.08	606.08

# Environment and Public Services

## Capital Programme 2006 to 2008

2006	£
Land Acquisition - reduction in prior year's allocation	(1,500,000)
Foul Sewer Reconstruction and Extension	2,000,000
Sea Defence Strategy	1,000,000
Highway Infrastructure	1,500,000
Urban Renewal	200,000
Minor Capital Pre-Determined Allocation	800,000
Minor Capital Allocation - Indoor Markets Refurbishment	250,000
In - Vessel Composting	4,549,000
Reuse and Recycling Centre	1,660,000
Relocation of Refuse Handling Plant	3,458,000
<b>Total</b>	<b>13,917,000</b>

2007	£
Land Acquisition - reduction in prior year's allocation	(500,000)
Foul Sewer Reconstruction and Extension	2,000,000
Sea Defence Strategy	500,000
Highway Infrastructure	500,000
Minor Capital Pre-Determined Allocation	800,000
Minor Capital Allocation - Indoor Markets Refurbishment	250,000
Combined Sludge Dryer / Thickener	5,948,000
<b>Total</b>	<b>9,498,000</b>

2008	£
Energy from Waste Plant - Loan Repayments	10,000,000
Foul Sewer Reconstruction and Extension	2,000,000
Sea Defence Strategy	1,000,000
Highway Infrastructure	500,000
Urban Renewal	200,000
Minor Capital Pre-Determined Allocation	850,000
Minor Capital Allocation - Indoor Markets Refurbishment	250,000
<b>Total</b>	<b>14,800,000</b>



# Environment and Public Services

## Net Expenditure – Service Analysis

2004 Actual £	2005 Estimate £		2006 Estimate £
		<b>Planning and Building Division</b>	
1,211,345	1,036,200	Planning and Building Applications	1,147,000
175,713	177,500	Design and Conservation	166,200
388,785	508,900	Policy and Planning	518,000
10,613	(139,200)	<b>Property Division</b>	(116,400)
		<b>Environmental Division</b>	
3,080,867	3,560,300	Environmental Services	3,611,600
1,172,823	576,300	Meteorology Services	634,600
		<b>Public Services</b>	
4,659,783	3,935,400	Liquid Waste	4,259,700
2,475,465	2,211,400	Energy from Waste	2,275,500
1,960,497	2,236,700	Solid Waste	2,229,500
3,196,067	2,402,200	Highways	2,543,400
3,634,034	3,853,600	Buses	3,904,400
(913,848)	(974,000)	Buildings	(979,600)
850,259	912,000	Coastal and Footpath Maintenance	1,145,500
1,337,299	1,274,000	Drainage	1,584,400
2,468,848	2,421,600	Cleaning	2,121,100
2,782,311	2,552,000	Parks and Gardens	2,538,500
169,427	142,200	Surveyors	212,200
263,857	164,000	Architectural Services	231,500
164,044	114,800	Markets	126,600
<b>£ 29,088,189</b>	<b>£ 26,965,900</b>	<b>Net Revenue Expenditure</b>	<b>£ 28,153,700</b>

Note:

The figures for Planning and Environment and Public Services were previously shown separately. The figures for these Departments have been amalgamated to reflect the figures as a Committee.

# Environment and Public Services

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>26,965,900</b>
<b>2006 Resource Allocation Process:</b>		
Additional Funding Approved:		
Funding for the transfer of the Meteorology Service from the Airport	159,000	
Service Reduction Approved:		
Reduction in Planning and Building Services	(92,000)	
Reduction in the number of staff providing the Meteorology Service	(172,000)	
Reduction in Public Services	(93,000)	
Pro-rata allocation to all Service Areas	(20,700)	
Allocation of Efficiency Savings	(463,100)	
		<b>(681,800)</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	1,752,200	
Non-Staff Inflation	94,900	
Specific Pay Awards - PECRS provision	22,500	
		<b>1,869,600</b>
<b>2006 Net Revenue Expenditure</b>		<b>£28,153,700</b>

# Environment and Public Services

## Detailed Service Analysis 2006

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Planning Applications	To ensure that new development will protect and enhance the quality of the rural and urban environment.	1,543	141	1,684	(946)	738	25.2
Building Applications	Enforcement of building bye-law requirements relating to health and safety, energy efficiency and access for disabled persons.	1,209	112	1,321	(912)	409	22.8
Design and Conservation	Advise Committee, Officers, Agents and members of the Public on safeguarding of the man-made heritage and the design of new development.	153	13	166	-	166	2.7
Policy and Projects	To provide and implement a framework for the planning of development in the Island.	558	79	637	(119)	518	7.3
Property Division	To provide professional property advice and services to all States' Committees and Departments.	743	73	816	(932)	(116)	11.5
Environmental Division	To maintain, protect and enhance the natural environment of the Island in furtherance of local and international obligations.	3,564	141	3,705	(93)	3,612	47.0
Meteorology Service	To provide local weather forecasts, warnings and climatological statistics to aviation, marine and public services to enable safe, efficient and effective business decisions within the Channel Islands' community.	1,323	30	1,353	(718)	635	15.9
Liquid Waste	Sewerage treatment works, pumping stations, drainage system and septic tankers.	4,686	316	5,002	(742)	4,260	57.4
Energy from Waste	Incinerator plant and power generation.	2,989	257	3,246	(970)	2,276	46.5
Solid Waste	Refuse pre-treatment, landfill site operation, sludge drier and clinical waste operation.	4,318	276	4,594	(2,365)	2,229	53.2
Highways	Resurfacing of main roads, traffic signals, minor works and pedestrian facilities, cost of street lighting.	2,382	255	2,637	(93)	2,544	19.8
Buses	Provision of public and school bus service.	6,316	48	6,364	(2,460)	3,904	2.2
Buildings	Maintenance of public buildings administered by the Environment and Public Services Committee, includes specialised maintenance of concrete structures.	2,742	84	2,826	(3,806)	(980)	29.5
Coastal and Footpath Maintenance	Coastal defence maintenance, footpath maintenance and ancient monument maintenance.	1,240	95	1,335	(189)	1,146	30.6
Drainage	CCTV, sewer jetting and sewer connections.	1,681	137	1,818	(235)	1,583	38.1
Cleaning	Cleaning of beaches, promenades, highways and toilets.	2,442	118	2,560	(439)	2,121	60.1
Parks and Gardens	Maintenance of public parks, public open spaces and general amenity land.	3,839	213	4,052	(1,513)	2,539	101.8

# Environment and Public Services

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Surveyors	Provision of specialist surveying services for the Department and other States departments.	156	107	263	(51)	212	4.7
Architectural Services	Full architectural planning, design and supervision service to all States Departments.	1,327	222	1,549	(1,318)	231	28.5
Markets	Management and maintenance of Public Markets.	615	28	643	(516)	127	7.4
<b>Total Net Revenue Expenditure 2006</b>		<b>43,826</b>	<b>2,745</b>	<b>46,571</b>	<b>(18,417)</b>	<b>28,154</b>	<b>611.9</b>

# Environment and Public Services

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation
Chief Executive	281	-	281	4.2	Estimate of time spent
Finance	735	-	735	18.1	Estimate of time spent
IT	746	-	746	8.0	Estimate of time spent
HR	307	-	307	7.0	FTE's
Training	60	-	60	0.0	Estimate of areas obtaining benefits
Health and Safety	122	(4)	118	2.0	Estimate of time spent
Records	138	(65)	73	4.0	Estimate of time spent
Admin and Planning	356	-	356	10.5	Estimate of time spent
	2,745	(69)	2,676	53.8	

## Summary of Efficiency Savings Allocations in Committee Cash Limits

	Allocation Baseline £'000	Efficiency Savings					Total £'000	Savings %
		2005 £'000	2006 £'000	2007 £'000	2008 £'000	2009 £'000		
<b>Departmental Efficiencies</b>	44,151.0	509.5	333.8	148.1	119.2	-	<b>1,110.6</b>	2.5%
<b>Corporate Efficiencies</b>								
- Human Resources	298.0	34.5	2.9	-	-	-	<b>37.4</b>	12.6%
- ICT	761.0	57.5	53.9	-	-	-	<b>111.4</b>	14.6%
- Finance	533.0	40.3	2.7	16.6	-	-	<b>59.6</b>	11.2%
- Property		-	-	188.2	251.0	251.0	<b>690.2</b>	
- Procurement		34.5	53.4	75.3	75.3	-	<b>238.5</b>	
- Other		13.8	16.3	56.5	56.5	-	<b>143.1</b>	
		180.6	129.2	336.6	382.8	251.0	<b>1,280.2</b>	
<b>Total Efficiency Savings</b>		690.1	463.0	484.7	502.0	251.0	<b>2,390.8</b>	

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.



# **Economic Development Committee**





# Economic Development

## Mission Statement

To achieve sustainable economic growth with low levels of inflation coupled with economic diversification and the creation of job opportunities.

## Challenges in 2006

The most significant issue facing the Committee is implementing the Economic Growth Plan and the sectoral strategies in the face of significant cash limit cuts. The most significant challenges include:

- funding for the ongoing revenue expenditure necessary to secure the delivery of the Economic Growth Plan has not yet been secured;
- reducing staff numbers coupled with an increase in workload is making it very difficult to deliver optimum service especially as buying these services in is more expensive than the cost of internal staff;
- although the Committee's required law drafting time has been secured for 2006, it is imperative that drafting time is secured for 2007 for the gambling legislation and also for the necessary finance industry-related legislation;
- growing the Tourism Industry in the face of increased government investment, both in marketing and infrastructure, in our competitor destinations at a time when Jersey has reduced its Marketing support and £8 million of the £10 million which the States approved for the Tourism Development Fund has not been forthcoming and is unlikely to be provided;
- whilst budget cuts and efficiency savings are based on Committees gross budgets, agricultural support is based on financial subsidies, making efficiency savings in this area achievable only by encouraging the agriculture industry to be less reliant on government aid. In order to do this we must develop an appropriate framework for smallholders and agriculturalists which stimulate economic growth, but this must be balanced with appropriate land use. Economic Development will be working with Environment and Public Services in re-aligning the rural planning regime to encourage appropriate business development in the countryside, while protecting and enhancing the rural environment.

## Resource Allocation Process 2006 to 2008

The Committee has been given a service cut target of £808,000, efficiency savings of £526,200, and, additionally £186,000 other adjustments, making a total cut in budget of £1,520,200 over the three years. The Committee has also had to find funding from its cash limits to increase support for promoting the Finance Industry, for supporting the Jersey Consumer Council's Price Watch initiative and promoting Jersey to potential new high-wealth individuals at a total cost of £703,000 over the three years. The Committee recognises the need to further promote the Finance Industry to achieve 2% economic growth but to fund the additional activities the Committee needed to cut even more severely into services already provided, mainly in Tourism and Agricultural produce marketing.

## Service Reductions 2006 to 2008

The Committee has prioritised its services and recognised the need to continue to support the agriculture industry through the Rural Economy Strategy, investment in training through the Skills Strategy and to protect Jersey's primary source market for Tourism (UK). Unfortunately with budget cuts at this level, the marketing budgets for Tourism and Agricultural produce marketing have been cut back severely; £966,000 and £253,000 respectively. Cuts have also been made in funds for requests for advice from the Jersey Competition Regulatory Authority and support to the Agriculture Industry.

## Service Growth 2006 to 2008

# Economic Development

To facilitate the first steps towards achieving 2% economic growth the Committee needed to find funding to increase financial support for promoting the Finance Industry, £565,000, supporting the Jersey Consumer Council's Price Watch initiative, an additional £45,000, and promoting Jersey to potential new high-wealth residents an additional £93,000; a total cost of £703,000 over the three year period.

## **Other Adjustments**

The States agreed that funding for the provision of free school milk should be inscribed in the cash limits of the Economic Development Committee for one year only, requiring the Economic Development Committee to come forward with proposals also allied to Employment and Social Security Welfare milk. The Economic Development Committee considers that it would be sensible to coordinate the change in treatment of welfare milk with the removal of school milk funding. The Economic Development Committee budget has been reduced by £186,000 school milk funding and it is planned to stop funding the free provision of school milk in 2007 in line with the introduction of Income Support.

## **Efficiency Savings 2006 to 2008**

The Economic Development Committee continues to promote and encourage value for money and efficiency in its operations and will make every effort to achieve the prescribed efficiency savings with minimum impact on front line services. The Committee has been asked to make £526,200 efficiency savings over the three year period.

## **Summary of three year position 2006 to 2008**

The accumulative service and efficiency savings in Economic Development's budget over the three year period is £1,520,200, a reduction of 9% of which service cuts equate to £808,000, efficiency savings £526,200 and other adjustments £186,000.

With a significantly reduced budget it will be challenging to achieve economic growth coupled with economic diversification and the creation of job opportunities but the Committee is committed to maximising benefits to the Island and return on investment from its expenditure.

# Economic Development

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	15,665.2	15,827.2	15,571.1
Additional funding	403.0	150.0	150.0
Service reductions	(688.0)	(423.0)	(400.0)
Efficiency savings	(161.5)	(179.5)	(185.2)
Pay awards	301.9	86.0	88.1
Non-staff inflation	306.6	296.4	282.5
Other adjustments	-	(186.0)	-
<b>Cash Limit</b>	<b>15,827.2</b>	<b>15,571.1</b>	<b>15,506.5</b>
<b>Variation (%)</b>	1.0%	(1.6%)	(0.4%)
<b>Manpower Costs (£'000)</b>	3,293	3,379	3,467
<b>Manpower Numbers (FTE)</b>	63.58	63.58	63.58

## Capital Programme 2006 to 2008

<b>2006</b>	<b>£</b>
Tourism Development Fund	1,000,000
<b>Total</b>	<b>1,000,000</b>
<b>2007</b>	<b>£</b>
<b>Total</b>	-
<b>2008</b>	<b>£</b>
<b>Total</b>	-

# Economic Development

## Net Expenditure – Service Analysis

2004 Actual £	2005 Estimate £		2006 Estimate £
1,191,778	1,274,500	Agriculture Marketing*	762,600
3,304,165	2,450,400	Direct Financial Support	2,494,300
-	-	Diversification	543,900
(99,940)	149,300	Agriculture Interest Subsidy Schemes	155,100
72,090	38,300	Agriculture Support Services	57,900
164,936	184,800	Agriculture Statutory Compensation	65,000
		Agriculture Strategy, Statutory and Regulatory	
658,218	255,200	Services	235,400
173,378	177,000	School Milk Provision	181,400
20,446	-	Support for Sea Fisheries	-
419,306	551,200	Strategic Development	855,800
		Regulatory Services (incl. Regulation of Undertakings	
341,880	397,200	and Development)	370,400
-	-	Attracting High Wealth Individuals	109,700
461,944	630,000	Jersey Competition Regulatory Authority	594,500
309,009	297,500	Trading Standards	314,200
45,000	45,000	Jersey Consumer Council Grant	90,000
600,000	586,000	Jersey Finance	850,000
(45,382)	56,300	Gambling Control and Lottery	109,500
1,553,577	1,275,400	Training and Enterprise Partnership	1,379,300
		Tourism and Marketing Research, Strategy and	
680,012	662,200	Policy	578,100
3,519,832	3,503,900	Tourism and Marketing Communications**	2,937,700
4,018,321	3,061,700	Tourism and Marketing Market Development	3,157,100
(152,334)	69,300	Tourism and Marketing Quality Development	(14,700)
<b>£ 17,236,236</b>	<b>£ 15,665,200</b>	<b>Net Revenue Expenditure</b>	<b>£ 15,827,200</b>

\* The variance in Agricultural Marketing is a mix of Resource Allocation cuts, separating Diversification from Marketing and change in focus to deliver the Rural Economy Strategy.

\*\* The variance in Tourism and Marketing Communications is a mix of Resource Allocation cuts, efficiency savings and change in line with the Economic Growth Plan.

The reporting structure has been amended for simplicity and to better reflect Service delivery.

