

March 2008

Dear,

**2009 Business Plan – Provisional Cash limits and Draft Proposals from the Council of Ministers**

The Council of Ministers has been determined to work closely with all States members in the development of the proposals for the 2009 Business Plan. The Council has conducted briefings at each stage of the process and is now able to present its draft proposals in the attached briefing pack.

The pack provides an outline of the Council's draft proposals and also the detailed returns from departments. The pack also includes a number of summaries to assist members in their understanding of how the Council has considered the pressures that have been identified during this year's process and how these pressures might be addressed.

The next stage of the process is an opportunity for the Public, all States members, and in particular the individual Scrutiny Panels, to review the draft proposals, consider the implications for States services and objectives and make any comments or recommendations back to the Council. The intention is that this review stage will be done in conjunction with the departments and officers who have been fully involved in the development of the draft proposals to date.

The proposals are in a draft form at this stage and the Council invites comments or recommendations from all States members, Scrutiny Panels and the Public by the end of April. The Council will then consider all the feedback before developing its final proposals during May for the 2009 Business Plan.

Any details relating to individual departments should be directed to those departments but any queries regarding the 2009 business planning process itself should be directed to Chris Haws, Head of Financial Planning in the States Treasury on 440221 or [c.haws@gov.ie](mailto:c.haws@gov.ie)

Yours sincerely

**Senator Terry Le Sueur**  
**Minister for Treasury and Resources**



## **2009 Business Plan - Summary of the Council of Ministers Draft Proposals for review by Scrutiny and other States members**

### **Introduction**

The Council of Ministers has produced draft proposals for the 2009 Business Plan at this early stage of the process to provide each Scrutiny Panel and individual States members an opportunity to make comments or recommendations and feed these back by the end of April. This feedback will then inform the development of the Council's final proposals during May for the 2009 Business Plan.

### **Economic and Financial Background**

The Council has received presentations on the financial background highlighting the constraints on spending within existing limits approved in the 2008 Business Plan debate, and that any additional funding should be presented with compensating savings.

The approved increase in expenditure over the next three years is between 3% and 4% and the Council's objective is to propose cash limits within these levels.

The Council's deliberations have been informed by a revised financial forecast, reflecting the provisional 2007 outturn, which indicates that the forecasts have not changed significantly from those presented in the 2008 Budget. The forecast continues to show the planned healthy surpluses ahead of the introduction of 0/10, largely resulting from the introduction of GST in May 2008.

Despite this fairly healthy financial position the Council was reminded by the Economic Advisor that increasing States spending at a time when the economy was growing, and at full capacity, would be likely to result in an inflationary spiral. This would be driven by the demand, in particular for labour; exceeding supply and resulting in pay and price inflation.

### **Pay and Inflation Provisions**

The Council was advised of the latest inflation assumptions through to 2009 and as a result the effect of revising the pay and benefit provisions currently within cash limits. At this stage (predominantly based on Dec 07 figures) it is estimated that there could be a very small saving through to 2009 of around £0.4 million.

The Council was asked to review the assumptions in respect of the effect of GST. Currently the pay and benefit provisions in spending limits assume that no account of the GST effect on RPI will be provided for. These provisions recognise that:

- Income Support has already been uplifted in 2008 by almost £2 million to protect those on low incomes from GST;
- a new allowance for GST (£400k) for those on low incomes who fall between Income Support and the Income Tax System has been approved; and

- those low to middle earners on the marginal rate of tax will benefit from the 6% increase in exemption thresholds also agreed in the 2008 Budget and allowances also considered.

It was also highlighted that the purpose of GST, as with any new tax, is to take money out of the economy. Furthermore, if the private sector were to be expected to hold down pay awards relative to RPI including GST then the States should be seen to lead by example.

The increase in provision that could be required if the full GST effect is included in pay and benefit provisions at about 2% would represent in the order of £6 million for pay in a full year and £2 million for benefits in a full year. A full year cost of £8 million or an additional 1.5% on States spending.

At this stage of the process the proposals can only indicate the likely requirement for changes to pay and prices and the focus has been on changes to services. However, the impact of inflation and the final provisions for pay and benefit inflation will need to be agreed in April and may affect the proposed spending levels. These provisions will be informed by the March 2008 RPI release.

### **Proposals for Service Changes within approved Cash Limits**

As part of the 2009 process all departments were asked in December to identify any significant spending pressures and initiatives and also any opportunities for significant savings.

#### **Spending commitments**

The Council has already agreed to spending commitments in respect of additional funding for the prison at £1 million and the States approved the GST allowance for those households on low incomes who fall between the Income Support and Income Tax systems at £0.4 million.

The Education, Sport and Culture department identified a further spending commitment. This relates to the existing contract costs of the AquaSplash, which are now running at £0.4 million p.a. will cause the original funding provision to be exhausted by 2009, and consequently a commitment to this annual sum would be required unless the facility is to be closed. A thorough review of the contract had been conducted which identified that this level of cost was likely to continue and would not be reduced by taking the contract in house.

#### **Potential savings**

The Education, Sport and Culture department have also identified potential savings in demography and in the higher education provision, together these would amount to just over £1 million in 2009.

In respect of higher education there had been some concern that tuition fees were likely to increase from September 2009. Recent discussions between the Minister and senior UK officials suggest that significant increases in the short term are now unlikely, with a further review in 2011. In the short-term at least the savings appear to be robust assuming student numbers continue on current trends.

### Changes in service priorities within departments cash limits

The Council has received presentations from each Minister summarising the financial position of their department, the base pressures, changes in priorities and whether or not the spending pressures which had been identified should be delivered and if so how they could be accommodated within the provisional cash limits.

The Council agreed that the reprioritisation proposed by Ministers was appropriate within their services and that these priorities should be discussed fully as part of the Scrutiny review.

A full analysis of the returns from departments is included within the detailed briefing pack together with a summary of the key issues.

### Summary of draft proposals within approved Cash Limits

In summary the Council's draft proposals for 2009 are broadly within approved cash limits, pending the final pay and inflation provisions to be determined in April/May.

	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Approved Cash Limits - 2008 Business Plan</b>	<b>530,781</b>	<b>549,317</b>	<b>567,282</b>
<i>Approved increase in Cash Limits</i>	<i>3.08%</i>	<i>3.49%</i>	<i>3.27%</i>
<u>Spending Commitments</u>			
Prison improvements	1,000	1,000	1,000
Allowances for GST	400	400	400
Funding for Aquasplash contract	370	370	370
	<u>1,770</u>	<u>1,770</u>	<u>1,770</u>
<u>Less: Savings identified</u>			
Education demographics	(325)	(325)	(325)
Student finance	(689)	(689)	(689)
	<u>(1,014)</u>	<u>(1,014)</u>	<u>(1,014)</u>
<b>Potential increase in approved cash limit</b>	<b><u>531,537</u></b>	<b><u>550,073</u></b>	<b><u>568,038</u></b>
<i>increase in approved cash limit (£)</i>	<i>756</i>	<i>756</i>	<i>756</i>
<i>overall increase in cash limits (%)</i>	<i>3.22%</i>	<i>3.63%</i>	<i>3.41%</i>

*Currently this increase could be partly offset by the forecast saving in the pay and inflation provision of £400,000, leaving an increase of less than 0.1%*

### Draft proposals – Spending pressures outside approved cash limits

At this stage the Council is not proposing that States spending be increased above approved levels. The Council is mindful of the debate in the 2008 Business Plan regarding maintaining or even reducing States spending.

During the course of the 2009 business plan review departments have identified a number of additional spending pressures and initiatives which the Council has now reviewed.

As part of the review Ministers and their department were asked to propose whether or not the additional spending pressures should be delivered and if so how they could be accommodated within the provisional cash limits.

Each of the pressures was then subject to challenge and discussion. In some cases funding solutions were identified and others require further work.

The Council finally determined draft proposals which identify between:

- pressures which would require additional funding;
- pressures for which possible solutions have been identified; and
- pressures which the Council would not propose for inclusion in 2009 at this stage – until further proposals are received by the Council this group includes Health's New Directions Strategy, Environmental Tax and Spend initiatives and Planning and Building increased user pays charges.

This illustrates that despite the very positive work by departments there remain a number of pressures for which additional funding would be required. It is clear, following the review by departments, that compensating savings or efficiencies are unlikely to be identified in 2009 and currently Ministers and their departments would not recommend the displacement of existing services to accommodate them.

As part of the current review the views of Scrutiny and other States members are sought on the priority of these pressures and initiatives relative to an increase in States spending

### **Draft Proposals – Provision of a Contingency Sum**

In addition there were a number of items for which the costs were at this stage unclear or where they could vary quite significantly in the next 12 months. For these items the Council is considering providing for a contingency sum.

The Council has reviewed the possible components of such a contingency including:

- significant variations in forecast RPI, in particular due to further fluctuations in interest rates;
- the uncertainty over future levels of Student "top-up" fees;
- the need to consider a provision for any recurring costs that may result from the recent revelations at Haut de Garenne, an exercise is underway to forecast both one-off and recurring costs by department; and
- the need to consider a provision for any recurring costs that may result from the outcomes of the current Williamson review.

The Council is minded to propose such a contingency, probably to be held within the Treasury and Resources department, in order to manage such uncertainties through 2009. The Council would return to consider the contingency and confirm the level of provision, if appropriate, once further information were available in April/May and the views of Scrutiny were known.

### **2009 – 2011 Cash Limits**

At this stage the Council has focussed on the 2009 cash limit pressures and variations. In respect of 2010 and 2011 many of the proposals which may

result in additional spending pressures in those years are still being developed. These include the Health New Directions Strategy and Environmental Tax and Spend initiatives where only broad indications of costs are available until the proposals are further developed and agreed.

The Council is also aware that the introduction of GAAP and Resource Accounting and Budgeting is likely to provide evidence to support the view that the States currently under provides for infrastructure maintenance. Significant pressure is already highlighted by Transport and Technical Services and Property Holdings and this issue will need to be addressed at a States level once the new asset values are known as part of next year's Business Plan.

The 2009 process has identified that additional revenue funding will be required for the Town Park if it goes ahead in 2011. Further work will be done before the final proposals are developed in May.

### **Summary of Proposals**

A summary of the Council's draft proposals is attached as Appendix A.

The base proposals from the Council would result in a small increase in the approved cash limits from the 2008 Business Plan, subject to the revised pay and inflation provision to be agreed in May. The overall increase in net revenue expenditure from 2008 to 2009 would be 3.22%

The additional spending pressures from departments which also have a level of support from the Council amount to £3.9 million. These pressures are awaiting the views of Scrutiny and other States members and, if proposed, would result in an overall increase of 3.9%.

### **Proposals for Scrutiny Review**

The Council would request that Scrutiny, as a part of their review of the draft proposals for the 2009 business plan, consider the following:

- Whether as a principle that States spending limits from the 2008 Business Plan should be increased in the light of new pressures and priorities;

And as a result of this conclusion;

- If the principle of a contingency provision would be appropriate;
- which, if any, of the additional spending initiatives and pressures identified would be considered of sufficient priority to merit increasing spending levels.

The Council would also welcome the comments and views of other States members on these issues.

The Council intends to be able to take account of all the views from Scrutiny and other States members on these matters and all the other issues raised before arriving at its final proposals in May.

### **Next Steps**

During the period of the Scrutiny review the Council will continue consideration of other aspects of the 2009 Business Plan including the Capital and Legislation Programmes, the Property Plan and the proposals for department's key objectives for 2009.

As further information on these related programme areas are available in an agreed draft form then they will also be forwarded to Scrutiny as appropriate.

A timetable for the 2009 Business Plan process is included in the detailed briefing pack for information



## APPENDIX A

### Summary of Council of Minister's Draft Proposals

	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Approved Cash Limits</b>	<b>530,781</b>	<b>549,317</b>	<b>567,282</b>
<i>Approved increase in Cash Limits</i>	<i>3.08%</i>	<i>3.49%</i>	<i>3.27%</i>
Spending Commitments	1,770	1,770	1,770
Less: Savings identified	(1,014)	(1,014)	(1,014)
<b>Potential cash limits</b>	<b>531,537</b>	<b>550,073</b>	<b>568,038</b>
<i>increase (£)</i>	<i>756</i>	<i>756</i>	<i>756</i>
<i>% increase in cash limits</i>	<i>3.22%</i>	<i>3.63%</i>	<i>3.41%</i>
<b>Proposals to be finalised after Scrutiny Review</b>			
Revised pay and inflation provision			
- based on Dec 07 RPI forecasts	(400)	(200)	(200)
Spending pressures no funding options	3,636	4,770	4,740
<b>Potential Cash Limits including other proposals ?</b>	<b>534,773</b>	<b>554,643</b>	<b>572,578</b>
<i>increase (£)</i>	<i>3,992</i>	<i>5,326</i>	<i>5,296</i>
<i>% increase in cash limits</i>	<i>3.85%</i>	<i>4.50%</i>	<i>4.23%</i>
<u>Other issues</u>			
Possible Contingency provision		<i>each £1m = increase of 0.2%</i>	
Looking ahead to 2010-2011			
Health New Directions		<i>1% - 2%</i>	<i>1% - 2%</i>
Environmental Tax and Spend	<i>£0.5m</i>	<i>0.5%</i>	<i>0.5% - 1%</i>
Probable shortfall in infrastructure maintenance awaiting value from GAAP/Resource Accounting		<i>1% - 2%</i>	<i>1% - 2%</i>



# **DETAILED BRIEFING PACK**

## **2009 Business Plan – Provisional Cash Limits Impacts on Departments**

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# 1. Guidelines to Departments

## **Business Planning Process 2009 – Guidance to Departments**

### **Completion of Templates for 2009 to 2011 Service changes**

As a result of the first stage of the 2009 business planning process the Council of Ministers is proposing provisional cash limits for departments for 2009 to 2011, the three years which will be detailed in the forthcoming 2009 Annual Business Plan.

The main principle behind the Council's proposals is that cash limits for the three years should be proposed to the States within the levels agreed in last years Business Plan. The provisional cash limits on which the service analysis are to be produced use the spending limits from the 2008 Business Plan and have only been adjusted for:

- three new spending commitments currently seen as unavoidable;
  - essential funding for base pressures and improvements at the Prison;
  - funding for the new allowances for GST for people who fall between the income support and income tax systems
  - funding the shortfall in the AquaSplash contract
- potential savings in demography and higher education in Education, Sport and Culture.

