STATES OF JERSEY

DRAFT ANNUAL BUSINESS PLAN 2010

Council of Ministers

T.A. Le Sueur	Senator	Chief Minister
P.F.C. Ozouf	Senator	Treasury and Resources and Deputy Chief Minister
A.J.H. Maclean	Senator	Economic Development
J.G. Reed	Deputy	Education, Sport and Culture
A.E. Pryke	Deputy	Health and Social Services
B.I. Le Marquand	Senator	Home Affairs
T.J. Le Main	Senator	Housing
F.E. Cohen	Senator	Planning and Environment
I.J. Gorst	Deputy	Social Security
M.K. Jackson	Connétable	Transport and Technical Services

W.D. Ogley Chief Executive

DRAFT ANNUAL BUSINESS PLAN 2010
PROPOSITION

The States are asked to decide whether they are of opinion:

to receive the draft Annual Business Plan 2010 and –

a) to approve the summary key objectives and success criteria for 2010 of the following States funded bodies as shown in Part One of the draft Annual Business Plan –

   i Chief Minister's Department, as detailed in Part One of the report pages 11 to 13
   ii Economic Development Department, as detailed in Part One of the report pages 14 to 16
   iii Education, Sport and Culture Department, as detailed in Part One of the report pages 17 to 20
   iv Health and Social Services Department, as detailed in Part One of the report pages 21 to 23
   v Home Affairs Department, as detailed in Part One of the report pages 24 to 25
   vi Housing Department, as detailed in Part One of the report pages 26 to 27
   vii Planning and Environment Department, as detailed in Part One of the report pages 28 to 30
   viii Social Security Department, as detailed in Part One of the report pages 31 to 32
   ix Transport and Technical Services Department, as detailed in Part One of the report pages 33 to 34
   x Treasury and Resources Department, as detailed in Part One of the report pages 35 to 38
   xi Jersey Airport, as detailed in Part One of the report pages 39 to 40
   xii Jersey Harbours, as detailed in Part One of the report page 41 to 42
   xiii States Assembly and its services, as detailed in Part One of the report pages 43 to 44

b) to approve the summary set out in Part Three of the report Summary Table A, page 94, being the gross revenue expenditure of each States funded body and, based on a public sector pay freeze for the period from 1st June 2009 to 31st May 2010 and an increase of 2.8% for the period from 1st June 2010 to 31st May 2011, totalling £719,747,900, and having taken into account any income due to each of the States funded bodies, the net revenue expenditure of each States funded body totalling £619,303,900, to be withdrawn from the consolidated fund in 2010;

c) to approve the summary set out in Part Three of the report Summary Table B, page 95, being the estimated income and expenditure and estimated minimum contribution, if any, that each States trading operation is to make to the States consolidated fund in 2010;

d) to approve each of the capital projects in the recommended programme of capital projects for each States funded body for 2010, as set out in Part Three of the report Summary Table D, page 97, that requires £34,587,000 to be withdrawn from the consolidated fund;

e) to approve each of the capital projects in the recommended programme of capital for each States trading operation, as set out in Part Three of the report Summary Table E, page 98, that require funds to be drawn from the trading funds in 2010;

f) to approve indicative total net revenue expenditure for the States funded bodies, as set out in Part Three of the report Summary Table C, page 96, for the period 2011 to 2014 and the proposed programme of capital projects for the States funded bodies for 2011 to 2014 as set out in Part Three of the report Summary Tables F to I, pages 99-102; and to request the Chief Minister to present Annual Business Plans to the States within these indicative total amounts, with any additional growth in the total net revenue expenditure of a States funded body being offset by compensatory savings elsewhere within the total amounts;

g) to approve the sale of the properties as detailed in the schedule for disposal in Part Three of the report Summary Table J, page 103 to 104 of the report, which have been recommended by Jersey Property Holdings to the Minister for Treasury and Resources and accepted by the Minister for disposal in 2010 and thereafter;

h) to approve the Legislation Programme for 2010, as set out in Part Three of the report Summary Table K, pages 105 to 108 of the report.

CHIEF MINISTER

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1a FOREWORD FROM THE CHIEF MINISTER

This is the fourth draft Annual Business Plan under the new Public Finances (Jersey) Law 2005, and the first Annual Business Plan of the Council of Ministers appointed in December 2008. The draft Business Plan follows the recently approved States Strategic Plan which sets out the States' priorities for the next five years. The Plan also includes the broad resources framework, including the key resource principles and the long-term resource initiatives. This draft Annual Business Plan provides the detail behind that framework and proposes the allocations to both individual departments and capital projects.

The aim of the Strategic Plan is to work together to meet the needs of the community, with a focus on enabling people to achieve their potential; meeting the challenges of improving the health of the population and continuing to provide excellent healthcare, educating our young people and providing decent housing for residents, preparing for an ageing population and protecting our environment. These aims can only be achieved if we have a strong economy that provides varied and interesting employment opportunities for Islanders and generates sufficient revenue to pay for the high quality public services that we all take for granted.

The Strategic Plan also sets out a number of long-term resource initiatives which will be developed to secure funding for healthcare, long-term care provision and key infrastructure investment. Proposals for these initiatives will be brought forward for States approval at the appropriate time.

We are entering a period of economic uncertainty which will require prudence and planning. The States has already agreed a discretionary stimulus package which will be used to fund a number of projects to support Islanders through the downturn. This includes a programme that will; develop skills and training for those Islanders who need help finding suitable employment, bring forward construction and maintenance works already planned to provide much-needed work for building industry workers, provide practical and financial support for individuals, and support business through the downturn and enable them to be in a position to take advantage of the upturn when it comes.

Despite the economic outlook, services have been re-prioritised within existing resources to provide further investment in social initiatives, including improving children's services; improving social inclusion and supporting the vulnerable through the social policy framework, with an emphasis on early intervention; developing community initiatives by working with the Parishes; improving the level of Social Security benefits; addressing anti-social behaviour; and increasing support for non-academic pupils.

We live in challenging times. We have agreed a Strategic Plan that sets out the way forward and we are putting the mechanisms in place to address those challenges. The public service must take a more coordinated approach to financial planning in the medium and long term. This draft Business Plan will help us all to achieve this.

I strongly commend this document to the States and I must take this opportunity to thank those members of staff who have worked on the draft Annual Business Plan and on the wider strategic, fiscal and economic issues.

Senator T Le Sueur
Chief Minister **July 2009**

1b. FINANCIAL FOREWORD FROM THE MINISTER FOR TREASURY AND RESOURCES

This 2010 Business Plan should be read in conjunction with the policies agreed in the States Strategic Plan, which set out the States' spending limits. The Strategic Plan also identified that the short-term objective of the Council of Ministers was to support the Island through the economic downturn. This has led to the development of a comprehensive Fiscal Stimulus package: a series of measures to deal with the downturn and prepare for reduced tax revenues as a result of the word-wide recession.

While dealing with the downturn, the Council has also faced some significant and unavoidable costs; such as the ending of the UK reciprocal health agreement, the outcomes of the Williamson review and the historic child abuse enquiry.

In 2009 the States set the spending limits for 2010 within which the Council of Ministers had to work. This draft Annual Business Plan has focussed on producing 2010 spending plans and, although this work has identified 2011 and 2012 growth and savings proposals for departments, the specific cash limits for these years are still indicative. Consequently, there are plans to begin work with departments in the autumn to develop a more mature, three-year process for 2011 and beyond.

This has been one of the toughest spending rounds for a number of years: balancing all the new priorities and initiatives from the Strategic Plan and essential spending within the constraint of States cash limits. Despite this the Council is still able to propose the investment of £17 million to:

- Improve children's services;
- Provide further additional growth for Health and Social Services;
- Maintain the real value of Social Security benefits;
- Continue the funding for the 'Building a Safer Society' initiative;
- Provide additional funds for residential care; and
- Increase the level of essential maintenance for States property and infrastructure.

This investment has been achieved through efficiencies, cutting spending and constraining public sector pay. It has allowed us to propose a Business Plan consistent with the spending limits set last year. Subject to States approval, it will be the first time that spending limits have been adhered to in recent years.

Maintaining this discipline in the future will be challenging, as the current framework allows little or no real term growth, despite the need to improve health services, to cater for an ageing population and to invest in essential infrastructure. However, I am determined that we will maintain this discipline not just in this plan but also in future years.

In the next 18 months our main priority must be to deal with the economic downturn and to reduce its impact on the Island. This will involve the investment of £156 million in a fiscal stimulus package. This investment is only possible because of the foresight of the previous States, when they set aside surpluses from economic growth in a Stabilisation Fund. The Fund is now being invested in projects aimed at helping businesses and individuals through this difficult time, with more than £100 million earmarked to maintain public spending and services over the next two years, in the face of falling tax receipts.

Over the next 12 months:

- We need to improve our business planning and ensure we adhere to agreed cash limits;
- We need to prepare for the 2011 process by beginning work this autumn on a three-year business planning process to:
  - Develop realistic three-year cash limits with departments as the basis for longer term planning and management;
  - Base these cash limits on a review of total spending and a prioritisation of activities by departments, and start the process with the three major spending departments;
  - Pursue the strategic plan priority of reforming the public sector and delivering corporate savings;

- Plan for essential future investment in areas such as social housing, States property, sewerage systems and roads - consult on sustainable funding methods to meet these costs
- Continue to improve our financial management and accounting through the GAAP and Resource Budgeting initiatives.

I am determined to ensure the States maintains a cautious approach to government spending. We cannot allow any increases in current spending limits because, as we look ahead at the scale of possible deficits, it is clear that spending more now would run the risk of significant tax increases or more difficult cuts in services. I have accepted the independent advice of our economic advisers and will be proactive by preparing a contingency plan in the next twelve months to tackle any potential deficit as the Island emerges from the recession. If spending cannot be contained or reduced there will be no alternative but to consider increased taxes and charges in the medium-term, in order to return to balanced budgets. Such a plan must be flexible, sustainable and should enable Jersey to remain competitive as a leading international finance jurisdiction.

In the short-term, the strength of our public finances puts us in a good position to deal with the downturn. We must be positive and develop a plan now for the future. We have faced and successfully managed similar challenges. Indeed our current financial position owes much to the strength of our existing fiscal strategy. What we must do now is take the right steps to address the next challenge with similar foresight.

Senator P F C Ozouf **July 2009**

PART ONE

DEPARTMENTS' KEY OBJECTIVES AND SUCCESS CRITERIA

2. STATES STRATEGIC PLAN REVIEW 2009 - 2014

2.1 States Strategic Plan

In producing its strategic policy statement, as required under the States of Jersey Law (2005), the Council of Ministers agreed that community values and people working together for the good of each other would be its focus. It was important to set this in the context of the current economic climate, therefore putting in place plans to support the Island through the economic downturn would be the first priority. The Council also recognised that the right balance needed to be found between economic, social and environmental priorities in order that Jersey remains both successful and a pleasant place to live.

The Council of Ministers had four months in which to produce the Plan from the date of its appointment in December 2008. From the outset the Council was keen to involve all States Members in developing the priorities that would form the basis for developing policy for the next 3 to 5 years in the hope that the States could move forward with a shared aim. Several workshops were held – in December with Assistant Ministers and in January and February with all States Members – and these were supported with factual briefings on the economy (from the Fiscal Policy Panel), the results of the Jersey Annual Social Survey, and on population projections and issues.

The Council published its initial proposals for priorities in early February, followed by the first draft Strategic Plan as a Green Paper at the beginning of March and a second draft as a White Paper at the time the draft Plan was lodged on 8 April. Throughout the period, the public were invited to give their views and over 200 comments were received, leading to a number of changes to the Plan.

The Plan was agreed by the States on 10 June after a number of amendments and set out sixteen priorities:

1. Support the Island community through the economic downturn.
2. Maintain a strong, environmentally sustainable and diverse economy.
3. Reform the public service to improve efficiency.
4. Ensure sustainable public finances.
5. Limit population growth.
6. Provide for the ageing population.
7. Protect the public and keep our community safe.
8. Increase social inclusion by encouraging and supporting people to help themselves.
9. Enhance support services to vulnerable children, families and others at risk.
10. Maintain and develop the Island's infrastructure.
11. Enhance and improve health care provision and promote a healthy lifestyle.
12. Maintain high quality education and skills.
13. Protect and enhance our natural and built environment.
14. Adequately house the population.
15. Protect and enhance our unique culture and identity.
16. Support the development of arts and heritage in Jersey.

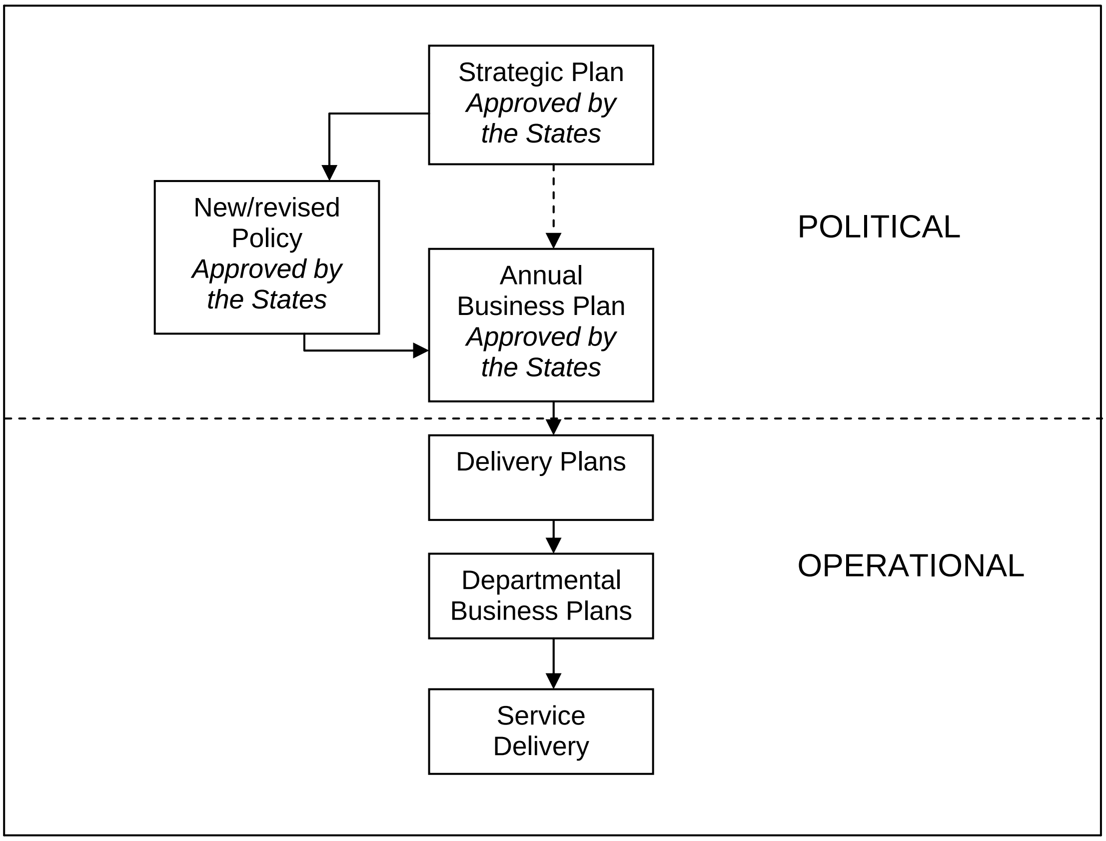
These priorities form the basis of the departmental key objectives and success criteria set out in this Annual Business Plan.

2.2 Next Steps

Over the lifetime of the Strategic Plan, States departments will refocus their activity and spending to meet these priorities. Each of the priorities has been allocated to a single Chief Officer to take the lead on planning co-ordination and monitoring implementation and results. Delivery plans will be drawn up and embedded into Departmental Business Plans.
This will ensure a 'joined-up' approach to implementation leading to improved efficiency and – more importantly – effectiveness of service delivery.

New or revised policy proposals arising will be put to the States for debate and approval in the usual way.

Figure 2.1 Business and Financial Planning Cycle



The Council will prepare in advance for the 2011 business planning process by beginning work this autumn on a more mature three-year business planning process which will:

- Develop realistic three-year cash limits with departments as the basis for longer term planning and management
- Base these cash limits on a review of total spending and a thorough prioritisation of activities by departments; not just incremental change and start the process with the three major spending departments
- Pursue the major initiative and strategic plan priority for reforming the public sector and delivering corporate savings; and
- Plan and develop the long-term resource initiatives – identify and consult on the options to address each of these significant spending pressures with sustainable funding solutions (see Section 6).

CHIEF MINISTER

AIM:

The aim of the Chief Minister's Department is to:

- **support and advise the Chief Minister and Council of Ministers in establishing, co-ordinating, communicating and implementing States approved policies and objectives.**
- **provide direction and leadership to the public service to ensure that policies and programmes are delivered in accordance with agreed priorities.**
- **develop and promote international relations to further Jersey's international standing and reputation.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: The co-ordinated development and implementation of States policies.

Success criteria:

(i) Strategic Plan delivered and monitored as per the agreed timetable;

(ii) Co-ordinated development and implementation of policies at ministerial and Corporate Management Board level;

(iii) The development of any new initiatives, policies or strategies prioritised and supported by all resource implications;

(iv) Effective communication and consultation on key policies;

(v) All policies transparent, with clear accountability and reporting back on outcomes;

(vi) Improved public satisfaction with government;

(vii) Continued public consultation and participation in decision-making;

(viii) Co-ordinated arrangements between Departments and the Parishes resulting in the development of community and social initiatives;

(ix) Closer co-operation with Scrutiny;

(x) Co-ordinated arrangements between Departments and the 'Third Sector' in providing improved services;

(xi) Annual Business Plan to be delivered within the total amounts set in the 2009 Annual Business Plan for the years 2010 to 2013.

Strategic Plan Priority: *1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16*

Objective 2: An efficient and effective public sector fit for the purpose of delivering the States Strategic Plan.

Success criteria:

(i) A review undertaken of States services to ensure that the government provides core services and opportunities to work with the private sector are maximised;

(ii) Continued focus on delivering essential services through the prioritisation of budgets and manpower to ensure the efficient allocation on services;

(iii) An effective law drafting service;

(iv) In conjunction with the relevant departments, the continued development of the Social Policy framework to deliver the priorities set out in the Strategic Plan;

(v) In conjunction with the Treasury and States Departments, plans on track to deliver the programme of efficiency savings in the public sector;

(vi) Progress against an agreed organisational development programme;

(vii) A business focussed Information Services function that underpins and supports the delivery of public services;

(viii) A streamlined Human Resources function which supports the welfare and development of the public sector workforce with a particular emphasis on maximising opportunities for local people;

(ix) Arrangements for succession planning in the public sector agreed with the Appointments Commission;

(x) Improved and more efficient access to public services and information through the customer services initiative;

(xi) A pay settlement with all public sector pay groups which is consistent with the States budgetary strategy in place by September 2010;

(xii) An overall review of policy relating to terms and conditions for public sector staff;

(xiii) Public sector pension obligations properly monitored and accounted for;

(xiv) A robust resilience/response mechanism in place to deal with strategic crises/emergencies.

Strategic Plan Priority: *1, 2, 3, 11, 12, 14, 15 and 16*

Objective 3: Jersey's international responsibilities fulfilled and beneficial relations with other countries and regional organisations developed - including constitutional, political, economic, cultural and environmental links - which raise Jersey's positive international identity and promote Jersey's external influence.

Success criteria:

(i) Initiatives, in collaboration with other States departments and NGOs, to promote awareness and conformance with international obligations;

(ii) Jersey's constitutional relationship with the UK maintained and developed;

(iii) An improvement in Jersey's relationship with the EU and other countries with Jersey's position increasingly recognised and acknowledged;

(iv) Ratification of relevant international conventions and bilateral agreements extended when appropriate;

(v) Increased participation in international bodies and multi-lateral initiatives e.g. OECD, WTO, EU Financial Services Action Plan (where relevant);

(vi) A range of multi-lateral and bi-lateral links, in both financial services related and non-financial services related areas, consistent with enhanced status and increasing international recognition for Jersey developed;

Strategic Plan Priority: *2 and 15*

Objective 4: Growing international recognition for Jersey's reputation and standing amongst various international audiences as a well-regulated, co-operative international finance centre meriting increasing market access to major economies and trading entities (e.g. the European Union); and further investment in financial services provision in Jersey.

Success criteria:

(i) Increased number of international fiscal and regulatory agreements concluded with other countries;

(ii) Progressive dismantling of blacklists and other trade barriers erected against Jersey by other countries;

(iii) Plans on track to implement changes required from new international initiatives arising from the G20 process, EU developments, the Independent Review of British offshore financial centres and other related fora or international bodies;

(iv) Implementation of any recommendations arising from the IMF review.

Strategic Plan Priority: *2 and 15*

Objective 5: Decision-making improved and debate better informed through the provision of accurate and timely professional economic and statistical advice and information on major issues.

Success criteria:

(i) Quality and availability of economic advice;

(ii) States assisted to meet its economic objectives (economic growth, low inflation and employment opportunities) through the provision of timely advice on policy;

(iii) All Statistics Unit releases produced independently to pre-announced release dates and statistical information made available to all on an impartial basis..

Strategic Plan Priority: *1 and 2*

Objective 6: A balance between economic growth and the additional demand migration places on accommodation, infrastructure and resources which supports agreed population objectives and economic policies, and the promotion of greater social inclusion.

Success criteria:

(i) States approval of new migration legislation;

(ii) Proposals for an Island population register developed;

(iii) Population targets agreed by the States and achieved using new migration legislation.

Strategic Plan Priority: *1, 5 and 14*

Objective 7: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions;

(iii) Management costs minimised to ensure maximum resources are directed to front line services;

(iv) Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;

(v) Staff developed to help them achieve their full potential;

(vi) Need for an independent person or agency to receive approaches from persons raising serious concerns to be assessed.

Strategic Plan Priority: *3*

ECONOMIC DEVELOPMENT DEPARTMENT

AIM:

The aim of the Economic Development Department is:

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

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

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

Success criteria:

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

(ii) Lay the foundations for the return to sustainable economic growth;

(iii) New strategies to support economic sustainability and a return to growth, including but not limited to e-commerce, intellectual property, rural economic strategy, tourism strategy and a Business Enterprise Development strategy fully implemented;

(iv) Maximise employment and minimise unemployment for local people through an increase in job opportunities, skills development or inclusion activities in both existing and new sectors;

(v) Higher efficiency and profitability in all sectors of the economy;

(vi) Less reliance on government subsidy within the rural economy;

(vii) Increased diversification of the economic and tax base through higher value added activity;

(viii) Broader skills base in the island meeting business needs;

(ix) In conjunction with the Population Office, Regulation of Undertakings Law applied;

(x) Inflation kept close to target of 2.5%.

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

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

Success criteria:

(i) Increased number of business start-ups with high value-added potential;

(ii) Increased business success defined by % of start ups still trading after three years;

(iii) Increased number of high value-added businesses and individuals migrating to the Island.

Strategic Plan Priority: *1, 2 and 4*

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

Success criteria:

(i) EDD to play it's full role in the success of the Skills Executive in particular the delivery of the demand capture function.

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

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

Success criteria:

(i) Short-term sustainability and medium term real growth in the financial sector;

(ii) Compliance with existing and evolving international financial standards to which Jersey is subscribed;

(iii) Increased productivity in the finance industry;

(iv) Stable or growing employment in financial services.

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

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

Success criteria:

(i) Increased productivity in the tourism sector

(ii) Increased capital expenditure in the tourism sector to align the Jersey product to current market demand;

(iii) Increased number of visitors to the island and increased on-island visitor spend;

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

Objective 6: A diverse working countryside.

Success criteria:

(i) Higher productivity from the rural economy ;

(ii) Greater diversity and enterprise in the rural economy;

(iii) Less reliance on government subsidy within the rural economy;

(iv) Sustainable and internationally competitive rural economy, including the dairy and potato sectors.

(v) Increased proportion of local produce finding its way into retail food supply chain

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

Objective 7: A regulatory environment in which business can prosper

Success criteria:

(i) A strong consumer voice;

(ii) Competition and consumer choice in all sectors;

(iii) Appropriate levels of consumer choice and protection;

(iv) Reduced processing time for the regulatory applications;

(v) Fit for purpose regulatory regimes for postal services and telecommunications in Jersey.

Strategic Plan Priority: *1 and 2*

Objective 8: A comprehensive external transport strategy which benefits both business and residents.

Success criteria:

(i) Regular, reliable, efficient and sustainable air and sea services provided;

(ii) Development of new routes and extension of capacity where possible to existing routes;

(iii) Competitive passenger charges;

(iv) Reduce or maintain low freight charges;

(v) Increased passenger traffic across a broader transport network;

(vi) Improve freight services.

Strategic Plan Priority: *1, 2 and 10*

Objective 9: An Airport that meets the economic and social needs of the Island, the expectations of passengers and the expectations of airlines.

Success criteria:

(i) Optimise revenue generation to address operating costs and future capital liabilities;

(ii) Increased annual passenger numbers;

(iii) Existing routes retained and UK/European route network expanded;

(iv) Increased commercial revenues;

(v) Improve freight services;

(vi) No significant pollution problems;

(vii) Positive and influential contribution to the development of a transport strategy.

Strategic Plan Priority: *1, 2, 10 and 13*

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

Success criteria:

(i) A more efficient port that optimises revenue generation to address operating costs and future capital liabilities;

(ii) Increased growth in annual passenger numbers;

(iii) Existing routes retained and expanded;

(iv) Improve freight services;

(v) Effective Coastguard service;

(vi) Increased economic contribution from Jersey's marine leisure sector

(vii) Positive and influential contribution to the development of a transport strategy.

Strategic Plan Priority: *1, 2, 10 and 13*

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

Success criteria:

(i) Financial balance achieved and, total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions;

(iii) Management costs minimised to ensure maximum resources are directed to front line services;

(iv) Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;

(v) Staff developed to help them achieve their full potential.

Strategic Plan Priority: *1 and 4*

EDUCATION, SPORT AND CULTURE

AIM

The mission of the Department for Education, Sport and Culture is to:

Strengthen our community by providing a first class education service, supporting the development of skills and promoting leisure and cultural activities that enrich our lives.

Our aims are to:

- **Promote social inclusion and equal opportunity.**
- **Ensure that our children enjoy the best start possible;**
- **Prepare our young people for the challenges of the future and encourage them to make a positive contribution to society;**
- **Encourage lifelong learning and active participation in sport and culture.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: To work with the Skills Executive to ensure that vocational education is available to support the Island community through the economic downturn

Success Criteria:

(i) New youth training scheme in place for 16-18 year olds;

(ii) Improved data and information system leads to greater understanding of training needs;

(iii) New graduate training scheme in place for nurses and teachers in shortage subjects;

(iv) Training opportunities in place to provide adults with access to learning and retraining opportunities;

(v) Apprenticeship scheme strengthened and extended;

(vi) Careers advice, guidance and support extended to meet anticipated demand;

(vii) Review of Higher Education support arrangements completed;

(viii) Broad and balanced educational curriculum meets the needs of all learners and provides for a wide range of career opportunities.