# Economic Development

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>15,665,200</b>
<b>2006 Resource Allocation Process:</b>		
Additional Funding Approved:		
Attracting High-Wealth Individuals	93,000	
Finance Industry Support for Marketing	265,000	
Jersey Consumer Council	45,000	
Service Reduction Approved:		
Administration of the Competition Law	(50,000)	
Tourism and Marketing	(438,000)	
Agriculture Produce Marketing	(200,000)	
Allocation of Efficiency Savings	(161,500)	
		<b>(446,500)</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	237,900	
Non-Staff Inflation	306,600	
Specific Pay Awards - PE CRS Provision	64,000	
		<b>608,500</b>
<b>2006 Net Revenue Expenditure</b>		<b>£15,827,200</b>

# Economic Development

## Detailed Service Analysis 2006

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Agricultural Marketing	Consists of direct marketing campaigns by the department and schemes to help the industry market produce	780	22	802	(39)	763	1.5
Agriculture Direct Financial Support	Implementation of the Rural Economy Strategy	2,474	20	2,494	-	2,494	0.9
Diversification	To encourage diversification and new initiatives, which benefit the agriculture industry in line with the Rural Economy Strategy.	540	4	544	-	544	0.4
Agriculture Interest Subsidy Schemes	The Agricultural Loans Scheme (ALS) is intended to provide loans to farm businesses on advantageous terms to encourage investment and to take account of risk. The Glasshouse interest subsidy on bank loans, for the replacement of glasshouses. Both schemes are suspended but have a continuing commitment to current borrowers.	135	20	155	-	155	0.5
Agriculture Support Services	Provision of a Business Support Service for the Industry. Provides valuable farm accounts data for business benchmarking.	64	14	78	(20)	58	1.8
Agriculture Statutory Compensation	Over Thirty Months Scheme (BSE slaughter policy) to compensate farmers for cattle removed from the food chain due to BSE control measures.	65	-	65	-	65	0.2
Agriculture Strategy and Provision of Statutory and Regulatory Services	To develop and implement the Rural Economy Strategy to increase profitability, diversification and successful enterprises within agriculture and the rural economy.	219	21	240	(5)	235	1.5
School Milk Provision (2006 only)	Supply Island Schools with milk for Primary School children.	181	-	181	-	181	0.0
Strategic Development	Develop strategies for the Island's industries.	821	62	883	(27)	856	7.7
Regulatory Services (includes Regulation of Undertakings)	Administer the RUD Law. Develop strategy for the future.	303	72	375	(5)	370	4.1
Attract high-wealth individuals to the Island	Actively promote and encourage high wealth individuals, who will contribute economically and socially, to take up residency in the Island.	110	-	110	-	110	0.7
Jersey Competition Regulatory Authority	Provide funding to the JCRA for the administration of the Competition Law and other Competition issues.	595	-	595	-	595	0.0
Trading Standards	Enforce a range of legislation controlling the distribution of goods and services. Provide a consumer advice and information service.	251	66	317	(3)	314	4.2

# Economic Development

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Jersey Consumer Council	Investigate, highlight and publicise anomalies and irregularities in consumer affairs and to encourage good trading practice by local business.	90	-	90	-	90	0.0
Finance Industry Support	Supporting the promotion, diversification and further development of the Financial Services Industry in the Island.	850	-	850	-	850	0.0
Gambling Control and Lottery	Administer the Island's gambling and lotteries legislation.	199	30	229	(119)	110	1.7
Training and Enterprise Partnership	To develop and deliver strategies to broaden and enhance the skills base of the island, support business development and provide employment for the resident population.	1,317	62	1,379	-	1,379	4.8
Tourism and Marketing Corporate Strategy and Policy	To develop and execute strategies and policies that capitalise on the opportunities and counter the threats facing tourism in Jersey in order to achieve optimum returns for Island businesses and the community at large.	526	52	578	-	578	3.3
Tourism and Marketing - Marketing and Communication	<b>Communications</b> Communicate the benefits of a Jersey visit for leisure or business by promoting a strong brand image which enhances the appeal of the Island for our target audiences. A broad range of media are employed (brochures, print media, broadcast media, and the Internet) to appeal to both traditional and to new potential markets. An important activity is the development and implementation of a communication plan that involves advertising and promotional campaigns designed to drive new business into the Island all year round. Communications includes a Public Relations Team whose aim is to encourage other media (travel writers, general press and journalists) to write positively about Jersey as a travel destination.	2,817	361	3,178	(240)	2,938	11.3
Tourism and Marketing - Marketing and Communication	<b>Market Development</b> Developing effective working relationships with Jersey's trade partners (tour operators, carriers, overseas agents and other marketing bodies such as Visit Guernsey and Visit Britain). Ensuring that Jersey's tourism products and services will match the demands of tomorrow's visitors. Ensuring that all visitors who contact Jersey Tourism for assistance are treated with exemplary levels of service.	3,041	321	3,362	(205)	3,157	12.9

# Economic Development

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Tourism and Marketing - Quality Development and Lifeguard Service	Administer all aspects of the Tourism Law which requires that all Hotels and Guest Houses are inspected, graded and registered. Other legislation requires similar registration for cafés, pubs and restaurants and regulating trading and other activities in the Island's beaches. This section ensures that Jersey's beaches are appropriately supported by a Lifeguard Service. In addition to ensuring that the legal obligations of the Tourism Committee are safeguarded, this section also is involved with general quality development issues, for handling complaints and developing employment and training incentives for the tourism industry as a whole.	292	55	347	(362)	(15)	1.6
	Vacancies unfilled until new CEO in place						4.5
<b>Total Net Revenue Expenditure 2006</b>		<b>15,670</b>	<b>1,182</b>	<b>16,852</b>	<b>(1,025)</b>	<b>15,827</b>	<b>63.6</b>



# Economic Development

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation	
Service Management	206	-	206	2.6		
Finance	103	-	103	2.5		
IT	266	-	266	1.0	Staff cost on Officer time spent on activity, non-staff costs based on % of support service staff per service.	
HR	31	-	31	0.5		
Training	27	-	27	0.1		
Property	300	-	300	0.4		
Transport	16	-	16	0.1		
Admin	222	-	222	0.6		
Catering	4	-	4	0.0		
Other (list)*	7	-	7	0.1		
	1,182	-	1,182	7.9		

### \* Other Activities

Corporate Initiatives, meetings, groups, etc.

Assisting with Services Level/Partnership Agreements

Managing Strategic/Business Planning Process

Direct, plan and co-ordinate the reporting arrangements for both the Committee and the Department in order that accurate and appropriate resource and other management information is readily available.

Work collectively with the other Division Directors and the Chief Executive, contributing to the overall review, development, presentation and implementation of Committee and Departmental strategy, policy and procedure.

Supporting and managing change and integrating and supporting new ideas and systems which will improve service delivery.

# Economic Development

## Summary of Efficiency Savings Allocations in Committee Cash Limits

	Allocation Baseline £'000	Efficiency Savings					Total £'000	Savings %
		2005 £'000	2006 £'000	2007 £'000	2008 £'000	2009 £'000		
<b>Departmental Efficiencies</b>	16,286.0	175.7	135.4	54.6	44.0	-	<b>409.7</b>	2.5%
<b>Corporate Efficiencies</b>								
- Human Resources	95.0	11.9	-	-	-	-	<b>11.9</b>	12.5%
- ICT	104.0	19.8	(4.6)	-	-	-	<b>15.2</b>	14.6%
- Finance	220.0	13.9	3.9	6.9	-	-	<b>24.7</b>	11.2%
- Property		-	-	69.4	92.6	92.6	<b>254.6</b>	
- Procurement		11.9	20.5	27.8	27.8	-	<b>88.0</b>	
- Other		4.8	6.3	20.8	20.8	-	<b>52.7</b>	
		62.3	26.1	124.9	141.2	92.6	<b>447.1</b>	
<b>Total Efficiency Savings</b>		238.0	161.5	179.5	185.2	92.6	<b>856.8</b>	

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.

**Health and  
Social Services Committee**



# Health and Social Services

## Strategic Aim

The Department is currently developing a new Strategy – *New Directions*, that will replace *‘Improving health and social care’* 2001/2005. Although not yet finalised the overall aim of the department has been set out in the States 2006/10 Business Plan as follows:

***“To redesign the health and social care system to deliver improved health and social well being for the Island community”***

## Financial Implications 2006 to 2008

As with most health and social care systems throughout the world Health and Social Services are subject to continuing pressures from a number of sources which have an impact on the cost and demand for services.

These include:

- an aging population;
- advances in medical science and technology resulting in new high cost diagnostic and therapeutic interventions;
- increasing public expectations; and
- rising standards in clinical practice.

No western health and social care system, however designed, has been able to meet these cost and demand pressures without significant revenue growth on an annual basis.

Since 1960 average health spending per capita in Organisation for Economic Co-operation and Development (OECD) countries has increased by 5.5% in real terms, with the UK spending 3.6%. Even during the years when UK public expenditure controls were tighter, health expenditure increased by an average 2.9% per annum. More recently the UK Government has been investing at a general rate of 6.3% real growth.

In 2002 the Health and Social Services and Policy and Resources Committee sponsored a review of health care funding, undertaken by the Health Services Management Centre, University of Birmingham. In 2003 the report recommended that the Department receives real growth of between 3-7% for the next 5 years.

The 2006 cash limit provides growth funding of £3.1 million, equating to 2.6% on growth on the 2005 cash limit; whilst also requiring efficiency savings of £1.2 million. Maintaining services and meeting the continuing pressures outlined above will prove difficult in this challenging financial environment, the following paragraphs outline the Departments financial plans for the coming year.

## Additional Funding 2006 to 2008

The £3.1 million of growth funding secured by the Department in 2006 will fund a number of initiatives including:

- 4 fte Junior doctor posts to meet new training requirement and move to be compliant with European Working Time Directive;

# Health and Social Services

- 12 Student nurses;
- special needs incentive payments;
- family placement for children in need;
- commissioning specialist care in the UK; and
- 'care packages' to support individuals with health and social care needs in the community.

## **Service Reductions and Efficiency Savings 2006 to 2008**

The Department is on schedule to achieve the 2005 efficiency savings requirement of £2.1 million. Further efficiency programmes and cost improvement plans are currently being developed to achieve the £1.2 million of efficiency savings required within 2006 cash limit.

## **Summary of three year position**

The Department is aware of the challenging financial environment within which the States is now operating and is pleased that health and social services are considered to be a priority service that will continue to receive growth funding, and indeed has been allocated growth funding in excess of £3 million per annum for the next three years. The cost and service pressures highlighted above are expected to continue throughout this three year period and beyond. It is of concern that recent and forecast growth funding falls below the levels recently experienced in the UK NHS which for obvious reasons influences much of our service provision and associated costs. It is anticipated that the next three years will be extremely challenging for the Department attempting to continue to deliver improvements in service with limited growth funding and a continuing efficiency saving programme.

# Health and Social Services

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	121,315.4	132,419.5	137,651.9
Additional funding	2,906.9	3,000.0	3,000.0
Service reductions	-	-	-
Efficiency savings	(1,232.6)	(1,442.9)	(1,505.1)
Pay awards	8,862.2	3,088.9	3,287.7
Non-staff inflation	567.6	586.4	600.9
Other adjustments	-	-	-
<b>Cash Limit</b>	<b>132,419.5</b>	<b>137,651.9</b>	<b>143,035.4</b>
<b>Variation (%)</b>	9.2%	4.0%	3.9%
<b>Manpower Costs (£'000)</b>	110,380	115,769	121,357
<b>Manpower Numbers (FTE)</b>	2,159.87	2,239.87	2,322.57

# Health and Social Services

## Capital Programme 2006 to 2008

2006	£
Central Sterile Supplies Department	2,195,000
Removal of Belle Vue Residential Home (previous approval)	(5,000,000)
Crematorium Gardens Extension	296,000
MRI Scanner replacement	1,143,000
Minor Capital Allocation	1,900,000
<b>Total</b>	<b>534,000</b>

2007	£
Minor Capital Allocation	1,900,000
<b>Total</b>	<b>1,900,000</b>

2008	£
A&E/Radiology Extension (Phase 2)	2,514,000
Tube System Upgrade	654,000
General Hospital Upgrade (Phase 2)	1,175,000
Central Laundry Batch Washer	500,000
Minor Capital Allocation	1,900,000
<b>Total</b>	<b>6,743,000</b>



# Health and Social Services

## Net Expenditure – Service Analysis

2004 Actual £	2005 Estimate £		2006 Estimate £
633,362	784,900	Public Health Medicine	788,100
384,286	595,500	Clinical Public Health Services	959,800
1,000,980	927,100	Health Protection	782,700
475,713	557,300	Health Improvement	570,500
1,589,735	1,612,400	Outpatient Services	1,435,400
318,862	228,900	Private Patients Wards	(384,000)
1,739,648	1,444,500	Pharmacy	1,768,400
2,433,265	2,508,500	Paediatrics	2,619,300
5,898,686	5,699,300	Medical Specialties	5,123,100
1,641,223	1,762,100	Renal Services	1,695,200
6,440,894	6,196,300	Medical Wards	7,183,900
2,233,666	2,344,900	Physiotherapy	2,880,200
2,511,441	2,046,100	Radiology and Diagnostic Imaging	2,630,300
6,815,179	6,470,700	Pathology Laboratory	6,882,700
12,112,019	12,474,800	Surgical Specialties	13,169,000
4,542,565	5,290,500	Theatres	5,901,400
8,162,240	8,624,500	Surgical Wards	9,475,500
2,765,428	2,968,000	Accident and Emergency	3,315,300
3,169,163	3,466,900	Ambulance	4,549,200
587,448	227,100	Patient Transport	673,700
3,823,678	3,947,500	Obstetrics and Neo Natology	4,317,200
1,005,394	573,200	Alcohol and Drugs Service	988,200
8,255,217	8,518,900	Adult Mental Health Services	9,190,900
5,966,275	5,496,600	Assessment and Rehabilitation for Older People	5,125,000
10,466,288	10,219,500	Continuing Care for Older People	11,137,800
6,331,360	6,741,800	Elderly Mentally Illness Services	6,735,700
2,997,646	3,228,700	Therapy Services	4,099,900
6,922,487	6,340,700	Childrens Services	6,348,500
2,936,511	3,057,100	Adult Social Services	3,026,900
1,097,851	909,200	Child and Adolescent Mental Health Services	915,500
5,432,335	6,051,900	Special Needs Service	8,514,200
<b>£ 120,690,845</b>	<b>£121,315,400</b>	<b>Net Revenue Expenditure</b>	<b>£132,419,500</b>

Health and Social Services has undergone a major restructuring of its services, as a result the precise composition of some services has changed making year on year comparisons difficult.

# Health and Social Services

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>121,315,400</b>
<b>2006 Resource Allocation Process:</b>		
Additional Funding Approved:		
Medical staff	434,000	
Nursing staff	460,000	
Specialist services from the UK	550,000	
Placements for children in need	390,000	
Paramedic staff	100,000	
Special needs services	105,000	
Health and social care in the community	550,000	
Medical supplies	110,000	
Other minor developments and cost pressures	207,900	
Allocation of Efficiency Savings	(1,232,600)	
		<b>1,674,300</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	7,750,500	
Non-Staff Inflation	567,600	
Specific Pay Awards - PERCS provision	1,111,700	
		<b>9,429,800</b>
<b>2006 Net Revenue Expenditure</b>		<b>£132,419,500</b>

# Health and Social Services

## Detailed Service Analysis 2006

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Public Health Medicine	Fulfil functions of the MOH office. Provide a modern Public Health service to the population of Jersey.	760	28	788	-	788	12.5
Clinical Public Health Services	Provision of well woman and family planning services, child medicals, child immunisation and visitors clinic.	958	76	1,034	(74)	960	10.2
Health Protection	Dealing with issues affecting public health, measures to improve health protection and statutory functions.	875	71	946	(163)	783	15.0
Health Improvement	Promotion of initiatives aimed at improving the health of the Island.	553	43	596	(25)	571	9.0
Out Patients Service	Provision of specialist consultations and outpatient procedures for patients referred from General Practice, for patients with chronic conditions and following an inpatient episode.	924	542	1,466	(30)	1,436	36.5
Private Patients Wards	Provision of a surgical and medical inpatient facilities for private patients and providing a financial contribution to the Health Service.	1,839	679	2,518	(2,903)	(385)	50.5
Pharmacy	Provision of prescribing service, preparation of drugs and pharmaceutical advice in relation to Hospital inpatients and outpatients.	1,443	469	1,912	(144)	1,768	35.5
Paediatrics	Provision of a comprehensive acute medical and nursing service for children covering: medicine; surgery; oncology; orthopaedics; and ENT.	1,986	634	2,620	(1)	2,619	37.4
Medical Specialties	Investigation, assessment, diagnosis and treatment of acute and chronic medical conditions.	5,405	944	6,349	(1,226)	5,123	42.8
Renal Services	Investigation, assessment, diagnosis and treatment of acute and chronic medical conditions.	1,240	518	1,758	(62)	1,696	25.9
Medical Wards	Investigation, assessment, diagnosis and treatment of acute and chronic medical conditions.	5,005	2,182	7,187	(3)	7,184	120.8
Physiotherapy	The provision of a comprehensive physiotherapy service for hospital inpatients, for those recovering from inpatient treatment, for patients with chronic conditions and for outpatient referrals.	2,178	723	2,901	(21)	2,880	57.6
Radiology and Diagnostic Imaging	Provision of comprehensive and specialised radiology service for hospital inpatients, outpatients and GP referrals, including MRI, CT ultrasound and interventional radiology.	3,247	652	3,899	(1,268)	2,631	60.8
Pathology	To provide a comprehensive pathology testing service for Jersey. To provide a clinical pathology service, local blood transfusion service, infection control, cervical cytology and a public mortuary.	6,047	1,081	7,128	(245)	6,883	81.5