The task for departments is now to consider the provisional cash limits and by reviewing their business plans for the next three years to identify how they will manage within those cash limits over the period.

To simplify the process tables are provided for departments which identify the variations in departments cash limits over the next three years between "inflation provision" and the "real service changes".

The focus of the analysis should be to:

- account for the items in the "real service changes" column of the provided tables;
- consider whether any items relating to the departments on the reduced list of spending pressures from the Council can be accommodated; and
- identify any other minor service changes that the departments will need to deliver over this period.

The sum of any proposed changes and compensating savings or reductions in service must then reconcile to the total of "service changes" for the relevant year, as identified in the columns in the provisional cash limit tables supplied for 2009 to 2011.

The end result should be a high level picture for each year of how the delivery of services and the department's objectives will be affected by the required service changes/pressures. This should then enable the Council of Ministers to consider the impact of the provisional three-year cash limits across all departments and subsequently inform the Scrutiny process.

To assist this process correspondence was issued in December providing details of the timetable and intended process. This correspondence advised departments that the usual business planning programmes for revenue, capital and legislation would need to be carried out in time to inform this provisional cash limit process. Departments were also asked to review their department and strategic objectives over this period.

Meetings will be arranged, in early February, with individual department finance officers to further discuss the required approach and completion of returns.

The deadline for returns for 2009 only is **Wednesday 13 February** and for the remaining two years 2010 and 2011 is Friday 22 February. Revised proformas for the reduced list of spending pressures are also required as appropriate.

More detailed guidance follows but should you have any queries please contact Chris Haws, Head of Financial Planning on 440221 or at [c.haws@gov.je](mailto:c.haws@gov.je)

## **Detailed Guidance**

The template returns for 2009, 2010 and 2011 should be based on department's service analysis structure from the Annex to the Annual Business Plan 2008, an example of Treasury and Resources Dept is used in the attached spreadsheet.

The effect of price changes or "inflation" is deliberately excluded from this analysis. The focus of the required returns is entirely on the "real" service changes.

Departments are required to identify the allocation of the total of the "Service Changes" figure across each of their Service Analysis areas.

In addition departments are also required to identify the CoM spending pressures which can be accommodated any other service initiatives or spending pressures that they are aware of over the three year period which come out of the business plan review. If any further initiatives or pressures are identified beyond those submitted to CoM, then the department must identify how they will contain such pressures within the provisional cash limit by identifying equivalent savings or service changes to mitigate the financial effect.

### **Service Changes £000 and FTE**

The financial allocation should be detailed in the column headed "Service Changes" and should include the FTE effect as appropriate.

The total of this column in any year must not exceed the "service change" figure for the department from the appropriate year's cash limit analysis

### **Description of Service Changes**

A broad description of the impacts on the individual service area resulting from the allocation should be included in the column "Description of Service".

The intention is to provide to the Council of Ministers and later to Scrutiny the broad effect on services of the required/proposed changes.

### **Impact on delivery of objectives**

The department is also required to complete an assessment of the impact of the service changes on the delivery of objectives and any effect on its performance measures. This narrative should be included in the column headed "Impact on delivery of objectives"

The intention is to provide to the Council of Ministers and later to Scrutiny the broad effect on the delivery of the Strategic Plan and of the department's key objectives of the required/proposed service changes.



**Significant Funding Pressures – 2009 Business Plan**

<b>Department:</b>	
<b>Description of Funding Pressure:</b>	
<b>Why not included in 2008 Business Plan:</b>	
<b>Link to Strategic Plan Objective:</b>	
<b>Impact of Funding Pressure not being introduced:</b>	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009	2009
2010	2010
2011	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE):</b>	
<b>Other financial or resource considerations: (impact on other depts?)</b>	
<b>Options for Funding within Department:</b>	
<b>Contact Officer:</b>	

Notes:

It is assumed that costs are at 2009 prices

It would also be useful to separately return the breakdown of the additional costs between Pay, Benefits and Other Costs for the purpose of allocating an appropriate inflation provision.



## 2. Proposed Cash Limits

## **Proposals for Service Changes within approved Cash Limits**

As part of the 2009 process all departments were asked in December to identify any significant spending pressures and initiatives and also any opportunities for significant savings.

### **Spending commitments**

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**Details of variations to provisional cash limits from 2008 to 2009**

Department	2008 Cash Limit from 2008 Business Plan £'000	2009 Variation to Cash Limits										2009 Cash Limit £'000	Inflation £'000	Service Changes £'000
		Inflation Provisions				Real Service Changes								
		Pay Provision £'000	Non Staff Provision £'000	Housing Rent £'000	Benefit Provision £'000	Resource Allocation £'000	Strategic Plan £'000	Emerging Pressures £'000	CoM Spending Commitments Jan-09 £'000	CoM Potential Savings Jan-09 £'000	Efficiency Savings £'000			
Chief Minister	14,757.2	387.8	64.4	-	-	0.0	-	-	-	-	(1.7)	15,207.7	452.3	(1.7)
Economic Development	16,056.7	94.4	321.1	-	-	0.0	-	-	-	-	(12.8)	16,459.4	415.5	(12.8)
Education, Sport and Culture	95,984.1	2,382.8	372.0	-	-	0.0	-	-	370.0	(1,014.0)	(72.0)	98,022.8	2,754.8	(716.0)
Health and Social Services	147,901.5	3,555.5	689.3	-	-	2,057.5	-	-	-	-	(114.1)	154,089.7	4,244.8	1,943.4
Home Affairs	42,901.1	1,026.4	199.1	-	-	0.0	-	-	1,000.0	-	(30.6)	45,096.0	1,225.5	969.4
Housing	(22,014.6)	88.6	235.4	(865.2)	-	0.0	-	-	-	-	(8.9)	(22,564.7)	(541.2)	(8.9)
Planning and Environment	6,015.6	189.1	(10.5)	-	-	0.0	-	-	-	-	(6.8)	6,187.4	178.6	(6.8)
Social Security	146,596.1	58.9	73.3	-	5,787.7	0.0	1,500.0	(4,100.0)	400.0	-	(2.1)	150,313.9	5,919.9	(2,202.1)
Transport and Technical Services	21,877.0	507.1	115.4	-	-	0.0	-	-	-	-	(27.0)	22,472.5	622.5	(27.0)
Treasury and Resources	16,875.1	356.1	118.8	-	-	0.0	-	-	-	-	(8.0)	17,342.0	475.0	(8.0)
<b>Non Ministerial States Funded Bodies</b>														
- Bailiff's Chamber	1,225.2	24.7	9.6	-	-	0.0	-	-	-	-	(1.0)	1,258.5	34.3	(1.0)
- Law Officers' Department	5,272.1	82.0	62.0	-	-	0.0	-	-	-	-	(3.9)	5,412.2	144.0	(3.9)
- Judicial Greffe	3,880.1	63.3	43.1	-	-	0.0	-	-	-	-	(3.3)	3,983.3	106.4	(3.3)
- Viscount's Department	1,393.4	32.0	7.6	-	-	0.0	-	-	-	-	(1.3)	1,431.7	39.6	(1.3)
- Official Analyst	585.9	12.0	4.4	-	-	0.0	-	-	-	-	(0.5)	601.9	16.4	(0.5)
- Office of the Lieutenant Governor	726.6	18.2	2.7	-	-	0.0	-	-	-	-	(0.6)	746.8	20.9	(0.6)
- Office of the Dean of Jersey	21.6	-	0.5	-	-	0.0	-	-	-	-	0.0	22.2	0.5	0.0
- Data Protection Commission	219.6	6.6	0.1	-	-	0.0	-	-	-	-	(0.2)	225.9	6.5	(0.2)
- Probation Department	1,509.6	37.2	6.1	-	-	0.0	-	-	-	-	(1.0)	1,551.9	43.3	(1.0)
- Comptroller and Auditor General	712.4	3.9	14.5	-	-	0.0	-	-	-	-	(0.5)	730.3	18.4	(0.5)
States Assembly and its Services	5,084.1	46.8	87.3	-	-	0.0	-	-	-	-	(3.7)	5,214.5	134.1	(3.7)
Grant to the Overseas Aid Commission	7,363.0	-	-	-	-	368.2	-	-	-	-	0.0	7,731.2	-	368.2
<b>Total States Net Revenue Expenditure</b>	<b>514,943.5</b>	<b>8,973.5</b>	<b>2,416.1</b>	<b>(865.2)</b>	<b>5,787.7</b>	<b>2,425.7</b>	<b>1,500.0</b>	<b>(4,100.0)</b>	<b>1,770.0</b>	<b>(1,014.0)</b>	<b>(300.0)</b>	<b>531,537.3</b>	<b>16,312.1</b>	<b>281.7</b>

**Details of variations to provisional cash limits from 2009 to 2010**

Department	2009 Cash Limit £'000	2010 Variation to Cash Limits										2010 Cash Limit £'000	Inflation Provision £'000	Service Changes £'000
		Inflation Provisions				Real Service Changes								
		Pay Provision £'000	Non Staff Provision £'000	Housing Rent £'000	Benefit Provision £'000	CoM Allocation £'000	Strategic Plan £'000	Emerging Pressures £'000	CoM Spending Commitments Jan-09 £'000	CoM Potential Savings Jan-09 £'000	Efficiency Savings £'000			
Chief Minister	15,207.7	346.1	66.0		-	(13.4)	-	200.0	-	-	-	15,806.4	412.1	186.58
Economic Development	16,459.4	83.2	328.8		-	(14.5)	-	-	-	-	-	16,856.8	412.0	(14.5)
Education, Sport and Culture	98,022.8	2,099.8	379.5		-	(87.1)	-	-	-	-	-	100,415.1	2,479.4	(87.1)
Health and Social Services	154,089.7	3,154.8	716.5		-	3,081.8	-	-	-	-	-	161,042.8	3,871.3	3,081.8
Home Affairs	45,096.0	904.5	203.3		-	(38.9)	-	-	-	-	-	46,165.0	1,107.9	(38.9)
Housing	(22,564.7)	78.0	241.1	(886.9)	-	0.0	-	-	-	-	-	(23,132.4)	(567.8)	0.0
Planning and Environment	6,187.4	166.6	(10.9)		-	(5.5)	-	-	-	-	-	6,337.6	155.7	(5.5)
Social Security	150,313.9	51.9	75.1		5,952.1	0.0	(400.0)	-	-	-	-	155,993.0	6,079.1	(400.0)
Transport and Technical Services	22,472.5	446.9	117.7		-	(19.8)	-	-	-	-	-	23,017.2	564.5	(19.8)
Treasury and Resources	17,342.0	313.8	121.6		-	(15.3)	-	-	-	-	-	17,762.2	435.4	(15.3)
<b>Non Ministerial States Funded Bodies</b>														
- Bailiff's Chamber	1,258.5	21.8	9.8		-	(1.1)	-	-	-	-	-	1,289.0	31.6	(1.1)
- Law Officers' Department	5,412.2	72.3	63.5		-	(4.8)	-	-	-	-	-	5,543.2	135.7	(4.8)
- Judicial Greffe	3,983.3	55.8	44.1		-	(3.5)	-	-	-	-	-	4,079.7	99.9	(3.5)
- Viscount's Department	1,431.7	28.2	7.8		-	(1.3)	-	-	-	-	-	1,466.4	36.0	(1.3)
- Official Analyst	601.9	10.6	4.5		-	(0.5)	-	-	-	-	-	616.4	15.1	(0.5)
- Office of the Lieutenant Governor	746.8	16.0	2.7		-	(0.7)	-	-	-	-	-	765.0	18.8	(0.7)
- Office of the Dean of Jersey	22.2	-	0.6		-	(0.0)	-	-	-	-	-	22.7	0.6	(0.0)
- Data Protection Commission	225.9	5.8	(0.1)		-	(0.2)	-	-	-	-	-	231.3	5.7	(0.2)
- Probation Department	1,551.9	32.8	6.2		-	(1.4)	-	-	-	-	-	1,589.5	39.0	(1.4)
- Comptroller and Auditor General	730.3	3.5	14.8		-	(0.6)	-	-	-	-	-	747.9	18.3	(0.6)
States Assembly and its Services	5,214.5	41.3	89.3		-	(4.6)	-	-	-	-	-	5,340.5	130.6	(4.6)
Grant to the Overseas Aid Commission	7,731.2	-	193.3		-	193.3	-	-	-	-	-	8,117.7	193.3	193.3
<b>Total States Net Revenue Expenditure</b>	<b>531,537.3</b>	<b>7,933.8</b>	<b>2,675.1</b>	<b>(886.9)</b>	<b>5,952.1</b>	<b>3,061.9</b>	<b>(400.0)</b>	<b>200.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>550,073.3</b>	<b>15,674.1</b>	<b>2,861.9</b>