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

Objective 2: To continue to raise standards and improve key outcomes for children and young people

Success Criteria:

(i) Literacy and numeracy profiles show progress as expected;

(ii) GCSE and ‘A’ Level results continue to compare favourably with benchmark authorities;

(iii) Robust performance indicators are used to identify areas for development of the service;

(iv) ICT strategy implemented to meet agreed targets;

(v) Early Years strategy implemented successfully and supported by private public partnership;

(vi) Review of primary curriculum completed;

(vii) Vocational options available for 14 – 16 year olds;

(viii) Quality performance framework developed for Highlands College;

Strategic Plan Priority: *6 and 12*

Objective 3: To encourage widespread participation in lifelong learning, sport, leisure and cultural activities

Success Criteria:

(i) Bid to host 2015 Island Games successful;

(ii) Individuals and teams successfully compete in regional, national and international competitions;

(iii) Increased participation and attendance at sport, leisure and cultural facilities;

(iv) Continue to encourage and support the pursuit of sporting excellence;

(v) Plans progressed to ensure long-term future of Fort Regent as a sports and leisure facility;

(vi) Development of local clubs and associations supported to increase participation;

(vii) Adult education programs at Highlands College maintained and extended to meet demand.

Strategic Plan Priority: *6, 7 and 12*

Objective 4: To develop programmes and initiatives designed to promote social inclusion and equal opportunity

Success Criteria:

(i) Support arrangements in place to help people with special needs secure appropriate employment;

(ii) New guidance on improving behaviour and managing suspensions implemented across all schools;

(iii) New management information system provides educational welfare officers with data to facilitate early intervention to reduce absenteeism and suspensions;

(iv) Curriculum development provides educational experiences that reduce disaffection;

(v) Support provided for individuals who do not speak English as a first language;

(vi) Implications of 2009 Review of Inclusion across schools considered and relevant recommendations implemented;

(vii) Increased opportunities for participation in community development programmes;

(viii) Arrangements in place to consult more widely with young people with regard to their needs and the services available to support them;

(ix) New childhood studies course introduced at Highlands College.

Strategic Plan Priority: *7, 8 and 9*

Objective 5: To provide targeted support to meet the needs of vulnerable children and families

Success Criteria:

(i) Early intervention programme in place to ensure the needs of vulnerable children and families are identified as early as possible;

(ii) School-based support for parents developed in partnership with the Parenting Service;

(iii) Strategic review group established to monitor consistency of approach in relation to child protection;

(iv) Tracking system in place to monitor outcomes for children who require additional support;

(v) E-safety policy to be in place by end of 2010;

(vi) Children and Young People's Plan developed with partner agencies;

(vii) Curriculum development provides educational experiences that reduce disaffection;

(viii) Targeted youth outreach work extended;

(ix) A youth mentoring network established in partnership with the Princes Trust and other youth agencies.

Strategic Plan Priority: *7, 8 and 9*

Objective 6: To promote the benefits of a healthy and active lifestyle

Success Criteria:

(i) Review of Physical Education in the primary phase completed and new arrangements to enhance provision in place;

(ii) Partnership with Health and Social Services Physiotherapy Department developed to facilitate joint work in sports centres;

(iii) Plans in place to enable ESC to respond appropriately in the event of a pandemic or similar emergencies;

(iv) Exercise Referral Scheme supported and extended to meet demand;

(v) Healthy Schools programme maintained and extended;

(vi) Safer Routes to School plan progressed as part of Transport strategy.

Strategic Plan Priority: *6, 9 and 11*

Objective 7: To continue the development of programs to raise environmental and social awareness

Success Criteria:

(i) Curriculum developed to provide greater focus on environmental and social issues;

(ii) Environmental Co-ordinator appointed;

(iii) Focused events such as Environment Week further developed;

(iv) Review of Personal Social and Health Education completed.

Strategic Plan Priority: *13*

Objective 8: To promote our unique culture and identity

Success Criteria:

(i) Improved focus on cultural activities across the Island;

(ii) Stronger partnership developed with Economic Development to promote culture and tourism activity;

(iii) Review of investment in Arts Trust and Jersey Heritage Trust completed;

(iv) Promotion of the Island's heritage, culture and arts maintained via partnership agreements with JHT and other bodies;

(v) Implementation of Cultural Strategy monitored and reviewed;

(vi) Local history, culture and the workings of Jersey's political system delivered through Personal, Social and Health education curriculum;

(vii) All States departments encouraged to consider the impact on heritage and opportunities for the development of the arts as part of their daily business;

(viii) Increased awareness of our historical and cultural heritage through the school and youth work curriculum.

Strategic Plan Priority: *15 and 16*

Objective 9: To manage staff and resources so as to improve performance and provide value for money

Success Criteria:

(i) Financial forecasting system in place;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions;

(iii) Internal control systems ensure adherence to financial directions;

(iv) Prioritisation across sections of the department ensures corporate objectives are resourced and achievable;

(v) Effective financial planning, monitoring and reporting evident across all sections of the department;

(vi) Annual review of demographics completed and implications for future services identified;

(vii) Review of funding arrangements for schools completed.

Strategic Plan Priority: *4*

HEALTH AND SOCIAL SERVICES

AIM:

Improve the health and social well being of the population of Jersey through the provision of high quality services.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: A redesigned health and social care system to deliver improved health and social well being for the Island community which will involve a far reaching programme of internal prioritisation of services.

Success criteria:

(i) 'New Directions' agreed by the States in 2010 and implementation commenced;

(ii) The Primary Care Law drafted by the end of 2010;

(iii) Development of the Population Data Base;

Strategic Plan Priority: *6 and 11*

Objective 2: Improved health and social care outcomes by reducing the incidence of mortality, disease and injury in the population.

Success criteria:

(i) Increased life expectancy at birth in Jersey for men from 77.9 to 78.6 years and maintain that for women at above 83.5 years (2010 targets 78.6 for males and 82.5 for females);

(ii) Reduced mortality rates:
- From heart disease, stroke and related diseases for people under 75 to be maintained below 85 per 100,000 (2010 target);
- From cancer in people under 75 to be maintained below 113 per 100,000 (2010 target);
- From suicide and undetermined injury to below 9.8 per 100,000 (target for 2010-2015) and identify causes of the current increase in rate .This 5 year target is designed to take into account the statistical variation caused by the small numbers occurring locally;

(iii) Continued reduction in the number of hospital acquired infections

(iv) Further reduced adult and child smoking rates (currently recorded as 20% for adults and 21% for 14-15 year olds) to 14 % for both adults and 14-15 year olds (2017 target);

(v) Controlled overweight and obesity rates for adults and children:
- Reduced overweight and obesity rates for 5 year olds from 30% to below 10% (2017 target);
- Halt the rise of overweight and obese adults (currently 44%);

(vi) Reduced alcohol consumption:
- Per capita from 15.4 litres (2005) to 9.1litres (2017 target);
- Continued reduction in numbers of young people (14-15 years) who drink heavily (10% in 2006);

(vii) Improvement in Vaccination Uptake Rates for:-
- Diphtheria- maintenance at above 97%
- MMR from 88% to above 90%;

(viii) Based on the clinical outcomes of category A calls, agree a strategy to improve ambulance response times to the island as a whole.

(ix) Produce an Air Quality Strategy

Strategic Plan Priority: *11*

Objective 3: Improved consumer experience of Health and Social Services.

Success criteria:

(i) Improved consumer experience of health and social services as measured by independently validated surveys; outcomes to match or exceed comparable UK data;

(ii) Minimised elective inpatient and outpatient waiting time to a maximum of 3 months.

Strategic Plan Priority: *11*

Objective 4: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with UK and other jurisdictions where appropriate;

(iii) Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;

(iv) Staff developed to help them achieve their full potential:
- Numbers of staff recorded as having received a formal annual appraisal to rise from 41% to 80%;

(v) Implementation of the Integrated Care Record Strategy:
- Replacement of current legacy systems

Strategic Plan Priority: *4 and 11*

Objective 5: The independence of adults needing health and social care thus enabling them to live a safe, full and as normal a life as possible, in their own home wherever feasible.

Success criteria:

(i) Increased percentage of adult social work service users receiving a statement of their needs; from 87% to 94%;

(ii) Increased Adult Social Work service users receiving a formal review as a percentage of those receiving a service maintaining the rate at above 70%;

(iii) Reduced number of patients aged 65 or over whose transfer from the hospital back to their home or community setting is delayed for non medical reasons. Current rate is 42.4 per 100,000 and target is 30 per 100,000;

(iv) Work with the Social Security Department in implementing a Carer's Strategy;

(v) A range of services provided- including traumatic stress counselling services- to enable victims and alleged victims of abuse to lead more empowered lives.

Strategic Plan Priority: *8 and 9*

Objective 6: The social development of children within the most appropriate environment to meet their needs.

Success criteria:

(i) Stability of placements for children under the care of the department;

(ii) Increased proportion of family placements for children in care; target for 2010 is 80%;

(iii) Minimised number of children registered during the year on the Child Protection Register who had been previously registered;

(iv) Minimised number of children de-registered who had been on the Register for longer than two years due to changed risk profile.

(v) Implement recommendations of the Williamson Review following the Scrutiny Review and endorsement by the States Assembly.

(vi) Undertake policy and legislation initiatives to progress compliance with the United Nations Convention for the Rights of the Child.

Strategic Plan Priority: *9*

HOME AFFAIRS

AIM

A safe, just and equitable society, thus improving people's quality of life.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: To secure the capacity and capability required to deliver and sustain effective services for the purpose of protecting the public and keeping our community safe

Success criteria:

(i) The maintenance of an adequate and efficient Police Force for the Island as prescribed by the Police Force (Jersey)Law, 1974, as amended.

(ii) The maintenance of an adequate and efficient Fire & Rescue Service for the Island as prescribed by the Fire Service (Jersey)Law, 1959

(iii) The maintenance of an adequate and Customs & Excise Service for the Island as prescribed by the Customs & Excise (Jersey) Law, 1999

(iv) The maintenance of an adequate and efficient Prison Service for the Island as prescribed by the Prison (Jersey) Law, 1957

Strategic Plan Priority: *2, 3 and 4*

Objective 2: To protect the public and keep our community safe by providing:

(a) a Police Service which will work in partnership to:
- uphold the law firmly and fairly
- prevent crime
- pursue and bring to justice those who break the law
- keep the Queen's Peace
- protect, help and reassure the community

(b) a Fire Service which will work in partnership to:
- eliminate preventable fire casualties
- reduce the effect of fire
- reduce emergency calls
- assist in safeguarding the environment,

(c) a Customs and Immigration Service which will work in partnership to:
- protect Jersey from the threat of illegal immigration and the movement of prohibited or restricted goods;
- prevent loss of government revenue from evasion of the Customs and Excise duties and Goods and Services Tax;
- honour the Island's external Customs, Immigration, Passport and Nationality obligations and, wherever practical, meeting the principals of free movement for people and goods.

(d) a Prison Service which will work in partnership to:
- keep in custody those persons committed to the Prison by the Courts in a safe, decent and healthy environment.
- reduce re-offending by providing constructive regimes for prison inmates, which address offending behaviour and improve educational and work skills.

Success criteria:

(i) Delivery of the performance targets set out in the States of Jersey Police Annual Policing Plan for 2010

(ii) Delivery of the performance targets set out in the States of Jersey Fire Service Annual Business Plan for 2010

(iii) Delivery of the performance targets set out in the States of Jersey Customs & Excise Annual Business Plan for 2010

(iv) Delivery of the performance targets set out in the Her Majesty's Prison La Moye Annual Business Plan for 2010

(v) Delivery of the performance targets set out in Building a Safer Society (2) 2010 - 2015

***Strategic Plan Priority:** 7*

Objective 3: To ensure effective development and delivery of partnership arrangements to:

- **ensure that the Island is as resilient as possible to threats to its security and way of life**
- **help people feel secure in their homes and local communities by driving down levels of crime, anti-social behaviour and disorder, vulnerability and harm**
- **support the efficient and effective delivery of justice**

Success criteria:

(i) BASS 2 agreed by the States including detailed success criteria

Strategic Plan Priority: 7

Objective 4: To maintain Jersey's Defence contribution to the United Kingdom

Success criteria:

(i) A Royal Engineer Squadron prepared to deliver individual reinforcements or a formed group to support UK Operations.

***Strategic Plan Priority:** 7*

Objective 5: To maintain and preserve a register of all births, marriages, adoptions and deaths in Jersey

Success criteria:

(i) A register of all births, marriages, adoptions and deaths in Jersey maintained

Strategic Plan *Priority:* 7

Objective 6: To ensure that staff and resources are managed so as to deliver high standards of performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions;

(iii) Management costs minimised to ensure maximum resources are directed to front line services;

(iv) Explicit link between budget prioritisation process and Strategic Plan Objectives demonstrated;

(v) Staff developed to help them achieve their full potential.

***Strategic Plan Priority:** 3 and 4*

HOUSING

AIM:

To ensure that long-term, sustainable and affordable housing is provided to meet the needs of all residents.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Management of the Department's stock, as a key component of an overarching asset management strategy

Success criteria:

(i) The stock managed so that:

a. plans remain on track for all States owned social rented properties to meet a new minimum 'Jersey Standard' for housing by 2016

b. the Department is able to increase and retain its income to ensure that it is self-sufficient and able to fully maintain, and refurbish the States owned social rented stock, well into the future

c. the housing portfolio (property types and numbers) is realigned to meet the changing needs of the community, particularly in relation to homes designed to meet the needs of an ageing population

d. the remaining non-core prime location properties outlined in the Property Plan are sold

e. social rented tenants continue to be assisted to become home owners with the help of a deferred payment scheme

Strategic Plan Priority: *14*

Objective 2: Supply and demand for property assessed so that there is an adequate supply of homes

Success criteria:

(i) The supply and demand for affordable homes monitored and reported regularly to the Planning and Environment Minister;

(ii) Strategies developed which are aimed at increasing the level of home ownership;

(iii) The Jersey Homebuy Gateway managed and further developed as the single access point for 'affordable' housing;

(iv) A new affordable housing task force developed, providing a forum for the development of new intermediate housing policy, reviewing demand and providing advice on residential land requirements

Strategic Plan Priority: *9 and 14*

Objective 3: A Fundamental Review of Social Housing (The Whitehead Review)

Success criteria:

(i) Recommendations brought forward for debate in relation to:

a. Changes to rent levels and structures, including a mechanism for regular rent reviews

b. Changes to the management and operation of the States owned social rental stock

c. Changes to facilitate the Implementation of a regulatory framework for all social housing providers

(ii) Define a new minimum ‘Jersey Standard’ for all social rented accommodation

Strategic Plan Priority: *3 and 14*

Objective 4: Excellent Relationship between the Department and its Tenants

Success criteria:

(i) Further develop communication with tenants so that they are increasingly involved with, and consulted about decisions which affect them; in particular the implementation of any States decisions arising from the consultation on the ‘Whitehead Review of Social Housing’;

(ii) The Tenants Forum further enhanced to ensure an increasing role in the development of Social Housing Policy and service delivery;

(iii) Service levels and customer satisfaction enhanced through the development of links with external partners.

Strategic Plan Priority: *8 and 9*

Objective 5: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved and total budget and spend profile consistent with forecast;

(ii) Costs of each defined service area and relevant overheads identified, so that meaningful comparisons can be made year to year and with other jurisdictions;

(iii) Value for money actively pursued, driving efficiency through the setting of individual and team performance targets which will be reviewed regularly by the continuation of robust performance management processes for all;

(iv) Clear link demonstrated between the budget prioritisation process and Strategic Plan Objectives;

(v) Continuous improvement achieved through Business Process Redesign (BPR) to ensure that processes are efficient, display value for money and deliver tangible benefit;

(vi) The full potential of Individuals and Teams achieved through continuous organisational and personal development in line with corporate objectives

Strategic Plan Priority: *3 and 4*

PLANNING AND ENVIRONMENT

AIM:

At Planning and Environment Department it is our job to look after the environment. This includes our sea, water, air, land and buildings. It also means working to ensure that Jersey has a thriving, sustainable community and economy.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Protect and enhance the natural and built environment

Success criteria:

(i) Introduce an integrated energy policy in order to secure an affordable and sustainable energy supply. Assess whether the Island's natural resources could be a future sustainable source of energy, for example tidal power.

Strategic Plan Priority: *3 and 13*

(ii) Work towards a low carbon economy including:
- Energy Policy to set energy and carbon reduction targets, including targets relating to States' activities
- strengthening building bye-law; giving priority to energy saving measures in refurbishment projects and setting carbon emission targets for all new buildings
- promoting Carbon Offset scheme
- developing best practice relating to reduction of greenhouse gas emissions from agriculture

Strategic Plan Priority: *10 and 13*

(iii) Implement or contribute to the delivery of initiatives that reduce waste, energy use, pollution and the effects of climate change including:
- ongoing delivery of Energy Efficiency Programme and Jersey Energy Trust*
- supporting development of an Air Quality Strategy*
- supporting development of a sustainable transport policy*
- initiating development of a Climate Change Adaptation and Mitigation strategy

Strategic Plan Priority: *1 and 13*

(iv) Deliver an effective environmental protection regime for the Island including: waste management regulation; protection of our water resources; regulation of dumping and building at sea.

Strategic Plan Priority: *13*

(v) Ensure the unique character of the Island's built and natural environment is maintained and enhanced including:
- protecting the historic built environment
- development, implementation and monitoring of planning policy framework, including Island Plan and associated supplementary guidance
- promoting high standards of architecture
- securing delivery of art in the built environment
- ongoing delivery of Coastal Zone Management Strategy
- support bio-diversity including monitoring of key habitats

Strategic Plan Priority: *13 and 16*

(vi) Support delivery of environmental education through the ECO-ACTIVE campaign.

Strategic Plan Priority: *13*

Objective 2: Support a strong, environmentally sustainable economy

Success criteria:

(i) Invest in environmental policies that have the potential for long-term cost savings including:
- investment in local energy efficiency services *
- explore opportunities for micro-generation of energy and bio-fuels

Strategic Plan Priority: *2*

(ii) Support diverse, modern and adaptable industries including:
- Rural Economy Strategy to support a vibrant, working countryside
- States Vet Service and Fisheries Management to support viable livestock farming, fishing and aquaculture industries that adhere to European Standards
- provision of essential meteorological services to airport, harbours, local industry and the public
- improved development control service to deliver faster decisions and increased permitted development rights
- development control service to support local industries where appropriate
- Island Plan to identity appropriate land to support diverse economy

Strategic Plan Priority: *2*

(iii) Deliver regulatory services that support industry best practice and create public confidence including:
- Waste management, exports and licensing
- Planning and building control
- Heritage protection and management
- Fisheries protection
- States Vet Service
- Water resources (inc. European Bathing Water Directive and Water Framework Directive)
- Pest and disease control

Strategic Plan Priority: *13*

(iv) Island Plan to facilitate and support long-term sustainable economic growth that does not diminish our natural capital including identifying appropriate land for affordable housing, tourism; commercial and industrial uses

Strategic Plan Priority: *2, 13 and 14*

(v) Devise policies to mitigate the effect of an increased population on the natural and built environment including:
- Island Plan to identify sufficient development sites without further rezoning of green areas and whilst protecting the historic environment
- Supplementary planning guidance and the development control policy to make innovative use of urban areas through regeneration
- deliver Energy policy and initiating development of a Climate Change Adaptation and Mitigation strategy

Strategic Plan Priority: *5 and 13*

Objective 3: Deliver policies and services that respond to public need and which protect the environment

Success criteria:

(i) Ensure Island Plan secures provision of affordable housing on large developments and ensure that unit mix and tenure types meet prevailing demand

Strategic Plan Priority: *13 and14*

(ii) Protect society from the impact of plant and animal diseases and ensure high standards of animal health and welfare including delivery of notifiable animal diseases contingency plans and associated vaccination programmes

Strategic Plan Priority: *5 and 7*

(iii) Use planning and building policies to protect the public and supporting their wellbeing including:
- supporting assessment of risks and hazards relating to infrastructure and other development
- maintaining health and safety standards for building users
- ensuring access for people with disabilities
- supporting "Designing out crime"
- ensuring the design of the built environment facilitates health lifestyles
- ensuring public rights of way and access to the countryside

Strategic Plan Priority: *7 and 11*

(iv) Support maintenance and development of the Island's infrastructure including:
- planning policy and gain to provide for associated infrastructure needs arising from new development
- legislation and regulation to ensure operators deliver best practice and spend on appropriate mitigation and prevention works

Strategic Plan Priority: *10*

Objective 4: Manage resources and deliver effective, efficient services

Success criteria:

(i) Deliver departmental IT strategy which results in business efficiency including:
- Maximising use of web
- Reviewing management of Jersey Map and geo-spatial information
- Maximising integration and use of existing business systems

Strategic Plan Priority: *3*

(ii) Deliver services in accordance with Department's Customer Charter

Strategic Plan Priority: *3*

(iii) Provide and review options for future provision of a local weather services to meet the needs of the Channel Islands communities

Strategic Plan Priority: *4*

(iv) Management costs optimised to ensure maximum resources are directed to essential services and strategic plan priorities

Strategic Plan Priority: *3*

(v) Review fees on an annual basis to ensure user pays levels are achieved

Strategic Plan Priority: *3*

(vi) Staff developed and managed to help them achieve their full potential

Strategic Plan Priority: *3*

(vii) Ensure all appropriate control frameworks are in place for example business continuity and risk management

Strategic Plan Priority: *3*

*subject to securing funding

SOCIAL SECURITY

AIM

Help people to achieve and maintain financial independence and provide social benefits to protect those unable to support themselves

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Support people to achieve and maintain an acceptable standard of living.

Success criteria:

(i) Maintain and administer existing contributory benefits;

(ii) Maintain and administer the Income Support scheme;

(iii) Commence a full review of Income Support, in conjunction with an analysis of the initial results of the Income Distribution Survey;

(iv) Implement an improved communication strategy in respect of Income Support;

(v) Maintain systems of support, to facilitate individuals in returning to, or remaining in, work;

(vi) Implement approved actions designed to constrain the cost of supplementation;

(vii) Commence consultation on and develop proposals for possible changes to the Social Insurance Scheme, including:

a. The system of funding for social insurance;

b. Assessment methods used in Incapacity benefits

(viii) Contribute to the implementation of the Health & Social Services Healthcare Strategy including an affordable and sustainable approach to primary healthcare;

(ix) In accordance with the Social Policy Framework, work with other departments and voluntary organisations to establish pathways to ensure that individuals are able to access all relevant assistance and improve information flows between departments to enable this.

Strategic Plan Priority: *1, 4, 8 and 11*

Objective 2: Provide opportunities for higher skills and better employment.

Success criteria:

(i) In conjunction with other agencies, provide specialist support for adults and young people with special employment needs that might have difficulty entering the workplace;

(ii) As part of the Skills Executive, provide appropriate facilities and careers advice for adults and young people wishing to improve their job skills and employment opportunities;

(iii) As part of the Skills Executive, deliver appropriate training schemes funded by the economic stimulus package (if approved).

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

Objective 3: Help employers and employees to work well together for their mutual benefit and the economy of the island

Success criteria:

(i) Promote good employment practice and relations;

(ii) Continue to implement statutory insolvency scheme, redundancy and TUPE legislation, and publish relevant guidance and codes of practice;

(iii) Prepare legislation for the first stage of maternity and parental leave, flexible working and family friendly legislation;

(iv) Gain approval for and implement the proposals for the replacement of Health & Safety legislation affecting the construction industry.

Strategic Plan Priority: *1 and 8*

Objective 4: Plan for an ageing population

Success criteria:

(i) Commence consultation on and develop proposals for possible changes to pension provision within the Social Insurance Scheme;

(ii) Work towards the implementation of a long term care funding scheme, including appropriate opportunities for care to be provided in the community ;

(iii) As part of the Skills Executive, provide appropriate support to enable those wishing to work beyond retirement age the opportunity to do so.

Strategic Plan Priority: *4, 6 and 9*

Objective 5: Deliver benefits and high quality services, now and in the future.

Success criteria:

(i) Take active steps to deter and detect fraud and abuse within the benefits system;

(ii) Maintain an efficient and cost effective benefit administration;

(iii) Maintain a customer based focus within the organisation;

(iv) Manage the Social Security Fund and the Health Insurance Fund to a high standard;

(v) Contribute to the planning and implementation of a name and address register.

Strategic Plan Priority: *3, 5, 6 and 8*

TRANSPORT AND TECHNICAL SERVICES

AIM

The aim of the Transport and Technical Services Department is to;

- **ensure minimum impact of waste on the environment**
- **develop on-Island travel networks which meet the needs of the community**
- **provide attractive and well maintained public amenities and infrastructure**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Improvement in solid waste management and recycling processes

Success criteria:

(i) Maintain reliability of existing EFW plant to handle the Island's waste whilst new plant is being constructed;

(ii) Construction of new Energy from Waste plant maintained according to programme;

(iii) Long term sustainable funding route for solid waste identified;

(iv) The most harmful elements of the waste stream (e.g. TVs, electrical goods, end of life vehicles) segregated for recycling; subject to the approval of Environmental Taxes by the States;

(v) Improvement to La Collette composting facilities completed by Q3, 2010;

(vi) Improved recycling system to expand recycling and composting to levels defined in the Solid Waste Strategy Model, subject to Environmental Taxes;

(vii) Measured increase in levels of community awareness of recycling through Jersey Annual Social Survey, subject to funding.

Strategic Plan Priority: *10 and 13.*

Objective 2: Liquid waste treated and disposed of in a manner that minimises the impact on the environment

Success criteria:

(i) Approval of Liquid Waste Strategy gained and the implementation plan prepared by Q4 2010;

(ii) Identify long term sustainable funding route for liquid waste to ensure proper support for the provision of the service;

(iii) Reduce the amount of waste treatment required by undertaking as many surface water separation projects as budgets will allow;

(iv) Effluent quality maintained or improved;

(v) Energy Audit undertaken for Liquid Waste system to optimise energy usage.

States Strategic Priority: *10 and 13.*

Objective 3: The highway network maintained to maximise the lifespan of highways and associated infrastructure

Success criteria:

(i) Long term sustainable funding route identified in order to maintain minimum standards;

(ii) Best use is made of the funds available through the allocation of budget prioritised against condition assessment;

(iii) Disruption to the travelling public affected by road works minimised through liaison with utility companies and careful management of traffic arrangements.