# Health and Social Services

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Surgical Specialties	Provision of specialist doctors and associated treatment costs (e.g. drugs) for inpatients and outpatients.	12,174	1,913	14,087	(918)	13,169	123.3
Theatres	Provision of facilities for surgical operations and associated services and prostheses.	5,854	1,411	7,265	(1,364)	5,901	114.8
Surgical Wards	Provision of surgical inpatient facilities and facilities for patients requiring emergency treatment.	6,945	2,773	9,718	(243)	9,475	167.5
Accident and Emergency	Provision of immediately necessary treatment for trauma and medical emergencies.	3,219	790	4,009	(694)	3,315	50.3
Ambulance	Provision of emergency and high dependency transfer of patients to hospital and provision of major incident cover for the Island.	3,400	1,164	4,564	(15)	4,549	59.7
Patient Transport	Non urgent transport of ambulatory patients into and between Health and Social Services establishments.	489	189	678	(4)	674	15.4
Obstetrics and Neo Natology	Provision of a comprehensive ante-natal, intra partum and post natal service to mothers and new born babies.	3,410	1,008	4,418	(101)	4,317	88.9
Alcohol and Drugs Service	Provision of an Island wide service involving the education, treatment and support of clients with substance misuse problems. This will include advising the States to develop policies and strategies to reduce harm caused by the misuse of alcohol and drugs.	1,205	192	1,397	(409)	988	16.2
Adult Mental Health Services	Provision of assessment, diagnosis and treatment for clients between 18 and 65 with mental health problems which may be provided in the community or within an inpatient environment.	8,126	1,276	9,402	(211)	9,191	160.0
Assessment and Rehabilitation for Older People	Provision of clinical and social services to assess, diagnose, treat and provide care for adult population.	4,282	948	5,230	(105)	5,125	67.0
Continuing Care for Older People	Provision of long-term residential and nursing care for elderly and chronically debilitating conditions.	12,302	2,897	15,199	(4,061)	11,138	150.6
Elderly Mental Illness Services	Provision of inpatient, outpatient and community mental health services for people over 65.	6,345	1,542	7,887	(1,151)	6,736	164.6
Therapy Services	Provision of therapy services (occupational therapy, speech and language therapy and chiropody) to adults and children.	3,336	802	4,138	(38)	4,100	70.5
Childrens Services	Assessment of need and provision of Social Care Services for all adults and children, ensuring the protection and well-being of vulnerable individuals. Provision of Community Mental Health assessment, diagnosis and treatment for clients up to 18 years and their families.	5,670	686	6,356	(8)	6,348	100.3

# Health and Social Services

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Adult Social Services	Assessment of need and provision of Social Care Services for all adults and children, ensuring the protection and well-being of vulnerable individuals. Provision of Community Mental Health assessment, diagnosis and treatment for clients up to 18 years and their families.	2,681	357	3,038	(11)	3,027	24.0
Child Adolescent Mental Health Services	Assessment of need and provision of Social Care Services for all adults and children, ensuring the protection and well-being of vulnerable individuals. Provision of Community Mental Health assessment, diagnosis and treatment for clients up to 18 years and their families.	824	92	916	-	916	11.8
Special Needs Service	Assessment of need and provision of Social Care Services for all adults and children, ensuring the protection and well-being of vulnerable individuals. Provision of Community Mental Health assessment, diagnosis and treatment for clients up to 18 years and their families.	7,643	1,011	8,654	(140)	8,514	179.0
<b>Total Net Revenue Expenditure 2006</b>		<b>120,365</b>	<b>27,693</b>	<b>148,058</b>	<b>(15,638)</b>	<b>132,420</b>	<b>2159.9</b>

# Health and Social Services

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation
Service Management	599	-	599	6.7	Direct costs in relevant area of management
Finance	1,319	(33)	1,286	20.6	Gross expenditure budget for each service
IT	1,809	(9)	1,800	20.7	Gross expenditure budget for each service
HR	1,040	-	1,040	14.5	FTE's in each service area
Training	1,456	(73)	1,383	13.6	FTE's in each service area
Property	8,412	(1,464)	6,948	95.9	Various, including premises budgets
Admin	1,302	-	1,302	38.5	Gross expenditure budget for each service
Catering	2,646	(346)	2,300	49.4	Occupied Bed Days
Hotel Services	7,383	(13)	7,370	219.2	Various, including FTE's and expenditure budgets
Medical Records	643	-	643	21.3	Medical Staff Budgets
Ambulance Control	445	-	445	7.8	Direct costs in relevant area of service
Clinical Governance	639	(10)	628	13.2	Relevant Expenditure Budgets
	27,693	(1,949)	25,744	521.4	

## Summary of Efficiency Savings Allocations in Committee Cash Limits

	Allocation Baseline £'000	Efficiency Savings						Total £'000	Savings %
		2005 £'000	2006 £'000	2007 £'000	2008 £'000	2009 £'000			
<b>Departmental Efficiencies</b>	132,378.0	1,575.1	953.5	444.0	357.5	-	<b>3,330.1</b>	<b>2.5%</b>	
<b>Corporate Efficiencies</b>									
- Human Resources	1,082.0	106.7	29.0	-	-	-	<b>135.7</b>	<b>12.5%</b>	
- ICT	1,681.0	177.8	68.3	-	-	-	<b>246.1</b>	<b>14.6%</b>	
- Finance	1,265.0	124.4	(22.5)	39.3	-	-	<b>141.2</b>	<b>11.2%</b>	
- Property		-	-	564.5	752.5	752.5	<b>2,069.5</b>		
- Procurement		106.7	156.7	225.8	225.8	-	<b>715.0</b>		
- Other		42.7	47.6	169.3	169.3	-	<b>428.9</b>		
		558.3	279.1	998.9	1,147.6	752.5	<b>3,736.4</b>		
<b>Total Efficiency Savings</b>		2,133.4	1,232.6	1,442.9	1,505.1	752.5	<b>7,066.5</b>		

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.

# **Education, Sport and Culture Committee**





# Education, Sport and Culture

The work of the Department, service providers and partners is guided by the Mission, Aims and Values Statements which were revised in 2005 and which will provide the basis for continued development and success.

## **Mission Statement:**

*To provide sustainable opportunities for learning and engagement to enhance the quality of life of individuals so that they may be fulfilled and encouraged to make a positive contribution to their community.*

The Department's Business Plan has influenced the current Committee's resource allocation process for 2006 and beyond which meets the bold aspirations set out in the States of Jersey Strategic Plan, while taking account of a reduction in the overall resources available to the new Ministry. This has emphasised the need to question what services are delivered and supported and whether best value is delivered by the efficient and effective use of resources and measured by appropriate outcomes.

It is the new Ministry's purpose to ensure that within the resources available and consistent with the broad aims, values and policies which have been agreed it provides the best possible opportunities for learning and engagement.

## **Financial Implications 2006 to 2008**

In agreeing the allocation of the 2006 budget for the new Education, Sport and Culture Ministry the Committee has been aware of the financial implications for 2007 and 2008 and the impact of its current method of service delivery on future years resource allocation processes.

## **Resource Allocation Process 2006 to 2008**

The current Committee is fully supportive of the 2006 to 2008 resource allocation process, and was pleased that there was recognition of the impact of demographic changes on the Ministry's budget and, in particular, the need to reconcile the funds available to the Ministry with actual pupil and student numbers. The outcome of the process is that, after the impact of pay awards its cash limit has been increased by 1% in 2006 but reduced by 0.4% and 0.7% respectively for the following two years.

## **Additional Funding 2006 to 2008**

### 2006

Additional net funding of over £1.1 million has been made available in 2006 for the net impact of demographic changes. This amount recognises the significant increase in full and part time student numbers at Highlands College, especially those over the age of nineteen, off set by the reduction in the number of primary school children.

The effect in 2006 is greater than for 2007 and 2008 as it is the result of realigning the funds available with the most up to date predictions of pupil numbers.

Funding will be allocated to individual school budgets (primary, secondary, provided and non provided schools) when actual pupil numbers are confirmed in September 2005. The estimate for Highlands College reflects the additional funding made available to the Ministry and will be confirmed with the College when actual student numbers are available in November 2005, in line with the current funding formula.

# Education, Sport and Culture

A further £200,000 has been allocated for the full year cost of nursery classes at Janvrin and St Clements Schools in line with the current Capital Programme.

## 2007 and 2008

The impact of demographic changes in 2007 and 2008 is based on pupil projections as at 2004. Consequently, the allocation of additional funding in those years will be agreed with the Minister within the context of updated pupil number projections.

## **Service Reductions 2006 to 2008**

In order to meet the cost of demographic changes within the additional funding for 2006 service reductions in the region of £83,000 will be required.

Pupil projections are updated at regular intervals to reflect actual pupil numbers. Consequently, as school funding forms the major part of the Committee's budget any service reductions required to balance the cost of demographic changes within the additional funds available will be confirmed when actual pupil numbers are known for 2007 and 2008 respectively. A review of school funding has been commenced in order to ensure the most appropriate allocation of available resources. In addition a review of higher education funding will be undertaken in order that the Minister may consider whether the current funding arrangements should be changed to reflect the future financial position of the Ministry and the States.

## **Efficiency Savings 2006 to 2008**

The Committee is disappointed that it has been necessary to reduce direct funding to schools as their contribution to the achievement of efficiency savings. In the first instance this has been implemented by not allocating the additional funding for inflation on non staff expenditure (£408,000).

Further savings will be delivered through the reorganisation of primary provision (£100,000), divisional savings (£91,700) and corporate savings (£216,800). The Committee has assumed that the corporate savings identified for the support functions will be delivered by the States Change programme which is sponsored by the Chief Executive of the States.

The Committee has not made any recommendations for the achievement of efficiency savings in 2007 and 2008 as this is an issue for the new Minister to consider. However, while the Committee endorses the Change programme it has expressed concern that the requirement to make additional 'efficiency savings' of almost £2 million over the period 2007 to 2008 may result in reduced funding for front line services.

## **Summary of three year position**

The current Committee has developed a number of strategies which shape the delivery of education, sport and culture within the Island. This has resulted in the requirement to realign its budget to reflect the most appropriate methods of service delivery.

Over the next three years, developments will be phased to give effect to these strategies to ensure that the Ministry will achieve sustainable development and high quality service delivery. The Department for Education, Sport and Culture will work with the Ministry, service providers and partners to:

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- ensure the maximum achievable benefit from the Department's investment in Early Years education and care;
- plan provision to meet the demands of demographic changes within the population and refine its internal resource allocation process to ensure efficiency and effectiveness;
- secure resources for, and deliver, the second generation ICT strategy entitled "Building on Success";
- commence the implementation of changes to the 14-19 curriculum to support enhanced relevance, engagement and achievement;
- conclude the implementation of the three year strategic plan for the Island's Youth Service which supports an integrated community approach to offering formal and informal opportunities for our young people;
- consolidate arrangements for Further, Higher and Adult Education which take account of changing patterns of participation, provision and funding;
- begin to implement the Cultural Strategy for the Island, which was developed following extensive consultation with key partners and stakeholders; and
- improve the quality and application of management information and systems for communication to achieve the effective use of resources.

The challenge to deliver the above within a period of considerable financial restraint cannot be ignored but with effective leadership and clarity of purpose the Ministry will achieve a sustainable, prosperous and positive future for the people of Jersey, supported by the best possible arrangements for education, sport and culture that can be provided.

# Education, Sport and Culture

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	87,254.2	93,736.3	95,329.2
Additional funding	1,346.0	160.0	276.0
Service reductions	(83.0)	-	(276.0)
Efficiency savings	(816.5)	(938.0)	(985.7)
Pay awards	5,567.6	1,972.3	2,017.7
Non-staff inflation	408.0	398.6	380.5
Other adjustments	60.0	-	-
<b>Cash Limit</b>	<b>93,736.3</b>	<b>95,329.2</b>	<b>96,741.7</b>
<b>Variation (%)</b>	7.4%	1.7%	1.5%
<b>Manpower Costs (£'000)</b>	77,823	79,939	82,011
<b>Manpower Numbers (FTE)</b>	1,531.75	1,534.35	1,536.15

## Capital Programme 2006 to 2008

<b>2006</b>	<b>£</b>
Hautlieu School Loan Sanction	4,000,000
Mont A L'abbe School (Phase 1)	2,108,000
Grainville School (Phase 3)	5,201,000
Minor Capital	250,000
<b>Total</b>	<b>11,559,000</b>
<b>2007</b>	<b>£</b>
St Peters School	4,826,000
Minor Capital	250,000
<b>Total</b>	<b>5,076,000</b>
<b>2008</b>	<b>£</b>
Mont à L'abbé School (Phase 2)	3,708,000
Highlands 'A' Block	5,624,000
Minor Capital	250,000
<b>Total</b>	<b>9,582,000</b>

# Education, Sport and Culture

## Net Expenditure – Service Analysis

2004 Actual £	2005 Estimate £		2006 Estimate £
		Non Fee-Paying Provided Schools	
1,538,880	1,545,700	Pre-School Education	1,773,200
21,949,073	21,124,300	Primary Education	22,274,900
20,150,872	20,183,200	Secondary Education	22,015,000
		Fee-Paying Schools	
5,309,828	5,536,800	Provided Schools	5,801,100
3,689,309	3,832,400	Non-Provided Schools	4,015,700
7,902,603	7,612,000	Further Education (Highlands College)	8,741,900
7,981,315	7,972,800	Special Educational Needs and Special Schools	8,679,800
1,751,920	1,640,100	Public Libraries	1,819,400
1,253,737	1,301,800	Youth Service	1,442,700
9,440,273	9,106,900	Higher Education ( Student Finance)	9,129,800
690,908	674,700	Instrumental Music Service	719,600
		Child Care Support	
166,571	162,300	Day Care Services	174,400
362,399	166,300	Jersey Child Care Trust	166,300
1,870,052	1,606,200	Heritage (Grant to the JHT)	1,810,700
1,519,128	1,255,800	Arts (including Grant to the JAT)	1,255,600
2,285,547	2,202,400	Sports Centres	2,404,800
633,353	476,400	Playing Fields and Schools Sports	602,500
429,850	378,300	Sport Development	425,700
552,294	236,800	Grants and Advisory Council	233,100
157,059	239,000	Playschemes and Outdoor Education	250,100
<b>£ 89,634,971</b>	<b>£ 87,254,200</b>	<b>Net Revenue Expenditure</b>	<b>£ 93,736,300</b>

Note:  
Year on year comparisons may be neither relevant nor possible due to the redefinition of some categories of income and expenditure, the allocation of overheads and the timing of pay award funding.