**Details of variations to provisional cash limits from 2010 to 2011**

Department	2010 Cash Limit £'000	2011 Variations to Cash Limits										2011 Cash Limit £'000	Inflation Provision £'000	Service Changes £'000
		Inflation Provisions				Real Service Changes								
		Pay Provision £'000	Non Staff Provision £'000	Housing Rent £'000	Benefit Provision £'000	Resource Allocation £'000	Strategic Plan £'000	Emerging Pressures £'000	CoM Spending Commitments Jan-09 £'000	CoM Potential Savings Jan-09 £'000	Efficiency Savings £'000			
Chief Minister	15,806.4	324.8	70.9		-	(28.6)	-	100.0	-	-	-	16,273.5	395.7	71.43
Economic Development	16,856.8	85.3	329.9		-	(30.5)	-	-	-	-	-	17,241.6	415.2	(30.5)
Education, Sport and Culture	100,415.1	2,152.6	379.1		-	(182.7)	-	-	-	-	-	102,764.2	2,531.7	(182.7)
Health and Social Services	161,042.8	3,292.3	738.6		-	3,220.9	-	-	-	-	-	168,294.5	4,030.9	3,220.9
Home Affairs	46,165.0	927.3	203.3		-	(81.6)	-	-	-	-	-	47,213.9	1,130.6	(81.6)
Housing	(23,132.4)	80.0	242.2	(890.9)	-	41.8	-	-	-	-	-	(23,659.4)	(568.7)	41.8
Planning and Environment	6,337.6	170.8	(11.1)		-	(11.5)	-	-	-	-	-	6,485.9	159.7	(11.5)
Social Security	155,993.0	53.2	75.4		4,862.1	0.0	-	-	-	-	-	160,983.8	4,990.8	0.0
Transport and Technical Services	23,017.2	458.1	117.7		-	(41.6)	-	-	-	-	-	23,551.4	575.8	(41.6)
Treasury and Resources	17,762.2	321.7	121.8		-	(32.1)	-	-	-	-	-	18,173.6	443.5	(32.1)
<b>Non Ministerial States Funded Bodies</b>														
- Bailiff's Chamber	1,289.0	22.4	9.8		-	(2.3)	-	-	-	-	-	1,318.9	32.2	(2.3)
- Law Officers' Department	5,543.2	74.1	63.6		-	(10.0)	-	-	-	-	-	5,670.9	137.7	(10.0)
- Judicial Greffe	4,079.7	57.2	44.2		-	(7.4)	-	-	-	-	-	4,173.7	101.4	(7.4)
- Viscount's Department	1,466.4	28.9	7.8		-	(2.7)	-	-	-	-	-	1,500.5	36.7	(2.7)
- Official Analyst	616.4	10.9	4.5		-	(1.1)	-	-	-	-	-	630.7	15.4	(1.1)
- Office of the Lieutenant Governor	765.0	16.4	2.7		-	(1.4)	-	-	-	-	-	782.7	19.2	(1.4)
- Office of the Dean of Jersey	22.7	-	0.6		-	(0.0)	-	-	-	-	-	23.2	0.6	(0.0)
- Data Protection Commission	231.3	6.0	(0.1)		-	(0.4)	-	-	-	-	-	236.8	5.8	(0.4)
- Probation Department	1,589.5	33.6	6.2		-	(2.9)	-	-	-	-	-	1,626.5	39.8	(2.9)
- Comptroller and Auditor General	747.9	3.5	14.9		-	(1.4)	-	-	-	-	-	765.0	18.4	(1.4)
States Assembly and its Services	5,340.5	42.3	89.6		-	(9.7)	-	-	-	-	-	5,462.8	131.9	(9.7)
Grant to the Overseas Aid Commission	8,117.7	-	-		-	405.9	-	-	-	-	-	8,523.6	-	405.9
<b>Total States Net Revenue Expenditure</b>	<b>550,073.3</b>	<b>8,161.5</b>	<b>2,511.5</b>	<b>(890.9)</b>	<b>4,862.1</b>	<b>3,220.9</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>568,038.3</b>	<b>14,644.2</b>	<b>3,320.9</b>



## Significant Funding Pressures – 2009 Business Plan

<b>Department: Home Affairs</b>	
<b>Description of Funding Pressure:</b>	
Prison base budget shortfall identified in Review of Prison Budget Funding Report endorsed by the Council of Ministers on 29 November 2007.	
<b>Why not included in 2008 Business Plan:</b>	
Included in 2008 Business Plan and the subject of discussion at the Council of Ministers.	
<b>Link to Strategic Plan Objective:</b>	
Delivery of States Commitment Three – <i>We will promote a safe, just and equitable society. In particular 3.3 – Ensure offenders are brought to justice fairly, promptly and cost effectively.</i>	
<b>Impact of Funding Pressure not being introduced:</b>	
The safety and security of prisoners and staff, and the likelihood of prisoners' rehabilitation, will be compromised.	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009 £1,000 - see other resource implications	2009
2010 £1,000 - see other resource implications	2010
2011 £1,000 - see other resource implications	2011
2012 onwards £1,000 - see other resource implications	2012 onwards
<b>Manpower Implications (FTE): upto 20.00</b>	
<b>Other financial or resource considerations: (impact on other depts?)</b>	
It should be noted however that the Prison budget review presented to the Council of Ministers in November 2007 identified an annual shortfall in the region of £2.3 million. While there is no doubt that the injection of additional funds of £1.5 million (including £0.5 million funds previously agreed for the implementation of Discrimination Legislation) will impact on standards at the Prison the new Governor will be tasked to identify what can be delivered within an overall net budget of £9.8 million per annum.	
<b>Options for Funding within Department:</b>	
None.	
<b>Contact Officer: : Steven Austin-Vautier – Chief Officer Home Affairs Department</b>	

## Significant Funding Pressures – 2009 Business Plan

<b>Department: Social Security</b>	
<b>Description of Funding Pressure:</b>	
<p><b><u>GST Allowances</u></b>            Allowances agreed as part of the GST exemptions debate to provide protection against GST for those people/households on low incomes that fall between the Income Support and Income Tax system. These people/households would not otherwise either receive protection through benefits or the advantage of the increased income tax exemptions limits recently agreed by the States in the 2008 Budget</p>	
<b>Why not included in 2008 Business Plan:</b>	
Benefit not Introduced at time of 2008 Plan submission.	
GST received States approval in November 2007.	
<b>Link to Strategic Plan Objective:</b>	
3.6 – Integrated system of benefits which helps residents achieve and maintain financial independence.	
<b>Impact of Funding Pressure not being introduced:</b>	
Those more vulnerable members of society will be disadvantaged financially as a result of GST being applied to goods & services and who fall between the scope of Income Support or Income Tax systems.	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009 400	2009
2010	2010
2011	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE):</b> None.	
<b>Other financial or resource considerations: (impact on other depts?)</b>	
None.	
<b>Options for Funding within Department:</b>	
None – this is an additional benefit not included within the cash limit.	
<b>Contact Officer:</b> Richard Lang – Finance Director	

## Significant Funding Pressures – 2009 Business Plan

### **Department: Education Sport and Culture**

#### **Description of Funding Pressure:**

##### ***Aquasplash capital and revenue funding.***

*The Waterfront Leisure Pool was developed by WEB under a development agreement with CTP (Jersey) Limited. The capital cost of the pool and subsequent upgrade works, totalling £11.9 million, was met from a grant provided by the Tourism Investment Fund.*

*The facility was completed in July 2003 with WEB undertaking the 'landlord' functions. The operation of the pool has financial implications for the States, which include the risks and rewards of a profit sharing agreement, together with liabilities for the fabric of the building and key assets.*

*The facility is managed by SERCO Limited on a twenty year contract under a management agreement so that the developer provides an index-linked annual cash subsidy to cover SERCO's first £93,000 of annual loss; SERCO is responsible for the next £50,000, with the States meeting annual losses in excess of this level.*

*The (then) Education, Sport and Culture Committee, at its meeting of 6th October 2004, agreed to take on the administration of the Leisure Pool but only on the basis that it is cost-neutral to that Committee.*

*The (then) Finance and Economics Committee considered a proposal by SERCO for the States to buy-out its future revenue liability for the sum of £650,000.*

*At that time WEB estimated the loss for the first trading period, from 20 July 2003 to 31 December 2004 (17 months) at £249,000 after taking into account the developer's subsidy.*

*Although the Committee saw merit in being relieved of the future financial risk, on the basis of this estimate and the potential improvement to the revenue stream as the waterfront site developed, the Finance and Economics Committee declined the offer to buy out the future revenue liability*

*In the event, the actual loss incurred was considerably higher than forecast, resulting in a payment by WEB of £384,818.*

*At its meeting of 2 June 2005, the Finance and Economics Committee considered the revised subsidy position and the provision made in respect of share purchases. In summary, shares to the value of £20 million have been purchased in WEB and a budget of £8 million had been allocated to cover the States interest whilst WEB's asset value was below the share allocation. At 31 December 2004, WEB's assets were valued at £31.3 million and it was no longer necessary to hold such a provision.*

*The Finance and Economics Committee agreed that an element of the £8 million should be set aside for a capital works provision (£750,000) and a revenue subsidy provision (£440,000) in respect of the Aquasplash. The majority of the balance was returned to the Capital Fund. WEB identified a further sum of £25,427 which was added to the provision.*

*Since that time, subsidy payments have been made to SERCO amounting to £217,640 in respect of 2005 and £275,000 for 2006. The combined value of the*

capital and revenue subsidy was therefore £723,000. The actual figures for 2007 are still being finalised but it is expected that the payment will amount to £297,000. The forecast payment for 2008 is £337,500.

The capital provision which since 2006 has been used to meet the subsidy payments will be exhausted by 2009.

The original cost of installing Flumes, Moveable Floor, Diving Boards and Sauna/Steam facilities was £442,000 in 2002. Based on a replacement cycle of 10 years for the flumes, moveable floor, boom and diving boards and a six year replacement cycle for the Sauna/Steam the estimated capital replacement costs will be in the region of £26,450 in 2009 and £704,000 in 2014.

**Why not included in 2008 Business Plan:**

Since taking over the administration in 2004, Education Sport and Culture has consistently provided reports on the financial position to the Treasury and Resources Department.

A report was produced in 2007 to consider options for reducing the deficit and, whilst some savings can be made it is clear that there will be an ongoing need for revenue and capital funding.

**Link to Strategic Plan Objective:**

Commitment Two: "We will create the environment in which everyone in Jersey has the opportunity to enjoy a quality of life."

- 2.2 Better health and well being for all the people of Jersey
- 2.8 Increased participation in sport
- Commitment Four: "We will maintain and enhance the natural and built environment." 4.2 A vibrant Town and Waterfront for St Helier

**Impact of Funding Pressure not being introduced:** The revenue and capital implications of the Aquasplash complex are an unavoidable cost of the current management arrangements.

<b>Revenue Implications: £000</b>		<b>Capital Implications: £000</b>	
2009	£370	2009	£27
2010	£382	2010	-
2011	£393	2011	-
2012 onwards	£405	2012 onwards	£740

**Manpower Implications (FTE):** None (All costs are non-staff related)

**Other financial or resource considerations:** None

**Options for Funding within Department:**

A report was produced in 2007 to consider options for reducing the deficit and, whilst some savings can be made it is clear that there will be an ongoing need for revenue and capital funding.

The report also concluded that all evidence from the UK and elsewhere is that public swimming pools generally operate at a deficit.

It was also concluded that there would be no net savings of taking the facility within Education, Sport and Culture department predominantly due to the higher cost of States manual workers.

**Contact Officer:** Derek de la Haye

## Significant Service Saving – 2009 Business Plan

<b>Department: Education, Sport and Culture</b>
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**Description of Service Saving:**

**Demographics**

**The savings are based on assumptions of pupil numbers, in particular that the role at Highlands College will be constant over the period 2009 to 2011. The assumption will be influenced by a number of factors including the impact of the Skills Executive, the initiative to develop 14-16 vocational provision and the health of the economy generally.**

*The decline in the birth rate is starting to impact on schools. Falling pupil numbers could have serious educational and financial implications particularly for primary schools. As rolls decrease, the resources available to schools will be reduced. In primaries approximately 90% of funding is attributed to staff costs. This means that these schools will have little flexibility to manage falling pupil numbers.*

*Two obvious mechanisms for increasing efficiency in schools include increasing class sizes and mixing small year groups. These would represent policy reversals and could be perceived as having an adverse impact on the quality of education. Over a period of five years, primary class sizes were reduced from 29 to 26 and the creation of mixed year groups was discouraged.*

*The most common methods of ensuring that schools are strong educationally and financially during a period of falling rolls, are through reorganisation and/or amalgamation. Each year since 2003, the Department for Education, Sport and Culture has reviewed demographics and the impact on future service provision. As a consequence of these reviews, two single form entry schools, St Mark's and La Pouquelaye, were amalgamated in 2005. In 2004, a form of entry was closed at Rouge Bouillon and Samares Schools. As this works through the system over a seven year period, capacity will be reduced by 14 classes, approximately 360 pupils. To ensure pupils have access to a primary school within their catchment area, a surplus working capacity of approximately 250 places across the system is required. If pupil numbers to 2015 decrease as predicted, it may be possible to close another form of entry in 2010. It would not be possible to consider the closure of a primary school before 2012.*

*Although projections to 2015 indicate a reducing secondary school population, the resulting surplus places in this phase would not be of sufficient magnitude to warrant a school closure.*

*The management of these issues will require careful consideration and planning. Decisions to reduce in size or to close a school will be unpopular and may be politically unacceptable. However, to ensure that the Department is able to sustain effective educational provision across primary and secondary schools a fundamental review of demographics and their impact on school organisation will be undertaken in 2008.*

<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009 -£325	2009
2010 -£288	2010
2011 -£208	2011
2012	2012 onwards

**Manpower Implications (FTE):** Approximately 95% of costs are staff related

**Contact Officer: Mario Lundy**

## Significant Service Saving – 2009 Business Plan

### **Department: Education, Sport and Culture**

#### **Description of Service Saving:**

#### **Potential and likely increase in tuition fees for local student attending UK institutions of higher education.**

*Tuition fees for local students attending UK universities are negotiated with the UK Universities representative body. The current agreement is subject to review in 2008 and the outcomes of that review will be implemented with regard to students entering university in September 2009.*

*Since 2000 higher education costs have been rising. Initially the UK government increased tuition fees by £1,200 per year. This cost was absorbed within the general arrangements for States support of local students attending those institutions.*

*Then in 2006 the UK government allowed a further fee increase of up to £1,800 per student. The UK government also announced that this increase would be 'capped' until 2009 pending a wider review of funding. Jersey successfully negotiated a lower increase of £1,350.*

*In light of the above, the Minister for ESC reviewed financial support to local students and introduced a student loans facility so that the additional cost could be shared between students, parents and the States, ensuring that no student would be denied access to university through lack of financial support.*

*The attached table shows current and projected States expenditure on student financial support. It suggests that, providing there are no additional tuition fee increases imposed on Jersey by the UK Government, the measures taken to support this area of expenditure in 2007 will enable costs of student support to be contained within agreed limits during 2008, 2009 and 2010. Indeed, according to estimates made in September 2007, a portion of the £1,000,000 made available to ESC in 2007 for vocational and tertiary education, subsequently used to top-up the student grants budget, could be returned to its original purpose in 2008/9.*

*The UK Government had originally indicated that it is likely to allow universities to increase fees when the current cap on top-up fees comes to an end. Recent discussions between the Minister and senior UK officials indicate that this may not now occur before 2011. The department will continue to monitor the situation and appraise the Council.*

*In his proposals for the future of financial support to students published in December 2006 the Minister for ESC emphasised that the arrangements put in place could be subject to further change depending on the outcomes of the UK university funding review.*

*To date, the size of the likely increase is unknown and until the UK government publishes its plans for university funding, it is impossible to predict the effect on tuition fees for local students. If the UK government were to allow universities to increase the top-up fee from £3,000 (currently) to £5,000 or even £8,000. Some universities have argued that Higher Education should be a free market with the more prestigious institutions charging as much as £15,000.*

The following table illustrates the additional costs to Jersey if fees increase by £1,000, £2,000 or £3,000.