States Strategic Priority: *10.*

Objective 4: Sustainable on-Island transport for Jersey

Success criteria:

(i) Policy approved by the States by Q1 2010;

(ii) Funding mechanisms for the Policy approved by the States.

States Strategic Priority: *13.*

Objective 5: The integrity of the Island's sea defences is maintained

Success criteria:

(i) Sea defences not breached;

(ii) Scheduled implementation of the Sea Defence Strategy;

(iii) Continual review of climate change predictions to inform the Sea Defence Strategy.

States Strategic Priority: *10.*

Objective 6: **Well maintained public places and amenities**

Success criteria:

(i) Positive public feedback on cleanliness of municipal areas;

(ii) Investigate methods to improve income generation;

(iii) Customer satisfaction with facilities.

States Strategic Priority: *13.*

Objective 7: Road users are safe and comply with legislation

Success criteria:

(i) Proportion of vehicles in road checks being issued with defect notices is reducing;

(ii) Proportion of vehicles in road checks with invalid documentation is reducing.

States Strategic Priority: *7.*

Objective 8: The States and industry supported through the provision of specialist services for the benefit of the Island

Success criteria:

(i) Animal carcass incinerator that meets regulatory standards;

(ii) Abattoir that meets regulatory standards;

(iii) Successful implementation of the recommendations made in the abattoir and animal by products service review completed in 2009.

States Strategic Priority: *2 and 10.*

Objective 9: Staff and resources managed so as to improve performance and provide value for money.

Success criteria:

(i) Financial balance achieved;

(ii) Explicit link between budget prioritisation process and Strategic Plan objectives demonstrated;

(iii) Staff developed to help them achieve their full potential.

(iv) Business improvement projects undertaken to ensure that processes are efficient, display value for money, are customer focussed and deliver tangible benefit.

Strategic Plan Priority: *2.*

TREASURY AND RESOURCES

AIM

The aim of the Treasury and Resources Department is to support the delivery of the States' strategic objectives by maintaining sustainable public finances, providing effective financial advice and managing States assets.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Develop and Implement Financial and Fiscal Policies

Success criteria:

(i) A Fiscal Policy delivering:
- balanced budgets over the economic cycle
- a fiscal stimuli programme as necessary
- measures to maintain low levels of inflation
- sustainable taxes and charges

(ii) Effective management of fiscal stimulus programme

(iii) Develop and implement financial policies to support the delivery of department objectives

(iv) Develop and implement a policy on States borrowing and lending.

Strategic Plan Priority: *1, 2, 3, 4 and 11*

Objective 2: Efficient and Effective Tax Collection

Success criteria:

(i) Assessment and collection of income tax and goods and services tax;

(ii) Compliance with Jersey's international tax agreements;

(iii) Implementation of the 0/10% corporate tax regime and all related provisions;

Strategic Plan Priority: *2 and 4*

Objective 3: **Effective financial management.**

Success criteria:

(i) Improved internal and external financial reporting;

(ii) Maintain and develop a robust financial control and assurance framework across the States;

(iii) Financial planning taking account of the financial consequences of agreed policies, capital developments and planned legislation;

(iv) Financial assessment of major policy developments

(v) Implementation of Generally Accepted Accounting Principles (GAAP) based accounts and budgets

(vi) Provision of information and advice to enable informed decision making demonstrable value for money

(vii) Clear financial targets developed by which performance can be monitored and developed;

Strategic Plan Priority: 3, 4, 10 and 15

Objective 4: Effective Management of States Assets

Success Criteria:

(i) Maximised return on cash and investments within agreed investment strategies.

(ii) More active shareholder role in respect of States owned companies, delivering improved governance and financial performance from companies

(iii) Effective monitoring, management and reporting on States investments

(iv) Maintain and develop governance arrangements to facilitate improvement in value for money and performance in respect of States trading departments, States companies, and States funds.

Strategic Plan Priority: *3 and 4*

Objective 5: Efficient and Effective Financial Processing Services

Success criteria:

(i) Pay States suppliers in accordance with agreed terms, conditions and policies

(ii) Pay States employees in accordance with agreed terms and conditions

(iii) Collection of States income charged for the provision of goods and services

(iv) Effective management of the island's currency

(v) Provision of services to support the administration of PECRS and Teachers pension schemes

(vi) Effective and efficient provision of a range of processing and back-office support services

Strategic Plan Priority: *4*

Objective 6: A single corporate procurement function across the States.

Success criteria:

(i) The implementation of a procurement strategy

(ii) A procurement plan to deliver cash and efficiency savings across the States focussing on large corporate initiatives that will deliver maximum benefit to the States;

(iii) Educate to improve procurement skills at departmental and operational level;

(iv) Support the implementation of e sourcing system and supplier portal across all departments;

(v) Implement effective strategies, polices and procedures to support a corporate approach to the procurement of goods, services and works;

(vi) Implement planning and performance management criteria in respect of the States' procurement activities;

(vii) Promulgate best practice with regard to supplier management and work with Economic Development to develop capacity of local suppliers.

Strategic Plan Priority: *3 and 4*

Jersey Property Holdings

AIM

The aim of Jersey Property Holdings is to:

> **Provide well maintained, safe, legislatively compliant and financially sustainable property to meet all States Departments' administrative and operational accommodation requirements in order to support the continued delivery of high standards of service to the public.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: A disposal programme which reduces the States' Property Portfolio to a size which is affordable and efficient, and releases capital proceeds for investment in addition to sites suitable for Housing development.

Success criteria:

(i) Improved asset utilization and reduced property operating costs;

(ii) The concentration of States' administration into fewer geographic locations and the development of new working environments which support more collaborative and efficient ways of working;

(iii) The release of surplus or high alternative use value properties to provide funds to support capital investment, with a strong focus on progressing sites which may be developed for social rented or private sector housing.

Strategic plan Priority*: 3, 4 and 14*

Objective 2: Addressing under funding of maintenance and capital works

Success criteria:

(i) A significant reduction in "backlog" maintenance which has resulted from structural under-funding of property maintenance over a number of years, through the introduction of remedial works in a phased and prioritised programme plan;

(ii) The instigation of a series of capital projects to replace assets which have deteriorated beyond reasonable repair, funded from proceeds generated by the disposal of property over and above that required to meet agreed capital proceeds targets;

(iii) Capital projects commenced and completed on time and within budget.

Strategic plan Priority: *10 and 13*

Objective 3: Development and maintenance of a five year rolling Portfolio Plan

Success criteria:

(i) The consolidation of all property survey information, asset valuations and legal commitments in a single database;

(ii) The identification of all future investment activity in a single comprehensive Integrated Property System.

Strategic plan Priority: *3 and 10*

Objective 4: Continued development of the Jersey Property Holdings organisation

Success criteria:

(i) The introduction of a "charging mechanism" to recover the full cost of property from occupying Departments, including a notional rent for freehold and all leasehold premises;

(ii) The installation of a single comprehensive Integrated Property System to replace the existing three separate systems;

(iii) The introduction of new financial directions, policies and procedures to clarify all internal and external operating procedures for property transactions and utilisation;

(iv) The completion of Health and Safety and supplier management training for all appropriate personnel;

(v) The development of service level agreements for all property users in conjunction with lease agreements, including customer satisfaction indices.

Strategic plan Priority: *3 and 4*

JERSEY AIRPORT

AIM:

The aim of Jersey Airport is to provide an Airport that strives to meet:

- **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 comparable UK and European regional airports;**
- **the expectations of airlines in handling their aircraft and passengers in a safe and secure environment.**

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Grow passenger numbers by increasing the network of destinations between Jersey, the UK and Europe while sustaining existing air services.

Success criteria:

(i) Sustain existing services and destinations;

(ii) Maintain passenger levels and numbers of routes at 2009 levels;

(iii) Grow number of destinations by up to one new destination per year;

(iv) Three new European destinations by end 2011.

Strategic Plan Priority: *2, 4 and 10*

Objective 2: Reduce the reliance on aeronautical revenue by increasing yield from non-aeronautical sources and increasing commercial development activity.

Success criteria:

(i) Increase percentage of Airport revenue contributions from non-aeronautical sources by 30 percent by end 2011

Strategic Plan Priority: *2, 4 and 10*

Objective 3: In partnership with France and the United Kingdom, continue to provide air traffic services within the Channel islands Control Zone (CICZ) on a commercially sustainable basis.

Success criteria:

(i) Maintain Single European Sky (SES) certification;

(ii) Achieve efficiency savings by May 2010;

(iii) Deliver new air traffic centre by June 2010;

(iv) Successfully negotiate, before end of 2011, new MoU between France and UK to enable continuation of CICZ operations.

Strategic Plan Priority: *2, 4 and 10*

Objective 4: Improve operational and commercial efficiency through restructuring the organisation with no detrimental impacts on staff terms and conditions, and no compulsory redundancies.

Success criteria:

(i) Achieve efficiency improvements (Phase 2) by June 2010

Strategic Plan Priority: *3 and 4*

Objective 5: Invest in the personal and professional development of staff.

Success criteria:

(i) Implement PRA system across organisation (to the extent possible);

(ii) Departmental training programs implemented.

Strategic Plan Priority: *12*

Objective 6: Ensure Jersey Airport is prominent in states of Jersey strategies and that the airport remains a strategic asset to the island.

Success criteria:

(i) Jersey Airport featured in EDD and broader States strategies;

(ii) Demonstrated joined-up responses to airline market development opportunities (in line with Objective 1 above);

(iii) Two briefings conducted annually for selected States members and relevant chief officers.

Strategic Plan Priority: *2, 4 and 10*

Objective 7: Implement best practice policies that meet safety, security, environment and corporate governance requirements.

Success criteria:

(i) All relevant departments compliant with safety and security measures of the day;

(ii) No critical anomalies reported as a result of independent audits;

(iii) Compliance with States corporate governance and accounting standards including Risk Management;

(iv) Safety Management Systems (SMS) and Quality Management Systems (QMS) policies and procedures implemented and proven.

Strategic Plan Priority: *3, 7, 10 and 13*

JERSEY HARBOURS

AIM

As a Trading Operation, Jersey Harbours is charged with the administration, management, operation, financing, development and maintenance of the harbours of Jersey and their associated facilities.

Our aim is to provide modern port, marina and coastguard services and facilities with guaranteed long term viability

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: To keep the port open and safe, protecting the long-term interests of end-users of the services and facilities

Success criteria:

(i) Compliance with the Port Marine Safety Code, and security and other maritime legislation;

(ii) Reviewed Organisational Risk Register that also demonstrates effective contingency and crisis management;

(iii) To maintain, so far as is viable, an open port, berths and associated facilities;

(iv) Quality operational management that secures the asset base to ensure long term viability and an open and safe port;

(v) Repositioning and public awareness of the role of the Coastguard;

(vi) Ensure port master-planning meets the long term needs of the Trading Operation and designated port operational area.

Strategic Plan Priority: *2 and 10*

Objective 2: To satisfy all current and prospective demands for commercial and community services and facilities to meet the needs of all customers

Success criteria:

(i) Reviewed tariff structure in line with the commercial objectives and economic criteria, with appropriate and balanced tariffs;

(ii) To increase the number of boats, berths and associated ancillary businesses and develop associated facilities in direct support of the marine leisure industry;

(iii) Customer user groups for each business segment to enable constant consultation and co-ordination, adding value to all services;

(iv) Alignment with the UK Coastguard through audits and benchmarking;

(v) Develop and train staff skills to UK Coastguard and Vessel Traffic Services standards.

Strategic Plan Priority: *2, 3 and 10*

Objective 3: To maintain robust financial management to achieve self sufficiency, and positively contribute to Jersey's economic development

Success criteria:

(i) Established effective governance, leadership structure and accountability with EDD and Treasury ensuring commercial separation, economic partnership and operating effectiveness;

(ii) Clear financial management plans indicating long-term view on sustainability and funding;

(iii) Development and prioritisation of existing and new business streams and infrastructure, encouraging new enterprise with innovation and entrepreneurship;

(iv) Funding review of Coastguard and other community functions with agreed policies.

Strategic Plan Priority: *2, 3 and 10*

Objective 4: To promote competition, efficiency, economy and effectiveness in commercial activities connected with port and shipping services

Success criteria:

(i) Port of Jersey – to provide a gateway for the Island for visitors and local residents travelling by sea, and freight imported and exported, and ensure sufficient surplus to allow strategic long term investment and a return to the States Of Jersey, meeting stakeholder expectations;

(ii) Jersey Marinas – to provide profitable marine leisure facilities and services, and to support local ancillary industries so that Jersey is positioned as a top Northern European marine leisure destination;

(iii) Jersey Coastguard - Keeping the Island's territorial waters open, safe and clean, meeting our international obligations offering a value for money service to government.

Strategic Plan Priority: *2, 3 and 10*

STATES ASSEMBLY AND ITS SERVICES

AIM

The States Assembly budget is held under the responsibility of the Privileges and Procedures Committee and its aim is to enable the States Assembly to operate effectively as Jersey's legislature, to facilitate the work of all panels and committees of the Assembly and to fund members' remuneration, interparliamentary exchanges and the support services provided by the States Greffe.

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: States Assembly able to operate effectively

Success criteria:

(i) Assembly able to meet on a regular basis according to agreed schedule of States meetings;

(ii) All official publications published and provided to members in accordance with statutory timescales;

(iii) States Chamber and other facilities for States members provided and maintained to agreed standards;

(iv) States members' remuneration paid in accordance with the recommendations of the States Members Remuneration Review Body;

(v) Active and effective participation by States members in inter-parliamentary bodies (CPA, APF, BIPA, Commission Amicale)

Objective 2: Effective and efficient scrutiny function

Success criteria:

(i) Scrutiny panels and the PAC undertake reviews that hold the Executive to account and that influence policy in a positive way;

(ii) Chairmen's Committee oversees scrutiny resources and provides appropriate co-ordination of the scrutiny function;

(iii) Public engagement with the scrutiny function is enhanced and public understanding of the work of the panels is increased;

(iv) Effective support service provided to panels by the Scrutiny Office.

Objective 3: Government and electoral reform progressed

Success criteria:

(i) States of Jersey Law 2005 and Standing Orders of the States of Jersey kept under review and appropriate amendments brought forward if necessary;

(ii) Reform of the composition of the States progressed in line with any States decisions on this issue;

(iii) Public Elections (Jersey) Law 2002 reviewed and amendments brought forward as appropriate

Objective 4: Public kept well-informed about the work of the Assembly

Success criteria:

(i) Public information services provided by the States Greffe enhanced;

(ii) Active co-operation with the citizenship programme being brought forward by the Education, Sport and Culture Department;

(iii) States Assembly website upgraded and integrated gov.je website.

Objective 5: Effective and efficient administrative support provided to the Assembly, its members, its committees and panels and a number of other bodies by the States Greffe

Success criteria:

(i) Timely and accurate advice provided to all members as required;

(ii) Official Report (‘Hansard’) available according to agreed timescales;

(iii) Efficient service provided to Council of Ministers and other bodies served by Clerks Secretariat;

(iv) All official records maintained in an accurate and secure manner;

(v) Complaints submitted to States of Jersey Complaints Panel processed according to statutory requirements;

PART TWO

FINANCE AND RESOURCES

3. FINANCIAL FORECAST 2009 – 2014

3.1 Background

Since the production of the Budget 2009 in October 2008 there has been a significant change in the local and global economic outlook. At that time it was recognised that although low levels of economic growth were projected, contributing to small but manageable deficits, the majority of risks to States income were on the downside and that the financial position could worsen considerably.

This Business Plan is based on the forecasts of States income and the effect of the downturn prepared for the Strategic Plan and Fiscal Stimulus proposals. The expenditure forecasts are revised to reflect the latest information for 2009 and the proposals in the Business Plan for 2010 onwards.

The analysis of financial forecasts for income and expenditure completed in support of the Fiscal Stimulus proposals and the States Strategic Plan identified that larger deficits are likely for future years, compared to the previously balanced position from the 2009 Budget.

It is against this background of larger deficits in the short term and the risk of a longer term structural deficit that the Strategic Plan and this Business Plan have been prepared.

3.2 Analysis of Financial Forecast

Economic Analysis

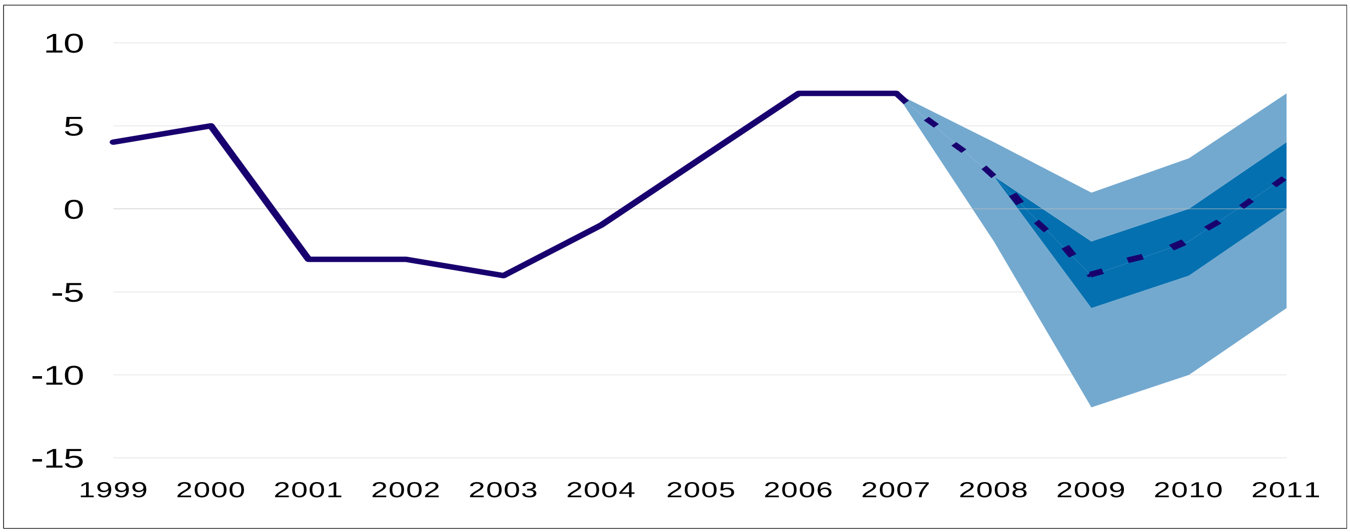
Work was carried out early this year to forecast the potential impact of the downturn on States income and expenditure.

This was informed by the substantial analysis carried out by the States Economics Unit to produce revised economic assumptions. A range of outcomes were provided by the Economics Unit across all the economic assumptions which were then applied to the models used to forecast the different components of States income.

The principle economic assumption developed was the range of economic growth, measured by movements in Gross Value Added (GVA), and forecast to decline by between -2% to -6% in 2009 and between 0% and -4% in 2010. Similar assumptions were also provided in relation to resulting trends in average earnings, interest rates, house prices and income support.

The range of percentage change in real GVA is shown in Figure 3.1. This shows a wide range of possible outcomes around a core central forecast. It is within this core range of forecast -2% to -6% GVA for 2009 that the financial forecasts and the economic downturn assessments have been made.

Figure 3.1 Graph of economic forecast of % change in real GVA



Income Tax forecasts

To support the revised forecasts a substantial analysis of the past relationships between various economic factors and the levels of income tax revenues was also carried out to identify trends which could improve the current income tax forecasting methodology.

It should be noted that there are a number of additional factors in this downturn, as opposed to that experienced in the early 1990's and 2000-2004, not least the major uncertainty of the nature of any recovery in the global economy but also the additional impact of extraordinarily low interest rates. These factors may mean that past relationships are not an accurate guide to future performance. As a result these forecasts have to be treated with caution and with the caveat that they are best estimates based on the information available. However, all this work and the assumptions which have been developed have been vetted by the income tax forecasting group before being used to produce the data for the latest forecasts.

The projections for income tax receipts over the period show falls in tax on both investment income and company profits. However, the analysis and past trends show that tax on earnings should remain more robust through the downturn.

The retrospective income tax regime on the Island means that there will be a time lag before these factors translate into reduced revenues. The downturn in investment income and company profits expected in 2009 and 2010 will not affect tax revenues until 2010 and 2011. This means that the financial position is not materially affected by a fall in income tax forecasts for 2009.

Finally, the forecasts have also had to consider the impact on the previous estimates of the change to a 0/10 corporate tax structure which will be first seen in 2010.

What is apparent is that there will be a significant reduction in income tax revenues, in addition to that already forecast for the move to a 0/10 corporate tax structure. The reduction is estimated in the central range at between £30 million and £45 million p.a. in the period 2010 to 2012 with perhaps a slow recovery in future years unless the local and global economies rebound more sharply than expected.

Further work on the income tax forecasts will be completed to inform the Budget 2010 and will include information on current year (2009) tax assessments, the financial institutions survey, the latest GVA data for 2008 and updates on global economic assumptions.

Other States Income

The effect of a recession on goods and service tax (GST) and Impôts duties is less direct than with income tax, as both are based on consumer demand and many of these commodities will still be required. While past trends in GST are not available, analysis of UK VAT receipts suggests these have remained fairly constant during times of past economic downturn. Similarly, an analysis of the trend of Impôts duty revenues over a twelve year period showed little correlation with GVA movements. As the year progresses actual data will provide evidence of any variation to forecast and will be included in the Budget 2010 forecasts.

Stamp duty revenues have fallen as a result of the weaker housing market. A fall in volume was already evident in the second half of 2008 and this was reflected in a significant reduction of some £10 million - £12 million in the forward forecasts included in the 2009 Budget. This reduced activity has continued into 2009 and the assumption is for a slower recovery during 2010. The house price index showed a quarterly fall in December and although this recovered somewhat in the first quarter of 2009, the economic assumptions are for a fall in house prices over the next two years which will also contribute to reduced stamp duty revenues over the forecast period.

The States will also see a significantly reduced return from its cash balances in 2009 and 2010 as a result of the impact of forecast deficits and the current projections for much lower interest rate levels over the next two years. The assumptions provided by the States investment advisers have been used to improve the immediate forecasts and in the medium term the Bank of England forecasts are used.

States expenditure

In September 2008 the States approved additional expenditure of £3.4 million for targeted benefits from 2009 to assist those on low to middle incomes affected by the significant rise in food and fuel prices. This was approved after the 2009 Business Plan and is included in this year's proposals.

The spending limits proposed in this Business Plan include estimates of the principal effects on expenditure which are to address increased unemployment during the economic downturn. Consequently, provision is being made and approval proposed for additional expenditure for income support of £9 million for 2010 based on current projections. This proposal reflects the principle approved in P55/2009 Fiscal Stimulus and is in addition to the spending limits for 2010 agreed in principle in the 2009 Business Plan.

Following the approval of P55/2009 an increase in expenditure of £44 million was also approved for the discretionary fiscal stimulus projects and this approval is included in the revised forecast for expenditure in 2009 at Figure 2.3, although the expenditure will actually take place across 2009 to 2011.

The revised estimate for expenditure in 2009 also takes account of the additional expenditure proposals for 2009 and the potential savings of £3.5 million from the proposed pay freeze from June 2009. The additional expenditure proposals amount to £11.6 million and include the further costs of the historic child abuse enquiry (HCAE), the cost of the reciprocal health agreement with the UK, the outcomes of the Williamson review and higher income support costs as a result of the economic downturn in 2009. It should be noted that the costs relating to the HCAE do not include any claims or the costs of a formal enquiry for which at this stage no funding is set aside.

With the exception of these States approved expenditure propositions, the expenditure forecasts are consistent with the spending limits approved in the 2009 Business Plan.

The expenditure forecasts present an improved presentation of the analysis of revenue and capital expenditure in line with Generally Accepted Accounting Principles (GAAP) definitions. This means that expenditure previously classified as capital expenditure is now more properly shown as revenue, e.g. ICT expenditure. There is no change in the total expenditure but the improved definition has resulted in a transfer of £11.7 million from capital to revenue expenditure.

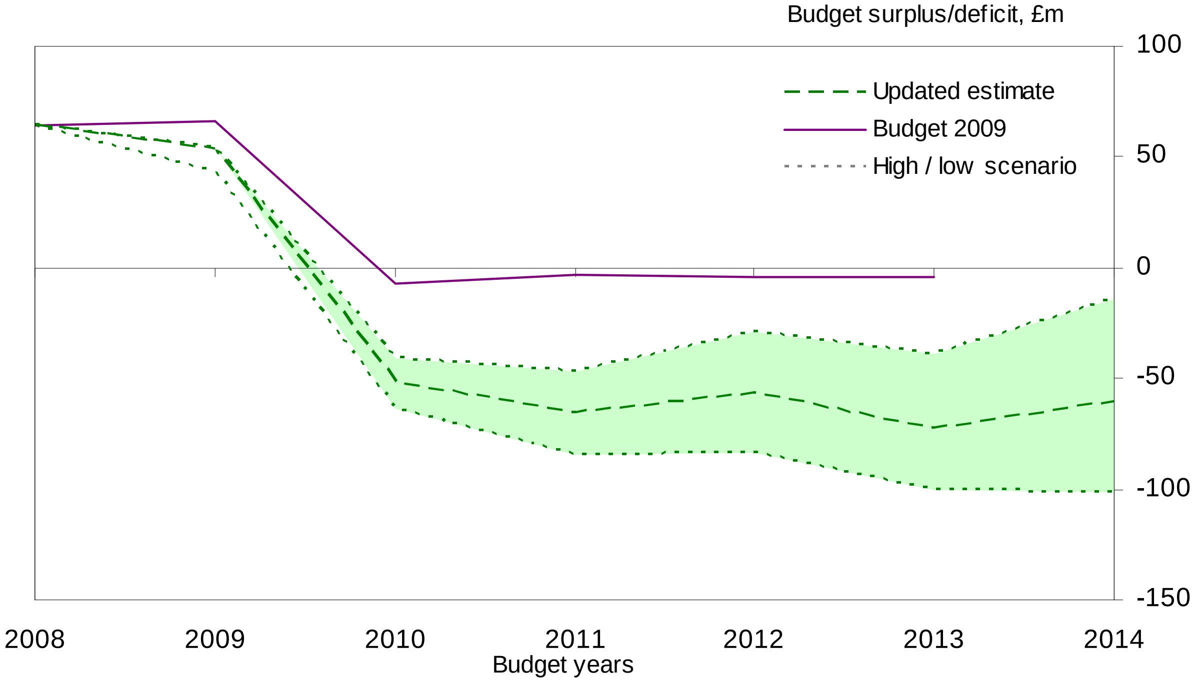
The forecasts of expenditure beyond 2012 are indicative and in the event that the potential structural deficit materialises and is significant, then levels of expenditure and income would have to be reviewed. Further work is planned in preparation for the 2011 Business Plan to develop a more robust three-year planning framework.