# Education, Sport and Culture

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>87,254,200</b>
<b>2006 Resource Allocation Process:</b>		
Additional Funding Approved:		
Net Demographic Changes	1,146,000	
Pre School Education	200,000	
Service Reduction Approved:		
Departmental Savings	(83,000)	
Allocation of Efficiency Savings	(816,500)	
		<b>446,500</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	5,511,800	
Non-Staff Inflation	408,000	
Specific Pay Awards - PECRS Provision	55,800	
		<b>5,975,600</b>
<b>Other Adjustments</b>		
Administration of Havre des Pas Swimming Pool from the Waterfront Enterprise Board	60,000	
		<b>60,000</b>
<b>2006 Net Revenue Expenditure</b>		<b>£93,736,300</b>

# Education, Sport and Culture

## Detailed Service Analysis 2006

Service	Description of Service	← Gross Expenditure →			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Pre-School Education	Nursery classes provided at most primary schools.	1,522	251	1,773	-	1,773	40.3
Primary Education (Non Fee Paying)	Compulsory education from reception to year six in primary non fee paying schools.	18,272	4,003	22,275	-	22,275	415.9
Secondary Education (Non Fee Paying)	Compulsory education from year seven to year eleven in secondary non fee paying schools and post sixteen education at Hautlieu School.	18,262	3,753	22,015	-	22,015	375.2
Fee Paying Education (Provided Schools)	Fee paying education for pupils at States run schools.	10,014	1,980	11,994	(6,192)	5,802	183.6
Fee Paying Education (Non Provided Schools)	Fee paying education for pupils dependent on religious choice or ability to pay.	3,924	92	4,016	-	4,016	0.6
Further Education (Highlands College)	Further, higher and adult education provision on the Island.	9,298	1,301	10,599	(1,857)	8,742	186.8
Special Education Needs and Schools	Education and support for children with special educational needs.	8,021	673	8,694	(14)	8,680	169.0
Public Libraries	Provision of educational, cultural, recreational and information needs of all members of the community.	1,524	336	1,860	(42)	1,818	33.4
Youth Service	The support and development of work with young people in their leisure time through a network of organisations.	1,416	207	1,623	(180)	1,443	30.2
Higher Education (Student Finance)	Grants for further and higher education (UK and home) and education allowances.	8,870	260	9,130	-	9,130	3.5
Instrumental Music Service	Tuition in a wide range of musical instruments including preparation for the Royal School of Music examinations, maintenance of Island Orchestras and classroom support.	655	115	770	(50)	720	12.4
Day Care Services	Regulation and monitoring of day care providers.	165	9	174	-	174	3.5
Jersey Child Care Trust	Support for the development of high quality child care.	163	4	167	-	167	0.0
Heritage	Grant to the Jersey Heritage Trust.	1,769	41	1,810	-	1,810	0.2
Culture	Support for Cultural Development, including grants to various Arts organisations.	1,227	29	1,256	-	1,256	1.2
Sports Centres	Indoor and outdoor sports.	3,598	1,110	4,708	(2,304)	2,404	65.4
Playing Fields and Schools Sports	Playing fields and sports facilities at Haute Vallee, Langford, FB Fields and other sports sites.	725	173	898	(296)	602	4.2
Sport Development	Provision of opportunities to participate and improve at all levels of sport and recreation.	337	89	426	-	426	3.5
Grants and Advisory Council	Advisory Council and miscellaneous sports grants to support individuals and organisations.	221	12	233	-	233	0.1

# Education, Sport and Culture

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Playschemes and Outdoor Education	Easter and summer playschemes in education premises and outdoor education programmes.	354	32	386	(136)	250	2.8
<b>Total Net Revenue Expenditure 2006</b>		<b>90,337</b>	<b>14,470</b>	<b>104,807</b>	<b>(11,071)</b>	<b>93,736</b>	<b>1531.8</b>



# Education, Sport and Culture

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation
Service Management	269	-	269	2.0	Gross budgets / pupil numbers
Finance	547	-	547	13.5	AP invoices paid
IT	1,452	-	1,452	7.0	Pupil numbers
HR	693	(118)	575	8.5	Staff budgets
Property	4,464	-	4,464	18.0	Premises areas
Admin	1,332	(2)	1,330	21.8	Gross budgets / pupil numbers
Monitoring and Support	1,272	-	1,272	6.5	Gross budgets / pupil numbers
Pay Awards	1,110	-	1,110	0.0	Staff budgets
Pension Increases	1,885	-	1,885	0.0	Pupil numbers
Recovery of Lost Income	(2)	(73)	(75)	0.0	Sport and leisure division budget
Staff Cover and Long Term Sickness	610	-	610	0.0	Primary / secondary school budget
Student Related	1,056	(25)	1,031	9.2	Primary numbers / secondary school budget
	14,688	(218)	14,470	86.5	

## Summary of Efficiency Savings Allocations in Committee Cash Limits

	Allocation Baseline £'000	Efficiency Savings					Total £'000	Savings %
		2005 £'000	2006 £'000	2007 £'000	2008 £'000	2009 £'000		
<b>Departmental Efficiencies</b>	86,698.0	1,056.3	599.7	290.8	234.1	-	<b>2,180.9</b>	2.5%
<b>Corporate Efficiencies</b>								
- Human Resources	602.0	71.5	3.9	-	-	-	<b>75.4</b>	12.5%
- ICT	1,610.0	119.2	116.5	-	-	-	<b>235.7</b>	14.6%
- Finance	604.0	83.5	(34.8)	18.8	-	-	<b>67.5</b>	11.2%
- Property		-	-	369.7	492.9	492.9	<b>1,355.5</b>	
- Procurement		71.5	100.7	147.9	147.9	-	<b>468.0</b>	
- Other		28.7	30.5	110.8	110.8	-	<b>280.8</b>	
		374.4	216.8	647.2	751.6	492.9	<b>2,482.9</b>	
<b>Total Efficiency Savings</b>		1,430.7	816.5	938.0	985.7	492.9	<b>4,663.8</b>	

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.



# Home Affairs Committee



# Home Affairs

## Financial implications 2006 to 2008

A number of significant challenges influenced the Committee's approach to the revenue allocation process for 2006 to 2008:

- commitment to the change process and contributing towards a better, cheaper, simpler Public Service whilst meeting operational and statutory responsibilities;
- through adoption of the Island's first Criminal Justice Policy, encouraging a co-ordinated approach to criminal justice and community safety across government departments;
- maintaining effective policing against a background of adverse social and demographic trends;
- taking on additional statutory responsibilities, such as the Regulation of Investigatory Powers (Jersey) Law, 2005, without the guarantee of additional resources;
- an urgent need to achieve a realistic budget for the Prison so that overcrowding can be eliminated, staffing levels reflect the task, the running costs of new cell blocks can be met and the repatriation of Jersey prisoners from prisons in England and Wales can be maximised;
- adopting a preventative and partnership ethos within the Fire and Rescue Service through integrated risk management planning;
- merging the Customs and Immigration Departments and planning for the introduction of biometric passports and the Goods and Services Tax;
- achieving a realistic budget for the Jersey Field Squadron which properly reflects the Island's responsibilities under the Inter-governmental Agreement; and
- planning for the replacement of the Jersey driving licence system which is becoming obsolete.

The high level of staff costs within the Home Affairs budget - in the region of 80% overall - affects the extent to which revenue savings can be made whilst maintaining statutory and public safety responsibilities. Furthermore, savings made as a result of previous Fundamental Spending Review exercises are beginning to bite. The Driver and Vehicle Standards Department, Customs and Immigration Department and the Fire and Rescue Service have all contributed to savings in established posts. Non-funded, annual incremental pay rises also cause a constant drain on revenue budgets. The Fire and Rescue Service will be particularly affected in 2006 requiring an additional £40,000 to remunerate staff. Looking to the future, during the period 2006 to 2008 some stark political choices may need to be made. For example, for the States of Jersey Police to remain within budget, a reduction in staff costs appears to be unavoidable. Some savings may be achieved as more experienced staff resign or retire from the Force and are replaced by new recruits on lower pay scales. However, it is possible that costs to the public might increase as a consequence of increased crime and disorder as social and demographic factors take hold. Ultimately, the States will need to decide whether to reduce the levels of policing in the Island. Equally, some difficult choices may need to be made regarding public safety and prisoner care if reductions in service levels are the only way that Home Affairs can stay within its cash limit.

## Resource Allocation Process 2006 to 2008

The Committee has experienced difficulty in staying within its cash limit in recent years and the causal factors could continue into 2006. The Committee therefore entered the resource allocation process with growth proposals amounting to £1.77 million. Revenue growth for the Prison is unavoidable as the growing prison population necessitates accommodating prisoners in England and Wales; inadequate staffing levels result in excessive overtime payments; and the rolling capital programme increases overall running costs. As well as these essentials, the Prison would have wanted

# Home Affairs

further growth in order to bring the level of service up to that required of a modern prison, specifically offering a range of education and training opportunities as well as offending behaviour programmes to reduce the likelihood of re-offending. Furthermore, additional security features would reduce the level of drug abuse within the Prison and reduce the opportunity for bullying and intimidation within the prisoner population. Specific funding would also enable post-custodial supervision to be introduced.

Growth of £422,000 was requested to enable the States of Jersey Police to implement the Regulation of Investigatory Powers (Jersey) Law, 2005 [RIPL]. This cost estimate was revised down to £347,000 prior to the States debate. The Magistrate's Court's move to new premises in 2006 will necessitate a greater police presence resulting in increased staff costs. The Jersey Field Squadron's budget has been underfunded by £250,000 per annum in recent years and is insufficient to cover full MOD recharging and a rising number of recruits.

Departments within the Home Affairs area have statutory obligations to meet which involve the safety of the public. Savings measures would invariably mean staff cuts affecting the delivery of essential services. Hitherto, such savings measures have been regarded as unacceptable. For example, for 2006 to 2008, savings measures identified would have involved increasing remission at the Prison resulting in earlier releases without supervision; cessation of the Community Service Scheme; an inability to implement RIPL; and cessation of funding for the Building a Safer Society Strategy.

## **Additional Funding 2006 to 2008**

Through the revenue allocation process, the Committee will receive additions to its cash limit of £600,000, £300,000 and £300,000 in the years 2006, 2007 and 2008 respectively. The additional £600,000 for the Prison will provide additional running costs funding and will enable the Prison, subject to the necessary legislation being in place, to introduce post-custodial supervision.

RIPL was approved by the States in March 2005. It has since been approved by the Privy Council in June and an Appointed Day Act is awaited. Revenue growth was awarded in the sum of £50,000 for 2007 and £300,000 for 2008. It was agreed that the implementation costs and costs in the early years would be 'pump primed' using the Criminal Offences Confiscation Fund. This would ensure that the States of Jersey Police had the necessary funds to ensure compliance with this important human rights legislation.

Major capital funding of £457,000 in the 2006 capital programme will enable the Fire and Rescue Service to replace the aerial ladder platform.

## **Minor Capital**

Minor expenditure of £300,000 per annum has been allocated to the Committee in the years 2006 to 2008. Planned expenditure of approximately £160,000 will be required in 2007 and 2008 to purchase fire appliances in line with the Service's approved vehicle replacement programme. The Service's breathing apparatus is approaching the end of its serviceable life. The cost-effectiveness of replacing the sets during this period against that of continuing to repair and maintain the existing equipment will be assessed. The replacement cost in 2008 for this vital equipment is estimated to be £80,000.

# Home Affairs

## **Service Reductions 2006 to 2008**

As mentioned, statutory obligations and public safety responsibilities militate against the Committee's ability to carry out service reductions. Furthermore, service delivery cannot always be prescribed within rigid service areas. For example, the demands on police services are dynamic and resources are constantly shifted between service areas in response to operational requirements. A notional decision to reduce resources in serious crime investigation could not be sustained, for example, if a serial rapist was on the loose. Nor is it feasible to cut financial crime investigation when enforcement agencies from other countries are seeking assistance to seize criminal or terrorist funds traced to Jersey. Unforeseen and unplanned events also carry significant resource implications.

Pressures on the Police budget are reaching the point where the States may need to decide whether to reduce policing services in the knowledge that crime and disorder in Jersey will increase. This would have a knock-on effect on tourism and inward investment. Moreover, commitments to special events, which carry implications for the police budget, significantly reduce the Police's ability to control costs which cannot be absorbed within normal operating budgets. Royal visits and meetings such as the British-Irish Council are prime examples.

## **Efficiency Savings 2006 to 2008**

The Committee will make efficiency savings through a range of measures. In 2006, the Police will mainly achieve savings through an initiative to develop shared catering services with Jersey Hospital. This is projected to save around £100,000 but will result in a significantly reduced service to staff who already work in a cramped and outdated building. Thereafter, it is not known how the required savings for 2007 and 2008 will be achieved other than to confirm that it appears that they will have to be made from staff costs.

The Fire and Rescue Service will make net efficiency savings of £90,000 for the period 2006 to 2008, the major part of which will require some staff reductions to achieve. Successful initiatives at the Fire and Rescue Service within the areas of fire education and risk assessment have resulted in the number of emergency interventions being driven down. This not only results in savings in fuel and appliance running costs but also reduces the payments made to retained (part-time) fire-fighters in order to provide emergency cover.

The Customs and Immigration Department will be reducing the overtime budget, the IT hardware requirements, making further reductions in the training budget and, eventually, saving one FTE post.

In June, the Prison Staffing Review was approved. This will enable the Prison to increase its staff complement by up to 24 posts which has the potential to make savings in overtime costs. This is a different type of efficiency saving in that better service delivery will be achieved for no increased cost.

## **Summary of three-year position**

The Committee will enter the period 2006 to 2008 with net growth, albeit for specific purposes connected mainly with shortfalls in funding for the Prison and Jersey Field Squadron. It remains to be seen whether the overall cash limit is sufficient to sustain current service levels and the Committee is acutely aware of the challenging budgetary environment created by the new Public Finances Law. The likely operational impacts of these agreed cash limits are set out below.

# Home Affairs

The States of Jersey Police typically provides a response to around 2,000 notified incidents per month. There is no foreseeable reason why this demand will reduce and, should police staff resources be cut, it is likely that it will increase. Even this figure represents only part of the picture as it takes no account of the pro-active work generated by the Police in the community on crime, disorder and road safety issues. Reducing the policing effort in these areas will inevitably lead to an increase in law-breaking activity. The Island remains a prime target for crime syndicates based in the inner cities of the UK who are attracted to the profits available should they be able to 'take over' the illegal drugs market and other criminal opportunities. Jersey enjoys low levels of crime and disorder but effective policing plays an important part in maintaining this quality of life. Policing is a staff intensive activity and there needs to be political recognition of the resources required to police the Island effectively. The next three years will prove to be a critical period in determining whether the States wishes to maintain policing services, and hence the quality of life Islanders enjoy, at current levels.

The priority at HM Prison will be to implement the Prison Staffing Review to achieve the staffing levels that are required to run a modern prison in an efficient and effective manner, and also to continue to modernise and expand the real estate. The Prison will aim to deal with all the prisoners that the Courts send to them. Clearly, it has no control over the number and type of offenders that it is required to accommodate appropriately and manage. Achieving a balanced and adequate budget at the Prison remains the Committee's top priority.

An additional £250,000 per annum is required by the Jersey Field Squadron to ensure full compliance with the Inter-Governmental agreement with the UK Ministry of Defence. This will be mostly met from 2007 onwards by the £250,000 increase in their cash limit but the shortfall for 2006 remains.

Continuing 'efficiency' savings will have an impact on service delivery at the Fire and Rescue Service, including the probable loss of frontline, uniformed officers. The Integrated Risk Management Plan and community education programmes will continue to drive down the number of emergency interventions and this, combined with the more effective and flexible use of staff, will enable greater efficiencies to be achieved.

A cut in the overtime budget at Customs and Immigration could result in the department not investigating small postal drugs importations which will lead to guilty parties not being punished. Failure to replace IT hardware will have an impact on our revenue collection and biometric immigration controls. Further cuts in training mean new recruits will take longer to reach full competency and continuation training for established officers may suffer.

Although the Driver and Vehicle Standards Department, Probation and After-Care Service and the Superintendent Registrar will strive to preserve front-line services and bear the budgetary pressures, additional budget cuts would create a much greater risk of these efficient services being jeopardised.



# Home Affairs

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	37,696.9	40,585.1	41,497.7
Additional funding	571.1	300.0	300.0
Service reductions	-	-	-
Efficiency savings	(383.4)	(422.4)	(436.4)
Pay awards	2,540.5	865.4	887.2
Non-staff inflation	160.0	169.6	178.7
Other adjustments	-	-	-
<b>Cash Limit</b>	<b>40,585.1</b>	<b>41,497.7</b>	<b>42,427.2</b>
<b>Variation (%)</b>	7.7%	2.2%	2.2%
<b>Manpower Costs (£'000)</b>	34,219	35,119	36,133
<b>Manpower Numbers (FTE)</b>	682.88	682.88	682.88

## Capital Programme 2006 to 2008

<b>2006</b>	<b>£</b>
Fire and Rescue Service - Aerial Ladder Vehicle	457,000
Minor Capital	300,000
<b>Total</b>	<b>757,000</b>
<b>2007</b>	<b>£</b>
Police Relocation - Sinking Fund	11,075,000
Minor Capital	300,000
<b>Total</b>	<b>11,375,000</b>
<b>2008</b>	<b>£</b>
Minor Capital	300,000
<b>Total</b>	<b>300,000</b>

# Home Affairs

## Net Expenditure – Service Analysis

2004 Actual £	2005 Estimate £		2006 Estimate £
		<b>Home Affairs</b>	
71,083	64,300	Explosives Officer / Explosives Licensing	65,300
281,951	231,000	Criminal Injuries Compensation Scheme	200,000
29,546	27,500	Grants	267,300
16,300	-	Safety Grants Fund	-
-	127,000	<b>Children's Authority</b>	130,200
		<b>Police</b>	
10,273,974	10,016,782	Front Line Uniform Policing	10,651,900
3,732,610	3,568,202	Specialist Crime Investigation	3,790,600
1,087,632	1,056,278	Custody of Prisoners	1,127,700
1,511,995	1,487,690	Supporting the Criminal Justice System	1,554,900
1,045,560	974,478	Managing Intelligence	1,036,200
1,546,520	1,506,344	Financial Crime Investigation	1,595,900
1,442,801	1,404,290	National Security / Anti-Terrorism	1,490,900
		<b>Fire</b>	
4,350,333	4,229,274	Community Protection	4,536,200
195,562	186,688	Maintenance of Plant and Machinery	181,400
		<b>Customs and Immigration</b>	
654,802	579,000	Revenue Collection	612,100
3,851,231	3,605,570	Enforcement	3,800,600
167,015	159,000	International Obligations	164,500
(64,707)	(107,700)	Passports	(38,800)
(112,536)	(56,600)	Legalisation of Documents	(83,400)
		<b>HM Prison</b>	
5,704,283	4,853,460	Residential Accommodation	5,354,700
640,675	544,836	Prisoner Activity	601,400
1,037,793	883,009	Operational and Administration	1,004,900
		<b>Driver and Vehicle Standards</b>	
(137,079)	(150,600)	Vehicle Registrations	(132,500)
(22,991)	(46,700)	Driving Tests	(38,200)
147,766	85,308	Vehicle Inspections	108,700
		<b>Probation</b>	
166,446	213,861	Community Service	203,400
1,119,939	1,046,830	Information and Supervision Service	1,135,400
399,524	302,549	<b>Crime and Community Safety Strategy</b>	324,900
		<b>Jersey Field Squadron</b>	
927,939	733,159	UK Defence	754,200
30,000	30,000	Uniformed Youth Organisation	30,000
52,229	60,400	IMLO and Careers Office	62,900
104,153	81,62	<b>Superintendent Registrar</b>	91,800
<b>£ 40,252,349</b>	<b>£ 37,696,900</b>	<b>Net Revenue Expenditure</b>	<b>£ 40,585,100</b>

Notes:

HM Prison - New Service Areas which more adequately reflect the business.