**EXAMPLE: Estimated Impact if Fees were to be increased from Sept 2009**

	2009	2010	2011
Increase of £1,000 per student (1,400 students)	466,667	1,400,000	1,400,000
Increase of £2,000 per student (1,400 students)	933,333	2,800,000	2,800,000
Increase of £3,000 per student (1,400 students)	1,400,000	4,200,000	4,200,000

**Once costs are known, various options for local student support between changes to the loan scheme, parental and States contributions will need to be considered (see below).**

**Why not included in 2008 Business Plan:**

The DfESC 2008 business plan makes reference to the need to renegotiate Channel Islands tuition fees with UUK during 2008. For reasons given above however, it is not able to quantify the cost which the UK Government may impose on local students

**Link to Strategic Plan Objective:**

2.7.5 Consolidate arrangements for further higher and adult education to take account of changing patterns of participation, provision and funding by end of 2007.

**Funding Implications:**

**The changes to student financial support and the introduction of a student loan facility were driven by the knowledge that parental contributions to the cost of university education were high and that some families could not afford to pay more. Compared to the UK, student loans to local students are currently very low. In the consultation leading up to the introduction of student loans however, there was widespread concern for local young people and the level of debt which the introduction of loans might generate. There will be public resistance to meeting additional costs by increasing the parental contribution and /or the size of loan available if the States do not appear willing to share part of the additional burden.**

**From the attached tables (subject to further review in February 2008 when the full 2007 out-turn will be known) providing the £1,000,000 additional funding remains within the student grants budget, there will be some capacity within the current budget to absorb some of the cost of the fee increase. Consideration would be given to any residue of the £1,000,000 funding not required for the grants budget will be returned to support the vocational education and the skills agenda, which was its original intended purpose.**

**Alternatively, the size of loan facility could be increased and/or, parental contributions could also be increased. If the increase is significant however, i.e. more than £1,000 per student, there will be a requirement for additional States support.**

**Manpower Implications: All costs are non-staff related**

**Contact Officer: D. Greenwood**

## Reconciliation of Amended Student Grants Predictions

*This table treats the Vocational Funds as a permanent transfer*

<b>Pass on top up fees to all students</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Original shortfall Predicted with this scheme	(1,792,000)	(789,000)	(1,103,000)	(1,103,000)	(1,251,000)
£1 million diverted from Vocational Education	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Additional Funds included in cash limit		300,000	300,000	300,000	300,000
	(792,000)	511,000	197,000	197,000	49,000
Adjustment to forecast as at September 2007	492,000	492,000	492,000	492,000	492,000
<b>Amended Forecast (overspend)/under</b>	<b>(300,000)</b>	<b>1,003,000</b>	<b>689,000</b>	<b>689,000</b>	<b>541,000</b>

## Estimated Impact of Increases Fees from Sept 2009

Increase of £1,000 per student (1,400 students)	466,667	1,400,000	1,400,000
Increase of £2,000 per student (1,400 students)	933,333	2,800,000	2,800,000
Increase of £3,000 per student (1,400 students)	1,400,000	4,200,000	4,200,000

## **Notes**

1. It should be noted that the original predictions were formulated in August 2006. The actual out turn for 2007 will be available in February 2008, at which point they can be updated.
2. Indications of the fee increase have not been published. The estimated figures above are based on 1,400 students which is the approximate current number, and actual parental income in 2005. Work will continue to bring the predictions in line with latest data.
3. It should also be noted that if fees are increased, a decision will need to be taken as to how the extra cost should be apportioned between students (through student loans), increased parental contribution and/or increased States contribution.



### 3. Service Analysis by Departments

## Chief Minister - Budget Pressures - 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Policy Unit</b>					
<p><b>Chief Executives Office</b> Provide support and advice to the Chief Minister and Council of Ministers in establishing, co-ordinating and implementing States approved policies and objectives;</p> <p>Good co-operation between the Council of Ministers and the Comite des Connetables.</p>	1,028	50	1	<p><b>PA for the Chief Minister</b> This pressure recognises the recommendation from the Machinery of Government report from the PPC for a Private Secretary for the Chief Minister</p>	<p><b>Objective 7 - Staff and Resources managed to provide value for money</b></p>
		(50)		<p>This pressure would not take priority over existing Core Service budgets. Consequently, this pressure cannot be accommodated and would not be progressed at this stage.</p>	
				<p><b>Urban Renewal</b> £200,000 annual sum for urban renewal projects in St Helier. CMD retained this in the list of bids by COM. Details attached as an Appendix. Core Service budgets are priority, they cannot accommodate this pressure - Recruitment would not happen.</p>	
<p><b>Communications Office</b> Improvement in communication between the States, as government and as employer, with the community of the Island and with the public sector workforce, by providing clear information with consistently high standards of delivery using a range of communications channels</p>	166				
<p><b>Population Office</b> A balance between economic growth and the supply and demand of labour, accommodation, infrastructure and resources, and the promotion of greater social inclusion.</p>	209				
<p><b>Emergency Planning</b> Co-ordinate the preparation of plans to mitigate the effects of major emergencies</p>	129				
<p>Legislation Advisory Panel</p>	51				
<b>Statistics</b>					
<p><b>Statistics Unit</b> Provide a high quality statistical service for the government, people and businesses of Jersey, such that all users of the data can have confidence in the accuracy of the data produced</p>	395				

## Chief Minister - Budget Pressures - 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>External Affairs , Economics and International Finance</b>					
<b>External Affairs , Economics and International Finance</b> Co-ordinated economic strategy and policy-making; Improved economic policy development through sound and timely advice.	949	50	1	<b>Finance Legislation</b> Demand for Finance legislation outstrips research and advisory resource	<b>Objective 4</b> - International Recognition for Jerseys Reputation as a well regulated Finance Centre
		(50)		This pressure would not take priority over existing Core Service budgets. Consequently, this pressure cannot be accommodated and would not be progressed at this stage.	The Department will not maintain pace in providing a well regulated and co-operative finance centre (Objective 4 - Growing International reputation)
		75	1	<b>International Profile</b> States desire to increase the international profile of Jersey, as informed by the Constitution Review Group (chaired by the Bailiff) to report to CoM in March	<b>Objective 3 - Jerseys international identity raised</b>
		(75)		This pressure would not take priority over existing Core Service budgets. Consequently, this pressure cannot be accommodated and would not be progressed at this stage.	The Department will not be able to enhance the international profile of Jersey to the level or timescale desired by the States
<b>Information Services</b> A robust, well-managed States networking and communications infrastructure; Security of States information and systems; Robust, well-managed corporate and departmental computing platforms and equipment, Provision of technical advice and guidance.					
- Corporate Projects	266				
- Infrastructure	1,278				
- Business Support Groups	1,789				

## Chief Minister - Budget Pressures - 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Human Resources</b> Provision of a comprehensive HR support service to managers and employees which supports the organisation in achieving its strategic aims and objectives;  Development, implementation, monitoring and evaluation of human resource policies, practices and procedures;  Development and implementation of corporate training programmes to facilitate learning and development; Administration of PECRS; Negotiation and implementation of States Employment Board's annual pay policy for public sector workers;  Develop and provide specialist support in respect of Employment Tribunals, minimising the need for Tribunals wherever possible.					
Head of Profession	1,122	(2)		Efficiency Saving to be prorated across CMD in due course	
Business Partnering	1,466				
Business Support	1,448				
Employee Relations	219				
PECRS Pre-1987 Debt	3,126				
<b>Law Drafting</b>	872				
<b>Law Drafting Department</b> Delivery of time-critical effective legislation through completion of the Legislation programme.					
<b>Customer Services</b>					
<b>Customer Services Centre</b> Make it easier for the public to access services through a Customer Access Centre; Provide an effective, measurable service for dealing with public feedback and complaints.	244				
<b>Total Net Revenue Expenditure</b>	<b>14,757</b>	<b>(2)</b>			

## Economic Development 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Enterprise and Business Development</b>					
<u>Diversification</u> Maximise business opportunities on and off Island	335	190		<b>Maximise international opportunities</b> The Department intends to stimulate export by working with businesses to promote and network sales	<b>Objective 2 - New Enterprises and Companies Developed</b>
<u>Growth</u> Deliver high quality support products and services	2,385	(2)			
<b>Marketing</b>					
<u>Destination Marketing</u> Implement a marketing and comms strategy for all market sectors	3,813	(203)		<b>Destination Marketing</b> If growth funds are not provided, the Department would decrease marketing in certain tourism markets (i.e. Germany)	<b>Objective 1 - Sustainable Long Term Economic Growth</b> Decreases in regional marketing decreases the diversification of the Tourism industry
<u>Product Marketing</u> Promote Genuine Jersey and Jersey Royal	250	(0)			
<u>Events</u> Fund a series of events to enhance visitor enjoyment	738	(1)			
<u>Finance Industry Development</u> Enhance and develop the Islands finance reputation	1,025	199		<b>Finance Industry Marketing</b> Developing business links with new markets is a key objective in 2009. Working with JFL, EDD intend to directly market the Islands Financial Service industry and encourage business traffic from these markets	<b>Objective 4 - A Finance Centre with an International Reputation</b>
<u>Joint Marketing</u> Joint Marketing initiatives	980	(1)			
<u>Research</u> Robust research to inform future planning	217	(0)			
<u>Visitor Services</u> Operate and manage information outlets	351	(0)			
<b>Policy and Regulation</b>					
<u>Competition Law</u> Promote consumer interests through regulation	573	(0)			
<u>Consumer Affairs</u> Support a safe trading environment	456	(0)			
<u>Finance Sector</u> Prepare and research Finance regulation	78	(0)			
<u>Gambling</u> Regulation of sector and licences	190	(0)			
<u>Regulation of Undertakings</u> Regulation of business employment	320	(0)			
<u>Rural Sector</u> Strategic development of the rural industry	343	(0)			
<u>Policy Development</u> Prepare and evaluate cross department	302	(0)			
<b>Rural Support</b>					

## Economic Development 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
Single Area payment Agriculture subsidy	1,203	(1)			
Quality Milk Payment Dairy Subsidy	656	(1)			
Dairy Service Support Payment to the Royal Jersey Agricultural and Horticultural Society for dairy services	235	(0)			
School Milk Provision of school milk	185	(190)		<b>School Milk</b> Cease School Milk as it is not considered to be an effective or economic industry subsidy	Not considered to deliver an effective economic objective
General Support Agricultural Loans, BSE compensation, UK produce officers	362	(0)			
<b>Skills</b>					
Training and Workforce Development Ongoing support for training and skills development inline with the Skill Executive review	1,061	299		<b>Skills Executive</b> Provision of demand led skills training as dictated by the Skills Executive	
		(300)		If additional funding is not available, courses will be prioritised within the existing base budget	<b>Objective 1 - Sustainable long term economy</b> Skills shortages will not be addressed in pace with market demand. Cost base for business increases.
<b>Total Net Revenue Expenditure</b>	<b>16,057</b>	<b>(13)</b>	<b>0</b>		

## Education, Sport and Culture Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Pre-School Education</b> Nursery classes provided at most primary schools	1,955				
<b>Primary Education (Non Fee Paying)</b> Compulsory education from reception to year 6 in primary non fee paying schools	22,574				
<b>Secondary Education (Non Fee Paying)</b> Compulsory education from year 7 to year 11 in secondary non fee paying schools and post 16 education at Hautlieu school	23,007				
<b>FP Education (Provided Schools)</b> Fee paying education for pupils at States run schools	5,709				
<b>FP Education (Non-Provided Schools)</b> Fee paying education for pupils dependent on religious choice or ability to pay	4,605				
<b>Overhead allocation - Schools and Colleges</b>		(100)		<b>Reduction of professional development opportunities for teachers in Jersey and resulting impact on progress of learning agenda.</b> External evaluation has demonstrated the high level impact on outcomes of current learning, literacy and numeracy initiatives - level and pace of support will reduce.	<b>2.7 Access to high quality learning opportunities.</b> Review school funding to ensure that schools can meet curriculum needs within available resources (2.7.6)
<b>Tertiary and Vocational Education (including Highlands College)</b> Further, higher, vocational and adult education provision on the Island	9,074	(325)		<b>The savings are based on predicted pupil numbers, in particular that the role at Highlands College will be constant over the period 2009 to 2011.</b> The assumption will be influenced by a number of factors including the impact of the Skills Executive, the initiative to develop 14-16 vocational provision and the health of the economy generally. previous trends suggest that a declining economy will lead to increasing numbers within tertiary and vocational education, in which case the savings will not be realisable.	<b>2.6 A skilled, motivated and qualified local workforce able to meet the Island's economic and social objectives.</b> Implement a Skills Strategy seeking to secure appropriate skills in the workforce to meet economic requirements (2.6.1) Develop strategically important higher education programmes in the Island (2.6.2)
<b>Special Educational Needs &amp; Schools</b> Education and support for children with special educational needs	7,495	100	6	<b>A total of £370,000 is required for the introduction of banded funding methodology based on levels of need.</b> The Department will be unable to fully respond to the pressures caused by the increase in the complex needs of children at Mont a l'Abbe, caused primarily by increased neo-natal survival of children with profound and multiple handicaps, increasing wheelchair users and demand for mainstream provision.	<b>2.7 Access to high quality learning opportunities.</b> Sustain ongoing school improvement by continuing to invest in critical skills and Assessment for Learning (2.7.2)
<b>Public Libraries</b> Provision of educational, cultural, recreational and information needs of all members of the community	1,653				