3.3 Summary

The revised financial forecast is presented at a time of unprecedented global economic and financial uncertainty. Figure 3.3 shows the Budget 2009 forecasts updated for the central range forecast from the extensive work on automatic stabilisers representing the estimated effect of the economic downturn plus the effect of the various spending propositions approved by the States. This work informed the Fiscal Stimulus proposition P55/2009 and these forecasts of States income are consistent with that work.

The forecasts must also be viewed in the light of the considerable range of potential impacts of the economic downturn as presented in the graph at Figure 3.2.

Figure 3.2
The graph shows a comparison with the forecast financial position from the Budget 2009



With this level of uncertainty and the advice of the Fiscal Policy Panel that risks remain on the downside then the States must continue to work within the existing financial framework agreed in the Strategic Plan. This will involve constraining spending to the level of the current proposals and beginning work now to prepare a strategy to address the potential challenge of a structural deficit in the medium-term. It is unrealistic to think that spending measures alone would address the level of structural deficit predicted so the strategy must include the consideration of new or increased taxes and charges in the medium-term if we are to return to balanced budgets.

Figure 3.3 - Revised Financial Forecast (June 2009)

Probable 2009 £m		2010 £m	2011 £m	2012 £m
		<------------	Forecasts	----------->
	States Income			
490	Income Tax	**500**	525	550
(12)	0/10% Corporate Tax Structure	**(80)**	(88)	(96)
50	Goods and Services Tax	**51**	53	54
49	Impôts Duty	**49**	48	48
-	Proposed Environment Tax	**2**	2	2
20	Stamp Duty	**20**	21	21
-	Land Transaction Tax (Share Transfer)	**1**	1	1
41	Other Income	**42**	40	38
11	Island Rate	**11**	11	11
649	**States Income**	**596**	613	629
	States Expenditure			
559	Net Revenue Expenditure	**585**	609	618
38	Net Capital Expenditure Allocation	**21**	21	19
597	**Total States Net Expenditure**	**606**	630	637
52	**Forecast Surplus/(Deficit) for the year**	**(10)**	**(17)**	**(8)**
44	Fiscal Stimulus Package	**-**	-	-
8	**Forecast Surplus/(Deficit) for the year**	**(10)**	**(17)**	**(8)**
	Economic downturn adjustment			
(10)	**Central scenario**	**(41)**	**(53)**	**(48)**
	Forecast Surplus/(Deficit) for the year			
(2)	**Central scenario**	**(51)**	**(70)**	**(56)**

Assumptions:

There are a number of assumptions behind the financial forecasts in Figure 3.3.

Income Tax

- *The base income tax forecasts are those from the Budget 2009 which draw from the 2008 tax assessments for earnings and profits in 2007and the forecast economic assumptions at that time.*
- *The impact of the change to a corporate structure 0/10% has been reassessed in line with changes to corporate tax forecasts and has increased to a range of £99 million to £116 million between 2009 and 2013, and the mid-point of this range at £108 million is included in these forecasts.*
- *The estimated range of impact of the economic downturn is then factored into the adjustments to the forecast surplus/deficit for either an optimistic, central or pessimistic outcome.*
- *The scale of the income tax economic downturn adjustment within the central range forecast is from £30 million in 2010 to £40 million in 2012.*

Goods and Services Tax

- *The Budget forecast was based on the figures from the 2008 returns and once an analysis of the first full year's returns has been completed a revised forecast will be available for 2010 Budget.*
- *There is only a small economic downturn adjustment for GST, based primarily on the UK experience of stable VAT receipts during economic downturn.*

Impôts Duty

- *The impacts of the 2009 budget proposals are included in the forecast.*
- *The forward forecasts reflect the predicted trends in consumption, which include a drop off for some goods, but also include an assumption that there would be annual increases in duty at a level equivalent to the Island RPI.*
- *The forecasts differ slightly from the Budget 2009, with the assumption that a reduced level of Environmental Tax will be proposed in the Budget 2010 and introduced during 2010.*
- *There is no economic downturn adjustment for Impôts duties.*

Stamp Duty

- *The forecasts in the Budget 2009 reflected the reduced activity seen in 2008 and assumed this would continue in 2009 and that recovery in the housing market both in price and activity would be slow due to some shortage in bank lending for mortgages.*
- *As a result the level of the economic downturn adjustment is reduced because many of the factors are already taken into account in the base forecasts.*
- *The estimated impact of the 2009 budget proposals to further increase the discounts to first-time buyers are included and the decision to defer the introduction of the new Land Transactions Tax to 2010.*

Other Income

- *Within the forecasts, there are some components of other income that may increase and some components that may decrease, so a cautious appraisal is made.*
- *At the time of the Budget 2009 the assumption was that small overall budget deficits would be maintained and that interest rates would not fall as significantly as they have. The result of much lower interest rates and larger budget deficits is that a fairly significant economic downturn adjustment has been included for investment income.*

Island Rate

- *The Island Rate will increase annually according to the Island RPI (March) as prescribed in the Rates Law and the proposed rate is reported annually to the States by the Comité de Connétables.*
- *There is no economic downturn adjustment for Island Rates.*

Total States Net Expenditure

- *The forecasts for total States net expenditure have been updated for the proposals in this Business Plan but remain consistent with the spending levels agreed in the 2009 Business Plan and Budget.*
- *The forecasts include the £3.5 million additional expenditure allocation for environmental initiatives but at only at the level agreed in 2009 and they also include the approval of P138/2008 for targeted benefits from 2009 to assist those on low to middle incomes affected by the significant rise in food and fuel prices.*
- *The forecasts include £11.7 million of transfers between capital and revenue to reflect proper accounting treatment under GAAP which differ from those agreed in the 2009 Business Plan.*
- *The proposals assume that the proposed pay freeze for June 2009 is implemented and also include in 2009 the additional expenditure proposals for Williamson, Reciprocal Health and HCAE for example.*
- *The revenue expenditure includes the approval of £9 million of additional expenditure for the automatic stabilisers for social security benefits relating to predicted increases in unemployment and so there is no separate adjustment for this within the economic downturn figures.*

Net Capital Expenditure Allocation

- *The allocations reflect the fact that the EFW plant has been wholly funded in 2008 and allocations were reduced in future years to reflect this in the Business Plan 2009.*
- *The capital allocations for 2010 – 2014 have been prioritised and profiled over the five years which differs from the presentation last year and also reflects the £11.7 million of transfers between capital and revenue.*

Fiscal Stimulus Package

- *The approval of P55/2009 for £44 million spending approval for the Minister for Treasury and Resources to allocate for Fiscal Stimulus is included and will be matched by an equivalent transfer from the Stabilisation Fund.*
- *While the spending approval by the States for £44 million is made in 2009 the actual profile of the spend will take place over a longer period, although the focus is on projects which are timely in their spend and impact*

Revised Forecast Surplus/(Deficit)

- *The figures should be thought of as indicative forecasts and are only as accurate as the assumptions they are based on. The deficits resulting from the range of economic downturn adjustments reflect the uncertainty that currently exists.*

Economic Downturn Adjustment

- *The economic downturn adjustments are those used in support of the Fiscal Stimulus proposals as no significant new information to update the economic assumptions is available.*
- *The range of economic downturn adjustments are illustrated in Figure 3.2 and are principally driven by the variations within the income tax forecasts but the other components include Stamp Duty, Investment Income and GST. The central downturn adjustments for expenditure are included in the revised base forecasts.*
- *The central economic downturn adjustment is used to illustrate the potential effect on the financial position to 2012 in Figure 3.3*

Stabilisation Fund

- *The Stabilisation Fund of £156 million is available to fund the targeted discretionary stimulus of £44 million in 2009 and also to fund the deficits in 2010 and 2011.*

Contingency plan

- *A Contingency plan will be needed to address the projected deficits beyond 2011. The Council is intending to develop a plan over the next 12 months.*

4. REVENUE EXPENDITURE ALLOCATIONS 2010

The Council of Ministers is proposing revenue expenditure allocations consistent with the spending limits approved in principle in the Annual Business Plan 2009 and which incorporate the priorities from the Strategic Plan review and from the subsequent business planning process this year.

4.1 Annual Business Plan 2009

The States approved amendments to the 2009 Business Plan which resulted in increases in expenditure of 5.3% in 2009 and then in principle by 3.1% in 2010 and 3.3% in 2011. These “in principle” cash limits for departments for 2010 and 2011 and the overall expenditure limits agreed for 2012 and 2013 have provided the financial targets within which the new Council have worked to produce cash limits for the 2010 Business Plan.

4.2 Strategic Plan 2009-2014

The States approved the Strategic Plan in June this year which included a financial framework consistent with the spending limits approved in the 2009 Business Plan. The Strategic Plan also included key resource principles which stated that any new spending priorities would have to be matched by equivalent savings, service reductions or additional income.

As part of the Strategic Plan process a number of spending priorities were identified and also some unexpected and fairly significant spending pressures, particularly in relation to the UK Reciprocal Health Agreement, the outcomes of the Williamson Review and the further ongoing costs of the Historic Child Abuse Enquiry.

4.3 2010 Business Plan process

The challenge for the business planning process that followed was to agree with Ministers the profile of the spending priorities over the next three years that could be delivered. This required equivalent savings, service reductions and additional income to be identified and for Ministers to be comfortable with the impact that these would have on the level, quality and value for money of public services.

A series of workshops during May and June have taken place to consider the various proposals and their impacts which have been identified and proposed by departments. The process has also revisited the spending priorities from the Strategic Plan process to assess whether the costs can be reduced or if the initiatives can be delivered or addressed in a different way.

At its meeting of 25 June the Council agreed the departments’ cash limits for 2010 and indicative figures for 2011 and 2012 to be included in the Business Plan and these are shown in Summary Table C and in detail in the individual department pages in the Annex to the draft Annual Business Plan.

A summary of the variations from the 2009 to 2010 cash limit is shown at Figure 4.1.

The increases in net revenue expenditure from that approved in 2009 to the proposals for 2010 is 7.9%. This increase is made up of:

- £3.5 million for targeted benefits from P138/2008 for targeted benefits to assist those on low to middle affected by the significant rise in food and fuel prices;
- £9 million for automatic stabilisers for social security benefits relating to predicted increases in unemployment during the economic downturn;
- £11.7 million of transfers from capital to revenue to reflect proper accounting treatment under GAAP which differ from those agreed in the 2009 Business Plan.

Excluding these adjustments the increase in expenditure of £18.4 million or 3.4% is consistent with the increase approved in the 2009 Business Plan.

Figure 4.1 Net revenue expenditure movements from 2009 to 2010

Department	2009 Cash Limit as amended £'000	Variation[1] to 2009 Business Plan £'000	2009 Cash Limit Revised £'000	2010 Variation to Cash Limits: Commitments[2] In Base £'000	Pay[3] Provision £'000	Non Staff[4] Provision £'000	Benefit[5] Uprating £'000	Technical[6] Adjustments & States Decisions £'000	Growth[7] £'000	Savings[8] £'000	Service[9] Transfers £'000	Capital[10] to Revenue £'000	2010 Cash Limit Proposed £'000
Chief Minister	**15,843.7**	**(155.4)**	**15,688.3**	188.6	266.9	39.5	-	0.0	211.4	(702.5)	205.0	4,500.0	**20,397.2**
Economic Development	**16,422.6**	**(44.8)**	**16,377.8**	(11.9)	62.8	313.4	-	0.0	11.9	(894.0)	19.9	-	**15,879.9**
Education, Sport and Culture	**98,512.6**	**(976.9)**	**97,535.7**	856.2	1,373.1	336.4	-	0.0	110.8	(1,011.6)	315.9	-	**99,516.5**
Health and Social Services	**153,599.9**	**(1,268.5)**	**152,331.4**	3,081.8	2,078.4	708.0	-	0.0	9,760.0	(1,388.0)	(103.9)	835.0	**167,302.7**
Home Affairs	**45,586.7**	**(418.4)**	**45,168.3**	(32.8)	611.9	191.3	-	0.0	787.8	(633.2)	63.8	(90.0)	**46,067.1**
Housing	**(22,362.2)**	**(31.9)**	**(22,394.1)**	(16.2)	44.6	(632.3)	-	0.0	16.2	(110.1)	(194.9)	-	**(23,286.8)**
Planning and Environment	**7,141.1**	**(77.4)**	**7,063.7**	970.6	108.4	10.6	-	(1,000.0)	5.1	(364.0)	30.0	-	**6,824.4**
Social Security	**157,066.1**	**(500.3)**	**156,565.8**	(5,058.7)	33.1	198.6	6,432.2	12,541.0	4,765.0	(3,675.0)	(203.3)	-	**171,598.7**
Transport and Technical Services	**23,704.9**	**(229.7)**	**23,475.2**	710.4	321.9	94.2	-	948.0	17.0	(383.1)	(1.0)	2,427.0	**27,609.6**
Treasury and Resources	**17,353.5**	**(145.6)**	**17,207.9**	987.5	200.2	146.0	-	0.0	1,612.5	(1,104.8)	(135.0)	4,000.0	**22,914.3**
Non Ministerial States Funded Bodies													
- Bailiff's Chamber	**1,252.9**	**(9.8)**	**1,243.1**	(0.9)	13.7	10.1	-	0.0	0.9	(10.7)	3.5	-	**1,259.7**
- Law Officers' Department	**5,911.8**	**(30.1)**	**5,881.7**	225.7	57.4	70.1	-	0.0	4.3	(49.4)	-	-	**6,189.8**
- Judicial Greffe	**3,967.8**	**(26.7)**	**3,941.1**	(2.9)	37.7	40.8	-	0.0	2.9	(37.2)	-	-	**3,982.4**
- Viscount's Department	**1,424.8**	**(12.9)**	**1,411.9**	(1.0)	18.0	7.7	-	0.0	1.0	(15.3)	-	-	**1,422.3**
- Official Analyst	**599.1**	**(4.8)**	**594.3**	(0.4)	6.8	4.4	-	0.0	0.4	(5.3)	-	-	**600.2**
- Office of the Lieutenant Governor	**743.0**	**(7.1)**	**735.9**	(0.5)	10.0	3.2	-	0.0	0.5	(6.4)	-	-	**742.7**
- Office of the Dean of Jersey	**22.2**	**0.0**	**22.2**	0.0	0.0	2.5	-	0.0	-	(0.2)	-	-	**24.5**
- Data Protection Commission	**224.5**	**(2.5)**	**222.0**	(0.2)	3.5	0.1	-	0.0	0.2	(2.5)	-	-	**223.1**
- Probation Department	**1,544.0**	**(15.4)**	**1,528.6**	58.9	21.8	6.0	-	0.0	1.1	(12.5)	-	-	**1,603.9**
- Comptroller and Auditor General	**728.6**	**(1.1)**	**727.5**	(0.5)	1.6	15.8	-	0.0	0.5	(5.9)	-	-	**739.0**
States Assembly and its Services	**5,203.5**	**(18.3)**	**5,185.2**	(3.8)	25.6	69.4	-	0.0	3.8	(142.5)	-	-	**5,137.7**
Grant to the Overseas Aid Commission	**7,731.2**	**0.0**	**7,731.2**	193.3	0.0	193.3	-	0.0	-	(62.8)	-	-	**8,055.0**
	0.0	**0.0**	**-**										**-**
Total States Net Revenue Expenditure	**542,222.3**	**(3,977.6)**	**538,244.7**	**2,143.2**	**5,297.4**	**1,829.1**	**6,432.2**	**12,489.0**	**17,313.3**	**(10,617.0)**	**0.0**	**11,672.0**	**584,803.9**
Interest and Repayment on Capital debt			**43,720.0**										**34,500.0**
Total States Net Expenditure			**581,964.7**	**2,143.2**	**5,297.4**	**1,829.1**	**6,432.2**	**12,489.0**	**17,313.3**	**(10,617.0)**	**0.0**	**11,672.0**	**619,303.9**

Notes to Figure 4.1

1. *The variation to the 2009 Business Plan includes the Council's proposal for a pay freeze for the June 2009 pay award. Together with savings from the revised benefit provision this requires the 2009 cash limit to be restated with a saving of almost £4 million, see Figure 4.7.*
2. *There are a number of commitments in base cash limits resulting from growth and savings agreed in previous resource allocation processes. These include the 2009 Business Plan amendments with phased reductions for Income Support Transitional Relief and Supplementation and increases for Health 2% growth and Early Years, see Figure 4.3.*
3. *The pay provision only reflects the cost of the June 2010 pay award, which is in line with the latest inflation assumptions resulting in a provision of 2.8%, this being the assumption for March 2010 RPI.*
4. *The provision for non staff inflation is set at 2.5% in line with the States anti inflation target for RPI(x)*
5. *The provision for uprating of income support, other benefits and annual supplementation is shown separately from non-staff inflation as it is based on a different set of assumptions, see Section 4.8*
6. *The various technical adjustments and States decisions are explained at Section 4.9 and 4.10*
7. *The growth figures represent the spending priorities and pressures proposed by the Council of Ministers from the strategic and business planning process, the detail of which can be found in Figure 4.4*
8. *The savings figures represent the proposals identified by the Council of Ministers to offset the increased spending. The various proposals are summarised in Section 4.7*
9. *Within year transfers of funding and/or services are identified by departments as part of their annual business plan review and these will be reflected in the department pages in the supporting Annex to the Business Plan*
10. *Departments have then been asked to examine their capital allocations and determine whether all the projects fit the GAAP definition of capital. Where these projects better fit the definition of revenue expenditure then transfers have then been made to be approved as revenue expenditure within the department's cash limit. A schedule of the proposed transfers is included at Figure 7.2*
11. *For the purpose of the total expenditure allocations the repayment of internal capital debt will be approved as part of the allocation to the Treasury and Resources department to enable the repayment back to the Consolidated Fund. This is neutral in overall terms and excluded from the financial forecasts.*
12. *Further details of the changes in Departments' expenditure allocations between 2009 and 2010 are provided in the supporting Annex to the draft Annual Business Plan 2010.*

4.4 Reconciliation to 2009 Business Plan

As discussed in detail above the Council's objective as stated and approved in the draft Strategic Plan has been to propose a 2010 Business Plan consistent with the spending limits approved in last year's plan.

This has been achieved by balancing any growth in spending with equivalent savings or additional revenue. In some instances additional income has been identified which is not due to an individual department but due to the States general revenues thus whilst cash limits have increased the overall financial position of the States has not changed. This has particularly been the case with certain "Invest to Save" initiatives which allows service expenditure to increase to generate additional States revenues.

A reconciliation to the 2009 Business Plan spending limits is shown in Figure 4.2

Figure 4.2 Reconciliation to 2009 Business Plan

	2010 £m	2010 £m
Cash Limit from 2009 Business Plan		**559.0**
States decisions		
P138/2008 Funding for targeted benefits to assist those on low to middle incomes affected by the significant rise in food and fuel prices	3.5	
P55/2009 Funding for Income Support automatic stabilisers	9.0	
		12.5
Technical adjustments (section 4.10)		
Transfer of Car Park return from T&TS to General Revenues		1.7
Reduce Environment spend to 2009 approved level		(1.7)
Capital to Revenue transfers		11.7
Cash Limit from 2009 Business Plan (as adjusted)		**583.2**
CoM Proposals		
Growth proposed by CoM (Section 4.6)		17.3
Savings proposed by departments and agreed by CoM (Section 4.7)	(6.6)	
Pro rata savings	(4.0)	
Pay and Benefit provision savings	(6.7)	
Total Savings proposed by CoM		(17.3)
Adjust for CAG Savings already in base cash limits		1.6
Proposed Cash Limit draft Business Plan 2010		**584.8**
Variation to 2009 Business Plan (as adjusted)		**1.6**
Offset by Other Savings:		
Additional General Revenues from "Invest to Save" initiatives		(1.6)

The "Other Savings" are made up of various additional income that will be generated for General Revenues by the new staff proposed, made up of: additional income tax from further tax investigations; additional income from strategic investments and the utilities and an increased return from Jersey Car Parks.

4.5 Commitments in base cash limits

The cash limits approved in the 2009 Business Plan included certain commitments to spending which were agreed in previous resource allocation processes or are underlying principles, such as the real growth in Health and Social Services, the provision for annual increases in the Overseas Aid contribution, Early Year's education etc. The commitments can be permanent or for a period of time. Where they are one-off or time limited a profile of reducing funding will be seen in Figure 4.3, e.g. Income Support Transitional Relief.

These commitments and principles were reviewed and confirmed by the Council and are detailed at Figure 4.3.

Figure 4.3 Commitments in 2009 Business Plan cash limits

Dept	Description	2010 £'000	2011 £'000	2012 £'000
CMD	Census	200	300	300
ESC	Increased Early Years provision	927	1,032	972
H&SS	2% Real growth in Health funding	3,082	6,429	9,917
P&E	Environmental spend - Energy Efficiency	976	1,426	1,514
SS	Income Support Transitional Relief and Winter Fuel Allowance	(2,222)	(3,247)	(4,970)
	Provision for Residential Care increases	1,500	1,500	1,500
	Supplementation - remove 2009 increase	(4,347)	(4,347)	(4,347)
	Jersey Employment Trust (JET)	10	10	10
T&R	Contingency provision for future service pressures	1,000	1,000	1,000
	Town Park - lost parking revenues	-	341	341
T&TS	Town Park costs	-	341	341
	Environmental spend - Transport and Recycling	727	1,433	1,370
Non Min	Probation Family Welfare Court Resources	60	60	60
	Increased funding for Law Officers	230	230	230
O Aid	Increase in Overseas Aid	193	599	1,025
All	Department Savings for Overseas Aid Contributions	(193)	(599)	(1,025)
		2,143	**6,508**	**8,238**

4.6 Spending priorities

The development of the new Strategic Plan identified a large number of spending priorities and together with a number of significant and unavoidable service pressures, this has presented the Council of Ministers with a very challenging business planning process. Figure 4.4 shows the increases in spending which were prioritised against the available savings and service reductions to allow net expenditure to remain consistent with the limits agreed in last year's Business Plan.

Figure 4.4 Growth - Cumulative spending priorities and pressures

Dept	Description	2010 £'000	2011 £'000	2012 £'000
	Service pressures and priorities			
CMD	PECRS adjustment to pre 1987 debt provision	200	200	200
ESC	Skateboard Park ongoing maintenance	40	40	40
H&SS	Support to vulnerable children (Williamson)	2,800	3,000	3,300
	Reciprocal Health Agreement with UK	3,500	3,500	3,500
	UK placement of vulnerable children	800	800	800
	Health Base funding pressures	800	800	800
	HCAE Legal costs	900	420	130
	Building a Safer Society (Health), previously DTCF funded	375	375	375
	HCAE Psychological support etc	500	500	500
	Les Amis incl Residential Care from Social Security	85	85	85
HA	Building a Safer Society (Home Affairs), previously DTCF funded	125	125	125
	Prison Officers paid meal breaks	560	560	560
	Sex Offenders Legislation - additional costs	70	70	70
SS	Supplementation - reinstatement of 2009 increase	4,500	4,500	4,500
	Income Support - Residential Care costs	265	415	565
	Increase Social Inclusion and Reduce Social Deprivation	-	1,000	1,000
T&TS	Bellozanne Infrastructure Maintenance	-	200	500
	Highways and Sea Defences Maintenance	-	-	1,800
T&R	Fiscal Policy Panel funding	60	60	60
	GAAP/Tax Strategist/TIEA Accountant/Head of Fin Mgt	500	500	600
T&R(PH)	Property Maintenance Stuctural Underfunding	750	2,000	3,000
All	Remove department savings for Overseas Aid contribution	193	193	193
	Self Funding - Invest to Save			
T&R	Income Tax investigators	130	120	120
	Strategic Investments posts	160	160	160
		17,313	**19,623**	**22,983**

4.7 Savings proposals

The Council of Ministers has identified a significant level of savings amounting to £17.3 million in 2010, which are summarised in this section, and have been required to balance the level of spending priorities and pressures which the Council is proposing within the cash limits.

The £17.3 million of savings comprises:	£m
• Savings identified by departments	6.0
• Corporate savings across departments	0.5
• Savings from CAG proposals	0.1
• Pro-rata savings requirement	4.0
• Pay and benefit savings	6.7
Savings identified	17.3

The Council is therefore proposing £17.3 million from savings to match the growth of £17.3 million.

Savings identified by departments

Alongside the development of spending proposals departments were asked to identify opportunities for equivalent savings or service reductions. All departments submitted proposals to a series of Corporate

Management Board (CMB) and Council of Ministers workshops and these were considered in terms of political acceptability and practical delivery.

A summary of the savings identified by departments and proposed by Ministers is shown at Figure 4.5

Figure 4.5 Savings - proposals identified

Dept	Saving Proposals	2010 £000	2011 £000	2012 £000
CMD	Policy Division - further savings	-	50	100
EDD	Tourism Marketing PPP	250	500	1,000
	Business Enterprise PPP	-	-	650
	Rural Economy rationalise grants and services	-	-	450
	Development of Routes (EDD)	500	500	500
	Rural Economy rationalise grants and services	-	-	300
ESC	Higher Education - Fairer system for all	70	360	540
	Sports and Leisure Division savings	30	70	100
H&SS	GP Co-op out of hours service	-	100	100
	Access criteria for Dental Service (user pays)		100	100
	Air Ambulance	-	70	70
HA	Superintendent Registrar	-	-	100
	Discrimination Legislation	250	150	150
HSG	Management of Maintenance Services	-	20	120
	Payment by Direct Debit	-	30	60
	Fair Rent Review	-	-	1,000
P&E	Increase in Building and Development Control Fees	50	100	250
	Reduction in Grant Schemes and Visitor Centres	200	250	300
SS	Management of Benefit Fraud	-	500	500
T&TS	Public Services - Efficiencies	-	200	750
	Introduction of Green waste charges	60	60	60
		1,410	3,060	7,200
Further Savings				
SS	Supplementation (Annualise States contribution)	3,600	3,600	3,600
T&R	Remove Contingency provision	1,000	1,000	1,000
		4,600	4,600	4,600
Corporate Savings				
CMD	Energy Consumption	50	100	100
	Joint Fraud Office	230	470	470
	HR Policies	200	500	800
		480	1,070	1,370
CAG Savings				
ESC	Reduce Fee Paying Provided Schools budget	-	80	160
	Secondary Education - demographics	-	-	250
H&SS	Equitable charging policies in A&E	-	-	75
	HR Management	-	30	100
HA	Commercial Inspections	-	-	50
P&E	General Efficiency savings	25	25	25
SS	Payment Mechanisms	-	-	12
T&R	Payment Mechanisms	-	-	15
SA	Scrutiny Panels	100	100	100
		125	235	787
Pro-rata savings				
All	Pro-rata	4,002	4,002	4,002
Total Savings Identified by CoM		**10,617**	**12,967**	**17,959**

The proposed change to Supplementation to provide an annual States contribution to the Social Security Fund is included in the annual uprating adjustment from 2011.