Customs and Immigration - Enforcement and Controls have been merged to more adequately reflect the new combined business.

# Home Affairs

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>37,696,900</b>
<b>2006 Resource Allocation Process:</b>		
Additional Funding Approved:		
Post-Custodial Supervision (New Legislation)	237,960	
HM Prison - Budget Shortfall (UK Prisoner Costs and Overtime)	333,140	
Allocation of Efficiency Savings	(383,400)	
		<b>187,700</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	2,432,800	
Non-Staff Inflation	160,000	
Specific Pay Awards - PE CRS provision	107,700	
		<b>2,700,500</b>
<b>2006 Net Revenue Expenditure</b>		<b>£40,585,100</b>

# Home Affairs

## Detailed Service Analysis 2006

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Explosives Officer / Explosives Licensing	Bomb disposal and explosives licensing contracted out.	65	-	65	-	65	0.0
Criminal Injuries Compensation Scheme	Awards payable to victims of violence.	200	-	200	-	200	0.0
Grants	Police Complaints Authority - £18k and Post Custodial Supervision £249.3k.	267	-	267	-	267	6.5
Grant - Childrens Authority	Additional funding to support the recommendations from the Children's Executive in response to the Bull Report.	130	-	130	-	130	0.0
<b>Home Affairs Department Net Revenue Expenditure 2006</b>		662	-	662	-	662	6.5
Front-line Uniformed Operations	This service area covers a broad range of essential policing activity and is provided over a 24-hour period, 365 days a year. The main functions are: Maintain as high a uniformed police presence as possible in areas and at times where they will be most effective in preventing crime and disorder and reassuring the public. Receive and respond to calls for assistance from the public. Investigate crime and detect offenders and provide a range of other services including missing person enquiries and sudden death investigation. Provide public liaison, information and advice. Record details of offences and offenders on police systems.	8,615	2,088	10,703	(51)	10,652	198.7
Specialist Crime Investigation	To provide specialist detective and forensic investigation services, with particular emphasis on serious and serial offences and crimes requiring specialist knowledge and training such as child protection.	3,109	700	3,809	(18)	3,791	56.0
Process Offenders through Custody	Provide an independent check that a detained persons' rights have been observed at the time of arrest, provide for their welfare whilst in detention and facilitate interviews and other investigatory processes in accordance with their human rights.	913	221	1,134	(6)	1,128	12.0
Support the Criminal Justice System	Process case files from the point of charge or report to court or parish hall enquiry, arrange disclosure of evidence, warn witnesses, notify victims of court dates and results and process prosecution information on national and local police systems. Maintain records in respect of offences committed in Jersey, liaise with UK and international criminal record agencies and carry out vetting and security checks on behalf of other agencies.	1,400	186	1,586	(31)	1,555	26.0
Manage Intelligence	Develop sources of intelligence and collate and analyse information to inform operational policing and ensure compliance with Regulation of Investigatory Powers legislation.	858	183	1,041	(5)	1,036	14.0

# Home Affairs

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Financial Crime Investigation	Enforce local legislation and comply with internationally agreed standards designed to prevent laundering of money associated with crime, drugs and terrorism.	1,344	259	1,603	(7)	1,596	21.0
National Security/Anti-Terrorism	Protect Jersey's security and fulfil international security obligations with particular emphasis on monitoring movements in and out of the United Kingdom to identify the activity of persons of interest to the local and international intelligence community.	1,226	272	1,498	(7)	1,491	22.0
<b>Police Net Revenue Expenditure 2006</b>		<b>17,465</b>	<b>3,909</b>	<b>21,374</b>	<b>(125)</b>	<b>21,249</b>	<b>349.7</b>
Community Protection (Prevention, Protection and Intervention)	Carry out inspections under various legislation. Petroleum licencing. Provision of fire safety advice and education. Raise awareness. Respond to all emergency calls.	4,116	457	4,573	(37)	4,536	83.5
Joint Emergency Services Workshop	Maintenance of Ambulance, Fire and Rescue and Police Services plant and equipment.	253	79	332	(150)	182	5.0
<b>Fire and Rescue Net Revenue Expenditure 2006</b>		<b>4,369</b>	<b>536</b>	<b>4,905</b>	<b>(187)</b>	<b>4,718</b>	<b>88.5</b>
Revenue Collection	Maintain the efficient and effective collection and management of the Customs and Excise revenues.	531	81	612	-	612	9.7
Enforcement	Detect, deter and investigate the smuggling of prohibited, restricted and dutiable goods. Maintain on behalf of the Island and the UK an effective immigration control at the Island's points of entry. To provide pre and after entry immigration controls, including Work Permit issue and Naturalisation consideration.	3,637	189	3,826	(25)	3,801	58.6
International Obligations	Safeguard the Island's constitutional position and reputation by ensuring compliance with international treaties, conventions, sanctions and other binding instruments.	151	13	164	-	164	2.2
Passports	Provide an efficient British Passport issue system for local residents.	377	13	390	(429)	(39)	4.0
Legalisation of Documents	Provide an efficient Legalisation of Documents service - confirming the genuineness of documents for use abroad.	27	4	31	(114)	(83)	0.5
<b>Customs and Immigration Net Revenue Expenditure 2006</b>		<b>4,723</b>	<b>300</b>	<b>5,023</b>	<b>(568)</b>	<b>4,455</b>	<b>75.0</b>
Residential Accommodation	Provide accommodation, facilities and care for prisoners.	5,023	332	5,355	-	5,355	81.0
Prisoner Activity	Prisoner regimes.	973	12	985	(384)	601	11.0
Operational and Administration	Provide operational and administrative support.	677	423	1,100	(95)	1,005	17.5
<b>HM Prison Net Revenue Expenditure 2006</b>		<b>6,673</b>	<b>767</b>	<b>7,440</b>	<b>(479)</b>	<b>6,961</b>	<b>109.5</b>

# Home Affairs

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Vehicle Registration	Register vehicles 13,000 pa, Transfer ownership of vehicles 26,000 pa.	219	69	288	(421)	(133)	7.0
Driving Tests	On road tests, theory tests, PSV tests and PSV licences.	126	41	167	(205)	(38)	4.3
Vehicle Inspections	Annually: taxis, buses, coaches, oversize vehicles. As required : Pre-registration - done daily. Examine vehicles for States and Honorary police when requested - done daily.	256	64	320	(211)	109	5.5
<b>Driver and Vehicle Standards Net Revenue Expenditure 2006</b>		601	174	775	(837)	(62)	16.8
Community Service by Offenders	Direct alternative to a custodial sentence saving 200+ prison sentences pa. With around 12,000 - 15,000 hours of work being performed for local non-profit organisations.	154	50	204	-	204	4.9
Information and Supervision Service	Assessing and supervising offenders for Parish Hall enquires, Courts and UK Prisons in order to reduce re-offending and protect the public.	890	245	1,135	-	1,135	22.0
	Notes : Indirect includes CMA posts, which are a mixture of administration and operational duties.						
<b>Probation Net Revenue Expenditure 2006</b>		1,044	295	1,339	-	1,339	26.9
Crime and Community Safety Strategy	Provides a multi-agency, multi project approach to reducing the harm associated with criminal and anti-social behaviour.	310	15	325	-	325	2.0
<b>Crime and Community Safety Strategy Net Revenue Expenditure 2006</b>		310	15	325	-	325	2.0
UK Defence	A trained unit capable of contributing to the UK Defence Policy.	424	330	754	-	754	4.0
Uniformed Youth Organisations	Provide grants to CCF, ATC and Sea Cadets.	30	-	30	-	30	0.0
IMLO and Careers Office	Provide IMLO with office space which is also utilised by UK service recruiting agents.	45	18	63	-	63	1.0
<b>Jersey Field Squadron Net Revenue Expenditure 2006</b>		499	348	847	-	847	5.0
Superintendent Registrar	Performance of marriage ceremonies, Registration of all births, deaths and marriages in the Island, Provide family history research facilities.	179	11	190	(99)	91	3.0
<b>Superintendent Registrar Net Revenue Expenditure 2006</b>		179	11	190	(99)	91	3.0
<b>Total Net Revenue Expenditure 2006</b>		<b>36,525</b>	<b>6,355</b>	<b>42,880</b>	<b>(2,295)</b>	<b>40,585</b>	<b>682.9</b>

# Home Affairs

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation
Service Management	379	-	379	4.4	Annual estimate of % time spent on service area
Finance	529	-	529	9.3	Annual estimate of % time spent on service area
IT	662	-	662	9.4	Annual estimate of % time spent on service area
HR	350	-	350	5.3	Annual estimate of % time spent on service area
Training	592	-	592	4.1	Annual estimate of % time spent on service area
Property	1,300	-	1,300	6.9	Annual estimate of % time spent on service area
Transport	103	-	103	1.0	Annual estimate of % time spent on service area
Admin	1,088	-	1,088	29.4	Annual estimate of % time spent on service area
Catering	89	-	89	2.4	Annual estimate of % time spent on service area
Communications	626	-	626	2.0	Annual estimate of % time spent on service area
Medical	255	-	255	0.0	Annual estimate of % time spent on service area
Clothing/Stationery	220	-	220	1.0	Annual estimate of % time spent on service area
Health and Safety	29	-	29	0.0	Annual estimate of % time spent on service area
Other	133	-	133	2.6	Annual estimate of % time spent on service area
	6,355	-	6,355	77.8	

## Summary of Efficiency Savings Allocations in Committee Cash Limits

	Allocation Baseline (£'000)	Efficiency Savings					Total (£'000)	Savings %
		2005 (£'000)	2006 (£'000)	2007 (£'000)	2008 (£'000)	2009 (£'000)		
<b>Departmental Efficiencies</b>	38,385.0	466.6	266.6	128.7	103.6	-	<b>965.5</b>	2.5%
<b>Corporate Efficiencies</b>								
- Human Resources	330.0	31.6	9.8	-	-	-	<b>41.4</b>	12.5%
- ICT	671.0	52.7	45.5	-	-	-	<b>98.2</b>	14.6%
- Finance	497.0	36.9	3.2	15.4	-	-	<b>55.5</b>	11.2%
- Property		-	-	163.7	218.2	218.2	<b>600.1</b>	
- Procurement		31.6	44.8	65.5	65.5	-	<b>207.4</b>	
- Other		12.6	13.5	49.1	49.1	-	<b>124.3</b>	
		165.4	116.8	293.7	332.8	218.2	<b>1,126.9</b>	
<b>Total Efficiency Savings</b>		632.0	383.4	422.4	436.4	218.2	<b>2,092.4</b>	

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.





**Employment and  
Social Security Committee**



# Employment and Social Security

## Financial Implications 2006 to 2008

- In 2007, the current range of benefits, including Housing and welfare, will be streamlined into an integrated Income Support benefit structure which will work toward the eradication of financial exclusion – providing people with a minimum income relative to their situation and reducing dis-incentives to work. Income Support is designed to improve equity in the distribution of benefits – making sure money goes to those most in need – and can be funded within the current overall budget allocation, if proposed rates are accepted, with some additional transitional expenditures.
- Supplementation is predicted to continue to grow, at a low rate of 1.2%, up to £53.2 million in 2006. This low rate reflects recent patterns of migration, wage levels, and employment. Variations in these patterns, for example, an increase in the number of lower paid people in the Island, will increase this expenditure. The position continues to be monitored.
- Welfare continues to grow significantly, at around 10% per year over recent years to £5.4 million in 2006. This growth reflects increasing numbers claiming welfare, including elderly people in residential homes. Going forward, growth in this area is a concern for the Committee as demographic changes – an ageing population – will continue to drive this expenditure upward.
- Family Allowance and Disability benefits continue to grow on a steady trend, primarily due to increases in the value of benefits - designed to ensure they maintain pace with inflation - but also due to moderate increases in the number of claimants.
- Childcare Allowance costs continue to decline, reducing by 9% to £0.7 million in 2006. The childcare strategy of the Committee continues to be developed as part of Income Support, and in consultation with the Education, Sport and Culture Committee.
- An Income Bar will not be applied to the Christmas Bonus in 2006, pending the introduction of Income Support. It is considered inappropriate to reform separate elements of the benefit system when a major reform of the whole system, Income Support, is planned. This approach of coherent reform will ensure the equitable treatment of all beneficiaries.
- The Milk at Reduced Rate scheme ceased to exist when the dairy stopped its home delivery service. Despite this, it is considered appropriate to continue to provide payments to individuals, as many are clearly in need. This will continue, possibly with some increased targeting for 2006, until Income Support is in place.

## Resource Allocation Process 2006 to 2008

It is vital that benefits are able to rise in line with inflation to maintain their value in real terms. Equally, the pensions and social security benefits of the lower earners must continue to be funded to provide adequate social protection when they are unable to work. Growth was allocated of £2.4 million to achieve these social protection goals.

This growth ensures the amount the Island spends on supporting those in need is maintained; this is essential, as relative to its wealth, if not in terms of per capita expenditure, the Island already has one of the lowest spends on social protection in Europe.

# Employment and Social Security

## **Additional Funding 2006 to 2008**

The anticipated Parish transfer, under P66/2005, 'Machinery of Government: Relationship between the Parishes and the Executive', will result in a lessening of the long term welfare burden on ratepayers and additional costs to taxpayers; for which growth monies of £0.6 million (2006), £1.4 million (2007) and £1.5 million (2008) have been allocated.

The transfer aims to create a more equitable base for the funding of financial support for those in hardship, and remove from the parishes the financial burden of an escalating expenditure. As a first step, the transfer will involve the creation of an Island-wide rate, anticipated in May 2006. The proceeds of this will be passed over to the States, and will rise in line with inflation. Above inflation growth is inevitable given the ageing of the population and will be financed by the States.

The final stage of the transfer, again under the P66/2005 States approved decision, will be the introduction of the new Income Support system which will replace the welfare system. While Income Support may moderate demand however, ultimately, the pressures of an ageing society will remain.

## **Service Reductions 2006 to 2008**

Service reductions amounting to £63,400 were allocated to the Committee during the resource allocation process. These allocated amounts have been absorbed by trimming budgets across the board, with an emphasis on ensuring core benefits and services are not impacted.

## **Efficiency Savings 2006 to 2008**

Efficiency savings of £68,300 on non-benefit expenditure have been allocated to the Committee in 2006. These efficiency savings are to be realised across the board, with a focus on the increased automation of processes and the cutting out of more costly payment mechanisms.

## **Summary of three year position**

The three years 2006 – 2008 will see moderate growth in the budget, reflecting the objective of maintaining benefit budgets at the current level. Over the three years, the benefit system will be transformed into the integrated Income Support system.