## Education, Sport and Culture Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Youth Service</b> The support and development of work with young people in their leisure time through a network of organisations	1,441				
<b>Higher Education (Student Finance)</b> Grants for further and higher education (UK and home) and education allowances	9,823	(689)		<b>Potential saving for funding of local students attending UK institutions of higher education.</b> Not achievable if UK fee increase introduced in 2009. Once fee increase is known, various options for funding local student support between changes to loan scheme, parental and States contributions will need to be considered.	<b>2.7 Access to high quality learning opportunities.</b> Maintain proportion and profile of people entering higher education. Consolidate arrangements for further, higher and adult education which take account of changing patterns of participation, provision and funding (2.7.5)
<b>Instrumental Music Service</b> Tuition in a wide range of musical instruments including preparation for the Royal School of Music examinations, maintenance of Island Orchestras and classroom support	694				
<b>Day Care Services</b> Regulation and monitoring of day care providers	185				
<b>Jersey Child Care Trust</b> Support for the development of high quality child care	167				
<b>Heritage</b> Grant to the Jersey Heritage Trust	2,007				
<b>Culture</b> Support for Cultural Development, including grants to various Arts organisations	1,616				
<b>Sports Centres</b> Indoor and outdoor sports	2,156				
<b>Playing Fields and Schools Sports</b> Playing fields and sports facilities at Haute Vallee, Langford, FB fields and other sports sites	882	370		<b>Ongoing revenue and capital implications of the Aquasplash complex are an unavoidable cost of the current management arrangements.</b> Arrangement developed by WEB in 2003, responsibility transferred to the Finance and Economics Committee and in 2004 to ESC.	<b>2.2 Better health and well-being for all the people of Jersey.</b> <b>2.9 Increased participation in Sport.</b> Agree a plan to secure the future of sports and leisure facilities currently provided at Fort Regent (2.9.2) <b>4.2 A vibrant town and waterfront for St Helier.</b>
<b>Sport Development</b> Provision of opportunities to participate and improve at all levels of sport and recreation	496				
<b>Grants and Advisory Council</b> Advisory Council and miscellaneous sports grants to support individuals and organisations	206				
<b>Playschemes and Outdoor Education</b> Easter and summer playschemes in education premises and outdoor education programmes	240				



## Education, Sport and Culture Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
Impact of efficiency savings		(72)		Majority of saving identified following review of administrative and front of house support.	Concern of continuing impact on 6.2 Public Services that are recognised as efficiently and effectively meeting people's needs.
<b>Total Net Revenue Expenditure</b>	<b>95,984</b>	<b>(716)</b>			

## Health & Social Services Department

Description of Service	Net Expenditure as per 2008 BP	Movements in allocations since 2008 BP	Service Changes		Description of Service changes	Impact on delivery of objectives
	2008 £'000	2008 £'000	2009 £'000	2009 FTE		
<b>Public Health Services comprises:</b> public health medicine, health intelligence, health promotion and health protection.	4,315	(1,119)			See notes a-c below	
<b>Medical Services comprises:</b> medical specialties, paediatrics, outpatient services, medical wards, assessment and rehabilitation for older people, continuing care for older people, pathology and pharmacy.	53,077	2,542			See notes a-c below	
			250		<b>Drugs</b> - New high cost drugs to comply with NICE guidelines that extend and enhance patients quality of life; and increased usage of high cost drugs (Oncology, Rheumatology, Neurology, Respiratory, Cardiology, Diabetes).	To provide effective treatment and rehabilitation for patients.
			200	4	<b>Nursing Staffing establishment review - Phase 2 of 4</b> - Workforce planning review to ensure patient safety, improve patient experience and outcomes; ensure efficient use of nursing workforce; to meet the increasing needs of patients with long term conditions & the ageing population; to improve recruitment & retention.	Manage staff and resources so as to improve performance and provide value for money.
			85		<b>Surgery for obese patients</b> - To undertake outpatient assessment leading to surgery for increasing number of morbidly obese patients who have a reduced quality of life and reduced length of life without this procedure. This will avoid future high cost hospital admissions as co-morbidities develop.	To provide effective treatment and rehabilitation for patients.
			65	2	<b>Clinical Skills Laboratory</b> - Resources necessary to provide an effective clinical skills laboratory to facilitate professional training for staff.	To help develop and retain skilled staff, enabling the continued treatment of patients & clients.
			100		<b>Reduction of Hospital Acquired Infections</b> - Resources necessary to promote staff awareness and reduce the incidence of HAI (primarily MRSA & C.Difficile).	To ensure that patients are treated in a safe environment.
			300		<b>Long term care &amp; support</b> - Jersey's population is ageing and with that age-related illnesses including, cardiovascular diseases, cancer, diabetes, renal failure, cognitive impairments (dementia), cataracts and musculoskeletal diseases (specifically, hip, knee replacements and arthritis). A proportion of these patients will require long term residential care and support.	To provide for those elderly patients with high dependency needs.

## Health & Social Services Department

Description of Service	Net Expenditure as per 2008 BP	Movements in allocations since 2008 BP	Service Changes		Description of Service changes	Impact on delivery of objectives
	2008 £'000	2008 £'000	2009 £'000	2009 FTE		
<b>Surgical Services comprising:</b> surgical specialties, obstetrics and neonatology, theatres, surgical wards, private patient services, physiotherapy, radiology and diagnostic imaging.	45,482	735				
			100		2 <b>Sustainable Hospital - Phase 2 of 4.</b> To transform the way elective & emergency care is delivered in secondary care, to improve the quality & aid effective discharge.	Preparation for "New Directions" strategy to redesign the health & social care system to deliver improved health & social wellbeing for the Island community, as stipulates in the States' Strategic Plan.
			200		4 <b>Nursing Staffing establishment review - Phase 2 of 4 -</b> Workforce planning review to ensure patient safety, improve patient experience and outcomes; ensure efficient use of nursing workforce; to meet the increasing needs of patients with long term conditions & the ageing population; to improve recruitment & retention.	Manage staff and resources so as to improve performance and provide value for money.
<b>Mental Health Services comprises:</b> alcohol and drugs service, mental health services, child and adolescent mental health services.	17,782	(2,332)				
			180		<b>Specialist UK Treatments -</b> To support additional activity for complex conditions requiring care with specialist providers.	To provide specialist care to patients unavailable locally.
<b>Social Services comprises:</b> childrens services, adult social services, special needs service.	22,047	92				
			150		3 <b>Children's Services -</b> Further development of Children's Services to provide continued confidence, in light of the Williamson Report.	To maximise the social development of children within the most appropriate environment to meet their needs.
<b>Ambulance Services comprises:</b> emergency ambulance services and patient transport.	5,199	82				
			150		<b>Community Care Packages -</b> Increased provision of community based care packages for younger people with physical disabilities & head injuries, in order for them to remain living in the community.	To promote the independence of adults needing social care, enabling them to live as safe, full and as normal a life as possible, in their own home wherever feasible.
					<b>See notes a-c below</b>	
<b>Total Net Revenue Expenditure</b>	<b>147,902</b>	<b>(0)</b>	<b>1,943</b>	<b>15</b>		

### Note

Movements in allocations between the time at which the 2008 Business Plan was prepared (May 2007) and the present time have occurred due to a number of factors:

- Wards/depts have moved between service areas, for example, Populars Day Centre was allocated to Mental Health Services, but is now within Medical Services.
- The method of overhead apportionment has been updated and resulted in legitimate movements between service areas, so that costs are shown against those areas using the services.
- Since estimating the allocation of growth/efficiencies in 2008, cost pressures and therefore priorities have changed, leading to a movement between the 2008 Bus Plan & actual allocations.

### New Directions

Health and Social Services department will be bringing forward a New Directions Strategy during 2008 which will identify a significant increase in the provision of health and related services to proactively addressing the issues related to an ageing population and increases in chronic diseases. Further work is continuing on costing the strategy and developing the associated funding streams. These are likely to include a realignment of the current Health Insurance Fund and additional social contributions over a period of time. What is clear is that States spending and associated social contributions will need to increase significantly over the next 20 years to proactively address this issue and prevent the likelihood of an even greater scale of costs predicted under a "do nothing" scenario. It is unlikely that the costs and funding options will be sufficiently developed for the 2009 Business Plan and will come forward for in principle debate at a later time.

## Home Affairs Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Explosives Officer/Explosives Licensing</b> Bomb disposal and explosives licensing contracted out.	69.8				
<b>Criminal Injuries Compensation Scheme(CICS)</b> Awards payable to victims of violence.	275.0	(275.0)		If all costs associated with the CICS were to be met from the Criminal Offences Confiscation Fund the budget of £275,000 could be diverted to address those funding pressures which the Council of Ministers consider a priority - namely resourcing the Sex Offenders Legislation and providing funding for a Vetting and Barring Office	The Scheme operates outside the remit of the Home Affairs Department as all awards are made by the Board regardless of the available budget. The Scheme was established by Act of the States on 4 December 1990 to provide compensation for victims of crimes of violence, The Act states that 'all payments made and expenses incurred in carrying out the scheme will be paid out of the general revenues of the States'.
<b>Statutory and Legislative Provisions</b> Police Complaints Authority and Discrimination Legislation Funding	518.0	(500.0)		During discussions surrounding the review of Prison funding the Council of Ministers indicated that funds originally agreed for the implementation of Discrimination Legislation should be diverted to the Prison to fund part of the budget shortfall.	The States commitment to protect the rights of individuals in the community with the enactment of the Human Rights Law, ensuring the basic principles of respect and equality for all will be compromised.
<b>Home Affairs Department Net Revenue Expenditure</b>	<b>862.8</b>	<b>(775.0)</b>			
<b>Response and Reassurance Policing</b> This service area covers a broad range of essential policing activity and is provided over a 24-hour period, 365 days a year. The main functions are: Maintain as high a uniformed police presence as possible in areas and at times where they will be most effective in preventing crime and disorder and reassuring the public. Receive and respond to calls for assistance from the public. Investigate crime and detect offenders and provide a range of other services including missing person enquiries and sudden death investigation. Provide public liaison, information and advice. Record details of offences and offenders on police systems.	10,876.7				
<b>Serious and Series Crime Investigation</b> To provide specialist detective and forensic investigation services, with particular emphasis on serious and serial offences and crimes requiring specialist knowledge and training such as child protection.	4,120.2	177.0	3.0	Additional 3 posts to increase the levels of supervision in the Public Protection Unit. This would allow the department to meeting the additional monitoring and registering responsibilities arising from the Sexual Offences (Jersey) Law 200-.	If current staffing levels are not increased there is a risk to the delivery of States Commitments Two and Three – <i>We will create the environment in which everyone in Jersey has the opportunity to enjoy a good quality of life and We will promote a safe, just and equitable society.</i>
<b>Manage Offenders through Custody</b> Provide an independent check that a detained persons' rights have been observed at the time of arrest, provide for their welfare whilst in detention and facilitate interviews and other investigatory processes in accordance with their human rights.	906.7				
<b>Supporting the Criminal Justice System</b> Process case files from the point of charge or report to court or parish hall enquiry, arrange disclosure of evidence, warn witnesses, notify victims of court dates and results and process prosecution information on national and local police systems. Maintain records in respect of offences committed in Jersey, liaise with UK and international criminal record agencies and carry out vetting and security checks on behalf of other agencies.	1,632.7				

## Home Affairs Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Managing Intelligence</b> Develop sources of intelligence and collate and analyse information to inform operational policing and ensure compliance with Regulation of Investigatory Powers legislation.	2,093.4				
<b>Financial Crime Investigation</b> Enforce local legislation and comply with internationally agreed standards designed to prevent laundering of money associated with crime, drugs and terrorism.	1,406.6				
<b>National Security/Anti Terrorism</b> Protect Jersey's security and fulfil international security obligations with particular emphasis on monitoring movements in and out of the United Kingdom to identify the activity of persons of interest to the local and international intelligence community	1,395.8				
<b>Police Net Revenue Expenditure</b>	<b>22,432.1</b>	<b>177.0</b>	<b>3.0</b>		
<b>Community Protection</b> Carry out inspections under various legislation. Petroleum licensing. Provision of fire safety advice and education. Raise awareness. Respond to all emergency calls.	4,671.2				
<b>Fire and Rescue Net Revenue Expenditure</b>	<b>4,671.2</b>	-	-		
<b>Revenue Collection</b> Maintain the efficient and effective collection and management of the Customs and Excise revenues.	769.9				
<b>Enforcement</b> Detect, deter and investigate the smuggling of prohibited, restricted and dutiable goods. Maintain effective immigration controls on behalf of the Island and the UK.	3,913.3	-	-	Additional funding is required within the base to maintain current staffing levels and avoid the need to carry vacancies. A further pressure is also identified for additional staff to increase frontier teams. The Service will have to find savings in the region of £280,000 if it wishes to fill all existing vacancies and a further £370,000 is needed to bring Frontier Teams up to full strength.	If current staffing levels are not maintained there is a risk to the delivery of States Commitment Three – <i>We will promote a safe, just and equitable society, in particular 3.4 - strong protection against threats to the security, social and economic integrity and environment of the Island.</i>
<b>External Obligations</b> Safeguard the Island's constitutional position and reputation by ensuring compliance with international requirements. Manage allocation of Passports, British Citizenship applications and legalisation of documents.	123.2				
<b>Customs and Immigration Net Revenue Expenditure</b>	<b>4,806.4</b>	-	-		
<b>Residential Accommodation</b> Provide accommodation, facilities and care for prisoners.	5,564.3	(330.7)		Realignment of budget to meet the needs of the Prison	As a result of the additional funding agreed by the Council of Ministers the initiatives included within the Performance Improvement Plan will now be integrated and delivered as part of the prison regime; this along with a large recruitment campaign in 2008 should bring La Moye up to acceptable standards.