Corporate savings

Included in the Strategic Plan is a programme of public sector reform to deliver savings across the public service. Work has begun, led by the Deputy Chief Executive and involving chief officers, to identify opportunities to deliver savings and service reductions in the period 2010-2012 and also in the longer term. To date some £0.5 million of savings are identified for 2010 increasing to £1.4m by 2012. In the early years the focus is on energy efficiency, human resources and transport policies and these savings are allocated to Chief Ministers' department in the first instance, before allocations can be agreed to individual departments.

CAG proposals

Separately the proposals from the CAG spending review were considered and in summary about a third of the proposals can be delivered or indeed are already in place, a third required fairly difficult political decisions and the final third are not considered deliverable by departments and their chief officers.

The Council's proposals in the 2009 Business Plan included a target of £1.6 million for 2010 and a further £1.5 million in 2011 of the CAG proposals in the base cash limits.

Following the detailed analysis by departments and consideration by the Council it is clear that the target of £3.1 million will not be delivered by 2011. The current plan identifies £1.2 million to be delivered in the three years considered in detail from 2010 to 2012, including £0.4 million of additional general revenues and in addition to £0.5 million already being delivered. This results in a shortfall against the original target. The Council is due to present a report to the States on the proposals arising from the CAG review.

As a result of the work on savings which identified the £6.6 million of savings in Figure 4.5, and the £6.7 million of savings to be achieved from a pay freeze, the spending proposals still exceeded the limits set in the 2009 Business Plan by about £4 million. The Council at its workshop of 11 June decided that it must propose an equivalent level of savings to the spending proposals and therefore determined that a pro-rata reduction for the remaining £4 million savings would be required.

Pro-rata cuts

The pro-rata reduction of £4 million is based on the 2009 gross expenditure of departments, but excluding social benefits and supplementation. The Council were provided with the potential impact of a range of service reductions from each department before taking this decision. The exact nature of these savings will be for departments to identify in their detailed business plan submissions.

Figure 4.6 Pro-rata cuts

Department	**2010 £000**
Chief Minister	139.0
Grant to the Overseas Aid Commission	62.8
Economic Development	144.0
Education, Sport and Culture	911.6
Health and Social Services	1,388.0
Home Affairs	383.2
Housing	110.1
Planning and Environment	89.0
Social Security	75.0
Transport and Technical Services	323.1
Treasury and Resources	188.3
Non Ministerial States Funded Bodies	187.9
	4,002.0

In total the savings and service reductions which will impact on cash limits amount to £10.6 million, with a further £6.7 million from the proposed June 09 pay freeze (see Figure 4.7).

Other savings outside cash limits

During the business plan process other savings and initiatives have been identified which do not directly affect cash limits but which benefit the States financial position as a whole. These are included as part of the proposals to the States. They include some "invest to save" initiatives which involve employing additional staff to increase or improve States revenues by improving investment income, reducing benefit fraud and addressing fraudulent or inaccurately returned income tax. In these instances the Council has deemed that it is reasonable to allow these increases in spending and cash limits to generate the additional income that will be achieved.

4.8 Revised pay and benefit provisions

Provision for Annual Pay Awards

The original provision in the 2009 Business Plan, based around March 2008 RPI and inflation assumptions, was for a 2% pay award from 1 June 2009 with 2.5% provided for future years.

At its meeting of 23 April 2009 the Council recommended that the States Employment Board pursue a policy of a zero per cent increase in the overall budget for public sector pay for the period 2009 – 2010 inclusive. In order to afford the States Assembly an opportunity to endorse this policy, the Council agreed to present a proposition P78/2009 with the effect of returning to the Consolidated Fund the 2% provision for 2009. The 2010 draft Business Plan includes the proposed pay freeze for June 09 and estimated awards in line with inflation of 2.8% for June 2010 and 2.5% for all future years. The effect is an estimated saving of £5.6 million in 2010 as illustrated in Figure 4.7.

Uprating of Income Support, Benefits and Supplementation

The appropriate provisions for increases to social benefits and supplementation have also been recalculated based on the latest economic assumptions for RPI and average earnings which use the March 2009 RPI. The revised figure of £6.4 million for 2010 represents a savings of £1.1 million on the provision estimated in the 2009 Business Plan.

The total savings realised from the revised pay and benefit provision are shown in Figure 4.7.

Figure 4.7 Revised pay and benefit provisions

	2009 £'000	**2010 £'000**	**2011 £'000**	**2012 £'000**
June 09 Award @ 0% v 2%	(3.5)	(6.2)	(6.3)	(6.4)
June 10 Award @ 2.8% v 2.5%		0.6	1.0	1.0
Total Pay variations	**(3.5)**	**(5.6)**	**(5.3)**	**(5.4)**
Benefits uprating	0.0	(0.2)	(0.5)	(0.9)
Supplementation uprating	(0.5)	(0.9)	(1.8)	(1.9)
Total Benefits uprating	**(0.5)**	**(1.1)**	**(2.3)**	**(2.8)**
Net Saving	**(4.0)**	**(6.7)**	**(7.6)**	**(8.2)**

A new formula for the uprating of the States contribution to the Social Security Fund will be proposed this year and will fix the contribution for one year in advance. The 2010 proposed contribution is based on the 2008 actual supplementation uprated for average earnings and will not be varied during the year. Forecasts for future years' adjustments also apply the proposed new formula.

Non staff inflation
The provision for non-staff costs of £1.8 million in 2010 is based on the States inflation target for RPI(x) of 2.5% per annum and departments are required to work within this provision and prioritise the allocation as appropriate.

4.9 Service transfers

Each year as part of their business plan review departments identify a number of changes to services and their delivery. This often means that the responsibility and budget for a service or part thereof needs to change from one department to another. The service transfers proposed for 2010 are summarised in Figure 4.1 and detailed in each departments' presentation within the Annex to this Business Plan.

4.10 Technical adjustments
In addition to the spending and savings proposals there are a number of technical adjustments included in the proposed cash limits. These are included to improve the treatment and presentation of certain items:

- The level of environmental spend, which is dependent on a new environment tax or taxes, has been reduced to the level of the 2009 proposals, from £3.7 million to £2 million. This is on the basis that only a low level environmental tax would be introduced during 2010. This reduces the cash limits of the Transport and Technical Services and Planning and Environment departments by £1.752 million in 2010.
- The financial return from the Jersey Car Parking Trading Account is currently recorded as income to the Transport and Technical Services department whereas other trading returns are credited to the general revenues of the States. The Jersey Car Parking expected financial return of some £1.7 million is therefore being transferred from the department to the General Revenues of the States. This will increase the cash limits of the Transport and Technical Services department by £1.7 million from 2010.

4.11 States Decisions
Since the 2009 Business Plan was approved there have been two significant propositions resulting in increases in States expenditure:

- In September 2008 P138/2008 from Deputy Le Fondré was approved by the States and increased the net revenue expenditure of the Social Security department and the States by some £3.4 million in 2009. As this was approved after the 2009 Business Plan debate this sum needs to be added to the spending limits for 2010 and approved at an uprated value of £3.541 million
- The report to P55/2009 Fiscal Stimulus identified that the expenditure of the Social Security department was likely to increase as unemployment increases with the recession and that this form of "automatic stabiliser" should be appropriately funded from the Stabilisation Fund. The Social Security department expenditure budget is forecast to increase by £9 million in 2010 with an equivalent transfer provided from the Stabilisation Fund. Similar additional funding of £11 million and £8 million are estimated to be required in 2011 and 2012 respectively, based on assumed unemployment numbers.

4.12 Capital to Revenue Transfers

These technical adjustments, as a part of the improvements towards a GAAP presentation of the Business Plan, represent a more appropriate definition of revenue and capital expenditure this year. In simple terms this means that certain items of expenditure amounting to £11.7 million in 2010, which have traditionally been approved as capital expenditure in the capital programme, will be transferred and presented for approval in the department's revenue expenditure cash limits. A good example is large elements of the current IS/IT capital programme (over £4million) which is actually made up of expenditure which is more appropriately defined as revenue. This will reduce the Chief Minister's capital programme but increase the revenue cash limit by a similar amount so there would be no overall effect on total States spending.

A schedule of the capital to revenue transfers is included at Section 7 Figure 7.2

4.13 Allocations for Non Ministerial States Funded Bodies

In accordance with Article 8 of the Public Finances (Jersey) Law 2005 the Council of Ministers has proposed 2010 expenditure allocations to each of the Non Ministerial States funded bodies. The proposed allocations are identical to the principles by which the Ministerial department allocations were calculated.

The Council of Ministers proposed allocations are included in Figure 4.1 and in the Summary Table A in Part Three of the report. Under the Finance Law the Council of Ministers is required to inform the States that all Non Ministerial States Funded Bodies have accepted the proposed allocations and submitted business plans accordingly.

4.14 Allocations for the States Assembly and its services

In accordance with Article 10 of the Public Finances (Jersey) Law 2005 the Council of Ministers has proposed a 2010 expenditure allocation for the States Assembly and its services to the Privileges and Procedures Committee (PPC). The proposed allocation was in line with the financial framework in the States Strategic Plan and included the proposed £100,000 savings in respect of opportunities for savings identified by the CAG's spending review in respect of Scrutiny and also a share of the additional pro-rata savings required by all departments in order to adhere to the agreed spending limits.

The Council of Ministers is required to propose to the States the expenditure allocation requested by PPC and can inform the States that this proposed allocation is in line with that proposed by the Council of Ministers. The Minister would wish to thank the Chair of PPC and the Committee for their co-operation.

4.15 Allocations for the Overseas Aid Commission

The allocation to the Overseas Aid Commission budget is based on an annual increase of 5% and this has been used as a planning assumption until such time as any specific proposition is brought to introduce a new allocation. The budget currently appears as a grant from the Chief Minister's department, solely for the purpose of the expenditure allocations, as it has not yet been established as a States funded body under the Finance Law.

4.16 States Trading Operations

The Public Finances (Jersey) Law 2005, Part 4, makes provision for the States to run trading operations.

The Economic Development department includes two trading operations:
- Jersey Airport and
- Jersey Harbours.

The Transport and Technical Services department includes two trading operations:
- Jersey Car Parking and
- Jersey Fleet Management.

The Finance Law requires that the income and expenditure accounts of these trading operations are laid before the States for approval within the draft Annual Business Plan together with any financial return required by the States.

This year, as part of the Business Plan, a number of improvements have been made to the presentation of States trading operations, in preparation for GAAP. These are mainly within the Annex to the main report bringing them upto the same level of detail and information as the States departments. The main impact on the proposals is transferring the financial return of Jersey Car Parking from the income of Transport and Technical Services department to General Revenues alongside all other returns from States trading operations and States investments. This is detailed at Section 4.10.

The finances of these trading operations are included in Part Three of the report in Summary Table B page 95 and the details of their activities are included in the Annex to the draft Annual Business Plan. An improved presentation to include the details prepared by all non-trading departments is included in the Annex for information.

For each trading operation the Treasurer, on behalf of the Minister for Treasury and Resources, has negotiated the financial return or other arrangements between the Consolidated Fund and the respective Trading Fund.

4.17 Manpower

The States continues to monitor and report manpower numbers twice yearly. The focus of manpower control is appropriately on actual manpower numbers and is consistent with the controls and reporting in the private sector.

The States implemented a new HR information system (HRIS) in 2007. The system produces manpower data that is now more accurate - individuals who work in two or more posts in the same department or different departments are now only counted once in the figures and not for each job. Generally there has been significant growth in staff numbers within Health and Social Services whilst other departments have remained reasonably static. This trend is expected to continue. Any additional posts requested outside of the Annual Business Plan process must be approved by the Minister for Treasury and Resources or Treasurer of the States.

Alongside the actual figures, departments identify the budgeted manpower levels as part of the draft Annual Business Plan. These figures are indicative and are based on assumptions of the required manpower levels based on the proposed funding allocations. The supporting Annex to the draft Annual Business Plan provides analysis of the funding and manpower allocated across services and the departments key objectives. Departments are required to justify any increases in manpower numbers as part of the approval process within the Business Plan. The budgeted manpower levels must also provide for the implications of any projects within the capital and legislation programmes.

4.18 Summary

The proposed cash limits for 2010 represent an increase in revenue expenditure of 7.9%. This is primarily due to the States decisions to approve £3.5 million additional funding in P138/2008 for targeted benefits to assist those on low to middle incomes affected by the significant rise in food and fuel prices and funding in P55/2009 for automatic stabilisers of £9 million in 2010 in respect of increased income support during the downturn. The figure has also been affected by the technical adjustments to transfer £11.7 million of expenditure from capital to revenue as part of the improvements in the GAAP initiative, without these adjustments and the additional funding from the States decisions the underlying increase is only 3.4%.

The Council of Ministers is therefore proposing cash limits for 2010 which are consistent with those agreed in the 2009 Business Plan.

Three-year allocations are being proposed for revenue expenditure and departments will be expected to work within these total indicative levels to deliver their agreed objectives from the Strategic Plan. There will be the need for flexibility and a corporate approach, informed by the quarterly reporting process, to address any emerging or unforeseen pressures through the carry forward and an improved business planning process for 2011.

The allocations to departments for revenue expenditure for 2010 must also provide for the financial implications associated with the capital and legislation programmes, which are also proposed in this Business Plan, and it is the responsibility of departments to ensure that these are provided for.

5. REVENUE EXPENDITURE TARGETS 2011 to 2014

This section covers the revenue expenditure proposals for the four years 2011 to 2014. The Council of Ministers is proposing detailed allocations to all States funded bodies for 2010, indicative figures for 2011 and 2012 and then overall indicative revenue expenditure targets for the years 2013 and 2014. The Council intends to begin an improved three-year business planning process later this year to inform the 2011 and future Annual Business Plans.

5.1 Three year revenue expenditure allocations for 2010 to 2012

The Public Finances (Jersey) Law 2005 only requires one year of revenue and capital expenditure to be approved in the draft Annual Business Plan but the States Strategic Plan is based on a financial framework for five years.

The proposals from the Council of Ministers therefore include detailed allocations to departments for 2010 and indicative higher level figures for financial planning of years two to five. These are consistent with the allocations agreed in principle in the Business Plan 2009. The proposals included the outcomes from the review of the new Strategic Plan, and also include the outcomes of the detailed business plan review by the Council for 2010 and an initial indicative review for 2011 and 2012.

Figure 5.1 Build up of the revenue expenditure allocations through to 2014

	2010 £m	2011 £m	2012 £m	2013 £m	2014 £m
Business Plan 2009	542.2				
Savings from June 09 Pay freeze	(4.0)				
Business Plan 2009 Revised	538.2	584.8	609.1	617.9	634.0
Provision for pay and prices	13.6	19.6	10.0		
Service changes	8.9	4.3	0.1		
	22.4	23.9	10.1		
States Decisions	12.5	2.2	(3.5)		
	34.9	26.1	6.6		
Technical Adjustments	0.0	(1.2)	(0.4)		
Capital to Revenue	11.7	(0.6)	2.6		
Net Revenue Expenditure	584.8	609.1	617.9	634.0	654.0
Repayment of Capital Debt	34.5	34.5	34.5	34.5	34.5
Total Net Revenue Expenditure	**619.3**	**643.6**	**652.4**	**668.5**	**688.5**

Figure 5.1 shows a summary of the variations in cash limits over the next three years which are being proposed by the Council of Ministers and the high level figures currently forecast for 2013 and 2014.

Figure 5.2 Increase in Net Revenue Expenditure 2010 to 2014

	2010 £m	2011 £m	2012 £m	2013 £m	2014 £m
Provision for pay and prices	1.8%	3.4%	1.6%		
Service changes	1.6%	0.7%	0.0%		
	3.4%	4.1%	1.6%		
States Decisions	2.3%	0.4%	-0.6%		
	5.7%	4.5%	1.1%		
Technical Adjustments	0.0%	-0.2%	-0.1%		
Capital to Revenue	2.2%	-0.1%	0.5%		
Total increase in expenditure	**7.9%**	**4.2%**	**1.4%**	**2.3%**	**3.2%**

Figure 5.2 shows the increases in net revenue expenditure in the indicative limits for the next few years. The increases from 2012 are lower than would be expected, influenced by the withdrawal of transitional relief and the reduction in funding of the automatic stabiliser for income support. A further factor is the proposed new formula for the States contribution to the Social Security Fund and the associated changes for 16-18 year olds which reduce the uprating required in 2012.

5.2 Revised inflation assumptions

The inflation assumptions from the Annual Business Plan 2009 have been revised in the light of latest information in respect of the Island RPI, UK interest rates and average earnings.

The latest inflation assumptions have informed the pay and benefit provisions which are as follows:

- an increase in the wage bill in line with assumptions about the Island RPI, but in June 2009 the proposals are for a pay freeze, for June 2010 the forecast is 2.8% and for future years 2.5% is used;
- a provision for the annual uprating of supplementation in line with assumptions about the increase in average earnings and movement in employment numbers and a proposal to annualise the formula for calculating the States contribution one year in advance to provide more certainty in the annual budgeting process;
- a provision for the annual uprating of the new income support scheme and other social benefits (broadly based on an average of forecast increases in the March RPI(Low Incomes) and previous years increase in average earnings); and
- maintaining an annual provision for non-staff inflation of 2.5%, in line with the States target for RPI(x);

5.3 Outcomes for 2011 and 2012

The make up of the 2010 revenue expenditure is explained in detail in the previous section. The Council also considered the indicative revenue expenditure allocations for 2011 and 2012. These allocations reflect a profile of the spending priorities identified from the Strategic Plan review and a programme of savings both corporate and in departments which have been identified to at least fund the spending growth.

5.4 Long–term resource initiatives

As part of the longer-term planning within the Strategic Plan and the business planning process the Council of Ministers is intent on addressing a number of significant spending pressures by identifying new sources of funding or alternative means of service provision. The five key resource initiatives are covered in detail in the next chapter but address significant resource pressures for:

- the ageing population and long term care;
- funding for health improvement (New Directions);
- sewerage infrastructure;

- provisions for inert waste; and
- a strategy for property maintenance.

More detail on the individual initiatives is provided at Section 6 of this report.

5.5 Revenue Expenditure Targets for 2013 and 2014

The figures for 2013 and 2014 are prepared from an extension of the principles and assumptions for 2010 to 2012 but will be refreshed through the work with Council as part of the 2011 Business Plan, and at this stage provide indicative expenditure targets for financial planning.

5.6 Annual Business Planning and Resource Budgeting

The business planning process provides for an annual review, except in those years such as 2009 where a review of the Strategic Plan is required, which considers detailed expenditure as part of a three-year rolling expenditure programme. The Business Plan has followed an extensive process from January to deliver a new States Strategic Plan. The Strategic Plan identified that the short-term objective is to support the Island through the economic downturn. This has led to the development of a comprehensive Fiscal Stimulus package. Concurrently the Council has been faced with a number of significant and unavoidable service pressures relating to the UK reciprocal health agreement, the outcomes of the Williamson review and further costs of the historic child abuse enquiry.

As a result of addressing these priorities the draft Annual Business Plan process has had to focus on producing 2010 spending plans and although this work has identified 2011 and 2012 growth and savings proposals for departments, the individual cash limits for these years must be considered indicative. Consequently, plans are being put in place to begin work with departments in the autumn to enable a more mature three-year process for the 2011 Business Plan.

The annual review in 2010 has followed the Strategic Plan process which identified service pressures, savings and initiatives as well as changes in departments' priorities. The review is also informed by the production of departments' own annual Business Plans, the quarterly reporting process to the Council of Ministers, and the annual financial accounts and annual performance report.

It is also important that, as part of the annual review, departments take account of the financial implications of bids to the capital and legislative programmes. These bids including any manpower implications should be able to be linked to objectives within the current Strategic Plan. Any new financial implications are assumed to be included in the latest expenditure allocation now being proposed to the States.

With this integrated approach the full cost of existing service programmes and those costs associated with programmes to deliver other objectives within the Strategic Plan can be forecast, prioritised and provided for.

To further the identification of the full cost of services and bring the States budgeting in line with (GAAP) a project plan is in place for the States budgeting processes to graduate towards resource accounting and budgeting for 2011.

Section 11 provides an update on the progress towards budgeting in line with GAAP and some changes included in this Business Plan. It is the Minister for Treasury and Resources' intention to produce a Shadow Business Plan later this year, based around the current proposals, which will inform the changes required for next year's Business Plan and also inform a consultation period on resource budgeting proposals.

6. DEVELOPING LONG-TERM RESOURCE INITIATIVES

6.1 Introduction

The Strategic Plan identified five key areas where substantial investment is required and for which new sources of funding or an alternative service provision need to be identified. Each of these areas will become a major project initiative and whilst the projects are unlikely to be completed during the period of the current Strategic Plan their progress and development will become important contributions to future Business Plans and Annual Budgets.

This section provides an initial scoping of the individual projects and an indication of the project milestones and timescales. Lead officers and departments have been agreed and project groups will be formed to allow work to progress immediately on each of the areas.

6.2 Address the Ageing Population and Long-Term Care (Strategic Priority 6)

The inevitable change in the demographic profile in Jersey, regardless of migration levels will result in many more people over the age of 65 living in Jersey. In fact with age related death rates improving all the time, there will be more very elderly people in Jersey. Resources will have to be focused to meet the challenge of an ageing population in Jersey. As more people over working age will have to be supported by relatively fewer people of working age, maximising both the participation and the productivity of the labour force will be key initiatives in future plans. In future, people will have to work later into life, receiving an old age pension after the age of 65 and barriers to work will have to be removed and encouragement given for workers to continue to work.

Further research needs to be undertaken to look at barriers to labour participation and how older workers can be encouraged to take up opportunities or continue in employment.

The funding of the Social Security pension scheme is reviewed every three years by the Government Actuary who is about to present his latest report. Previous reports have taken account of the ageing population and considered the need to increase contribution rates to maintain the existing old age pension. It is likely that the latest report will show a similar pattern. The Actuary will also comment on the effect of increasing the age at which a pension is paid (currently 65) given the ageing population which could ease some pension funding pressures and dovetail with the objective of encouraging people to work later into life. It will also be necessary to consider the effective rate of pension in the light of additional years or working and contributing.

In addition to the ageing population issue, the Social Security funding arrangements are also being reviewed in the light of the increased level of the States contribution (supplementation) and the potential structural deficit that the States might experience. Reducing the level of supplementation from general revenues in favour of increased contributions might help alleviate the problem.

Another consequence of an ageing population as the numbers of elderly and very elderly increase dramatically is the potential significant increase in the resources necessary to care for the elderly in the community and in residential facilities. Consultation is about to take place on introducing an insurance system to cater for the cost of community and residential care which may fall as a burden on both the individual and the States.

- Receive and comment on the Government Actuary's Review of the Social Security Scheme;
- Consider the funding mechanism of the Social Security scheme and the level of supplementation;
- Consult and report on the introduction of an insurance system for residential and community care for the elderly; and
- In conjunction with the Health Funding stream, consider and decide upon the most appropriate source of funding for health, social care and pensions.

6.3 Implement New Directions to improve the health of the population (Strategic Priority 11) – Health Funding

The nature of health care has changed over the past fifty years as the treatment of infectious diseases has been overtaken by the treatment of lifestyle diseases with a switch from hospital to a primary care led Health Service. Jersey's strategy for the future of the Health Service places more emphasis on the avoidance of hospital admissions through prevention rather than cure and giving individuals more responsibility for managing their own health. Changes to the training regimes of junior doctors means that the organisation of the General Hospital needs to be reviewed to reduce the reliance on junior doctors and to exploit the skills of all health practitioners. Jersey's current health care system, which still has primary care services being provided in a hospital environment, cannot fully utilise the extending roles of health professionals and needs to be reviewed for the strategy to succeed. In essence primary and secondary care services need to be aligned to prevent hospital admissions and to facilitate and co-ordinate faster discharge of patients.

The mixed funding arrangements that exist in Jersey where secondary care is free at the point of delivery and primary care is subject to a user charge create barriers to change. Although primary care charges are mitigated by subsidies under the Health Insurance Law, the fee for consultation arrangements on which it is based does not allow for incentives and the management of chronic diseases.

- Identify those primary care services currently undertaken by Health and Social Services which should be undertaken by general practitioners and retail pharmacists;
- Design protocols for the management of chronic diseases to be used by general practitioners and to identify likely costs;
- Prepare a Law Drafting brief for the Health Insurance Law to accommodate new strategy for primary care; and
- In conjunction with the Ageing Population stream, consider and decide upon the most appropriate source of funding for health, social care and pensions.

6.4 Maintain sewerage infrastructure (Strategic Priority 10)

An effective, well funded liquid waste service is essential to help to maintain public health and support the attractiveness of the island as a place to visit or invest in.
This presents a number of challenges as limited funding in the past means that existing assets are not adequate to address current and potential future requirements.

Substantial investment is required to facilitate a liquid waste service adequate for the demands of the 21st century. In order to achieve this in the optimum manner, it is necessary to develop funding options to cover the requirements of the service over the next 20 years.

The draft Liquid Waste Strategy which is due to be published in 2009 covers all the aspects of the treatment and disposal of Jersey's liquid waste and in particular the long-term plans for the major assets. The sewage treatment plant is coming to the end of its operational life and a replacement will be required.

Substantial funding will be needed, estimated to be in excess of £10 million annually for 10 – 15 years (capital) to replace the existing infrastructure and allow for further extensions to the network from 2014. Until then an additional £1 million per annum (capital) will be needed as a minimum investment to avoid further degradation of the foul and surface water network.

A funding solution needs to be identified as it is unlikely that the existing States funding could meet the demands of the new strategy. Funding options include: monies from the States, monies from service users (domestic and commercial) by direct billing, developers' contributions or, a combination of the options.

In addition to the funding options the organisational options are under review and could include operating liquid waste in conjunction with an existing on island utility, setting up a new utility, private sector partnering, or remaining in States ownership.

Over the coming months Transport and Technical Services in conjunction with Treasury and Resources will be exploring all opportunities to recommend the most appropriate funding mechanism and organisation for the future.

Suggested key actions and target dates for the review and political / public engagement are as follows:

- Quarter 4 2009 - Consult with public and finalise options
- Quarter 2/3 2010 - Review funding/organisational options
- Quarter 4 2010 - Lodge and debate strategy

6.5 Disposal of inert waste (Strategic Priority 10)

The existing land reclamation site at La Collette, assuming the major island developments go ahead, could be full by 2015 / 2016. Although the pace of development has slowed due to the worldwide economic downturn, planning for a new site is essential to make the best decision for the island.