# Employment and Social Security

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	82,727.1	85,751.2	89,665.9
Additional funding	600.0	1,400.0	1,500.0
Service reductions	(63.4)	-	-
Efficiency savings	(68.3)	(33.7)	(32.2)
Pay awards	140.6	47.8	49.0
Non-staff inflation	2,415.2	2,500.6	2,609.5
Other adjustments	-	-	-
<b>Cash Limit</b>	<b>85,751.2</b>	<b>89,665.9</b>	<b>93,792.2</b>
<b>Variation (%)</b>	3.7%	4.6%	4.6%
<b>Manpower Costs (£'000)</b>	1,759	1,812	1,866
<b>Manpower Numbers (FTE)</b>	37.20	37.20	37.20

## Capital Programme 2006 to 2008

<b>2006</b>	<b>£</b>
<b>Total</b>	<b>-</b>
<b>2007</b>	<b>£</b>
Supported Employment training Unit	1,290,000
<b>Total</b>	<b>1,290,000</b>
<b>2008</b>	<b>£</b>
<b>Total</b>	<b>-</b>

# Employment and Social Security

## Net Expenditure – Service Analysis

2004 Actual £	2005 Estimate £		2006 Estimate £
50,799,585	52,541,000	States Supplementation to the Social Security Fund	53,200,000
1,333,782	1,303,000	States Supplementation to the Health Insurance Fund	1,380,000
4,077,183	4,734,000	Welfare	5,400,000
5,690,473	5,551,000	Family Allowances	5,710,000
3,569,713	3,659,000	Attendance Allowances	4,050,000
2,663,490	2,689,000	Invalid Care and Disability Allowances	3,030,000
728,718	746,000	Childcare Allowances	680,000
460,968	430,000	Health and Safety at Work	440,000
1,115,746	1,100,100	Employment Services	990,000
342,632	495,000	Employment Relations	470,000
520,460	694,000	Jersey Employment Trust	660,000
142,499	144,000	Dental Benefit Scheme	150,000
6,224,339	6,288,000	Disability Transport Allowance	6,650,000
284,632	276,000	Social Fund (Housing Adaptations and Family Nursing)	260,000
438,973	528,000	Jersey 65+ Health Plan	610,000
21,911	18,000	Death Grants	21,200
1,399,292	1,137,000	Christmas Bonus	1,580,000
401,287	394,000	Milk at Reduced Rate	470,000
<b>£ 80,215,683</b>	<b>£ 82,727,100</b>	<b>Net Revenue Expenditure</b>	<b>£ 85,751,200</b>

The cost of welfare will increase in 2006 with the anticipated transfer, under P66/2006, of the costs of native welfare and residential care from the parishes from May 2006. In a full year the anticipated cost is £12 million to be substantially funded by a new Island-wide Rate

# Employment and Social Security

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>82,727,100</b>
<b>2006 Resource Allocation Process:</b>		
Additional Funding Approved:		
Net Additional Costs of Native Welfare	600,000	
Service Reduction Approved:		
Service Reductions	(63,400)	
Allocation of Efficiency Savings	(68,300)	
		<b>468,300</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	134,200	
Uprating of Benefits	2,355,900	
Non-Staff Inflation	59,300	
Specific Pay Awards - PECRS Provision	6,400	
		<b>2,555,800</b>
<b>2006 Net Revenue Expenditure</b>		<b>£85,751,200</b>

# Employment and Social Security

## Detailed Service Analysis 2006

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
States Supplementation to Social Security Fund	Protection of lower earners - Supplementation is a top-up from taxation for lower earning employees to ensure they build up a full record of Social Security contributions, protecting them when they cannot work through incapacity, accident or maternity, or retire in older age.	53,200	-	53,200	-	53,200	0.0
States Supplementation to Health Insurance Exceptions	States contribution to the cost of doctor visits and prescriptions targeted at people on low incomes.	1,310	70	1,380	-	1,380	1.9
Welfare	Welfare is targeted to provide income to people who do not have enough money to meet basic needs or to support people in residential care.	5,390	10	5,400	-	5,400	0.3
Family Allowance	The aim of this benefit is to eradicate child poverty and it is targeted on the basis of income.	5,470	240	5,710	-	5,710	7.0
Attendance Allowance	This is a payment targeted on the basis of income to provide assistance with the extra cost of being severely disabled. It ensures people with severe disabilities do not suffer poverty, and enables them to continue to live in their own home rather than residential care.	3,990	60	4,050	-	4,050	1.6
Invalid Care and Disability Allowances	Invalid Care Allowance is targeted compensation for loss of earnings for carers of severely disabled people. Disablement Allowances are targeted payments for those unable to work due to being disabled, but not sufficiently severely disabled to qualify for Attendance Allowance.	2,970	60	3,030	-	3,030	1.6
Childcare Allowance (0-5) (5-12)	Benefit targeted at working parents with children under 12 to assist in the cost of childcare to enable parents to return to work and make work pay.	640	40	680	-	680	1.2
Health and Safety at work	Health and Safety assistance and guidance to reduce accidents and illness in the workplace.	370	70	440	-	440	6.3
Employment Services	Employment Services offer opportunities and support in returning to work.	785	210	995	(5)	990	12.8
Employment Relations	Aims to minimise disputes and bad practice in the workplace.	450	20	470	-	470	1.3
Jersey Employment Trust	Assisting people with disabilities by providing sheltered work and additional training and development.	650	10	660	-	660	0.0
Dental Benefit Scheme	Benefit for dental insurance targeted at 11-18 (up to 21 if in full time education) age groups from low income families.	140	10	150	-	150	0.1
Disability Transport Allowance	Help with the additional cost of getting out and about targeted at those unable to walk unaided.	6,600	50	6,650	-	6,650	1.5



# Employment and Social Security

## Detailed Service Analysis 2006 (continued)

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Social Fund	Includes targeted assistance with the costs of essential home adaptations for very sick and disabled people to enable them to continue to live at home, and targeted support to those who require specialist dietary products or appliances that are not catered for elsewhere.	250	10	260	-	260	0.2
Jersey 65+ Health Plan	Optical, Dental and Chiropody benefit for over 65's targeted at those on low incomes.	600	10	610	-	610	0.2
Non Contributory Death Grant	Grant toward funeral costs for those deceased who did not pay into Social Security scheme.	16	5	21	-	21	0.1
Christmas Bonus	Annual Christmas bonus.	1,560	20	1,580	-	1,580	0.5
Milk at a Reduced Rate	A contribution to costs of milk for Children under 5 and expectant mothers and people aged 70+ (and special categories between 65 - 70).	450	20	470	-	470	0.6
<b>Total Net Revenue Expenditure 2006</b>		<b>84,841</b>	<b>915</b>	<b>85,756</b>	<b>(5)</b>	<b>85,751</b>	<b>37.2</b>

# Employment and Social Security

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation
Service Management	34	-	34	0.4 FTE	
Finance	179	-	179	2.6 FTE	
IT	288	-	288	1.4 FTE	
HR	55	-	55	1.2 FTE	
Training	30	-	30	0.4 FTE	
Property	219	-	219	1.4 FTE	
Transport	5	-	5	0.0 FTE	
Admin	89	-	89	0.8 FTE	
Catering	16	-	16	0.5 FTE	
	915	-	915	8.7	

## Summary of Efficiency Savings Allocations in Committee Cash Limits

	Allocation Baseline £'000	Efficiency Savings					Total £'000	Savings %
		2005 £'000	2006 £'000	2007 £'000	2008 £'000	2009 £'000		
<b>Departmental Efficiencies</b>	2,834.0	39.7	14.4	9.5	7.7	-	<b>71.3</b>	2.5%
<b>Corporate Efficiencies</b>								
- Human Resources	61.0	2.7	5.0	-	-	-	<b>7.6</b>	12.5%
- ICT	296.0	4.5	38.8	-	-	-	<b>43.3</b>	14.6%
- Finance	119.0	3.1	6.5	3.7	-	-	<b>13.3</b>	11.2%
- Property		-	-	12.1	16.1	16.1	<b>44.3</b>	
- Procurement		2.7	2.8	4.8	4.8	-	<b>15.1</b>	
- Other		1.1	0.9	3.6	3.6	-	<b>9.2</b>	
		14.1	53.9	24.2	24.6	16.1	<b>132.9</b>	
<b>Total Efficiency Savings</b>		53.8	68.3	33.7	32.2	16.1	<b>204.2</b>	

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.

# Housing Committee



# Housing

The Housing Committee's main strategic aims as they relate to the States Strategic Plan 2005 to 2009 are:

- to support measures to control housing demand;
- to sponsor legal reforms in accordance with human rights principles;
- to support the principle of home ownership;
- to ensure affordable, sustainable housing is provided to meet the needs of all residents;
- to maintain and improve the Committee's stock of rental housing; and
- to provide assistance to those in need through rental subsidy.

## Financial Implications 2006 to 2008

No growth has been provided for the non-subsidies budget, which means that the funds available for operating and maintaining the States social housing stock will remain effectively the same as 2005, for each of the next three years. The £4.13 million available in each year is estimated to be about £3 million short of the annual amount required to maintain the stock of 4,629 dwellings, many of which are old and in urgent need of significant repairs.

Maintenance expenditure has reduced through budget restrictions from 15.65% gross rental income in 2000 to 12.6% in 2006. One fifth of the Department's stock now fails to meet the UK Government Decent Homes Standard, a baseline measure for all social housing to be met by 2010. Without the ability to reinvest in the stock and carry out significant improvements the proportion of property failing to meet this standard will increase over the next 5 years.

The revenue maintenance work planned for 2006 concentrates on supporting the current infrastructure rather than improvement schemes and includes:

- the ongoing replacement of a large number of heating systems;
- the ongoing replacement of a large number of kitchens;
- ensuring that, as far as possible, homes remain wind and watertight in support of the Decent Homes Standard;
- the continuation of the programme of refurbishing existing lift equipment;
- the continuation of a programme of drain lining and replacement;
- the comprehensive servicing of all plant and machinery;
- the replacement of a significant number of smoke detectors;
- replacement of mains services;
- the refurbishment of 490 void properties; and
- an extensive programme of external decorations.

The budget has been prepared on the basis of there being no across the board increase in housing rents in 2006 in line with the rental policy to set rents at a 10% discount to the private sector which, as demonstrated by the House Price Index, is currently experiencing little growth in value. The poor quality of the stock also mitigates against such an increase, although the rentals of properties which have been improved will be re-aligned. There will be a net loss of

# Housing

rental stock due to development work in Le Squez and Le Marais which will continue for the 3 year period, and a major refurbishment of Clos de Roncier which is to be funded by capital receipts from the sale of stock in 2005 and 2006.

## **Additional Funding 2006 to 2008**

Housing has been awarded total net growth of £1.569 million over the three years in order to fund the expected increase in the demand for private sector rent rebate. This is generated by the growth in the provision of social housing by Housing Trusts and also an increase in the overall numbers requiring assistance with rental costs. This is 4% below the sum requested. 188 housing units are due to be completed by Housing Trusts in 2006, with another 101 in 2007.

## **Service Reductions 2006 to 2008**

The small reduction in 2006 is due to the conversion of a senior post to one more junior in line with a general re-organisation of the Estates Section which should provide a more efficient service to the tenants.

## **Efficiency Savings 2006 to 2008**

These will be challenging considering that the main item of expenditure apart from rental subsidies is maintenance which is significantly under funded. However in 2006 Housing will continue its programme of implementation of a fixed schedule of rates for maintenance work which holds down contractor costs.

## **Summary of three year position**

It is likely that during 2006 the responsibility for assessment and payment of rental subsidies will be transferred to Employment and Social Security. But as the budget will follow, this offers no financial relief to the pressures on the Housing maintenance budget where capital receipts are already being used to fund essential refurbishment work, so that the property can continue to be let.

# Housing

## Revenue Cash Limits 2006 to 2008

	2006 £'000	2007 £'000	2008 £'000
<b>Base Budget b/fwd</b>	497.1	1,835.7	2,396.0
Additional funding	1,099.6	410.0	60.0
Service reductions	(50.0)	-	-
Efficiency savings	(118.0)	(127.6)	(130.3)
Pay awards	239.3	81.4	83.5
Non-staff inflation	167.7	196.5	208.4
Other adjustments	-	-	-
<b>Cash Limit</b>	<b>1,835.7</b>	<b>2,396.0</b>	<b>2,617.6</b>
<b>Variation (%)</b>	269.3%	30.5%	9.2%
<b>Manpower Costs (£'000)</b>	3,280	3,362	3,445
<b>Manpower Numbers (FTE)</b>	85.3	85.3	85.3

## Capital Programme 2006 to 2008

<b>2006</b>	<b>£</b>
Housing Development Fund (HDF)	3,200,000
Minor Capital	250,000
<b>Total</b>	<b>3,450,000</b>
<b>2007</b>	<b>£</b>
Ann Court Redevelopment (Phase 1)	5,129,000
Minor Capital	250,000
<b>Total</b>	<b>5,379,000</b>
<b>2008</b>	<b>£</b>
Housing Development Fund (HDF)	1,100,000
Minor Capital	250,000
<b>Total</b>	<b>1,350,000</b>

# Housing

## Net Expenditure – Service Analysis

2004 Actual £	2005 Estimate £		2006 Estimate £
326,391	300,200	Administration of Housing Legislation	260,814
(23,686,812)	(24,232,200)	Social Housing Provision	(23,988,442)
16,493,316	16,279,400	Administration and Maintenance	16,149,143
8,430,481	8,149,700	Public Sector Housing Subsidies	9,414,185
		Private Sector Housing Subsidies	
<b>£ 1,563,376</b>	<b>£ 497,100</b>	<b>Net Revenue Expenditure</b>	<b>1,835,700</b>

In 2006 the restructuring of the Social Housing Provision has brought the functions of Policy and Development and Cottage Homes under Administration and Maintenance.



# Housing

## Reconciliation of 2006 Net Revenue Expenditure to 2005 Net Revenue Expenditure

	£	£
<b>2005 Net Revenue Expenditure</b>		<b>497,100</b>
<b>2006 Resource Allocation Process:</b>		
Additional Funding Approved: Growth in Rent Rebates	1,099,600	
Service Reduction Approved: Change in Grade of Post	(50,000)	
Allocation of Efficiency Savings	(118,000)	
		<b>931,600</b>
<b>Additional Expenditure:</b>		
Annual Pay Awards	228,900	
Non-Staff Inflation	167,700	
Specific Pay Awards - PECRS provision	10,400	
		<b>407,000</b>
<b>Re-prioritisation of Resources</b>		
<b>Additional Savings</b>		
Housing Rents	(53,200)	
Housing Abatements	(116,500)	
Maintenance of States Houses	(44,000)	
<b>Administration</b>		
Advertising	(7,000)	
Commissions	(14,000)	
Printing and Stationery	(13,000)	
Detection Fees	(10,000)	
Telephones and Postage	(6,000)	
<b>Cleaning and Upkeep of Estates</b>		
Reductions in Rates	(6,100)	
Decrease in Rent Payable	(5,200)	
Total Saving Re-prioritised	(11,342)	
<b>Administration from Maintenance</b>		
Tenant Participation	19,000	
Equipment for cleaning estates	25,000	
<b>Additional Expenditure</b>		
Increase in utility charges and rechargeable costs	298,500	
Increase in recharges of States Tenants	(251,000)	
Rent Rebate additional Expenditure over growth awarded	172,642	
Reduction in commercial rent received	6,400	
Reduction in DHLF and 99 year lease income	4,100	
Reduction in net sale of service income	11,700	
		-
<b>2006 Net Revenue Expenditure</b>		<b>£1,835,700</b>

# Housing

## Detailed Service Analysis 2006

Service	Description of Service	<-- Gross Expenditure -->			Income £'000	Net £'000	Total FTE
		Direct £'000	Indirect £'000	Total £'000			
Administration of Housing Legislations and Housing Control	Law and policies, establishing qualifications, visiting properties, administering Lodging House and Rent Control Laws and first time buyers register. Development of Migration.	288	160	448	(188)	261	7.3
Social Housing Provision including Policy, Development and Cottage Homes	Administration, maintenance and upkeep of social housing including management of rent accounts, administration of capital developments and development of social housing policy.	10,641	625	11,266	(35,254)	(23,988)	68.6
	Public sector housing subsidies.	16,038	111	16,149	-	16,149	4.2
Private Sector Rent Rebate	Administration of the Private Sector Rent Rebate Scheme, assessment and payment of rebates.	9,303	111	9,414	-	9,414	4.2
Management of Housing Loans	All costs recharged to the Dwelling Houses Loan Fund.	46	-	46	(46)	-	1.0
<b>Total Net Revenue Expenditure 2006</b>		<b>36,316</b>	<b>1,008</b>	<b>37,324</b>	<b>(35,488)</b>	<b>1,836</b>	<b>85.3</b>

# Housing

## Statement of Support Service Costs 2006

Support Service	Gross Expenditure (£'000)	Total Income (£'000)	Net Expenditure (£'000)	Total FTE's	Basis of Allocation
Chief Officer and Secretariat	179	-	179	3.0	% of time spent
Other Administration	167	(75)	92	0.0	See note
Finance	192	(8)	184	4.0	% of time spent
Information Systems	239	-	239	2.0	% of cost both staff and software
Property	314	-	314	0.0	% of floor area
<b>Total</b>	<b>1,091</b>	<b>(83)</b>	<b>1,008</b>	<b>9.0</b>	

**Note:** Allocation of administration; Telecoms by Ext no's, Legal 100% for Housing Control and Stationery, Postage, Training and Travel shared equally between each section.