## Home Affairs Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Prisoner Activity</b> Prisoner regimes.	441.7	932.0		Realignment of budget to meet the needs of the Prison and increases following acceptance by the Council of Minister that the base budget of the Prison is inadequate to operate to acceptable standards.	As above
<b>Performance Improvement Plan</b> Within the review of the Prison Budget presented to the Council of Ministers in November 2007 it was recognised that the PIP is a series of initiatives that should be integrated into the Prison regime. Consequently the PIP will not be presented as a separate service area but has been absorbed within the three service areas within the Prison.	563.0	(563.0)		The PIP is not a list of isolated initiatives that can be 'cherry picked' but an integrated plan which, when delivered as part of the Prison regime, will seek to deliver the recommendations of the HMI inspections in 2001 and 2005 and bring La Moye up to acceptable standards. Consequently the budgetary requirements for 2008 and beyond include the PIP implementation costs within the existing service areas.£50	As above
<b>Operations and Administration</b> Provide operational and administrative support.	1,901.1	1,461.7		Realignment of budget to meet the needs of the Prison and increases following acceptance by the Council of Minister that the base budget of the Prison is inadequate to operate to acceptable standards.	As above
<b>HM Prison Net Revenue Expenditure</b>	<b>8,470.1</b>	<b>1,500.0</b>	<b>20.0</b>	Additional funds of £1.5 million will allow for existing posts to be fully funded, an increase in non staff costs and a phased recruitment programme to around 20 new posts. The budgetary position will be reviewed during 2008 to assess the impact on overtime costs, the full year costs of the approved new posts detailed in the budget review and the revenue implications of the new cell block due for completion in 2009.	It should be noted however that the Prison budget review identified an annual shortfall in the region of £2.3 million and 31 additional staff. While there is no doubt that the injection of additional funds of £1.5 million will impact on standards at the Prison the new Governor will be tasked to identify what can be delivered within an overall direct budget of £9.8 million per annum.
<b>Building a Safer Society</b> Provides a multi-agency, multi project approach to reducing the harm associated with criminal and anti-social behaviour.	338.1				
<b>Crime and Community Safety Strategy Net Revenue Expenditure</b>	<b>338.1</b>	-	-		
<b>UK Defence</b> A trained unit capable of contributing to the UK Defence Policy.	1,116.2				
<b>Uniformed Youth Organisations</b> Provide grants to ClF, ACT and Sea Cadets.	30.0				
<b>IMLO and Careers Office</b> Provide MILO with office space which is also utilised by UK service recruiting agents.	47.3				
<b>Jersey Field Squadron Net Revenue Expenditure</b>	<b>1,193.5</b>	-	-		
<b>Superintendent Registrar</b> Performance of marriage ceremonies, Registration of all births, deaths and marriages in the Island, Provide family history research facilities.	126.9				
<b>Superintendent Registrar Net Revenue Expenditure</b>	<b>126.9</b>	-	-		

## Home Affairs Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Home Affairs Department</b>					
Procurement savings - to be identified by Strategic Procurement		(30.6)		Work with Strategic Procurement to identify procurement savings	There should be no impact on the delivery of objectives if genuine savings are identified. Service area budgets will be reduced to reflect actual savings.  However, if Strategic Procurement initiatives do not deliver the required level of savings individual service areas will need to identify savings. In previous years this has been managed through the non allocation of inflation funding but this is not an ideal solution as tracking of such savings is difficult.
<b>Home Affairs Department</b>					
		(30.6)			
<b>Vetting and Barring Office (Joint Initiative)</b>					
Establishment of a local 'Vetting and Barring' office to enable access to the UK Criminal Records Bureau' A cross-Departmental working group involving Home Affairs/Education, Sport and Culture and Health and Social Services is considering the implications for the Island, but the early indications are that the CRB will want to work through a 'designated authority' in Jersey which can administer applications. This is a corporate initiative to provide for the changes to vetting arrangements that are due to come into force in the UK as a result of the Safeguarding Vulnerable Persons Act.	-	98.0	3.0	This Act sets up a 'Vetting and Barring Scheme' which will be managed through the UK Criminal Records Bureau (CRB). The Island needs to respond by putting in place appropriate local arrangements that will enable people to be vetted for employment and voluntary work involving children and vulnerable persons, and to have access to new lists managed by the CRB of persons barred from such involvement. Although only a best estimate at present, this may require the setting up of a small bureau with around 3 staff. The estimated cost is £160,000 but the sum of £98,000 which could be available from CICS funding may be sufficient if some charging is introduced.	Delivery of States Commitment Three – <i>We will promote a safe, just and equitable society</i>
<b>Total Net Revenue Expenditure</b>	<b>42,901.1</b>	<b>969.4</b>	<b>26.0</b>		

### Assumptions

Impact of implementation, administration and management of GST will be cost neutral to Home Affairs - Customs and Immigration  
The additional manpower (FTE) required for the implementation of the PIP are secured in 2008

### Notes

Home Affairs services are, by their nature, significantly demand led and therefore changes in circumstances and conditions require an immediate reprioritisation of resources (eg headland fires in 2006). Production of plans, such as the Annual Policing Plan and the Fire and Rescue Service's Integrated Risk Management Plan, ensure that the Services contribute to the States overall objectives and plan their resources as pro-actively as possible based on *best practice* and *custom and practice*.

The reactive nature of services mean that service changes are not always predictable. In addition, with over 80% of the budget attributable to staff costs, the continuous identification and achievement of significant savings is more difficult given States manpower policies.

For the purpose of this submission, which has been prepared at a strategic level, changes which will impact on individual services have not been included unless they are significant. However, it must be noted that collectively their impact will be much greater. Such changes include:

- ~ Impact of future pay awards over and above the amount included in cash limits
- ~ In 2008, the International Monetary Fund will carry out an inspection of financial crime investigation and international co-operation - this could lead to additional costs to implement any recommendations.
- ~ Policing of major events.
- ~ Increased revenue costs of new prison and police buildings.

In addition, developments/initiatives such as e-borders and Immigration embarkation controls are being looked at in the UK although no timetable has been set. If they were introduced there would be revenue consequences which have not yet been

## Housing Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Estate Services</b>					
<b>Maintenance</b> - Provision of a property maintenance programme to sustain the longevity of the Housing stock in addition to meeting the current needs of tenants. The programme includes areas such as planned & cyclical maintenance, as well as external decorations and reactive repairs. Also includes the management and control of all ongoing and new capital improvement schemes. From 2008 onwards this will primarily involve the project management of the Department's Property Plan	5,045	(116)		Following the approval of the Social Housing Property Plan in July 2007, the Housing Department now has the ability to plan a long-term maintenance programme that will be funded to the appropriate level and will drive significantly improved value for money. The ability to plan maintenance over 10 years has enabled some funding in 2008 to be re-allocated to areas such as Tenant participation, the review of Social Housing and employee development in order to develop all aspects of the Housing Department.	There will be no impact on the delivery of objectives as this is an internal re-allocation of funds which is deemed to be more effective in delivering the objectives of the Department.
<b>Operations</b> - Efficient and effective provision of key Tenant services including: provision of utilities, landscape maintenance, car parking, TV services etc	1,980	(17)		The transfer of income from car park fees to Finance services together with the removal of a number of cost areas to administration results in a slight cost decrease in this area.	There will be no impact on the delivery of objectives as this is an internal re-allocation of funds which is deemed to be more effective in delivering the objectives of the Department.
<b>Cleaning</b> - Routine facility management and the cleaning and servicing of the common areas of housing estates. This is undertaken by a team of caretakers and supported with the use of a small number of specialist contractors.	1,052	(54)		£10K from equipment purchase has been transferred to administration. In addition, an updated calculation of staff costs results in some savings.	There will be no impact on the delivery of objectives as this is an internal re-allocation of funds which is deemed to be more effective in delivering the objectives of the Department.
<b>Tenant Services</b>					
<b>Assisted Living</b> - Coordination of the Supported Housing Group and the direct provision of assisted living services, including management of the Cottage Homes complexes. The provision of medical adaptations for States Tenants.	325	87		An additional £55K investment has been made in Medical conversions in addition to an increased allocation of shared costs	There will be no impact on the delivery of objectives as this is an internal re-allocation of funds which is deemed to be more effective in delivering the objectives of the Department.
<b>Tenant Participation</b> - Engaging Tenants in the management of their homes.	231	94		The budget for printing of Community news has been allocated specifically to tenant participation rather than being a shared cost across the whole department. In addition, staff costs have increased with the employment of a manager in this area.	There will be no impact on the delivery of objectives as this is an internal re-allocation of funds which is deemed to be more effective in delivering the objectives of the Department.



## Housing Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Lettings</b> - Management of the States rental waiting and transfer lists and allocation of void units to ensure equitable treatment for all	1,665	93		The development of a new initiative to allow tenants to decorate their own homes results in higher costs in lettings but the reduction in void turnaround generates additional income and greater goodwill with our tenants.	There will be no impact on the delivery of objectives as this is an internal re-allocation of funds which is deemed to be more effective in delivering the objectives of the Department.
<b>Finance Services</b>					
<b>Rent and Fee Collection</b> - Management of the rent and fee collection process to ensure that income is maximised across the department thus enabling monies to be reinvested in the subsidy and maintenance programmes. In addition, dealing with complaints of anti-social behaviour	(32,313)	(96)		The income from car park fees has been allocated to this area which increases the income level. In addition, efficiency savings of £8.9K are assumed in Treasury and Post Office Commission. The introduction of income support together with initiatives to encourage income to be paid by direct debit should result in a reduction in the cost of income collection without any significant service change. To drive further efficiencies in this area, beyond the £8.9K assumed, customers may be asked to pay the transaction charges themselves. This would follow the user-pays principle but could constitute a service reduction to customers.	More efficient ways of collecting income will drive value for money without a significant service reduction to customers
<b>Housing Net Revenue Expenditure</b>	<b>(22,015)</b>	<b>(9)</b>	-		

# Planning and Environment

Description of Service	Net Expenditure	Service Changes		Description of Service changes	Impact on delivery of objectives
	2008 £'000	2009 £'000	2009 FTE		
<b>Planning and Building Division</b>					
<b>Development Control</b> To determine planning applications that ensure effective, innovative and intelligent use of land having regard to all material considerations and primarily, the Island Plan.	911.1	(1.0)	9.00	<b>Significant Service Improvement</b> The department is currently preparing a service improvement plan which it will bring forward in 2008 to radically redesign processes and redefine the vision, role and capability of the Department within existing resources. This plan will inform the proposals to further the user pays principle within planning and building fees. These proposals are to promote an increase, and more equitable distribution, of planning and building fees, in order to fund the cost of additional staff necessary to achieve a significant improvement in service levels at no extra net cost to the States.	<b>Impact of Service Improvements</b> The proposed increase in planning and building fees of £695,000 will fund 9 additional posts in Development Control at a cost of £445,000.
<b>Building Control</b> To set and enforce standards for building work to secure the health and safety of building users, promote energy efficiency and make life easier for disabled people.	202.1	(0.2)	1.00	It is proposed that the increased charges will be targeted at applications for commercial use and applications for residential development involving more than 5 dwellings – clearly, the target is the commercial development sector rather than the householder. In the main it is these applications which make the greatest demands on the Department's time, particularly the large-scale office and residential developments.	<b>Impact of Service Improvements</b> The proposed increase in planning and building fees of £695,000 will fund 1 additional post in Building Control at a cost of £45,000.
<b>Policy and Projects</b> To maintain, monitor and review the Island's land use planning policy framework, provided by the Island Plan and supporting guidance, to ensure that development in the Island is sustainable having regard to economic, social an environmental objectives.	508.6	(0.6)	2.00		<b>Impact of Service Improvements</b> The proposed increase in planning and building fees of £695,000 will fund 2 additional posts in Policy & Projects at a cost of £175,000.
<b>Historic Buildings</b> To effectively regulate and promote the sustainable conservation and management of the Island's built heritage.	152.5	(0.2)	1.00	The additional resources proposed may vary following the service improvement plan but will be provided from increasing charges which will enable the implementation of a far-reaching package of service improvements within the Planning and Environment Department. The aims are to: 1. Reinforce business processes 2. Improve quality of service to applicants 3. Improve quality of service to complainants 4. Enhance customer service 5. Enhance the quality of Ministerial Support. 6. Deliver the St Helier Regeneration Programme	<b>Impact of Service Improvements</b> The proposed increase in planning and building fees of £695,000 will fund 1 additional post in Historic Buildings at a cost of £30,000.
<b>Mapping</b> To provide and develop the Island's definitive geographic information system and its application, maintenance and management, to meet the needs of both the public and private sectors.	17.4	-	0.00		
<b>Environment Division</b>					

# Planning and Environment

Description of Service	Net Expenditure	Service Changes		Description of Service changes	Impact on delivery of objectives
	2008 £'000	2009 £'000	2009 FTE		
<p><b>Environmental Management and Rural Economy</b> Protect and improve the environment.</p> <p>Promote a sustainable Island economy which includes a diverse, modern and adaptable farming industry.</p> <p>Ensure high standards of animal and plant health and animal welfare</p>	1,672.4	(1.9)	0.00		
<p><b>Environmental Policy and Awareness</b> Protect and improve the environment.</p> <p>Promote sustainable management and prudent use of natural resources.</p>	268.8	(0.3)	0.00	<p><b>Energy Initiatives</b></p> <p>In addition to the Environmental Policy and Awareness Section's revenue cash limit it hopes to receive an additional £0.5 million in 2009 from Environmental Taxes so that it can deliver the Strategic Plan Objective in respect of greater Energy Efficiency. The latest Environmental Tax and Spend proposals will shortly be considered by the Council of Ministers and will inform the final Business Plan proposals.</p>	
<p><b>Environmental Protection</b> Protect and improve the environment.</p> <p>Promote sustainable management and prudent use of natural resources.</p>	963.2	(1.1)	0.00		
<p><b>Fisheries and Marine Resources</b></p> <p>Protect and improve the environment.</p> <p>Promote a sustainable Island economy which includes a diverse, modern and adaptable fishing industry.</p>	426.1	(0.5)	0.00		
<p><b>States Veterinary Officer</b> Ensure high standards of animal health and animal welfare.</p>	241.9	(0.3)	0.00		
<p><b>Meteorology</b> To provide accurate, timely, reliable and, where appropriate, specialised weather services to meet the needs of the Channel Islands communities.</p>	651.5	(0.7)	0.00		
<b>Revised Total</b>	<b>6,015.6</b>	<b>(6.8)</b>	<b>13.0</b>		

# Social Security 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<p><b><u>States Supplementation to Social Security Fund</u></b> Protection of lower earners - Supplementation is a top-up from taxation for lower earning employees to ensure they build up a full record of Social Security contributions, protecting them when they cannot work through incapacity, accident, maternity, or retire in older age.</p>	61,215			The forecasting of supplementation each year involves a number of variables. These include the number of workers, distribution of their wages and current earnings ceiling. The Business Planning timetable requires forecasts to be made in May each year which use estimates on the average earnings increase, the changes to average earnings and the impact of the changes to the labour market. Actual data is unavailable within this timeframe which can result in outturn costs exceeding forecasts. Current forecasts indicate an additional requirement of £1.7 to £2.1 million for 2009.	To keep expenditure within cash limits this would mean £1.7 to £2.1 million of spend would need to be removed in 2009. Work continues to improve the financial modelling, options and recommendations are being developed during 2008 to enable the cost of supplementation to remain within cash limits in future years. These recommendations will be brought to the States and if approved the intention is that they would remove the requirement for the additional £2.1 million funding in 2009. Refer to Spending Pressure Template
<p><b><u>Invalid Care Allowances</u></b> Invalid Care Allowance is targeted compensation for loss of earnings for carers of severely disabled people.</p>	2,401				
<p><b><u>Health and Safety at Work</u></b> Health and Safety assistance and guidance to reduce accidents and illness in the workplace - thus reducing health and benefit costs and to regulate the work environment.</p>	461				
<p><b><u>Employment Services</u></b> Employment Services offer opportunities and support in returning to work.</p>	1,036				
<p><b><u>Employment Relations</u></b> Aims to minimise disputes and bad practice in the workplace.</p>	493				
<p><b><u>Jersey Employment Trust</u></b> Assisting people with disabilities by providing sheltered work and additional training and development.</p>	729			Grant contribution of £729,000 not sufficient to meet ongoing revenue costs as a result of increased demand on services. An additional £132,000 is required. Refer to Spending pressure template.	Restricted services - reduction in other benefits payments and support/administration costs.