The Solid Waste Strategy identifies a number of other strategic options which might be explored regarding future inert waste disposal, the only realistic ones are:

- Quarry restoration
- Identifying and developing further land reclamation sites

The arguments for and against both options are significant and will require a full review and challenge from a planning, environmental, and financial basis. To enable the quarry option, a smaller land reclamation site may be needed.

All options will require significant investment; the Land Reclamation option could require an estimated £50 million. The quarry restoration option would leave Transport and Technical Services with a budget deficit proportional to the net tip income.

To enhance the life of La Collette and to provide future funding for the new facility Treasury and Resources in conjunction with Transport and Technical Services will be identifying a charging structure that can be applied based on a land fill tax principle.

The preliminary programme for this work is as follows:

- 2009 - Inform Island plan of issues and possible solutions
- Quarter 1 2011 - TTS and T&R to work on new charging mechanism
- 2010/ 11/ 12/ 13 - Review infill rate at La Collette and calculate remaining life
- Quarter 1 2011 onwards - Agree roll out programme and deliver through political process

6.6 Maintain States Property (Strategic Priority 10)

<u>Structural Under-funding of Property Maintenance</u>

Jersey Property Holdings (JPH) has consistently reported that capital and revenue allocations for investment in its property portfolio are significantly less than that required to maintain the condition of buildings fabric, plant and equipment at an acceptable (median) level. The extent of the shortfall has been quantified in the order of £11 million per annum.

Backlog Maintenance

JPH has analysed the results of the Condition Survey undertaken by UK specialist surveyors Drake & Kannemeyer (D&K) to produce a list of works that need to be undertaken within a ten year period, with priority given to works required to address health and safety, and other statutory issues.

The survey identified maintenance totalling £120.4 million plus fees over the ten year survey forecast period. A high level breakdown of that figure over the ten year period is shown in Figure 6.1.

Figure 6.1 Condition Survey Outcome

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Totals
	£m	£m	£m	£m	£m	£m	£m
Condition Survey	4.80	27.91	15.00	9.65	24.16	24.13	105.65
Statutory Non-Compliance	5.49	7.33	0.68	0.14	0.43	0.68	14.75
	10.30	35.24	15.69	9.79	24.59	24.80	120.40

Mitigating Actions

- Additional Funding

The under-funding position is recognised in the 2010 States Annual Business Plan, which proposes two funding measures to slow the decline in deterioration of the property stock:

1. a base budget increase of £0.75 million for 2010, together with a further increase of £1.25 million in 2011 and an additional £1 million in 2012;
2. the inclusion of £3.3 million within the Fiscal Stimulus package to commence priority backlog maintenance works in 2009, with a further £20 million proposed in the capital programme for 2010 - 2014.

- Prioritisation

JPH will prioritise funding across the estate strictly in accordance with the following criteria:

1. Compliance with Statutory Requirements - highest priority will be given to maintenance required to comply with Health and Safety and other legislation or recommended codes of practice.
2. Contractual Obligations - Works that are required as part of an obligation within third party leases only.
3. Operational Continuity of the Building - Works that impact on operational continuity where no action would result in the closure of a building or severe limitations being placed on the effectiveness of service delivery.
4. Preservation of Property Assets - Other asset preservation works will be prioritised below compliance and operational continuity and will only be undertaken where not to do so would lead to a future breach of compliance or significant impairment.

- Rationalisation of Stock

Reducing the size of the estate will help to alleviate this problem, but the entire shortfall cannot be met through this means alone. JPH will work with occupying departments to develop a Portfolio Plan to achieve best usage for all States' property assets.

Two initial workstreams are:

- Development of office rationalisation proposals commenced in 2009 to consolidate the States' office estate into a reduced number of 'fit for purpose' buildings on a smaller footprint; and
- A thorough review of the Health and Education estates, which form two thirds of the States' overall property portfolio.

In addition, JPH will progress the following actions to ensure best value is obtained from its available budget:

1. Work with the States Strategic Procurement team to ensure that value is maximised through the procurement of services, with the States' purchasing power utilised to achieve economies of scale where appropriate including the exploitation of cross departmental opportunities;
2. Seek to outsource work where the cost is less than retaining the service in-house. This will enable staff to focus on strategic initiatives that deliver corporate and departmental property savings;
3. Introduce spatial standards alongside a charging mechanism. This will identify clearly the cost of occupying space within the budgets of occupying departments and lead to the inclusion of full property costs within business cases.

The indicative delivery programme for addressing the structural under-funding position is as follows:

Deliverables	Timescale
1. Action high priority backlog maintenance works funded from Fiscal Stimulus and Capital Programme	July 2009 to 2014
2. Prioritise maintenance works in accordance with stated criteria	Ongoing
3. Develop Office Rationalisation programme	Current - 2014
4. Review Health and Education Estates	2010
5. Improve procurement processes and practices	Ongoing
6. Introduce space standards and a charging mechanism	2010 - 2012

7. CAPITAL PROGRAMME 2010 to 2014

7.1 Overall Allocation

The States, in September 2008, approved a capital programme for the period 2009 - 2013. In December 2008, departments were requested to review the projects approved in principle for 2010 -2013 programme and table any bids for capital funds for 2014.

At the time of approving the 2009 - 2013 programme, the States agreed indicative funding years only for the period 2010 - 2013 as the anticipated move to Resource Accounting and Budgeting precluded the ability to match project funding requirements with budget allocations.

The total allocation for the four years 2010 - 2013 was £128.8 million, which averages out at £32.2 million per annum.

The Council of Ministers is proposing a funding allocation for capital works of £32.2 million for each of the four years 2010-2013 rising to £33 million in 2014. The nature of the schemes provides for some 'rounding' in individual years.

The overall allocation incorporates a contribution of £20 million from the disposal of surplus property assets to support capital reinvestment. Further contributions specifically earmarked for the Housing Social Works programme of £94 million are also planned over the next five years.

To comply with the Public Finances (Jersey) Law 2005, the States is asked to approve the 2010 programme and approve 'in principle' the proposed funding allocations for the period 2011 - 2014.

Figure 7.1 below shows the proposed drawdown of funds

Figure 7.1 - Capital Expenditure Allocation Summary 2010 to 2014

Proposed Allocation	2010 £'000	2011 £'000	2012 £'000	2013 £'000	2014 £'000
Capital Budget	**32,259**	**32,213**	**32,248**	**32,198**	**32,875**
Expenditure					
Total Rolling Allocations	23,800	22,550	23,550	27,050	20,800
Total Schemes	12,459	13,663	12,698	9,148	16,075
Less: Property Capital Receipts	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Original Allocations	**32,259**	**32,213**	**32,248**	**32,198**	**32,875**
Add: Social Housing Works (funded from Capital Receipts)	10,000	14,000	20,000	25,000	25,000
Less: Capital to Revenue Transfers (GAAP)	(11,672)	(11,095)	(13,730)	(14,160)	(13,569)
Less: Social Housing Works (funded from Capital Receipts)	(10,000)	(14,000)	(20,000)	(25,000)	(25,000)
Total Proposed Net Expenditure	**20,587**	**21,118**	**18,518**	**18,038**	**19,306**

Progress towards GAAP – Transfers from Capital to Revenue

Although significant progress has been achieved towards GAAP compliance for the States accounts, the move to a resource based budgeting approach is not yet in place. This year's Annual Business Plan is prepared broadly on the same basis as previous years, with the capital programme prioritised to align with annual budget allocations. Departments have then been asked to examine the allocations and determine whether all the projects fit the GAAP definition of capital. Where these projects better fit the definition of revenue expenditure then transfers have then been made to be approved as revenue expenditure within the department's cash limit.

This has no overall effect on total States expenditure but this adjustment will reflect an apparent increase of £11.7 million in 2010 in revenue expenditure for departments and an equivalent reduction in overall capital expenditure.

Figure 7.2 – Capital to Revenue Transfers 2010 to 2014

Dept	Project	2010 £'000	2011 £'000	2012 £'000	2013 £'000	2014 £'000
CMD	Information Services	4,500	4,500	4,500	4,500	4,500
ESC	Aquasplash Replacement Equipment	-	-	-	-	1,019
H&SS	Capital Equipment	835	835	835	835	835
HA	Police Vehicle Replacement Programme	(90)	(90)	(90)	(90)	(90)
HSG	Heating Main Programme	-	-	1,100	-	-
	Heating Installation Programme	-	-	1,100	1,140	-
	Roofing Programme	-	-	545	225	235
	Window Replacement Programme	-	-	140	225	235
	Other Miscellaneous Works	-	-	-	225	235
T&TS	Inert Waste Disposal Site Infill	-	750	-	-	-
	Bellozane EFW Maintenance	347	-	-	-	-
	Equipment, Maintenance, Minor Capital	350	350	350	350	350
	Infrastructure Rolling Vote	1,730	1,750	1,750	1,750	1,750
T&R (PH)	Backlog maintenance programme	4,000	3,000	3,500	5,000	4,500
	Total Capital to Revenue Transfers	**11,672**	**11,095**	**13,730**	**14,160**	**13,569**

7.2 Changes from 2010 - 2013 Previously Advised Programme

The capital programme has been reprioritised to accommodate revised spending pressures and align expenditure to annual budgets. The key changes between the proposed programme for 2010 - 2013 and that included in last year's Annual Business Plan are:

Amendments

- The TTS infrastructure rolling allocation has been reduced by £1.5 million over the four year period.
- Deletion of the allocation of £1.452 million for the new 're-use recycle' centre, to be funded from environmental taxes.
- Phasing of the sewage treatment works major upgrade from £14.079 million in 2013 to £7 million (2013) and £7.429 million (2014)
- Deletion of the remaining funding of £7.5 million for the Town Park. Funds of £2.618 million have been allocated to the Town Park project to develop a strategy for remediation of ground contamination. The Council of Ministers considers that the balance of funding required to action the remediation strategy and develop the park can be achieved through planning gain resulting from the outcome of the North of St Helier master planning process.
- The proposed allocation of £0.4 million to the Urban Renewal Fund has been deleted on the premise that such works will be funded by planning gain.
- The allocation to the Airport for its 'below ground' works is maintained at an average of £5 million per annum, but has been re-profiled to increase the total allocation in the four years 2010 - 2013 by £0.75 million and reduce the 2014 allocation to £4.25 million.
- The Social Housing rolling allocation has been reduced by £1.5 million and re-profiled over the four years 2010 - 2013.

- The proposed allocation to upgrade and replace the States' JD Edwards Enterprise system has been reduced to £0.75 million to fund the forthcoming upgrade only.
- Les Quennevais school refurbishment and extension is deferred from 2012 to 2014.
- The allocation for Corporate ICT in the Chief Minister's Department has been reduced by £0.5 million over the four year period.

Additions

- A sum of £2.966 million is included for essential maintenance works to Gorey Pier in 2012.
- In response to a condition survey of States properties, the Council of Ministers is proposing an allocation of £15.5 million for the period 2010 -2013 to address the most urgent items of backlog maintenance, with a further £4.5 million in 2014.
- Following a master planning exercise, the programming of future development works at the Prison has been revised. This has resulted in an enhancement to the next phase of works at an additional cost of £6.435 million.
- A revised feasibility study in respect of St Martin's school has determined that the building of a new school on an adjacent field (subject to Planning permission) is more cost effective than undertaking extensive refurbishment works and extending the existing school. The uplift in costs associated with the new build option is £5.493 million more than the funding previously allocated.
- The Council of Ministers proposes the inclusion of a project to resurface the artificial pitch at Les Quennevais Sports Centre in 2013 at a cost of £0.613 million.

A detailed reconciliation of the movements from the previously announced 2010 - 2014 programme is contained in the capital section of the accompanying Annex.

7.3 Capital Programme 2010

In accordance with the Public Finances (Jersey) Law 2005, the States is asked to approve each of the capital projects in the recommended programme of capital projects for each States funded body for 2010.

A summary of the proposed funding allocations for 2010 is shown at Summary Table D, with details of the individual schemes and rolling allocations provided in the capital section of the accompanying Annex.

7.4 Capital Programme for States Trading Operations 2010

Article 22 (1) (a) of the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations requires capital expenditure proposals of designated States Trading Operations to be approved by the States as part of an annual Business Plan.

For 2010 States Trading Operations comprise Jersey Harbours and Jersey Airport as part of the Economic Development department and Jersey Car Parking and Jersey Fleet Management in the Transport and Technical Services department.

A summary of the capital expenditure proposals for the States Trading Operations for 2010 is shown in Summary Table E.

7.5 Capital Programme 2011-2014

In addition to the requirement to approve a capital programme for 2010, the States is asked to approve, in principle, the proposed programme of capital projects for the States funded bodies for the period 2011 to 2014 as set out in Summary Tables F to I, on pages 99 to 102, with details of the individual schemes and rolling allocations provided in the capital section in the accompanying Annex.

7.6 Housing Social Works Programme 2010-2014

The Housing Department's property plan (P6/2007), which was approved in 2007, proposed the use of proceeds from the sale of a number of States rental homes, in addition to funding from the capital programme, to fund a ten year refurbishment plan and the acquisition of around 400 life-long homes to meet the needs of the ageing population. Figure 7.3 provides a forecast of the various expenditure and funding flows over the next five years.

The proposed capital allocation provides the balance of funding in the period 2010 to 2013.

Figure 7.3 Housing Social Works Programme 2010 - 2014

Schemes	To 31/12/2009	2010 Programme	2011 Programme	2012 Programme	2013 Programme	2014 Programme
Ann Court	610,000	2,523,000				
The Cedars	2,633,000					
Le Squez Phase 2a	700,000	8,405,000				
Le Squez Phase 2b			8,850,000			
Le Squez Phase 3			200,000	12,967,000		
Le Squez Phase 4					225,000	13,950,000
La Collette Flats Phase 1	250,000	515,000	7,218,000			
La Collette Flats Phase 2					6,820,000	
Salisbury Crescent	6,948,000					
Clos St Andre	307,000					
Hampshire Gardens	180,000	2,266,000				
Journeaux Street Phase 3	293,000	1,802,000				
Clos Gosset	172,000	7,447,000				
Le Geyt 1 - 21	918,000					
Convent Court				178,000	7,770,000	
Clos de Quennevais	809,000					
Caesarea Court						190,000
La Carriere	487,000					
Le Marais Low Rise Phase 2	1,196,000					
Clos de Roncier	1,172,000					
De Quetteville Court	10,000	505,000			3,410,000	
Hue Court High Rise						40,000
Jardin des Carreaux				10,000	1,780,000	
Pomme D'Or Farm	85,000	3,348,000				
Revenue Works						
Heating Mains Programme		1,030,000	1,030,000	1,100,000		
Heating Installation Programme		2,060,000	2,060,000	1,100,000	1,140,000	
Roofing Programme		458,000	545,000	545,000	225,000	235,000
Window Replacement Programme		369,000	475,000	140,000	225,000	235,000
Other Miscellaneous Works		103,000	50,000		225,000	235,000
Acquisitions of Life-long homes				6,588,000	6,820,000	7,090,000
Total of Proposed Projects	**16,770,000**	**30,831,000**	**20,428,000**	**22,628,000**	**28,640,000**	**21,975,000**
Funding Streams						
Capital Balance Brought Forward	**6,318,000**	**14,413,000**	**102,000**	**584,000**	**956,000**	**316,000**
Capital Programme Allocation	**5,000,000**	**2,500,000**	**2,750,000**	**3,000,000**	**3,000,000**	
Capital Receipts Applied	**10,865,000**	**10,000,000**	**14,000,000**	**20,000,000**	**25,000,000**	**25,000,000**
Economic Stimulus - Capital	**9,000,000**					**(3,000,000)**
Economic Stimulus - Maintenance Backlog		**4,020,000**	**4,160,000**			
Total Funding available	**31,183,000**	**30,933,000**	**21,012,000**	**23,584,000**	**28,956,000**	**22,316,000**
Less:						
Total of Proposed Projects	**(16,770,000)**	**(30,831,000)**	**(20,428,000)**	**(22,628,000)**	**(28,640,000)**	**(21,975,000)**
Capital Balance Carried Forward	**14,413,000**	**102,000**	**584,000**	**956,000**	**316,000**	**341,000**

A number of the projects will be able to be brought forward as a result of the initial approval of £9 million from the discretionary fiscal stimulus package. The fiscal stimulus will also provide funding for a substantial amount of revenue maintenance backlog of which over £8 million is anticipated for the next couple of years. The full extent of the Housing Social Works programme is dependant upon the achievement of the required level of capital receipts, an anticipated £94 million over the next five years. Further details of the individual housing schemes are provided in the Annex to the draft Annual Business Plan 2010 within the Capital Programme section.

7.7 IS Programme and Strategy 2010 – 2014

Introduction

In many organisations today, the information services (IS) function has become an important enabler of the activities of that organisation. Worldwide there has been a major shift in the use and dependency made of IS over the last 15-20 years. Even in the last 10 years, with the advent of the internet in common use and the deployment of mobile/remote computing, we have seen a profound change in both work and personal use of IS. The expectations of the citizen about the way the public sector will make use of these services and support the citizen have grown in proportion to the IS experience they have in their personal lives.

In Jersey three quarters of all households have access to the internet (an increase from 58% in 2005). Just over half of the people in Jersey use the internet every day, and another third use it several times a week. There will be a clear customer expectation that they can interact with the States through this medium, and that this will be as efficient and as professional as when they use the internet, e.g. to order goods or to book travel, in their personal lives.

Jersey is established as an international finance centre for both private and institutional clients seeking a quality location to meet their banking and investment requirements. The Island has world-wide appeal as a jurisdiction of choice amongst international investors. The States recognises a duty of care to support and further Jersey's international standing and status through all appropriate means, including the effective and value-driven use of Information Services.

Information Services as a discipline has changed profoundly over the last few years. It is no longer about technical skills but about the ability to understand business needs and new business models, to facilitate refinement and implementation of new business processes to bring together information from various sources for the benefit of executive decision making, and to manage the supply chain of vendors effectively and productively.

Benefits of modern Information Services

Nowadays the delivery of customer focused and cost effective services can only be achieved through the use of IT. There are benefits to the customer in terms of reduced cost of service when delivery is automated and streamlined online, and greater freedom in choosing when to interact. This is no longer an aspiration, but a clear customer expectation, particularly for those customers from overseas who want to do business with the Island, who are well practised in interacting this way.

Information Services is therefore integral to good business performance as the exploitation of the technology becomes the engine for customer self-service, business process transformation, and organisational agility.

As with any profound change, the opportunities and benefits enabled by IS can outstrip an organisation's ability to fund fully, and to manage, all the potential initiatives that can arise. It is recognised in today's world that expenditure on IS is usually an investment that will save costs (economy), deliver improved performance (efficiency) and better meet the customer needs (effectiveness). As a consequence many bodies, public and private, seek to use IS by investing more in the expectation of reducing costs elsewhere. The model where IS costs are reduced in line with broad cost cutting targets across the organisation will typically stifle the creativity necessary to enable an organisation to evolve, thrive, and meet new challenges.

Jersey Supplier chain

In Jersey the States has significant opportunity, and significant ground to make up, in leveraging the skills and resources of Jersey IS suppliers. Uncertainties around funding and the longer term strategy for using IS not only jeopardises the ability to drive business change, but also prevents the necessary growth of the on-island IS economy. In the current economic climate it is especially appropriate that IS seeks to maximise it's spend with local Jersey IS suppliers whenever practicable. Working in partnership with them IS can also stimulate local suppliers to compete more effectively and successfully in a global marketplace.

Corporate Spend

In broad terms the States of Jersey spends £20 million a year on IT. Running costs, i.e. to maintain systems and applications already in existence, are approximately £15 million.

Current investment levels in IS, given the fundamental position that information technology plays in the organisation, can be described as being on the low side compared to other public sector bodies in the UK.

The temptation to make short term savings in the current economic climate would undermine the ability of IS to support increased productivity and efficiency initiatives in other Departments and for the States long term.

Spending profile

The IS team in the Chief Minister's Department accounts for approximately 50% of the total States' spend on IS, with the remaining 50% spread across the other Departments.

To enable "best value" decisions to be taken from the point of view of the States' wider priorities rather than on a Department by Department basis, the Director of IS must have oversight of the total IS functional spend across the States. The overall spend profile will also be used to benchmark the States corporately against UK government comparators. This does not necessarily mean consolidating the overall IS function expenditure further. A profile of the total States' IT spend for the next 5 years is detailed in Figure 7.4.

Figure 7.4 - Total States' IT Spend 2010 to 2014

Year	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Average**
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Departmental Running Costs	14,349	14,399	14,399	14,399	14,399	14,399	
Infrastructure Maintenance Projects	1,526	640	640	640	640	640	
Total Baseline Running Costs	**15,875**	**15,039**	**15,039**	**15,039**	**15,039**	**15,039**	**15,178**
Development Projects	4,675	2,310	310	310	0	0	1,268
Total States IS Spend	**20,550**	**17,349**	**15,349**	**15,349**	**15,039**	**15,039**	**16,446**
Future Developments (to be prioritised)							
Web Strategy Management (2013-2014)					310	310	

The principal change in cost profile for the IS function across the years arises from new projects. New projects will be controlled by use of Financial Directions, States Business Planning and the business case approval process to ensure that all projects are fully funded. To achieve this, sponsoring departments will have to build in the cost of running, as well as building, new systems or services. Business cases will be subject to validation through the States' Programme Board process. New projects will therefore have to fully fund the impact of infrastructure additions and increases in support and maintenance, which may necessitate transfer of budget from a Department to the central IS budget.

Regardless of where the funding is available to undertake IS enabled project work or initiatives, each project will still need to be prioritised against States-wide objectives and needs and take account of the limiting factor of skilled resource within the States itself.

The nature of IS projects is often such that costs and benefits will fall within a range, with costs often at the higher end and benefits at the lower. Benefit cases will therefore need to be compelling; with a significant net benefit accruing to ensure that there is sufficient contingency to account for variances in ambitious benefit projections. Where projects are deemed of highest priority, they may need to include a cost premium in order to take the first call on specialised resources. By doing so, this would enable specialised resources to be bought in if necessary.

Capital Programme

In recognition of the need for investment in the States' IS capital programme detailed below the rolling capital allocation is sufficient to fully fund the programme of costed initiatives. However, a reprioritisation of capital will be needed to enable future projects and upgrades that might be required but which have not yet been costed.

Figure 7.5 - ICT Funding Allocation 2010 to 2014

Year	2009	2010	2011	2012	2013	2014
	£'000	£'000	£'000	£'000	£'000	£'000
Balance held from previous Capital Votes	(5,238)	(2,537)	(1,537)	(1,037)	(537)	(347)
Capital Funding (ISD)	(5,000)	(4,500)	(5,000)	(5,000)	(5,000)	(5,000)
Capital Funding (Health)	(3,000)	(2,000)				
Total Funding	**(13,238)**	**(9,037)**	**(6,537)**	**(6,037)**	**(5,537)**	**(5,347)**
Capital Running Costs	4,500	4,550	4,550	4,550	4,550	4,550
Infrastructure Maintenance Projects						
Network Hardware Replacement	150	200	200	200	200	200
Hardware Replacement - desktops & servers	430	440	440	440	440	440
CLMH Data Centre Refurbishment	100					
PCH Data Centre Refurbishment	36					
CLMH - UPS Extension	70					
Call centre telephony (IPCC replacement)	250					
CLMH Data Centre Extension	400					
CLMH data centre generator	90					
Development Projects						
Health Integrated Care Records	3,000	2,000				
Migration Control	115					
VOIP Phase 1 (change Team Trf)	100					
Service catalogue implementation	25					
LiveLink upgrade	77					
Web Strategy Management	638	310	310	310		
ESC IS Strategy	600					
Exchange e-mail upgrade (inc Active Directory 2003)	120					
Total Spend	**10,701**	**7,500**	**5,500**	**5,500**	**5,190**	**5,190**
Cash Position	**(2,537)**	**(1,537)**	**(1,037)**	**(537)**	**(347)**	**(157)**
Future Developments (to be prioritised)						
Web Strategy Management (2013-2014)					310	310

The delivery of business benefit through IS enabled projects is led on a departmental basis through the Business Support Groups and is the accountability of the particular Project Executive. The IS Programme Office is responsible for ensuring the good governance and quality control of corporate and departmental projects.

IS will contribute across the States by reviewing and implementing improved management arrangements for existing corporate systems, in particular the existing Enterprise Resource Planning system, in order to deliver increased productivity and financial management. As a common enabler, Information Systems is uniquely placed to ensure consistency of approach, common standards, and controlled spend.

A description for ongoing and future IT projects is contained in the accompanying Annex in the capital section.

8. PROPERTY PLAN 2010

8.1 Executive Summary

8.1.1 Resources Department

In June 2009 the Human Resources Department, Information Systems, Procurement, and Property Holdings were amalgamated to form a new central Resource Department under the direction of the Deputy Chief Executive, thereby providing the vehicle to drive significant cross-cutting efficiencies through close collaborative working of the key providers of resources to all departments.

8.1.2 Prime Purpose

In 2010, Jersey Property Holdings (JPH) will continue to pursue initiatives that contribute to its prime objectives, which are:

- To provide fit for purpose and affordable accommodation for all States Departments;
- Property which is safe, legally compliant and both functionally and environmentally supportive of each Department it houses, thereby indirectly supporting the delivery of improved services to the Public;
- To ensure that in all its transactions it seeks to maintain, and where possible enhance the value of the Public assets it manages; to minimise property operating costs; and to deliver a commercial return on all property disposals.

8.1.3 Key Initiatives

The key initiatives contained within this plan are:

- A rationalisation of the States Office Accommodation to deliver reduced property costs, release sites for residential development and act as an enabler for major organisational transformation;
- The establishment of the principles and strategic direction for the future acquisition, tenure, management, development and disposal of all States property assets in the form of an overarching Property policy document;
- The development of a rolling five year Portfolio Plan to identify on a property by property basis the future occupation, investment and disposal plans for all States premises;
- In accordance with the States Commitment to resource accounting, JPH will develop a charging mechanism for all States premises based on the principle of “user pays” to ensure that all departments are accountable for the true cost of the property they occupy.
- To agree with departments the provision of adequate budgets to ensure all States property is maintained to appropriate standards.

8.1.4 Funding for Change initiatives

JPH is faced with serious under-funding and a lack of management resource which will severely affect its ability to progress a number of the key initiatives with the speed at which they should be delivered to support the States Strategic Plan. JPH will consider options and present proposals to the Minister for Treasury and Resources as to how these budget issues may be addressed.