## Summary of Efficiency Savings Allocations in Committee Cash Limits

	Allocation Baseline £'000	Efficiency Savings					Total £'000	Savings %
		2005 £'000	2006 £'000	2007 £'000	2008 £'000	2009 £'000		
<b>Departmental Efficiencies</b>	11,460.0	134.5	84.4	38.4	30.9	-	<b>288.2</b>	2.5%
<b>Corporate Efficiencies</b>								
- Human Resources	-	9.1	(9.1)	-	-	-	-	
- ICT	236.0	15.2	19.4	-	-	-	<b>34.6</b>	14.7%
- Finance	197.0	10.6	5.3	6.1	-	-	<b>22.0</b>	11.2%
- Property		-	-	48.9	65.2	65.2	<b>179.3</b>	
- Procurement		9.1	13.8	19.5	19.5	-	<b>61.9</b>	
- Other		3.6	4.2	14.7	14.7	-	<b>37.2</b>	
		47.6	33.6	89.2	99.4	65.2	<b>335.0</b>	
<b>Total Efficiency Savings</b>		182.1	118.0	127.6	130.3	65.2	<b>623.2</b>	

### Notes:

This table shows the Committee's share of the provisional allocation of the £20 million efficiency savings from the Public Sector Reforms programme. It shows both the contribution to be made by the Committee and also the split between departmental and corporate led efficiency savings. The allocations are based on gross expenditure except in the case of the three transformation projects for Human Resources, ICT and Finance where specific allocations are based on the baselines for these activities which were drawn from the 2005 Budget Annex.

A revised analysis, including the new baselines and the transfer of Human Resources, ICT and Finance budgets and savings to central departments will be available in a "Shadow Ministry Budget" to be prepared for information after the 2006 Budget debate.



## **Other Committees**



# Other Committees

## Harbours and Airport - La Collette Reclamation Scheme

On behalf of the States, Jersey Harbours administers land at La Collette, which is used mainly for activities relating to the landing, storage and distribution of the Island's energy needs as well as bulk cement. Its responsibilities include maintaining the access road to the fuel farm, paying professional fees associated with the properties and providing for the safety of the site with particular respect to emergency pollution response.

Gross rental income from La Collette Reclamation Scheme properties in 2006 is anticipated to be £320,000 with the results of 2005 rent reviews pending. The 2005 forecast and 2006 income budget exclude back rent and any increase in the delayed fuel consortium lease dating back to 1998 as it is still not yet known when the lease terms will be agreed.

In 2003 a report was produced which evaluated the compliance of the Fire Fighting equipment at the Fuel Farm with European standards. The report recommended implementing modifications which need to be put in place as soon as possible to avoid risk to all tenants and the island as a whole should there be a severe incident at the Fuel Farm.

The funding mechanism of the replacement equipment has yet to be agreed.

## Legislation

Following the introduction of ministerial government, the functions of the Legislation Committee that have not already been allocated to other Committees will be transferred to the Chief Minister's Department. It has been agreed that a Legislation Sub-Committee, chaired by an Assistant Minister and comprising members drawn from both the Executive and Non-Executive arms of government, will be formed to undertake the work.

Harbours and Airport La Collette Reclamation Scheme Cash Limits Set for 2006		
	£'000	Decrease
Year 2006	(149.7)	(10.1%)

Harbours and Airport Expenditure and Income Category		
	2005 Estimate £	2006 Estimate £
<b>Expenditure</b>		
Harbours' Service charge	152,000	<b>138,300</b>
<b>Income</b>		
Property Rentals	(288,000)	<b>(288,000)</b>
<b>Net Revenue Expenditure</b>	(£136,000)	<b>(£149,700)</b>

Legislation Committee Cash Limits Set for 2006		
	£'000	Increase
Year 2006	49.4	2.50%





# **Harbours and Airport Committee**

## **Harbours**



# Harbours and Airport

## Harbours

### Financial Implications 2006 to 2008

The Harbours 2006-8 Budget is based on the 10 year financial forecast and cost benefit analysis produced in 2004 which set out the business plan for incorporation of Jersey Harbours. To produce the Budget this financial forecast has been adjusted to take into account certain factors such as the inclusion of St Catherine's Breakwater remedial works in the States Capital Programme, the delay in obtaining States formal approval of Harbours' incorporation and the impact of remaining a States department for two to three more years.

The 10 year financial forecast and cost benefit analysis includes the following:

- savings arising from planned efficiencies (staff, non-staff and capital expenditure);
- increased income arising from quick response to opportunities which will make more effective use of assets administered by Harbours; and
- widening the gap between income and cost to ensure there is no further erosion of core income streams and to achieve a return on assets comparable with other strategic ports.

The Harbours and Airport Committee has previously agreed to fund core business capital expenditure requirements from its own Trading Fund. A Report and Proposition will soon be lodged - subject to planning permission - to ask the States to borrow on behalf of the Committee and its successor, to develop the Elizabeth Harbour area. This will make more effective use of port administered land in response to economic and customer demand.

Included in the 2006-8 Budget are 2% efficiency savings on revenue expenditure (rising to 8% in 2008) as well as new business development achieving a 1% expansion in income streams in 2006 alone. Total income in 2006 is estimated at £12.6 million, a rise of 3% on 2005, whilst costs are estimated at £9.3 million, a rise of 7% including the cost of change management towards Incorporation and a professional Board as well as ongoing maintenance works around the harbour.

Subject to approval the proposed Elizabeth Harbour development project will bring in additional income from 2007 as will further investment in port operational areas in 2009 and beyond. A target has been set to achieve commercial rental agreements for harbour properties by 2009 and further targets for business development will provide the organisation with a more commercial return on the assets employed.

There are a number of factors outside the control of Harbours which impact on its business causing uncertainty. The Sea Transport Strategy may impact on sea travel activity and global events, such as rising fuel prices, which may impact on the cost of transportation. However, Jersey Harbours is focussed on maintaining good customer service at reasonable cost and to do this it aims to remove cross-subsidisation between business units. This means that prices in some areas may have to increase above cost increases (i.e. pay awards and cost of living increases) to achieve this whilst others will benefit from a smaller price rise. Overall it is the intention of the Committee to cover its costs and ensure sufficient funds are available to maintain core infrastructure for the future.

# Harbours and Airport

## Summary of three year position

In the 10 year financial forecast the target Financial Return has been set at 25% of Net Profit (under UK Generally Accepted Accounting Practice (GAAP)). In 2005 the return is set at 20% of budgeted Net Profit increasing in 2006 to 22% then 23% in 2007 and 24% in 2008. Due to work relating to the planned incorporation of Jersey Harbours commencing in 2006 there is a smaller Net Profit and therefore budgeted return to the States compared to 2005.

As a result of this new policy on Financial Returns the closing 2006 Trading Fund balance is forecast at 7% of turnover compared with the target 10%. However, the financial forecast using GAAP shows a positive cash balance which meets this 10% target until 2012 assuming all planned capital projects proceed.

Over the three year period – excluding income from capital projects against which debt will be incurred – total income is estimated to reach £39 million. If the income from projects funded by borrowing is included, this total rises to £41 million. Achieving this income is reliant on the following factors:

- The authorisation to borrow against existing income streams for projects identified in the capital programme and new projects fitting the required profile.
- A strong and steady economy: current trends in commercial port activity point to growth in future years (the financial forecast is currently based on a zero economic growth scenario until such time as economic growth is evident).
- A full and unfettered asset base: if the port is able to expand and contract as necessary optimum return on available property can be achieved.
- Good facilities and infrastructure: the correct facilities designed to serve the needs of the island maintained to an adequate standard.
- Reduced costs through greater efficiencies and effectiveness: working with other States departments to reduce duplication and free up assets from which a return can be derived.

Key aims throughout this transitional period are to:

- further refine management information building on existing systems;
- continue using the balanced scorecard to achieve robust business planning and performance management;
- improve customer service informed by customer surveys and forums;
- improve internal controls and accountability; and
- ensure the financial sustainability of the port.

# Harbours and Airport

## Harbours

### Operating Account

2004 Actual (restated) £	2005 Revised Estimate £		2006 Estimate £
		<b>Income</b>	
6,304,977	6,864,590	Harbour Dues	7,047,700
-	223,062	Pilotage	230,200
2,037,780	2,205,354	Marina and Mooring Fees	2,222,400
1,474,064	1,533,607	Property Rentals	1,653,500
981,862	1,202,098	Services	1,218,700
484,703	255,800	Recharges and Recoverable Costs	260,000
11,283,386	12,284,511	<b>Total Income</b>	12,632,500
		<b>Expenditure</b>	
4,694,500	5,015,064	Manpower	5,176,100
1,736,637	1,524,537	Premises/Plant	1,649,400
55,471	55,000	Transport	53,600
1,269,552	1,555,103	Supplies and Services	1,805,200
510,831	446,504	Administration	473,500
1,900	30,000	Grants	29,300
89,502	100,000	Non-Recurring	126,000
8,358,393	8,726,208	<b>Total Expenditure</b>	9,313,100
2,924,993	3,558,303	<b>Gross Operating Surplus</b>	3,319,400
		<b>Less:</b>	
-	-	Other Repayments	238,300
1,583,964	1,542,100	States Capital Loan Repayments	1,471,000
1,583,964	1,542,100	<b>Capital Servicing</b>	1,709,300
1,341,029	2,016,203	<b>Net Surplus</b>	1,610,100
		<b>Less:</b>	
-	412,700	Financial Return Paid to the States	253,643
<b>£ 1,341,029</b>	<b>£ 1,603,503</b>	<b>Transfer to Trading Fund</b>	<b>£ 1,356,457</b>

# Harbours and Airport

## Harbours

### Trading Fund

2004 Actual (restated) £	2005 Revised Estimate £		2006 Estimate £
3,569,907	3,279,897	<b>Balance brought forward 1st January</b>	1,453,979
1,341,029	1,603,503	<b>Add:</b>	1,356,457
205,194	85,579	Transfer of Operating Surplus	54,950
-	-	Interest	-
		Other Income (note 1)	
1,546,223	1,689,082	<b>Total Additions</b>	1,411,407
1,836,233	3,515,000	<b>Less:</b>	1,876,804
		Capital Expenditure (note 2)	
1,836,233	3,515,000	<b>Total Expenditure</b>	1,876,804
<b>£ 3,279,897</b>	<b>£ 1,453,979</b>	<b>Balance carried forward 31st December</b>	<b>£ 988,582</b>

### Payments to the States of Jersey

2004 Actual £	2005 Estimate £		2006 Estimate £
-	412,700	Financial Return	253,643

Note 1: Other Income is now shown in the Operating Account, 2004 figures have been restated to reflect this change in presentation.

Note 2: Capital Expenditure now includes items previously shown under Minor Capital in the Operating Account, 2004 figures have been restated to reflect this change in presentation. Capital Projects for which borrowing is required are not included here as they will require individual States approval.

# Harbours and Airport

## Harbours

### Capital Programme 2006 to 2008

2006	£
Minor Capital Assets	300,000
Works to extend useful economic life of assets and safeguard income	1,297,189
Asset Replacement programme	888,900
Elizabeth Warehouse Project*	12,065,000
Contingency for unforeseen urgent repairs	400,700
<b>Total</b>	<b>14,951,789</b>

2007	£
Minor Capital Assets	300,000
Asset Replacement programme	751,300
Contingency for unforeseen urgent repairs	415,100
<b>Total</b>	<b>1,466,400</b>

2008	£
Minor Capital Assets	300,000
Works to extend useful economic life of assets and safeguard income	3,017,441
Contingency for unforeseen urgent repairs	430,100
<b>Total</b>	<b>3,747,541</b>

\*Subject to any necessary approvals (including financing).





# **Harbours and Airport Committee**

## **Airport**



# Harbours and Airport

## Airport

Jersey Airport's main aims are to provide an airport that meets:

- the economic and social needs of the Island;
- the expectations of passengers by providing facilities that are equal to, or better than, those found in UK regional airports; and
- the expectations of airlines in handling their aircraft and passengers in a safe, secure and expeditious manner.

Key objectives for the business are to:

- maximise the number of passengers travelling through the airport; and
- maximise the number of sustainable routes to and from the Island.

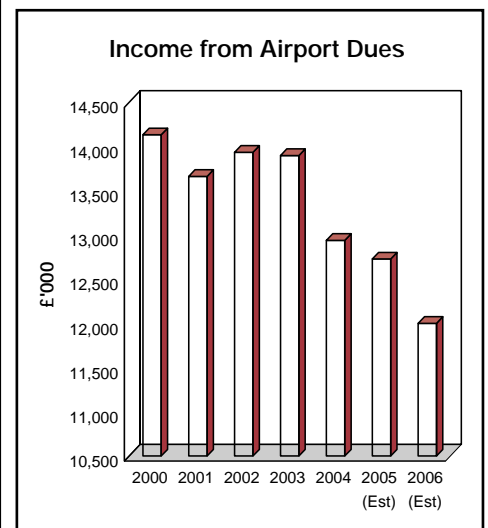
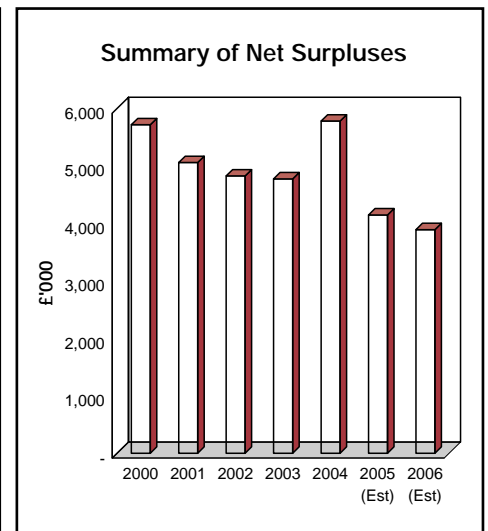
The airport will continue to work closely with airlines and Jersey Tourism to identify potential new routes and to put in place the necessary financial and marketing support mechanisms to support them. A number of new scheduled routes were established in 2004/2005 e.g. Coventry, Doncaster, Norwich and Newcastle; it is important that new routes remain long-term features of the significant network of UK airports served. The Airport is keen to re-establish a year round scheduled service to Heathrow and Zurich and this will continue to be a high priority. A good relationship has been developed with Jersey Tourism. We continue to work closely with them, especially in looking at European routes and ensuring that their needs in meeting the developing demand in this area is met.

With the fundamental changes that have taken place in the tourism and aviation industries over the recent years Jersey Airport has responded positively and quickly to ensure that it remains competitive and capable of meeting its main aims and objectives. The next few years are likely to require the same level of intensity of focus on key business areas. These are:

Driving Airport charges down - The Committee is fully committed to this principle and therefore:

- **Overall passenger charges will be reduced by a further £1.10 from 1st January 2006. This follows on from the £1.50 reduction made in 2004.**
- **No inflationary increase will be added to Airport Dues for the fifth year in succession.**

Increasing other sources of income - critical to this is the opportunity to develop land around the airport in a sensible and positive way. The Harbours and Airport Committee and airport management are working closely with the



# Harbours and Airport

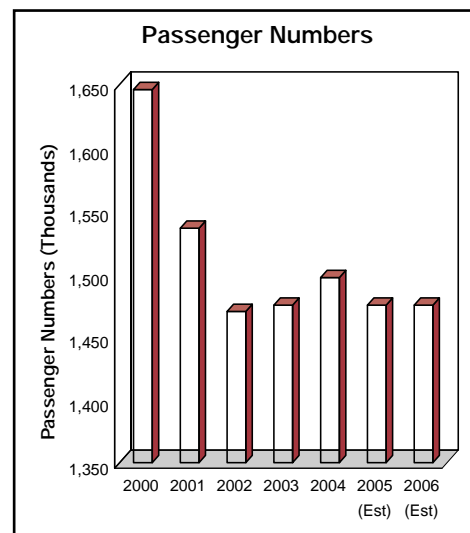
relevant States Committees in order to develop a clear strategy and proposals for such development. The Duty Free concession continues to grow successfully and an increased level of business is being actively pursued to promote passenger satisfaction.