## Social Security 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
				Joint Secretariate Executive Board have submitted a bid for funds to introduce further inclusive Vocational Day Services and Employment for People with a Learning Disability and People on the Autistic Spectrum refer to attached report commissioned by the Joint Secretariat Executive Board for People with Special Needs. An additional £606,000 required in 2008 rising to £821,000 pa. Spending pressure template shows phasing of revenue implications.	Funding request has not come through the Department.
<b>Child Care Support</b> Assisting working people with less than 5 years residency with their child care costs who do not meet the criteria to claim Income Support.	200				
<b>Dental Benefit Scheme</b> Benefit for dental insurance targeted at 11-18 (up to 21 if in full time education) age groups from low income families.	138				
<b>Social Fund</b> Includes targeted assistance with the costs of essential home adaptations for very sick and disabled people to enable them to continue to live at home, and targeted support to those who require specialist dietary products or appliances that are not catered for elsewhere.	272				
<b>Jersey 65+ Health Plan</b> Optical, Dental and Chiropody benefit for over 65's targeted at those on low incomes.	573				
<b>Non Contributory Death Grants</b> Grant toward funeral costs for those deceased who did not pay into Social Security scheme.	16				
<b>Christmas Bonus</b> Annual Christmas bonus.	1,700				

## Social Security 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>TV Licence 75+</b> Provision of free television licences for those on low income who are aged 75 and over living in domestic accommodation.	312				
<b>Income Support</b>	77,049				
Transitional Relief.		(4,100)		Reduction in baseline as a result of the phased reduction in protection given to claimants who are affected by the introduction of the new Income Support scheme.	
Native Welfare & Residential Care.		1,500		Provision for estimated demographic pressures upon the Residential Care cost within Income Support.	
				Impact of Residential Care homes increasing fees above inflation resulting in a potential cost pressure of £550,000. Refer to Spending Pressure Template.	Restrict benefit payments and number of people in homes within available resources.
GST Rebate.		400		New Allowance for GST for people in the gap between Income Support and Income Tax. Refer to Spending	
<b>Efficiency Savings</b>		(2)		Taken from support and administration efficiencies	
<b>Total Net Revenue Expenditure</b>	<b>146,596</b>	<b>(2,202)</b>	<b>-</b>		

# Transport and Technical Services 2009

## Service Analysis - Objectives and Performance Measures

Description of Service	Net Expenditure	Service Changes			Description of Service changes	Impact on delivery of objectives
	2008 £'000	2009 £'000	2009 £'000	2009 FTE		
<b>WASTE MANAGEMENT</b>						
<b>Liquid Waste</b> Treat and dispose of liquid waste to minimise the impact on the environment	4,335	4,330	(5)		<b>Sewage Treatment Works</b> The Department faces significant funding pressures within Liquid Waste due to the unreliability of the Sewage Treatment Works (note 1).  <i>The department will require the flexibility to divert funds from other service areas during the course of the year if it is required to fund any significant unplanned maintenance expenditure.</i>	<b>(BP Ref 25)</b> If the Department does not have the flexibility to divert funds from other service areas it will be unable to maintain and develop the liquid waste system to deal with the Island's liquid waste according to environmental standards.
<b>Energy from Waste</b> Dispose of residual solid waste and ensure continued operation of the current Energy from Waste Plant until the replacement is operational	2,334	2,331	(3)		<b>Incinerator</b> The current incinerator is nearing the end of its useful life and requires increased maintenance to ensure it remains operative until the replacement plant comes on stream. However, the increasing maintenance of an ageing infrastructure and the budget reductions of recent years have seriously curtailed the planned maintenance programme. (note 2)  <i>The department will require the flexibility to divert funds from other service areas during the course of the year if it is required to fund any significant unplanned maintenance expenditure on the incinerator.</i>	
<b>Solid Waste</b> Provide effective recycling and processing for the Island's solid waste	2,134	2,532	398		<b>Tipping Fee Income and Recycling</b> The department's recycling initiatives have been developed as a result of an expansion in Tipping fee income. Unfortunately the income has now reduced by some £400k but the recycling initiatives remain a high priority and should be continued. The department is faced with a funding shortfall and is considering a number of alternatives including removing christmas lighting and increasing bus fares. It is hoped that a proposal for the additional funding can be agreed in the near future  <b>Increase in bailing and stockpiling refuse</b> If the incinerator fails more refuse has to be stockpiled and baled for storage until it can be disposed. The department will require the flexibility to divert funds from other service areas to fund these unplanned additional costs.  <b>Environmental Taxes</b> The Department hopes to receive an additional £1.2 million in 2009 from Environmental Taxes so that it can deliver the Strategic Plan Objectives in respect of Recycling. The latest Environmental Tax and Spend proposals will shortly be considered by CoM.	<b>Recycling (BP Ref 20)</b> The Department is unlikely to meet its overall recycling rate of 32% in 2009.

# Transport and Technical Services 2009

## Service Analysis - Objectives and Performance Measures

Description of Service	Net Expenditure	Service Changes			Description of Service changes	Impact on delivery of objectives
	2008 £'000	2009 £'000	2009 £'000	2009 FTE		
<b>Drainage</b> Ensure the integrity of the infrastructure to move waste water and effluent.	1,599	1,597	(2)			
<b>MUNICIPAL SERVICES</b>						
<b>Highways and Infrastructure Maintenance</b> Maintain the highway network through investment in the highway infrastructure.	3,189	3,190	(54)		<b>Cessation of Christmas Lighting</b> The Department is proposing to cease providing Christmas Lighting to meet the expected shortfall in tipping fee income.	<b>(BP Ref 14)</b> The provision of Christmas Lights is deemed to be a desirable service but could be provided by the Commercial Sector. There will be a negative reaction from the public/ commercial industry if this service was to cease.
<b>Buildings</b> Rental income received from Jersey Car Parks.	(1,615)	(1,615)	-			
<b>Coastal &amp; Footpath Maintenance</b> Maintain the integrity and upkeep the Island's sea defences, ancient monuments and footpaths.	918	917	(1)			
<b>Cleaning</b> Maintain cleanliness of roads, beaches, promenades, footpaths and toilets.	2,043	2,040	(2)			
<b>Parks &amp; Gardens</b> Maintain parks, gardens, open spaces and sports grounds to as high a standard as budgets will allow.	2,339	2,337	(3)			
<b>Jersey Harbours</b> The Jersey Harbours Service Area relates to the cleaning, municipal and engineering maintenance services that is carried out by the Transport and Technical Services Department and recharged to Jersey Harbours.	-	-	-			



# Transport and Technical Services 2009

## Service Analysis - Objectives and Performance Measures

Description of Service	Net Expenditure	Service Changes			Description of Service changes	Impact on delivery of objectives
	2008 £'000	2009 £'000	2009 £'000	2009 FTE		
<b>TRANSPORT</b>						
<b>Transport policy including buses</b> Provide island-wide transport systems and policy which meet the needs of the community.	4,683	4,274	(355)		<b>Increases to Bus Fares</b> The department is faced with a funding shortfall and is considering a number of alternatives including diverting car parking income and increasing bus fares. It is hoped that a proposal for the additional funding can be agreed in the near future. One option is to increase bus fares, as highlighted below, to meet the expected shortfall in tipping fee income and allow recycling initiatives to continue.  o Increase bus fares from £1.00/£1.50 to £1.10/£1.60. o Increase school bus and student fares from 50p to 75p.  It is estimated that the above increases will generate an additional £350k.  <b>Environmental Taxes</b> The Department hopes to receive an additional £0.5 million in 2009 from Environmental Taxes so that it can deliver the Strategic Plan Objectives in respect of Transport, these include: o Improved bus service o Road safety initiatives o Cycle Routes o Footpaths o Public Awareness Campaigns o Travel Plans for States Departments  The latest Environmental Tax and Spend proposals will shortly be considered by the Council of Ministers and will inform the fir	
<b>Driver and Vehicle Standards</b> Ensure all road users are safe and comply with legislation.	(83)	(83)	-			
Revised Total	<b>21,877</b>	<b>21,850</b>	<b>(27)</b>			

Note 1: Liquid Waste - The Department has put forward a capital bid in 2012 to replace the existing secondary treatment works with a more traditional system with proven capabilities.

Note 2 : Energy for Waste - Work on the replacement for the Bellozanne Energy from Waste Plant continues and the tenders for the new plant will go to the States in July 2008 with a view of starting construction October 2008.

## Treasury and Resources Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<p><b>Corporate Financial Strategy</b> Preparation and production of States Annual Budget, Annual Business Plan and States Annual Accounts. Facilitating revenue and capital resource allocation. Setting the financial control framework. Provision of expert financial advice and support service.</p>	1,080.3			<p><b>Fiscal Strategy Advice - £200K</b> Joint initiative from CMD/EDD/T&amp;R for need to acquire expert and detailed fiscal advice to assist the development of a competitive long term fiscal strategy for the States</p>	<b>Objective 5 - High Quality Strategic Advice to Ministers</b>
<p><b>Decision Support</b> Provide a management accounting service to the Chief Ministers, Treasury and Resources, Economic Development and Non Ministerial Departments.</p>	372.0	(8.0)		Efficiency to be allocated in due course.	
<p><b>Investments</b> Secure the maximum return from the safe investment of all public funds.</p>	222.9				
<p><b>Financial Services</b> Payroll, transaction processing, credit control and cashiering services for all States Departments.</p>	1,604.4				
<p><b>Systems</b> Provision, maintenance and development of States resource management and control systems. Advice to Departments on all financial, HR, payroll, assets and procurement systems.</p>	1,128.0				
<p><b>Internal Audit</b> Internal audit is to provide independent objective assurance and consulting services designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and corporate governance processes.</p>	620.4				
<p><b>Procurement</b> Development of Procurement Strategy</p>	318.0		3.0	<p><b>Procurement Staffing - £350K</b> The delivery of the target £3.2m savings relies on 3 additional professionally qualified staff. These staff have been recruited and funded in 2008 from savings. A long term budget is required to achieve the savings and implement a sound procurement culture in the States</p>	<b>Objective 3 - A Transformed States Finance Function</b> The Procurement service is confident that it can exceed its target savings by the cost of its budget shortfall. If growth budget is not available it would propose that the target is increased and the resultant budget transferred to its shortfall
<p><b>Pensions</b> Administration of the States Pension Schemes.</p>	0.0				
<b>Treasury Net Revenue Expenditure</b>	<b>5,346.0</b>	<b>-8.0</b>	<b>3.0</b>		

## Treasury and Resources Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
<b>Personal Tax Assessing</b> Assess and collect tax revenues from over 95,000 personal taxpayers.	3,163.8				
<b>Company Assessing</b> Assess and collect tax revenues from over 90,000 corporate taxpayers.	876.8				
<b>Policy Development</b> Progress the implementation of the States Fiscal Strategy.	284.9				
<b>Investigations and Compliance</b> Continue compliance activities in areas such as tax evasion, attempts to convert income into capital and the claiming of expenses in business accounts.	196.4				
<b>Tax Collection and Arrears</b> Debt management, collection of arrears and payment processing.	396.9				
<b>Goods and Services Tax</b> Prepare and implement the Goods and Services Tax in 2008.	885.8				
<b>Income Tax Net Revenue Expenditure</b>	<b>5,804.6</b>	<b>0.0</b>	<b>0.0</b>		
<b>Property Division</b> Property management and advice plus maintenance of the estate.	2,814.2				
<b>Architects</b> Architecture, building and engineering services	5.1			<b>Reduction in Fee Income - £500K</b> Reduction in fee recovery from staff engaged in the reducing construction element of the capital programme	Natural wastage; transfer of fee earning staff to funded vacancies; Requirement for all departments to use in house design services
Property strategy and capital management	321.2			<b>Inadequate Maintenance Budget (i) - £2,000K</b> Structural under funding of building maintenance budget - impact of 'catch -up' backlog maintenance  Estimate assumes a £10m backlog that is addressed at a £2m per annum.  A robust estimate and programme will be prepared following the results of the ongoing condition survey.	<b>The structural deficit is of such a significant level that remedial measures alone will not bridge the funding gap</b> <u>Mitigating strategies:</u>  a) Reduce occupation through adherence to new space standards, incentivised through an asset charging mechanism lease or dispose of surplus stock  b) Rationalise rental position to receive full income from 3rd parties (est. under recovery of £1m pa). Position compounded

## Treasury and Resources Department 2009

Description of Service	Net Expenditure 2008 £'000	Service Changes		Description of Service changes	Impact on delivery of objectives
		2009 £'000	2009 FTE		
				<p><b>Inadequate Maintenance Budget (ii) - £3,000K</b> Structural under funding of building maintenance budget - ongoing shortfall in maintenance against BCIS benchmark.</p> <p>Initial Assessments identify a requirement of £12.5m pa Assume 10% reduction in stock and procurement savings of a further 10%, brings requirement to £10m pa</p> <p>Available funding when transfers completed is c£7m (including H&amp;SS Manual Workers)</p> <p>Shortfall after rationalisation = £3m pa</p> <p>A costed and prioritised programme will be prepared following the results of the ongoing condition survey.</p>	<p>by the requirement to address long standing maintenance issues that have no dedicated budget - Property Holdings spent some £200,000 in 2007 on these properties.</p> <p>c) Procurement efficiencies from economies of scale and standardisation</p> <p>d) Prioritisation of funds to mandatory, cyclical and asset preservation works.</p> <p>e) Assembly of minor capital projects hitherto charged as maintenance on a site by site basis (e.g. Tarmac/Surfacing £700k) - seek approval to fund from over achievement on capital receipts</p>
<b>Property Holdings Net Revenue Expenditure</b>	<b>3,140.5</b>	<b>0.0</b>	<b>0.0</b>		
<b>Insurance</b>	<b>2,584.0</b>				
<b>Non-Departmental Net Revenue Expenditure</b>	<b>2,584.0</b>	<b>0.0</b>	<b>0.0</b>		
<b>Total Net Revenue Expenditure</b>	<b>16,875.1</b>	<b>(8.0)</b>	<b>3.0</b>		

## 2009 Business Plan process

### Summary of Non Ministerial Funding Pressures

A detailed exercise on the Non Ministerial areas was not conducted but their individual business plan reviews have identified the following pressures.