8.1.5 Linkage to the States' Strategic Plan Priorities

JPH has a significant role to deliver priorities within the Strategic Plan. The principal linkage is to Priority 10 - 'Maintain and develop the Island's infrastructure', which acknowledges the under investment in States' property over a number of years that has resulted in a backlog of deferred maintenance works. Strategies to address this priority issue are detailed within the Property Plan.

In addition, JPH is a key contributor to a number of other priorities:

- Priority 3 - Reform the public service to improve efficiency and Priority 4 - Ensure sustainable public finances.

  Successful delivery of the Property Portfolio Plan and realisation of the Office Accommodation Plan will achieve substantial financial and other efficiency savings to contribute to the reduction of operating costs across all States' departments.

- Priority 13 - Protect and enhance our natural and built environment

  As the delivery agent for the majority of States operational property works, JPH will endeavour to ensure that design and finish are commensurate with the standard expected of public buildings within Jersey. The department will take the lead to ensure that appropriate energy efficiency measures are applied to the property stock, where this creates both financial and environmental benefits.

- Priority 14 - Adequately house the population

  The Property Portfolio Plan will deliver opportunities to dispose of surplus land and buildings for residential development to increase the supply of affordable and open market housing.

JPH will also progress long-term resource initiatives to address the lack of investment in property assets identified within the Strategic Plan. These are discussed in more detail in Section 6.6.

8.2 Key initiatives

8.2.1 Office Accommodation Rationalisation

A review of all States Offices has identified that current levels of space utilisation are significantly below recognised benchmark standards, and clearly established a compelling need for change in order to create a more sustainable and efficient office estate.

States departments currently occupy 543,000 sq ft. of office space of which 206,000 sq ft is directly associated with an operational location leaving 337,000 sq ft could be consolidated. By increasing workplace density and introducing new ways of working it has been estimated that this could be reduced to 154,000 sq ft thereby saving the occupancy costs of 183,000 sq ft of office space. As 97% of the office estate is held on a freehold basis, the value of properties vacated can be released through disposal, primarily for alternative use.

Departments will be charged rent for the space they occupy and as part of any office space rationalisation thereafter, a mechanism will be in place to either increase or decrease their rent. A similar charging mechanism will also be in place for the non-office element of the estate departments occupy

Innovative workplace solutions have the potential to:

- Break down departmental barriers and facilitate greater team working;
- Streamline work processes and improve communications;
- Improve work-life balance;
- Improve asset utilisation;
- Reduce operating cost;
- Ensure that future organisational changes can be introduced with greater ease and lower costs.

A number of office properties have been identified as possible disposal opportunities and these have been included in the disposal plan. It should be noted that this is a preliminary list which may change depending on the results of further feasibility analysis.

8.2.2 Property Policy Document

JPH will present the first Property Policy document for States property assets. This will provide an overarching strategic direction for the acquisition, holding, development and management of all States premises. Reflecting a corporate approach to property asset management, the Property Strategy will consider the needs for service delivery across all States departments, ensuring that the approach to property will provide fit for purpose and efficient accommodation. It will also form the link to cross cutting issues and indicate property solutions where appropriate.

8.2.3 Portfolio Plan

Within the framework of the Property Strategy, JPH will develop a five year Portfolio Plan which will identify the specific changes in use, investment plans and tenure for each property on a rolling basis. A review of all properties in the portfolio has commenced concentrating on the following:

- Property Ownership –This is essential for the accurate determination of the optimum future use of property.

- Property Review – This process will consider whether the supply of property matches the needs of the service user.

- Property Management –The Portfolio Plan will provide an ongoing process of review and identify opportunities where property solutions can compliment service delivery.

- Property Running Costs – By recognising that property, whether occupied or vacant, has a cost, an essential part of the review process will be to recognise the real cost to the States of holding individual properties and determining the opportunity cost of retaining parts of the portfolio.

- Non-operational Property – a number of States non-operational properties (i.e. those not delivering public services) were acquired many years ago and many are now not used for the purpose originally intended. The property review will take a fresh look at the Portfolio and identify ways to remove any anomalies that may exist.

- Vacant Property – The property review will identify properties that are no longer fulfilling the function for which they were was originally required and JPH will recommend them for disposal unless they are required by another States Department or should be retained for strategic purposes.

8.2.4 Charging Mechanism

JPH will develop a charging mechanism for all States property that clearly identifies to each department the true cost of the property they occupy.

This initiative will ensure that all departments bear the full rental cost for their estates and are therefore incentivised to maximise their occupancy levels and return surplus property and estate to JPH for disposal or re-development.

JPH will advise the larger estates on how best to determine their overall accommodation requirements and how it might be better utilised to deliver greater public service benefits;

The majority of occupiers consider property as a "free good" providing an imputed subsidy. This has led to a situation whereby:

- there is very little incentive for Departments to use property efficiently.
- profligate use of property has resulted in space utilisation which is significantly worse than industry standards in many areas.
- the estate has grown without recognition of the whole life cost of property ownership.
- the hidden subsidy of "free property" distorts cost comparison benchmarking of services with other providers (public and private sector) and historical data is skewed.
- the lack of a rental stream that reflects the value of the properties occupied, results in an insufficient budget provision to adequately maintain those properties and no provision to meet the future replacement cost of the asset.

8.2.5 Property Disposals

JPH is charged with identifying surplus property assets that may be disposed of to realise funds that will be reinvested in the States capital programme. JPH is on target to achieve property disposals receipts of £7 million for the years 2007 - 2009 inclusive. JPH is progressing the disposal of properties that were approved for disposal in prior years Property Plans and this work will roll forward into 2010 and future years.

JPH does not follow a policy of "land banking". Where properties are surplus to current requirements and have no perceived strategic value they will be brought forward for disposal in order to utilise capital proceeds more productively.

The following properties have been identified as having the potential for disposal in the period of the 2010 Business Plan. Consideration as to the timing and value of each disposal will be assessed on an individual basis, taking into account the market conditions that prevail at the time. Properties will not normally be disposed of at less than market value unless there is a policy decision or specific political direction so to do. The Minister for Treasury and Resources will approve all disposals prior to sale in accordance with States' Standing Order 168.

The States are asked to approve the disposal of the land and properties listed in Figure 8.1. Details of the properties are included in Summary Table J and the accompanying Annex

Figure 8.1 - Proposed Disposals for 2010 and beyond

The proposed office disposals may change depending on the results of further feasibility analysis undertaken as part of the Office Accommodation Plan. Full consultation will take place with occupiers before any proposals are recommended to the Minister for consideration.

Property Type	Description
Residential	Old Harbour Master's House, Gorey Pier
	Le Coin flats site, Charles Street
	Pine Ridge site, Bellozanne
	Sunshine Hotel site, Havre des Pas
	Old Blacksmith's Store, Corbière
Offices	46 Rouge Bouillon Offices and Stores
	D'Hautree Offices, Highlands Campus
	South Hill Office site
	Library Chambers

Land	Field 107, Maufant (0079)
	Land adjoining 162 Clos des Sables
	Land adjoining 108/109 Clos des Sables

In addition, JPH will be actively pursuing the disposal or development of a number of States' properties which, for reasons of commercial sensitivity, are not included in this Plan. However, all States' Departments that have, or may wish to have, an interest in such sites will be fully consulted before these are brought to the States' Assembly by the Minister for Treasury and Resources for approval on an individual basis in accordance with SO 168.

Where the States are landlord to a commercial interest, JPH will examine the benefits of continuing that relationship and, in consultation with the tenant, will consider the disposal of the relevant freehold interest where appropriate.

8.2.6 Land and Property Acquisitions

JPH is currently not recommending the acquisition of any specific land or property in this plan. However, should the opportunity for property acquisitions required for operational or strategic purposes arise, these will be considered and where appropriate progressed subject to the necessary approvals and an identified and approved funding source.

8.2.7 Former Jersey College for Girls Site

The former Jersey College for Girls was considered as a possible option for new States Offices. However, on balance if was felt that this property had greater potential for residential use.

JPH will progress the phased development of the former Jersey College for Girls for private residential purposes, which will result in the largest single residential / mixed use development in St Helier, and will act as a strong catalyst to accelerate local urban regeneration.

JPH is currently assessing the most appropriate method of procurement in the current economic climate. This could include disposal of the site in whole or in part to a single developer; to a combination of public private partnerships or development by the States based on pre-sale agreements. It is planned that the development will be in distinct phases:

- Phase 1

  Construction of nine Town Houses to the east of the site adjoining Drury Lane for which planning permission has been obtained. This will commence in the second half of 2009 with completion in 2010.

- Phase 2

  Relocation of Centre Point to the former La Pouquelaye School site. This provides an enhanced residential opportunity on the site of the former school and existing rear range of currently occupied buildings. In 2009, JPH will amend the existing development plans for the rear range of the main building to incorporate this additional area.

- Phase 3

  Conversion of the main building into residential units and development of the rear range of apartments behind the main building. Revised plans will be submitted to the Planning Department in 2009 for approval, with an anticipation of works commencing in early 2010 with completion in 2011.

- Phase 4

  Demolition of the vacated buildings at the rear and construction of the rear range. Subject to planning approval, it is expected that works will commence in late 2010 with completion in 2012.

8.3 Financial Position - Structural Under-funding

JPH reported in last year's Property Plan that capital and revenue allocations for investment in its property portfolio were significantly less than that required to maintain the condition of buildings fabric, plant and equipment at an acceptable (median) level.

To support the shortfall in funding for ongoing maintenance, a base budget increase of £750,000 for 2010, increasing to £2 million in 2011 and to £3 million in 2012 is proposed in Figure 4.4

JPH will prioritise funding across the estate strictly in accordance with the following criteria:

- Compliance with Statutory Requirements

  The highest priority will be given to maintenance required to comply with Health and Safety and other legislation or recommended codes of practice**.**

- Contractual Obligations

  Works that are required as part of an obligation within third party leases only

- Operational Continuity of the Building

  Works that impact on operational continuity where no action would result in the closure of a building or severe limitations being placed on the effectiveness of service delivery. Funds held for reactive repairs cover both unplanned works arising from the mandatory annual inspections and all other reactive repairs.

- Preservation of Property Assets

  Other asset preservation works will be prioritised below compliance and operational continuity and will only be undertaken where not to do so would lead to a future breach of compliance or significant impairment. Under a GAAP accounting system, failure to maintain assets may result in an increased revenue charge in the form of accelerated depreciation or an impairment charge to the department's revenue account.

8.3.1 Mitigating Activities

Reducing the size of the estate will help to alleviate this problem, but the entire shortfall cannot be met through this means alone. JPH will progress the following actions to ensure best value is obtained from its available budget:

- Work with the States Strategic Procurement team to ensure that value is maximised through the procurement of services, with the States' purchasing power utilised to achieve economies of scale where appropriate including the exploitation of cross departmental opportunities;
- Seek to outsource transactional activities where the cost is less than retaining the service in house. This will enable staff to focus on strategic initiatives that deliver corporate and departmental property savings;
- Introduce spatial standards alongside a charging mechanism. This will identify clearly the cost of occupying space within the budgets of occupying departments and lead to the inclusion of full property costs within business cases.

8.4 Backlog Maintenance

JPH has analysed the results of the Condition Survey undertaken by UK specialist surveyors Drake & Kannemeyer (D&K) to produce a list of works that need to be undertaken within a ten year period, with priority given to works required to address health and safety and other statutory issue.

A sum of £3.3 million has been approved from the Fiscal Stimulus package to commence priority works in 2009 and a further £20 million is proposed in the capital programme 2010 -2014 to continue to tackle the highest priority backlog maintenance items. Whilst this sum is not sufficient to address all issues raised, JPH will ensure that funds allocated are appropriately prioritised.

8.5 Capital Works

In the period 2010 - 2014, JPH will be managing the implementation of £36 million of capital projects; these are described in detail in Section 7.

8.6 Valuation of the Estate

JPH managed the valuation of the States' land and buildings to provide a value for inclusion in the States' balance sheet in accordance with GAAP account requirements. The valuation of the property assets valued as at 31 March 2007 are listed in Figure 8.2.

Figure 8.2 Property Asset Valuations as at 31 March 2007

Element	**Value £m**
General Purpose Portfolio	742.8
Harbours and Marine Structures	102.0
Airport and associated assets	97.9
Social Housing stock	506.1
Total	**1,448.8**

It should be noted that this value will fluctuate due to factors such as acquisitions, disposals, impairments and depreciation charges.

8.7 Conclusion

2010 and 2011 will be key years in achieving significant change in the management of the States property estate.

JPH will continue to progress the initiatives commenced in 2008 to maintain a strong focus on its prime purpose of supporting all States departments in the delivery of improved public services through the provision and maintenance and estates management of fit for purpose affordable accommodation. We will pursue a number of change initiatives designed to maximise workplace effectiveness, reduce property operating costs, unlock asset value and release sites for residential development. However, the speed at which these change projects can be delivered will be dictated by how rapidly the structural under-funding of the Department is resolved.

9. LEGISLATION PROGRAMME 2010

Maintaining the legislation programme
A request for drafting time is assessed according to the following criteria -

- Its relevance to the strategic aims and objectives proposed in the States Strategic Plan;
- Whether or not the financial and manpower resources required within the States for its implementation are sustainable within the framework of the States Strategic Plan;
- Its financial impact on the private sector; and
- Its readiness to proceed.

Until now, the legislation programme has been set and presented in such a way that -

- At the time bids were made for inclusion (more than a year ahead of when the draftsman would start work) it was likely that the policy simply was not sufficiently developed for the bid to be assessed adequately; in addition, more urgent work which might emerge within the year could not easily be accommodated; and
- A project appeared to be scheduled to start and finish within the year, whereas that is rarely the case.

The legislation programme, then, needs to be more responsive to emerging priorities and more accurately reflect the timetables for completion of projects - in particular, that projects may require drafting time in more than one year.

Accordingly the summary of the legislation programme for 2010 included in Part Three of the report at Summary Table K reflects current priorities and states of preparedness, on the understanding that some of these may change, and includes an allowance of drafting time for existing projects which are expected to continue into 2010 and projects previously added to the legislation programme but awaiting the delivery of initial instructions. As of now, the projects added to the programme for 2010 are -

- The establishment of an insolvency fund (Social Security);
- New prohibitions on the carrying of knives in public places (Home Affairs);
- New prohibitions on the carriage of prohibited articles into the prison (Home Affairs);
- New provisions to facilitate the repatriation of persons serving terms of imprisonment (Home Affairs);
- Regulation of standards for medicinal products (Health and Social Services);
- Establishment of and powers for the Jersey Consumer Council (Economic Development);
- New provision to facilitate the marketing of Islamic finance products (Economic Development);
- An annual allocation of days for sea fisheries management; and
- An annual allocation of days for financial services regulation.

The Council of Ministers will keep the programme under rolling review and add, defer or remove items according to rate of progress on existing projects, changing priorities and ability to proceed.

The legislation programme May 2008 to May 2009
Legislation for the following projects was either lodged or made in the period -

- Further legislation connected with the IMF visit, concerning proceeds of crime, drug trafficking and terrorist finance and anti-money laundering controls;
- Legislation for the development of the financial services industry, updating the Companies (Jersey) Law 1991 and introducing the Foundations (Jersey) Law;
- Legislation to promote public protection in relation to firearms and the wearing of seat belts;
- Legislation to enhance personal rights, in relation to redundancy and gender recognition;
- Sea fisheries legislation to implement Jersey’s ongoing obligations under the Fisheries Management Agreement; and

- The first phase of shipping legislation to implement the Convention on the Safety of Life at Sea.

Work continues on major projects including the following topics:
- Intellectual property;
- Security interests;
- Migration; and
- Depositors' compensation.

Work has started on new legislation to:
- Regulate gambling and to establish a Gambling Commission;
- Update Jersey's laws to control the use of pesticides; and
- Ensure Jersey's continued compliance with the Fisheries Management Agreement.

Supplementary papers
The Annex includes, for information purposes -

A List of work completed (lodged or made) in the period May 2008 to 27 May 2009

B Consolidated and detailed version of the ongoing legislation programme, showing both work in progress, as at May 2009, and matters for which departments are scheduled to deliver instructions, both in the second half of 2009 and in 2010.

10. FISCAL STIMULUS

10.1 Background

On 19 May 2009, the States approved P55/2009 to permit the withdrawal of up to £44 million from the Consolidation Fund to be reallocated for the net expenditure of a number of departments in order to fund a proposed discretionary economic stimulus package.

The £44 million package of (discretionary) initiatives will provide an extra stimulus to the economy and support employment and businesses in Jersey through the downturn.

The report set out proposals by the Minister for Treasury and Resources and agreed by the Council of Ministers to transfer funds from the Stabilisation Fund in response to the economic downturn. The report stated that the balance on the Stabilisation Fund would reach £156m (if the States approved a transfer of £18m from the Dwelling House Loans Fund).

The report also recommended that after the investment of the £44 million for discretionary economic stimulus that the balance of £112m be earmarked to cover the unexpected increase in financial deficits in 2010 and 2011 due to the economic downturn.

This unforeseen increase in financial deficits is likely to arise largely because of the effect of automatic stabilisers, which are the loss of personal and corporate tax revenue and increase in expenditure in areas such as income support as a result of the deterioration in the economic outlook for the Island.

The report built on work undertaken by Treasury and Resources and the Economics Unit to identify the impact of the economic downturn on the States finances and the assessment of funds available for stabilisation purposes. It also complemented the initial work lead by the Economic Development Department, in tandem with other departments, to determine what policies might be desirable and deliverable in terms of fiscal stimulus.

Finally, the report concluded that the proposals met the objectives for using the Stabilisation Fund, which are to put additional money back into the economy (through both the automatic stabilisers and targeted discretionary policy) and which will add to demand and mean that the fall in output and extent of job losses will be less severe than would otherwise have been the case.

The Minister for Treasury and Resources and the Council of Ministers have agreed that this overall objective of supporting demand in the economy breaks down into three objectives:

- Provide a stimulus to the Jersey economy as conditions deteriorate, to help support employment and businesses in Jersey;
- Support employment in the Island by assisting individuals affected by the economic downturn; and
- Create new opportunities for businesses in Jersey, to support them through the downturn and mitigate job losses.

The remaining issue was then to confirm that the time was right to use the Stabilisation Fund and the Minister for Treasury and Resources has accepted the advice from the Fiscal Policy Panel (FPP), but also recognised that global economic forecasts from the IMF and World Bank show that the world economy will experience the worst economic conditions since the 1930s. Further evidence was available from the States Economics Unit's central estimates for economic growth in Jersey in 2009 and 2010 are -4% and -2% indicating a significant and prolonged downturn. Furthermore, the qualitative information from Economic Development confirmed that sectors including retail, tourism and construction are likely to enter recession this year.

The States also agreed that the funding for various projects within the discretionary stimulus package would only be made available to departments from the allocation following referral to the Corporate Services Scrutiny Panel and by public ministerial decision of the Minister for Treasury and Resources.

Progress to date

Proposals were sought from departments and a total of 27 were received and assessed in May 2009 and bids are still being received, and will be assessed by the Steering Group if appropriate and there is sufficient unutilised funding. The proposals took the form of a full Project Evaluation and Business Case for each of the initiatives proposed.

The initiatives and the individual business cases were evaluated by a panel consisting of the Chief Executive, the Treasurer of the States and the Economic Adviser. The evaluations were carried out using a scoring system which took into consideration the three Ts (temporary, targeted and timely) as well as value for money, economic benefit, and achievability. In some cases, departments submitting bids were called before the Panel to provide further insight into their bids.

All bids received were provided to the Corporate Services Scrutiny Panel as were the Evaluation Panel's scoring of the bids and initial recommendations. Scrutiny provided their report to the Minister for Treasury and Resources and to the Council for consideration at their meeting on12 June.

On the basis of the views of Scrutiny and the Council of Ministers the Minister for Treasury and Resources agreed on 17 June to give an "amber light" to an initial range of initiatives. Other projects will be coming forward for similar "amber light" approval over the next couple of months.

Bidding departments are now expected to present further detailed information, including project plans, procurement strategies and financial projections, which will be subjected to further quality review and scrutiny by the Steering Group prior to the release of any funds.

The initial range of projects have been selected from the 27 proposals submitted by 7 States' departments and cover diverse areas; Skills and Training, Support for Business, Support for Individuals, Civil Infrastructure Works, and Construction and Maintenance Works.

Skills and Training and Business Support

Both these types of policy score well in terms of being timely to implement if they are extensions of existing programmes but carry the risk of permanent budgetary implications. If done effectively they should bring longer-term economic benefits. The Council of Ministers sees these policies as being about preparing the foundations for economic recovery whilst accepting that in terms of pure stimulus the initial impact could be weaker than projects in construction and civil infrastructure.

Construction and Maintenance and Civil Infrastructure Works

These programmes score highly in terms of their impact on the economy and score well in the FPP's assessment, although there is a clear need to ensure that any infrastructure investment is timely. This type of spending also has the advantage that already funded projects can be brought forward from the future without a call on the Stabilisation Fund.

Support for Individuals

Support for individuals within the Programme is provided with the extension to full transitional relief to certain people receiving income support for a further 12 months, and via support to the Citizen's Advice Bureau. Policy targeted towards the less well off scores well in terms of economic impact and being timely and targeted, the real difficulty being to ensure that policy is temporary.

Management of the Fiscal Stimulus Programme

The Minister recognises that appropriate management of these projects will be essential to their success. It is therefore the Minister's intention to include all Fiscal Stimulus projects in a single programme to be overseen by the Treasury, a means of detailed central oversight that acknowledges this as a unique intervention significantly increasing the spend of the States over the next 18-24 months. There is a commitment to allocating resource from the stimulus monies to achieve this.

Departments will form Project Teams which follow the project groupings noted above. They will be responsible for ensuring that Fiscal Stimulus projects undertaken provide value for money and achieve a timely, targeted and temporary economic stimulus to the Jersey economy. Project teams will also need to demonstrate, amongst other things, that they have the capacity to deliver the projects in a timely fashion and progress will be subject to ongoing Treasury scrutiny throughout execution.

The Fiscal Stimulus Evaluation Team has been replaced by the Fiscal Stimulus Steering Group, which comprises the same members - the Chief Executive, the Treasurer and the Economic Adviser. The Steering Group will recruit a Programme Manager who will report to the Deputy Treasurer on a day to day basis. Each Project Team is expected to report at least monthly to the Steering Group, via the Programme Manager, throughout the duration of their projects, and the teams will also be required to undertake post implementation reviews for all completed projects. Performance of departments in executing fiscal stimulus projects may have an impact on future Budget or Business Plan decisions, so the significance of high standards relating to the stewardship of monies and the delivery of the projects cannot be emphasised enough.

The Minister also recognises that it is important to ensure that the projects can be supported by the capacity available in Jersey, particularly in the construction industry. The Economic Adviser has meetings in train with the construction industry and Social Security to gauge the capacity available for the proposed projects.

11. THE MOVE TOWARDS GAAP

Background

The States has a strategic aim to deliver public services that are recognised as efficiently and effectively meeting people's needs. A key objective in order to achieve this is the implementation of GAAP (Generally Accepted Accounting Principles) compliant accounts. The introduction of GAAP accounting will deliver a range of benefits, principally improved accountability, transparency and decision making. The States of Jersey intends to publish the first set of GAAP compliant financial statements for the 2009 financial year.

Experience from implementations in other jurisdictions (including the UK) indicates that these benefits are maximised where budgeting changes are implemented alongside accounting changes. The Treasury intend to consult on proposed budgeting changes later this year, in order to be able to incorporate these changes into the 2011 Business Plan. This will include the production of a "Shadow Business Plan 2010" using the approved business plan and figures to present an improved version which will provide an initial template for future publications and also inform the consultation process

Progress to date for Resource Budgeting

We have, however, already made some improvements to this year's Business Plan. The main changes that will be evident are:

- the changes to revenue and capital expenditure, which following GAAP definitions has required elements of the capital programme to be reclassified and transferred to revenue, thus increasing revenue expenditure and reducing capital expenditure by a similar amount.
- the presentation of the States Trading Operations Business Plans, both to present them on a more commercial basis (e.g. through the inclusion of a depreciation charge) and to improve comparison between the information included in the Financial Accounts and the Business Plan.
- the introduction of a standardised Income and Expenditure Account (also referred to as an Operating Cost Statement);
- where possible for departments to present the profile of the actual spend of capital projects

These examples of improved presentation are included in the draft Annex to the Annual Business Plan 2010, but the transfers from Capital to Revenue are a part of the expenditure approvals proposed this year.

Further information on the move towards GAAP and Resource Budgeting will be published shortly together with details of the timetable for a resource budgeting consultation process

PART THREE

SUMMARY TABLES

SUMMARY TABLE A – Revenue Expenditure Allocations 2010

Approval of Revenue Heads of Expenditure

States Funded Bodies	Gross Revenue Expenditure £	Income £	Net Revenue Expenditure £
Ministerial Departments			
Chief Minister	21,714,800	1,317,600	20,397,200
- Grant to the Overseas Aid Commission	8,055,000	-	8,055,000
Economic Development	17,295,500	1,415,600	15,879,900
Education, Sport and Culture	114,402,500	14,886,000	99,516,500
Health and Social Services	182,204,200	14,901,500	167,302,700
Home Affairs	47,671,900	1,604,800	46,067,100
Housing	14,289,000	37,575,800	(23,286,800)
Planning and Environment	10,407,200	3,582,800	6,824,400
Social Security	171,605,200	6,500	171,598,700
Transport and Technical Services	42,762,500	15,152,900	27,609,600
Treasury and Resources	64,425,600	7,011,300	57,414,300
Non Ministerial States Funded Bodies			
- Bailiff's Chambers	1,326,500	66,800	1,259,700
- Law Officers' Department	7,476,700	1,286,900	6,189,800
- Judicial Greffe	4,769,400	787,000	3,982,400
- Viscount's Department	1,889,900	467,600	1,422,300
- Official Analyst	655,200	55,000	600,200
- Office of the Lieutenant Governor	805,400	62,700	742,700
- Office of the Dean of Jersey	24,500	-	24,500
- Data Protection Commission	310,800	87,700	223,100
- Probation Department	1,603,900	-	1,603,900
- Comptroller and Auditor General	739,000	-	739,000
States Assembly and its services	5,313,200	175,500	5,137,700
Proposed Revenue Expenditure 2010	**£ 719,747,900**	**£ 100,444,000**	**£ 619,303,900**

Adjustments to reconcile to Financial Forecast:			
Treasury and Resources			
Interest and Repayments on Capital Debt	*(34,500,000)*	*-*	*(34,500,000)*
Revenue Expenditure for Financial Forecast	*£ 685,247,900*	*£ 100,444,000*	*£ 584,803,900*

Note:

The Overseas Aid Commission expenditure allocation appears as a grant from the Chief Minister's department, solely for the purpose of the expenditure allocations, as it has not yet been established as a States funded body under the Finance Law.