Cutting costs - the commitment to reducing charges to airlines whilst ensuring funds are available to meet essential capital expenditure needs means that significant cuts have been made in operating costs. Staff costs represent 66% of these operating costs and increase annually through the impact of pay awards. This represents an ongoing and significant challenge for Airport management and fourteen posts have been removed over two years - 2004 and 2005.

Under the Machinery of Government reforms this will be the last budget presented by the Harbours and Airport Committee as the Airport will become the responsibility of the Minister of Economic Development from 2006. The Harbours and Airport Committee is working closely with the Policy and Resources, Finance and Economics and Economic Development Committees to ensure that the future management and operation of the airport is appropriate to meet States Strategic aims and objectives and is operated in the most efficient and effective way possible. An independent, high level review of the options for ownership, management and operation of the Airport has therefore been commissioned in 2005. As a result, it is intended that firm proposals will be brought forward in 2006 for consideration and approval by the States.

In terms of capital expenditure, agreement has now been reached to ensure that funds, approved by the States in P198/2002, will be made available from General Revenues to fund "below ground" works. This means that the essential work of replacing the concrete aprons, many areas of which are over 35 years old, can commence in 2006. Operationally this presents an enormous challenge to ensure that aircraft operations are maintained and that safety is not compromised. It is also intended that the construction of the new Operations building and Air Traffic Control tower commence in 2006 continuing through into 2007.

Another key activity in 2006 will be the establishment of the office of Director of Civil Aviation which will take over the regulatory function for aviation and of the Airport, if the States agree. In addition, negotiations will continue with the French and UK governments to secure the appropriate funding for the provision of the Channel Islands Control Zone during the current contract period up to 2012.



# Harbours and Airport

## Airport

### Operating Account

2004 Actual	2005 Revised Estimate		2006 Estimate
£	£		£
		<b>Income</b>	
4,622,148	4,450,000	Aeronautical Charges	4,450,000
3,998,127	4,000,000	CI Control Zone Services	4,000,000
8,423,237	8,200,000	Passenger and Security Charges	7,550,000
3,310,115	3,176,100	Concessions and Rentals	3,353,000
1,282,373	1,191,300	Sales and Services	1,215,500
1,111,924	927,700	Communications Services	1,197,900
22,747,924	21,945,100	<b>Total Income</b>	21,766,400
		<b>Expenditure</b>	
8,206,254	8,693,600	Aeronautical Services	8,833,600
4,294,526	5,020,550	Passenger and Security Charges	4,724,500
351,261	312,700	Commercial Services	363,600
1,016,116	906,350	Communications Services	1,088,100
-	200,000	Reserve for Contingencies	200,000
13,868,157	15,133,200	<b>Total Expenditure</b>	15,209,800
8,879,767	6,811,900	<b>Gross Operating Surplus</b>	6,556,600
		<b>Less:</b>	
2,666,011	2,666,000	Loan Repayments	2,666,000
435,200	-	Trading Fund Reimbursement	-
5,778,556	4,145,900	<b>Net Surplus</b>	3,890,600
<b>£ 5,778,556</b>	<b>£ 4,145,900</b>	<b>Transfer to Trading Fund</b>	<b>£ 3,890,600</b>

# Harbours and Airport

## Airport

### Trading Fund

2004 Actual £	2005 Revised Estimate £		2006 Estimate £
18,374,962	20,749,589	<b>Balance brought forward 1st January</b>	22,999,969
		<b>Add:</b>	
5,778,556	4,145,900	Transfer of Operating Surplus	3,890,600
-	-	States Contribution to Below Ground Works	2,841,000
-	848,690	Water Pollution Net Settlement	-
435,200	-	Security - Hold Baggage Screening and Out of Gauge X-Ray Cost Recovery	-
638,840	600,000	Interest	700,000
8,000	-	Proceeds from Sale of Assets	-
6,860,596	5,594,590	<b>Total Additions</b>	7,431,600
		<b>Less:</b>	
1,256,353	2,462,136	Capital Expenditure - above ground works	5,297,700
3,229,616	882,074	Capital Expenditure - below ground works (note 1)	1,753,500
4,485,969	3,344,210	<b>Total Expenditure</b>	7,051,200
<b>£ 20,749,589</b>	<b>£ 22,999,969</b>	<b>Balance carried forward 31st December</b>	<b>£ 23,380,369</b>

Note 1: P198/2002 agreed that below ground capital works should be met from General Revenues. These works are currently shown as funded by the Airport Trading Fund until such time as an appropriate funding mechanism is determined. A Below Ground Works summary is provided.

Estimated Capital Expenditure:

			States	Trading Fund
2007	£15,082,100	of which	£9,541,300	£5,540,800
2008	£20,062,800	of which	£5,226,700	£14,836,100

# Harbours and Airport

## Airport

### Below Ground Works – Summary

	to 31/12/04 Actual £	2005 Estimate £	2006 Estimate £	2007 Estimate £	2008 Estimate £	Estimated Total 31/12/08 £
Ground Water Pollution	1,738,215	13,095	-	-	-	1,751,310
Fire Training Ground	4,281,752	618,248	-	-	-	4,900,000
Apron and Taxiway re-sealing	289,674	110,326	-	-	-	400,000
Main Apron design fees	-	153,500	336,500	244,000	16,000	750,000
Main Apron Phase 1 (North)	-	-	1,417,000	526,300	141,700	7,085,000
Main Apron Phase 2 (West)	-	-	-	3,771,000	77,000	3,848,000
South Apron Area	-	-	-	-	4,992,000	4,992,000
	6,309,641	895,169	1,753,500	9,541,300	5,226,700	23,726,310
<b>Less:</b>						
Settlement Contribution Received	-	2,600,000	-	-	-	2,600,000
States of Jersey Funding Contribution	-	-	2,841,000	2,841,000	2,841,000	8,523,000
Balance Outstanding as at 31/12/06	6,309,641	(1,704,831)	(1,087,500)	6,700,300	2,385,700	12,603,310

# Harbours and Airport

## Airport

### Capital Programme 2006 to 2008

<b>2006</b>	<b>£</b>
Main Apron (Phase 1 - Northern Section)	7,085,000
Operations Building - Fit out (previously 2007)	1,190,000
Part Demolition of 1937 Building and Remove Asbestos (previously 2007)	728,000
Emergency Air Traffic Control Communications	111,000
LCD 2k x 2k Displays for Air Traffic Control	200,000
Minor Capital Assets	380,700
<b>Total</b>	<b>9,694,700</b>
<b>2007</b>	<b>£</b>
Main Apron (Phase 2 - Western Section)	3,848,000
South Apron Area	4,992,000
Demolish Remainder of 1937 Building	2,217,000
Rehouse Police, Customs and Alpha	1,109,000
Sliding / Swing Doors	140,000
AGNIS, Stand Signs and Obstruction Lighting Control Gear	208,000
Les Platons UPS (Previously 2008)	194,000
Passenger Buses (2)	241,000
Minor Capital Assets	322,300
<b>Total</b>	<b>13,271,300</b>
<b>2008</b>	<b>£</b>
New Engineering and ARFFS Building	3,216,000
HBS and OOG X-Ray	887,000
Passenger Pier Windows / Cladding / Roof	2,080,000
Aeronautical Transmitters and Receivers (previously 2006)	296,000
Primary Radar - Les Platons (previously 2006)	3,172,000
DVOR Doppler Beacon / DME	980,000
TELEBAG System replacement	1,499,000
Public Address / Fire Alarm System	364,000
Passenger Buses (2) (previously 2006)	241,000
Minor Capital Assets	135,100
<b>Total</b>	<b>12,870,100</b>

To be financed by:

	States - "below ground" works
	Airport Trading Fund



# Postal Administration

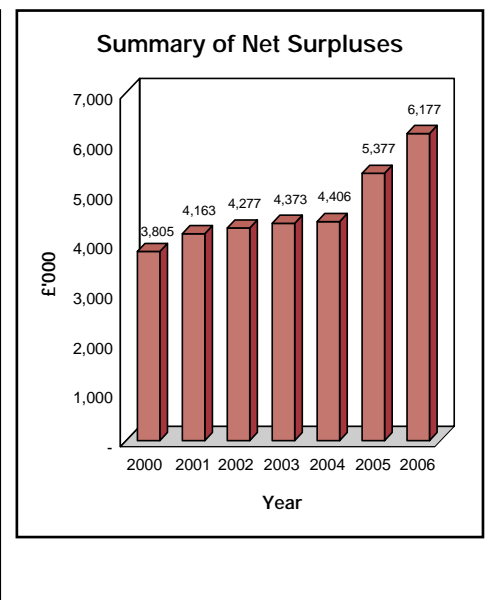


# Postal Administration

For 2006 and beyond, Jersey Post anticipates increased competition in both its traditional core business and the emerging fulfilment sector. Whilst Jersey Post has been competing in the local courier and international markets for some years, competitive pressure on Jersey Post's bulk export mail and fulfilment business is leading to lower margins while the need to maintain resilient and cost effective supply chains remains paramount.

Despite the potential for increasing competition following the enactment of the Postal Services (Jersey) Law 2004, Jersey Post remains committed to being "Jersey's leading provider of Postal Services" and to provide Jersey with high quality, but competitive services and products.

The need to maintain and improve value for its shareholders, the Jersey Public, remains equally important. The focus for the future will be to ensure that traditional revenue streams are competitively priced whilst identifying new markets and opportunities.



Past uncertainty and emerging States policy on Jersey's fulfilment sector may significantly restrict the growth in new customers both for Jersey Post and for other third party fulfilment businesses. This will reduce the growth in fulfilment traffic posted through Jersey Post, particularly that bound for the UK. As a result Jersey Post now plans to develop new markets on mainland Europe as well as alternative profitable revenue streams.

In its financial plans for 2006 and beyond, Jersey Post has forecast a slow-down in the growth of fulfilment mailings. A new Sales and Marketing Strategy will reposition products and services to reflect changing market conditions and customer demands.

Negotiations between Royal Mail and Jersey Post to agree prices and service levels for the exchange of mail between the two postal administrations from 2006 onwards presents a significant challenge that will impact on Jersey Post's continuing profitability. It is recognised that the prices Jersey Post has to pay for Royal Mail services in 2006 and beyond will increase significantly. This has forced Jersey Post to review its pricing structure, investment plans, costs and longer-term business strategy.

The 2006 estimates include provisions for increased costs associated with incorporation (i.e. licence fees and rates) as well as increased provisions for essential maintenance and legal compliance.

Investment requirements for 2006 are estimated to be £2.3 million in order to support the Jersey Post Strategic Plan. All of this investment will be funded by Jersey Post.

Upon incorporation the activities of Jersey Post will be transferred to "Jersey Post International Limited". This affects the way the States will receive value from the business, which in the future will be in the form of taxation, dividends and increased value of their investment. Retained profits will help to fund Jersey Post's portion of the PECS pension deficit, estimated at £12 million on 31 December 2004.

The 2006 estimate reflects the rapidly changing Postal marketplace and the many competitive challenges this will bring. The Postal Committee is confident that Jersey Post International Limited will continue to provide Jersey with world class Postal Services whilst enhancing shareholder value.

# Postal Administration

## Operating Account

2004 Actual	2005 Revised Estimate		2006 Estimate
£	£		£
37,722,000	49,000,000	<b>Total Income</b>	54,500,000
33,316,000	43,623,000	<b>Total Expenditure</b>	48,323,000
4,406,000	5,377,000	<b>Net Surplus</b>	6,177,000
-	-	<b>Less:</b> Financial Return to the States	-
<b>£ 4,406,000</b>	<b>£5,377,000</b>	<b>Transfer to Trading Fund</b>	<b>£ 6,177,000</b>

## Trading Fund

2004 Actual	2005 Revised Estimate		2006 Estimate
£	£		£
9,606,716	7,597,777	<b>Balance brought forward 1st January</b>	9,276,777
		<b>Add:</b>	
4,405,598	5,377,000	Transfer of Operating Surplus	6,177,000
4,405,598	5,377,000	<b>Total Additions</b>	6,177,000
		<b>Less:</b>	
1,998,729	3,698,000	Capital Expenditure	2,334,000
4,415,808	-	Repayment of Jersey Post Office Pension Fund Liability (note)	-
6,414,437	3,698,000	<b>Total Expenditure</b>	2,334,000
<b>£ 7,597,777</b>	<b>£ 9,276,777</b>	<b>Balance carried forward 31st December</b>	<b>£ 13,119,777</b>

Note: Upon incorporation Jersey Post International Limited will be required to fully fund the Committee for the Postal Administration's proportion of the under funding associated with the past service liability of the Public Employee Contributory Retirement Scheme, which was estimated on 31st December 2004 under FRS17 retirement Benefits to be £18 million.

**Environment and  
Public Services Committee  
Car Parks Trading Account**



# Environment and Public Services

## Car Parks Trading Account

The Environment and Public Services Committee's Car Park Trading Account was established in January 1998 with the agreement of the Finance and Economics Committee to provide for both the ongoing running expenses of all public car parks as well as future capital developments and major refurbishments.

The annual maintenance and policing of car parks is undertaken through the Operating Account using the income derived from paycards, season tickets, car parks rental and excess charge notices. In addition a payment of £1.54 million per annum is made to the Environment and Public Services Committee in respect of notional rent for the multi-storey car parks. This arrangement for reimbursing the Committee for the lost income caused by the transfer of the Car Park Section to a Trading Account was also agreed with the Finance and Economics Committee when the Trading Fund was established.

In 2005, the Committee published its Sustainable Travel and Transport Plan which sets out a framework for transport in Jersey over the next 10 - 15 years, but it also identifies some real changes that could be made over the next five years to start turning travel and transport around. It is estimated that to begin to implement the proposals will require a rolling programme of £500,000 per annum for five years.

There are various ways this could be funded from existing sources of transport-related revenue, for example, by:

- increasing fuel duty            1p per litre; or
- increasing public parking    5p per unit.

By raising revenue in this way the Committee would seek to ensure that the money is directly reinvested into measures that will improve travel and transport in the Island.

As part of the Sustainable Travel and Transport Plan it is proposed that additional public parking spaces should be provided in town. The quality, availability and management of public parking in multi-storey car parks will also be reviewed. Any additional parking facilities would be funded from the Car Park Trading Fund. It is not envisaged that this will require any increase in public parking charges other than annual cost of living increases.

The Sustainable Travel and Transport Plan will be considered by the States after the publication of this document. Therefore, this budget may change depending on the outcome of the debate in late 2005.

### **Financial Highlights 2006**

The decrease in budgeted income is largely due to the forecast fall in paycard and season ticket income which is offset by an increase in notional interest and rental income received. Budgeted sales are based on the average actual paycard sales to June 2005 which have fallen considerably from 2004. In 2006, the Department will carry out a survey in order to assess the reasons for this fall in paycard and season ticket sales.

Capital Expenditure in 2006 is forecasted at £280,000 representing concrete repairs on Minden Place and First Tower car parks together with a provision for structural work if required.

# Environment and Public Services

## Car Parks Trading Account

### Operating Account

2004 Actual £	2005 Estimate £		2006 Estimate £
5,668,944	6,265,700	<b>Total Income</b>	5,123,400
		<b>Expenditure</b>	
752,394	840,200	Manpower	877,000
548,509	662,200	Supplies and Services	555,700
76,302	366,300	Administration Costs	424,700
2,341,931	2,476,000	Premises and Maintenance	2,484,800
279,475	117,500	Incidental Expenses and Charges	89,000
1,416	1,100	Non-Service Costs	-
4,000,027	4,463,300	<b>Total Expenditure</b>	4,431,200
<b>£ 1,668,917</b>	<b>£ 1,802,400</b>	<b>Net Operating Surplus and Transfer to Trading Fund</b>	<b>£ 692,200</b>

### Trading Fund

2004 Actual £	2005 Estimate £		2006 Estimate £
7,372,146	7,573,246	<b>Balance brought forward 1st January</b>	7,275,646
		<b>Add:</b>	
1,668,917	1,802,400	Transfer of Operating Surplus	692,200
1,668,917	1,802,400	<b>Total Additions</b>	692,200
		<b>Less:</b>	
482,766	1,400,000	Concrete Degradation Repair work on Multi-Storey Car Parks	180,000
150,000	700,000	Structural Work on Multi-Storey Car Parks	100,000
632,766	2,100,000	<b>Total Expenditure</b>	280,000
<b>£ 8,408,297</b>	<b>£ 7,275,646</b>	<b>Balance carried forward 31st December</b>	<b>£ 7,687,846</b>

### Capital Programme 2006 to 2008

2006	£
Concrete degradation Repair Work	180,000
Structural Work on Multi-Storey Car Parks	100,000
<b>Total</b>	<b>280,000</b>