SUMMARY TABLE B - Summary of States Trading Operations for 2010

Summary of States Trading Operations 2010

	Gross Expenditure Total	Income Total	Revenue Surplus/ (Deficit)	Financial Return or Contribution
Jersey Airport	28,088,000	28,324,000	236,000	-
Jersey Harbours	14,709,800	14,160,600	(549,200)	200,000
Jersey Car Parking	5,777,700	6,493,400	715,700	2,200,000
Jersey Fleet Management	3,326,400	3,485,500	159,100	-
	51,901,900	**52,463,500**	**561,600**	**2,400,000**

Trading Funds of the States Trading Operations 2010

	Opening Balance	Surplus/ (Deficit) for year	Add back: Depreciation	Less: Capital Expenditure	Plus: Capital Reciepts	Loan Repayments	Closing Balance
Jersey Airport	8,522,694	236,000	8,632,000	(12,534,521)	-	(2,146,000)	2,710,173
Jersey Harbours	7,373,646	(549,200)	2,960,000	(4,427,000)	-	-	5,357,446
Jersey Car Parking	11,684,559	715,700	594,000	(6,339,000)	-	-	6,655,259
Jersey Fleet Management	835,551	159,100	875,000	(1,100,000)	85,300	-	854,951
	28,416,450	**561,600**	**13,061,000**	**(24,400,521)**	**85,300**	**(2,146,000)**	**15,577,829**

SUMMARY TABLE C - Total States Net Expenditure Allocation for approval 2010 to 2014

States Funded Bodies	2010 Expenditure Allocation	2011 Expenditure Allocation	2012 Expenditure Allocation	2013 Expenditure Allocation	2014 Expenditure Allocation
		:------------------------------ Indicative only	------------------------------	------------------------------	------------------------------
	£'000	£'000	£'000	£'000	£'000
Ministerial Departments					
Chief Minister	20,397	20,409	20,296		
- Grant to the Overseas Aid Commission	8,055	8,458	8,881		
Economic Development	15,880	16,009	14,486		
Education, Sport and Culture	99,517	101,676	103,481		
Health and Social Services	167,303	174,417	182,151		
Home Affairs	46,067	47,305	48,273		
Housing	(23,287)	(23,953)	(22,881)		
Planning and Environment	6,824	6,870	6,795		
Social Security	171,599	182,385	176,740		
Transport and Technical Services	27,610	29,038	30,466		
Treasury and Resources	57,414	58,583	60,741		
Non Ministerial States funded bodies					
- Bailiff's Chambers	1,260	1,291	1,321		
- Law Officers' Department	6,190	6,340	6,490		
- Judicial Greffe	3,982	4,080	4,176		
- Viscount's Department	1,422	1,457	1,492		
- Official Analyst	600	615	630		
- Office of the Lieutenant Governor	743	761	779		
- Office of the Dean of Jersey	25	25	26		
- Data Protection Commission	223	229	234		
- Probation Department	1,604	1,644	1,683		
- Comptroller and Auditor General	739	757	774		
States Assembly and its services	5,138	5,259	5,382		
Net Revenue Expenditure Allocation	**£ 619,304**	**£ 643,653**	**£ 652,417**	**£ 668,500**	**£ 688,500**
Capital Expenditure Allocation	**£ 34,587**	**£ 39,118**	**£ 42,518**	**£ 47,038**	**£ 48,306**
Total States Net Expenditure Allocation	**£ 653,891**	**£ 682,771**	**£ 694,935**	**£ 715,538**	**£ 736,806**

Adjustments to reconcile to Financial Forecasts:					
Net Revenue Expenditure Allocation	*£ 619,304*	*£ 643,653*	*£ 652,417*	*£ 668,500*	*£ 688,500*
Repayment of Capital Debt	*(£ 34,500)*	*(£ 34,500)*	*(£ 34,500)*	*(£ 34,500)*	*(£ 34,500)*
Net Revenue Expenditure Allocation (as shown in financial forecasts)	***£ 584,804***	***£ 609,153***	***£ 617,917***	***£ 634,000***	***£ 654,000***
Capital Expenditure Allocation	*£ 34,587*	*£ 39,118*	*£ 42,518*	*£ 47,038*	*£ 48,306*
Property Capital Receipts	*(£ 4,000)*	*(£ 4,000)*	*(£ 4,000)*	*(£ 4,000)*	*(£ 4,000)*
Housing Capital Receipts	*(£ 10,000)*	*(£ 14,000)*	*(£ 20,000)*	*(£ 25,000)*	*(£ 25,000)*
Net Capital Expenditure Allocation (as shown in financial forecasts)	***£ 20,587***	***£ 21,118***	***£ 18,518***	***£ 18,038***	***£ 19,306***
Total States Net Expenditure Allocation (as shown in financial forecasts)	***£ 605,391***	***£ 630,271***	***£ 636,435***	***£ 652,038***	***£ 673,306***

Note:

The Overseas Aid Commission expenditure allocation appears as a grant from the Chief Minister's department, solely for the purpose of the expenditure allocations, as it has not yet been established as a States funded body under the Finance Law.

SUMMARY TABLE D – Proposed Capital Expenditure Allocations for 2010

Dept	Project	Initial Allocation £'000	Capital to Revenue Transfers £'000	Proposed Allocation £'000
Earmarked funds and Rolling Allocations				
CMD	Corporate ICT	4,500	(4,500)	-
EDD - Airport	"Below Ground" Works	4,000	-	4,000
H&SS	ICR Project	2,000	-	2,000
HSG	Social Housing Rolling Maintenance Allocation	2,500	-	2,500
	Social Housing Works funded from capital receipts	10,000	-	10,000
T&TS	Infrastructure Works	4,250	(1,730)	2,520
T&R (PH)	Backlog Maintenance	4,000	(4,000)	-
Various	Equipment, Maintenance and Minor Capital	2,550	(1,095)	1,455
	Total Earmarked Funds and Rolling Allocations	**33,800**	**(11,325)**	**22,475**
Major Equipment, Building and Civil Engineering Works		**Initial Allocation £'000**	**Capital to Revenue Transfers £'000**	**Proposed Allocation £'000**
H&SS	Replacement CT Scanner	1,260	-	1,260
HA	TETRA Radio Replacement	4,450	-	4,450
T&TS	Bellozane EfW Plant - Enhanced Maintenance	347	(347)	-
T&R (PH)	HD Farm Building and Incinerator Works	924	-	924
	Grainville Phase 4a	4,728	-	4,728
T&R	JD Edwards System - Development and Upgrade	750	-	750
	Total Building and Civil Engineering Works	**12,459**	**(347)**	**12,112**
	Total Proposed Capital Expenditure for 2010			**34,587**

Note:

Less Contributions from Property Disposal Receipts (Property Holdings)	(4,000)
Less Contributions from Earmarked Social Housing Capital Receipts (P6/2007)	(10,000)
Net Allocation	**20,587**

SUMMARY TABLE E – Proposed Trading Operations Capital Expenditure for 2010

Trading Operation	Project	Estimated Outturn Cost £'000	Total Allocation £'000
Airport	Purchase and installation of replacement Primary Radar at Les Platons (note 1)	3,464	
	Regulatory compliance and safeguarding	2,000	
	Purchase and installation of replacement Secondary Radar at Les Platons (note 1	1,500	
	Demolition of top 2 floors of 1937 building (construction element)	840	
	Inflation Allowance - Telebag/Out of Gauge X-Ray	142	
	Inflation Allowance - Fire Pumps	12	
	Minor Capital Assets	300	
			8,258
Harbours	Duke of Normandy Re-Fit	210	
	La Collette Pontoons	700	
	St Helier Marina Reconfiguration	1,810	
	St Aubin Fort Pier Remedial (Phase I)	170	
	Elizabeth Trailer Park Reconfiguration	500	
	Warehouse NNQ	200	
	Minor Capital Assets	567	
	Minor Remediations (Civil)	400	
			4,557
Jersey Fleet Management	Vehicle and plant replacement	1,100	
			1100
Jersey Car Parking	Green Street car park - concrete repairs	339	
			339
	Total Capital Expenditure to be Financed from Trading Funds in 2010		**14,254**

Note 1: Both items of equipment must be replaced at the same time, there is also an opportunity to save money if a joint procurement initiative is pursued with Guernsey

SUMMARY TABLE F – Proposed Capital Expenditure Allocations for 2011

Department	Project	Initial Allocation £'000	Capital to Revenue Transfers £'000	Proposed Allocation £'000
Earmarked funds and Rolling Allocations				
CMD	Corporate ICT	5,000	(4,500)	500
EDD - Airport	"Below Ground" Works	4,750	-	4,750
HSG	Social Housing Rolling Maintenance Allocation	2,750	-	2,750
	Social Housing Works (funded from Capital Receipts)	14,000	-	14,000
T&TS	Infrastructure Works	4,500	(1,750)	2,750
T&R (PH)	Backlog Maintenance	3,000	(3,000)	-
Various	Equipment, Maintenance and Minor Capital	2,550	(1,095)	1,455
	Total Earmarked Funds and Rolling Allocations	**36,550**	**(10,345)**	**26,205**
Major Equipment, Building and Civil Engineering Works		**Initial Allocation £'000**	**Capital to Revenue Transfers £'000**	**Proposed Allocation £'000**
T&TS	Refurbish Sludge Digester/STW Tanks	1,000	-	1,000
	Inert Waste Disposal Site Feasibility	750	(750)	-
T&R (PH)	Prison Masterplan Phase 1a	9,249	-	9,249
	Oncology Extension	2,664	-	2,664
	Total Building and Civil Engineering Works	**13,663**	**(750)**	**12,913**
	Total Proposed Capital Expenditure for 2011			**39,118**

Note:

Less Contributions from Property Disposal Receipts (Property Holdings)	(4,000)
Less Contributions from Earmarked Social Housing Capital Receipts (P6/2007)	(14,000)
Net Allocation	**21,118**

SUMMARY TABLE G – Proposed Capital Expenditure Allocations for 2012

Department	Project	Initial Allocation £'000	Capital to Revenue Transfers £'000	Proposed Allocation £'000
Earmarked funds and Rolling Allocations				
CMD	Corporate ICT	5,000	(4,500)	500
EDD - Airport	"Below Ground" Works	5,000	-	5,000
HSG	Social Housing Rolling Maintenance Allocation	3,000	(2,885)	115
	Social Housing Works (funded from Capital Receipts)	20,000	-	20,000
T&TS	Infrastructure Works	4,500	(1,750)	2,750
T&R (PH)	Backlog Maintenance	3,500	(3,500)	-
Various	Equipment, Maintenance and Minor Capital	2,550	(1,095)	1,455
	Total Earmarked Funds and Rolling Allocations	**43,550**	**(13,730)**	**29,820**
		Initial Allocation £'000	**Capital to Revenue Transfers £'000**	**Proposed Allocation £'000**
Major Equipment, Building and Civil Engineering Works				
EDD	Gorey Pier Restoration	2,966	-	2,966
T&R (PH)	Police Relocation - Sinking Fund	2,000	-	2,000
	St Martin's School	7,732	-	7,732
	Total Building and Civil Engineering Works	**12,698**	-	**12,698**
	Total Proposed Capital Expenditure for 2012			**42,518**

Note:

Less Contributions from Property Disposal Receipts (Property Holdings)	(4,000)
Less Contributions from Earmarked Social Housing Capital Receipts (P6/2007)	(20,000)
Net Allocation	**18,518**

SUMMARY TABLE H – Proposed Capital Expenditure Allocations for 2013

Department	Project	Initial Allocation £'000	Capital to Revenue Transfers £'000	Proposed Allocation £'000
Earmarked funds and Rolling Allocations				
CMD	Corporate ICT	5,000	(4,500)	500
EDD - Airport	"Below Ground" Works	7,000	-	7,000
HSG	Social Housing Rolling Maintenance Allocation	3,000	(1,815)	1,185
	Social Housing Works (funded from Capital Receipts)	25,000	-	25,000
T&TS	Infrastructure Works	4,500	(1,750)	2,750
T&R (PH)	Backlog Maintenance	5,000	(5,000)	-
Various	Equipment, Maintenance and Minor Capital	2,550	(1,095)	1,455
	Total Earmarked Funds and Rolling Allocations	**52,050**	**(14,160)**	**37,890**
Major Equipment, Building and Civil Engineering Works		**Initial Allocation £'000**	**Capital to Revenue Transfers £'000**	**Proposed Allocation £'000**
T&TS	Refurbish Clinical Waste Incinerator	1,000	-	1,000
	STW - Secondary Treatment Upgrade (Tranche 1)	7,000	-	7,000
T&R (PH)	FB Fields Running Track Replacement	535	-	535
	Les Quennevais Artificial Pitch Replacement	613	-	613
	Total Building and Civil Engineering Works	**9,148**	**-**	**9,148**
	Total Proposed Capital Expenditure for 2013			**47,038**

Note:

Less Contributions from Property Disposal Receipts (Property Holdings)	(4,000)
Less Contributions from Earmarked Social Housing Capital Receipts (P6/2007)	(25,000)
Net Allocation	**18,038**

SUMMARY TABLE I – Proposed Capital Expenditure Allocations for 2014

Department	Project	Initial Allocation £'000	Capital to Revenue Transfers £'000	Proposed Allocation £'000
Earmarked funds and Rolling Allocations				
CMD	Corporate ICT	5,000	(4,500)	500
EDD - Airport	"Below Ground" Works	4,250	-	4,250
HSG	Social Housing Works (funded from Capital Receipts)	25,000	(705)	24,295
T&TS	Infrastructure Works	4,500	(1,750)	2,750
T&R (PH)	Backlog Maintenance	4,500	(4,500)	-
Various	Equipment, Maintenance and Minor Capital	2,550	(1,095)	1,455
	Total Earmarked Funds and Rolling Allocations	**45,800**	**(12,550)**	**33,250**
Major Equipment, Building and Civil Engineering Works		**Initial Allocation £'000**	**Capital to Revenue Transfers £'000**	**Proposed Allocation £'000**
ESC	Aquasplash Replacement Equipment	1,019	(1,019)	-
T&TS	STW - Secondary Treatment Upgrade (Tranche 2)	7,429	-	7,429
T&R (PH)	Les Quennevais School Refurbishment/ Extension	7,627	-	7,627
	Total Building and Civil Engineering Works	**16,075**	**(1,019)**	**15,056**
	Total Proposed Capital Expenditure for 2014			**48,306**

Note:

Less Contributions from Property Disposal Receipts (Property Holdings)	(4,000)
Less Contributions from Earmarked Social Housing Capital Receipts (P6/2007)	(25,000)
Net Allocation	**19,306**

SUMMARY TABLE J – Schedule of Properties Proposed in 2010 for Disposal

OLD HARBOURMASTER'S HOUSE, GOREY, ST MARTIN
Administered by the Economic Development Department (Jersey Harbours division). The property is currently vacant and surplus to the operational requirement of Jersey Harbours. There is no other operational need for the property within the States.

LE COIN SITE, ANN STREET, ST HELIER
Acquired as part of the Ann Court purchase in 1952. Formerly a four storey block containing 16 No flats. Demolished in 2007 and used as temporary car parking since 2008. The site is no longer required by the Public and there is no other States' requirement for the land. The site is in a residential area and is deemed suitable for redevelopment. Jersey Property Holdings has been approached by a developer in relation to a proposed joint venture for the redevelopment of the Wesley Chapel and Le Coin site.

PINE RIDGE, WEST HILL, ST HELIER
This dwelling was acquired in 2000 as part of the 'Bellozanne Bad Neighbour' Purchase Policy, in place at the time but no longer being implemented. The above policy is no longer in operation and the property has sat vacant since being acquired in 2000.

FORMER SUNSHINE HOTEL & COTTAGE SITES, ST HELIER
Purchased in 1999 for redevelopment as Social Rental Housing, but not pursued beyond feasibility stage. Tendered for sale in 2006 but subsequently withdrawn. Presently for sale by tender following a decision by the Treasury Assistant Minister (MD-PH-2009-0015 -18.3.09). The sites are no longer required by the Housing Department and there is no other States' requirement for the land. The sites are in a residential area and are deemed suitable for private sector development.

OLD BLACKSMITHS STORE, CORBIÈRE HEADLAND, ST BRELADE
This small granite store was acquired as part of the Corbière Headland purchase in 1873. The property offers no prospect of serving an operational purpose to the States and cannot generate a significant rental income.

46 ROUGE BOUILLON, ST HELIER
46 Rouge Bouillon was bought in 1993 for the future expansion of the Police and Fire Services Headquarters at Rouge Bouillon. The property comprises offices (formerly a dwelling) and storage/garages with a yard. The property is no longer required for the expansion of the Police and Fire Headquarters. The offices are poor quality and relatively high maintenance. The storage/garages are poor quality.

D'HAUTREE SITE, ST SAVIOUR'S HILL, ST SAVIOUR
This site currently houses the Professional Development Centre (a portacabin style building), Jersey Property Holdings Maintenance Team Offices and some temporary buildings currently being used as decant space for the Turner building refurbishment. The bulk of the site is used as parking. The office elements of this site will become surplus to requirements as the Office Rationalisation proposals develop.

SOUTH HILL STATES OFFICES, ST HELIER
Acquired in 1949, the site totalling 8,026 sq. metres (4 vergeés 18 perch) has historically been used for States office accommodation of 21,483 sq. ft. net internal area including 7 portacabins, with parking for some 164 vehicles. Significant value could potentially be released through the sale of the site, subject to the necessary planning consent being obtained. The existing offices, whilst functioning as basic accommodation, are poorly configured in terms of floor layouts, are inadequate in terms of the total floor space available and represent an ongoing maintenance liability.

LIBRARY CHAMBERS, 5 LIBRARY PLACE, ST HELIER
The Library was ceded in perpetuity to the States by Reverend Falle in 1737. Comprises 1522 sq ft of office accommodation over 3 floors, which has been occupied by various States Departments. The accommodation will be surplus to requirements further to the office rationalisation process.

FIELD S107, LA ROUTE DE MAUFANT, ST SAVIOUR
This 18.16.07 vergées field was acquired in 1983 to remove a bad neighbour use and three large dilapidated glasshouses upon it. The field has been leased for agricultural use since its purchase. The current 25 year lease is due to expire in September 2009, and there is no operational requirement for the land.

LAND ADJOINING 162 CLOS DES SABLES, ST BRELADE
An area of estate landscaping at Clos des Sables. The estate landscaping and footpaths at Les Quennevais Park and Clos des Sables were retained by the Public, with the administration transferring to JPH in 2007. The owners of 162 Clos des Sables wish to buy the area of land to extend their house. The land is effectively unused by the residents of the estate, and JPH is therefore willing to negotiate terms for its sale.

LAND ADJOINING 108/109 CLOS DES SABLES, ST BRELADE
A small area of estate landscaping at Clos des Sables. The estate landscaping and footpaths at Les Quennevais Park and Clos des Sables were retained by the Public, with the administration transferring to JPH in 2007. The owners of 108 Clos des Sables wish to buy the area of land to extend their domestic garden. The land is effectively unused by the residents of the estate, and JPH is therefore willing to negotiate terms for its sale.

SUMMARY K - Legislation programme for 2010

Where indicative matters are listed, these have not yet been allocated drafting time. They may be added to the programme by the Council of Ministers when the policy is sufficiently developed, when the financial and manpower implications are fully established and any funding identified, and when there are both departmental and drafting resources ready to proceed.

1.1.1 Chief Minister's Department

Migration work will continue on legislation to establish the register of names and addresses and the processes and requirements for registration of persons living in Jersey. The target is to lodge the principal legislation in 2010.
Business as usual Orders imposing sanctions on governments and associated individuals will be made, as needed, as a matter of high priority.
Indicative Time will be found for the drafting of civil partnerships legislation once the States have adopted the principles of the policy. The Chief Minister will co-ordinate work across departments on the development of legislation relating to charities.

1.1.2 Economic Development Department

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

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

Financial services business development
Work will start on new legislation to enable Islamic finance products to be offered in Jersey.
Financial services business regulation
Work continues on -

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

Financial services business as usual 25 days will be set aside for routine amendments needed to financial services and companies legislation to ensure that the legislation is kept up-to-date.
General business regulation
Work will continue on the Gambling Commission (Jersey) Law 200-, the Gambling (Jersey) Law 200- and the package of subordinate legislation needed to underpin the new Gambling Law, with the aim of lodging the principal Laws in 2010
Work will start on an amendment to the Telecommunications (Jersey) Law 2002 to increase the powers of the Jersey Competition Regulatory Authority in respect of telecommunications service providers.
New drafting time has been allocated to start work on the establishment of the Jersey Consumer Council.
Agriculture
Work will start on legislation to enable the transition from the present milk marketing scheme to a voluntary co-operative.

Shipping
Work will start on -

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

Sea fisheries business as usual 20 days will be set aside for ongoing amendments to sea fisheries legislation to ensure that Jersey implements its international obligations.
Indicative A new Licensing Law; the further development of financial services products and regulation; further consumer protection.

1.1.3 Health and Social Services Department

Regulation of services
Work will recommence on -

- a new Medical Practitioners (Registration) (Jersey) Law 200- which will update the arrangements for authorizing persons to practise as medical practitioners, taking into account the requirements for revalidation
- on the Human Fertilization and Embryology (Jersey) Law 200-, which will regulate the provision of assisted reproduction services and make provision as to the parentage of children born following the use of donor gametes.

Work will start on a new Regulation of Care Law, to improve levels of protection afforded to vulnerable sections of the public (such as residents of nursing or residential homes).
Health protection
Work will continue on -

- the Health and Safety (Dwellings) (Jersey) Law 200-, which will introduce minimum safety standards for dwellings. The aim is to lodge the Law in 2010
- the final legislative elements of the Tobacco Strategy, being Regulations requiring warning notices on packages, and prohibiting or regulating advertising, sponsorship and brandsharing
- the Food Hygiene (Jersey) Regulations 200- imposing hygiene and food traceability requirements that will make Jersey products EU compliant

Work (expected to start in 2009) will continue on Regulations to implement the World Health Organization's Regulations on international health.
New drafting time is allocated for Regulations to implement Council Directives 2001/83 and 1998/202 which impose a code of standards for medicinal products for human use.
New Directions
Work will continue on amendments to the Medicines (Jersey) Law 1995, and implementing subordinate legislation, to enable prescribing by pharmacists, nurses and other health care professionals.
Work (expected to start in 2009) will continue on the Primary Care (Jersey) Law 200- introducing such legislative provisions as may be needed for the expansion of primary care.
Indicative A new Mental Health Law (target is to deliver drafting instructions in 2011).

1.1.4 Home Affairs Department

Policing and public protection
First priority will be given to such legislation as may be needed to enable Jersey to remit information to, and access, data held by the Criminal Records Bureau and to join in the scheme for barring persons from working with children or vulnerable adults.
Work will continue on -

- new legislation to establish a police authority, with the aim of lodging the legislation in 2010
- the Explosives Law, updating the regulation of possession, use, transport and importation of explosives, with the aim of lodging in 2010

Work will start on -

- amendments to update the Terrorism (Jersey) Law 2002
- amendments to update the Police Procedures and Criminal Evidence (Jersey) Law 2003 regarding the issues of and powers under search warrants and the taking of samples

- new legislation to prohibit the carriage of knives in public places

Criminal Justice

Work will continue on -

- the Criminal Procedure (Jersey) Law 200-, to replace the Loi (1864) réglant la procédure criminelle, providing a comprehensive and accessible statement of the judicial procedures for handling of criminal matters, with the aim of lodging in 2010

Work will continue on the following (all expected to start in 2009) -

- amendments to the Criminal Justice (Young Offenders) (Jersey) Law 1994 to confer new sentencing powers in respect of offenders aged 12+
- amendments to the Criminal Justice (Evidence and Procedure) (Jersey) Law 1998 to extend existing special measures for the taking of evidence from vulnerable witnesses

Work will start on -

- new legislation to enable a Jersey court to make an order, in civil proceedings for the confiscation of the proceeds of crime (the 2nd phase of the legislation already enacted as the Civil Asset Recovery (International Co-operation) (Jersey) Law 2007)
- amendments to the Prison (Jersey) Law 1957 to introduce specific offences in respect of the conveyance into the prison of drugs and certain other prohibited articles
- new legislation to enable the repatriation of prisoners sentenced in Jersey

Immigration

Work will either start or continue on such legislation as may be needed to enable Jersey to join the e-Borders programme.

Indicative Legislation to regulate the supply and use of fireworks.

1.1.5 Housing Department

Indicative A tenants'deposit scheme.

1.1.6 Planning and Environment Department

Compliance with EU standards and international conventions

Work will continue on new Regulations to implement Directive 1989/556 on trade in bovine embryos (work expected to start in 2009)

Work will start on -

- a new Order to implement Directives on plant health, for the elimination of the risk of potentially damaging pests and diseases entering Jersey
- new Regulations to implement Council Regulation 2001/999 on the prevention control and eradication of transmissible spongiform encephalopathy
- new Regulations to implement Directive 2006/88 on health requirements for aquaculture animals and products

Diseases of animals

In addition to the implementation of the Community provisions on animal health described above, work will start on a replacement for the outdated Diseases of Animals (Jersey) Law 1956 that will be fit for purpose, together with the replacement and rationalisation of the subordinate legislation made under that Law.

Indicative Legislation to protect archeological artefacts, to regulate the energy market and to update the provisions regulating the dumping of material in the sea.

1.1.7 Social Security Department

Economic stimulus

Work is expected to start on the establishment of an insolvency fund to protect pay-related statutory entitlements of employees, in the event of the employer's insolvency.

Income Support, Health Insurance, Social Security

Work will either start or continue on amendments to the Social Security (Jersey) Law 1974 and its subordinate legislation to reform the funding of supplementation and to make changes to the age of pension entitlement

Business as usual legislation is needed each year to update income support components and rates

New Directions
Work will start on new legislation on long-term care, providing for its cost to be shared by individuals and the States
Employment
Work will continue for the introduction principal legislation for rights on the transfer of undertakings and protection of employment (TUPE).
Indicative Employment legislation reforms to introduce family-friendly measures; further standards for health and safety in the workplace.

1.1.8 Transport and Technical Services Department

Work will start on -

- a new Streetworks Law, with the object of enforcing a co-ordinated and managed streetworks policy
- Road Traffic Law and associated amendments concerning the bus service and public parking

1.1.9 Non-ministerial

Indicative Drafting time will be allocated for any States' reform once there has been an 'in principle' agreement on the policy.