#### Data Protection: £35,000 increase for general budget shortfall.

There is no scope to reduce costs to meet this pressure. There is scope to increase income but a 50% increase would be required (from a £50 registration fee to £75 per company). However, this would make Jersey more expensive than UK (£50) and Guernsey (£40). The Council's preferred option is to provide one off funds by way of the 2007 carry forward process (£20,000) so that the Data Protection Office can recruit a person to chase up non compliance. If this fails to increase income then the Council would consider supporting a £30,000 extra budget in 2010.

#### Probation: £120,000 Criminal Justice Law

Probation believe that this bid could be reduced by £60,000 (and a significant reduction in prisoner numbers could arise) if Jersey offered UK Prisoners return to UK prisons without requiring Jersey parole terms. This would require a policy change from Home Affairs - but would be supported by Probation and UK authorities. Approach to be considered by Home Affairs and remaining £60,000 is recommended to be deferred until 2010 when Criminal Justice Law implications are clearer.

#### Probation: £60,000 Family Division

This pressure is caused by increased divorce rates and subsequent work on reports on sibling welfare. Probation has requested Judicial Greffe to fund this cost - but no agreement reached. The Council has agreed that the *Judicial Greffier be approached requesting that consideration is given to a transfer of budget to Probation* on the basis that historic under spends suggest that there may be capacity between the joint Court Services budgets of Judicial Greffe and Viscount (£650,000 underspend in 2007, £140,000 in 2006, £300,000 in 2005).

#### Law Officers: Staffing pressures £30,000, Staff retention and recruitment £300,000 and increased workload £280,000

The Comptroller and Auditor General is undertaking an efficiency review of the Law Officer's Department. The Council intends to defer funding considerations until this review is concluded. However, the Council would at this stage support an increase of £30,000, specifically in respect of existing staff pressures.

In respect of other costs it may also be appropriate to consider a method of recharging departments for advice from the Law Officer's department to increase the focus on these requests.

#### Law Officers: £138,000 Freedom of Information Law

Recommendation is to defer the progress of the Law until the resource implications are fundable.



## 4. Summary of Base Pressures from Departments

## **SUMMARY OF ISSUES RAISED BY DEPARTMENTS**

### **BASE PRESSURES AND PRIORITIES WITHIN EXISTING CASH LIMITS**

#### **Chief Minister's Department**

The base service changes identified reflect:

- The recommendation from the Machinery of Government report for a Private Secretary for the Chief Minister £50k, but an acknowledgement that currently this would not rank above existing service priorities
- Recognition that the demand for Legislation within the Finance Industry area outstrips available resource.
- The States desire to increase the international profile of Jersey, as informed by the Constitution Review Group, chaired by the Bailiff, and due to report to CoM in March – but an acknowledgement that currently this pressure (75k) would not rank above existing service priorities.

The desire to identify an annual sum for Urban Renewal projects to regenerate St Helier which at £200k could not be found from within Chief Ministers revenue budget but may need to be prioritised elsewhere.

#### **Economic Development**

The base service changes identified reflect:

- The department's intention to stimulate export by working with businesses to promote and network sales – if additional funding is not available this may be achieved by reducing tourism marketing in certain markets such as Germany.
- Increasing finance industry marketing to develop business links with new markets, alongside Jersey Finance Limited, directly marketing the Island's financial services industry to encourage business traffic.
- The department does not consider school milk as an effective or economic industry subsidy and this would be ceased.
- An objective to increase demand led skills training as directed by the Skills Executive – if additional funding is not available this would be prioritised within existing base budgets.

#### **Education, Sport and Culture**

The base service changes identified reflect:

- The department is planning for demographic changes and in 2009 maintaining current policies would see savings in predicted numbers at Highlands College, potentially delivering £325k savings, provided that changes in the economic climate do not create an unanticipated increase in students wishing to attend the College.
- The current forecasts for Student Finance of local students attending UK higher education would see a saving in 2008 and 2009 of £689K.
- Currently these savings are being prioritised to States spending pressures for the Prison, additional GST allowances and the funding required for the AquaSplash contract.
- The department will meet its share of the remaining efficiency savings through the review of administrative and front of house support.



The department has identified spending pressures in respect of:

- The increasing demands at Mont a l'Abbe require a funding methodology based on level of needs. The increased demand is estimated at £370k in 2009 and the department is unable to fully respond to the complex needs of these children.
- If no additional funding were available, one option the department would have to consider to contribute to this pressure could be a reduction in the professional development opportunities for teachers in Jersey.
- In respect of Student Finance, there are possible fee increases indicated from September 2009 and once these are known further decisions will be needed between changes to the student loan scheme, parental and States contributions

### Health and Social Services

The base service changes identified reflect:

- The department will receive growth funding of £2 million under the current proposals and this is prioritised towards a number of key service areas including;
  - new high cost drugs to comply with NICE guidelines and increasing demand for such drugs.
  - a further phase of the Nursing Staffing establishment review
  - reduction and control of hospital acquired infections, primarily MRSA and C.Difficile
  - increasing demand for treatment of age related illnesses and obese patients
  - additional activity for complex conditions requiring care with specialist UK providers
  - increase in the demand for nursing/residential care for both the over and under 65 age group.
  - further development of Children's services to provide continued confidence and increasing provision of community care packages for young people with physical disabilities and head injuries
- The department has also reallocated its base budget to reflect the current priorities, distribution of services and allocation of support service and to accommodate the required level of efficiency savings.

### Home Affairs

The base service changes identified reflect:

- Discussions with the Council of Ministers have determined that the £500k funding initially allocated for Discrimination Legislation be prioritised to fund part of the Prison budget shortfall
- Under the current proposals the department will also receive a further £1 million for the Prison, prioritised from savings in education. This will be applied to enable the Prison to operate at acceptable standards and progress the integrated Prison Improvement Plan which will include the recruitment of a significant number of additional prison staff.

- Efficiency savings which are intended to be delivered through strategic procurement initiatives

The department has also identified specific additional spending pressures to the Council which it is unable to accommodate within its existing cash limit. However, consideration is being given to charging the costs of the Criminal Injuries Compensation Scheme (CICS) to the COCF which would potentially free up £275k. This could be applied in the first instance to the priorities in respect of:

- Sex Offender legislation (£177k) which require an increase to current levels of supervision in line with the additional responsibilities arising from the Sexual Offences (Jersey) Law 200-
- A corporate initiative (£160k) to put in place local arrangements to respond to the changes to vetting arrangements due to come into force in the UK as a result of the Safeguarding Vulnerable Persons Act. Consideration was also given as to whether certain aspects of this work could be charged for thus reducing costs.

This would leave specific additional spending pressures in respect of;

- Redressing a significant shortfall in the budget of Customs and Immigration (£650k) to fund pressures in existing staffing levels, increases in activity levels at the Harbour and Airport and to maintain the existing frontier presence.
- The Discrimination Legislation funding (£500k) which has been diverted to the priorities at the Prison and consequently this legislation could not be progressed until further funding is identified

### Housing

The base service changes identified reflect:

- A minor reprioritisation of the department's services to address priorities in 2009. These priorities include :
  - The Review of Social Housing
  - An enhanced policy relating to Medical Conversions
  - Tenant initiatives to enable greater participation in the management of their homes
- The delivery of the required efficiency savings should be made through savings in income collection services.

The delivery of the Social Housing Property Plan is fundamental to Housing service provision in the future

### Planning and Environment

The department is currently preparing a service improvement plan which it will bring forward in 2008 to radically redesign processes and redefine the vision, role and capability of the Department within existing resources. This plan will inform the proposals to further the user pays principle within planning and building fees. The intention is that through increased charges targeted at commercial and multi dwelling applications a far reaching package of service improvements will be possible.

The department hopes to receive additional funding of upto £500k from the Environmental Tax and Spend initiatives to deliver objectives for energy efficiency.

### Social Security

The base service changes identified reflect:

- The intention to manage the predicted increases in Supplementation costs (£1.7m to £2.1m) by identifying recommendations to the States in 2008, which if approved, would contain these costs within the current base budget
- A planned reduction in transitional relief (£4.1m) as protection is gradually withdrawn from claimants who have been affected by the introduction of the new Income Support scheme.
- The agreed increase in funding (£1.5m) representing the additional demographic pressure upon the residential care element within income support
- The new allowance for GST, agreed by the States, for those people in the gap between the Income Support and Income Tax systems at £400k)

The department has also identified service pressures and initiatives in relation to:

- A base pressure in respect of charges at residential care homes significantly above the inflation provision estimated at £550k
- A base pressure of £132K in the grant contribution to Jersey Employment Trust (JET) as a result of increased demand on those service which can not be accommodated by the department
- The department is also forwarding a bid (£821k) proposed by the Joint Secretariat Executive Board for improvements to the existing service provision at JET.

### Transport and Technical Services

The base service changes identified reflect:

- a number of significant pressures and risks around its infrastructure which will require it to be allowed the flexibility to divert funds during the financial year to address significant unplanned maintenance. These pressures are particular evident in:
  - Liquid waste due to the unreliability of Sewage Treatment Works
  - The Incinerator nearing the end of its useful life and increased likelihood of breakdown

The department has also identified service pressures and initiatives in relation to recycling initiatives. The development of these initiatives has been possible in recent years due to buoyant tipping fee income. However, this income has now fallen by £400k but the recycling initiatives remain a high priority. The department is faced with a funding shortfall and is considering a number of alternatives including the removal of Christmas lighting and increasing bus fares. It is hoped that a proposal for the additional funding can be agreed in the near future.

The department also hopes to receive additional funding from the Environmental Tax and Spend initiatives to deliver further objectives on recycling initiatives and to deliver objectives in respect of Transport

### Treasury and Resources

The base service changes identified reflect:

- The Procurement Strategy identifies the need for a level of staffing to deliver the procurement efficiencies into the future which will be self funding. The proposal is to fund the 3 additional staff from future savings in procurement budgets in departments
- There are significant pressures within the Property Holdings department relating to shortfalls in building maintenance budgets both involving catch up on overdue maintenance and in provide adequate budgets to maintain required standards. An ongoing condition survey will provide robust estimates of maintenance requirements for incorporation into the resource accounting and budgeting process in 2009/10 and proposals will be brought forward as part of this process.
- Fee income relating to capital construction projects has fallen with the reduced construction element of the States Capital programme and this pressure will require a corporate approach to enable it to be managed.

The department has also identified a corporate initiative in relation to the need to resource (£200k) for expert strategic fiscal advice required to build on the existing fiscal strategy in the longer term. The Council of Ministers consider this a priority.

## 5. Spending pressures with no alternative funding

## Summary of spending pressures identified by departments and supported by Council of Ministers

### Spending pressures with no alternative funding currently identified

Potential Spending Pressure from 2009 <u>Spending pressures with no funding identified</u>	Dept				Manpower FTE
		2009 £m	2010 £m	2011 £m	
Social Inclusion - Mont a l'Abbe School	ESC	0.370	0.370	0.370	6.0
Early Years provision - Additional funding	ESC	0.600	1.519	1.489	-
Discrimination Legislation - Consequence of Prison solution	HA	0.500	0.500	0.500	-
Customs and Immigration - Staffing (increased activity)	HA	0.650	0.650	0.650	6.0
Jersey Employment Trust (JET) - base pressures	SS	0.130	0.130	0.130	-
Increased charges from Residential Care Homes	SS	0.550	0.550	0.550	*
Proposals to develop JET and associated services	SS/H&SS	0.606	0.821	0.821	-
Provision for strategic fiscal advice	CM/TR/EDD	0.200	0.200	0.200	-
Funding pressures within Law Officers	Law Officers	0.030	0.030	0.030	-
<b>New Pressures identified by Departments</b>		<b>3.636</b>	<b>4.770</b>	<b>4.740</b>	<b>12.0</b>

\* Development of JET and associated services could increase non States manpower by upto 22 FTE

#### Social Inclusion – Mont a l'Abbe School

The increasing demands at Mont a l'Abbe require a funding methodology based on level of needs. The increased demand is estimated at £370k in 2009 and the department is unable to fully respond to the complex needs of these children. The department is unable to identify funding for this pressure but the Council of Ministers view this as a high priority.

#### Early Years Funding

The Council of Ministers supports the extension of the early year's provision but is unable to identify funding within the existing spending limits. The Minister for Education, Sport and Culture brought forward proposals in last year's Business Plan, at a recurring cost of £1.5 million. Any further work on proposals is awaiting the outcomes of the current review by the Education and Home Affairs Scrutiny Panel.

#### Discrimination Legislation

The original Discrimination Legislation funding (£500k) has been diverted to the priorities at the Prison and the Home Affairs department is unable to identify other funding so consequently this legislation could not be progressed unless additional funding is identified.

#### Customs and Immigration

The Home Affairs department identified a significant shortfall in the budget of Customs and Immigration (£270kk) to fund pressures in existing staffing levels, increases in activity levels at the Harbour and Airport and to maintain the existing frontier presence (£380k). With significant other pressures the department is unable to accommodate this funding pressure.

#### Jersey Employment Trust - base pressures

A base pressure of £132K is identified in the grant contribution to Jersey Employment Trust (JET) as a result of increased demand on the services provided by the Trust and which can not be accommodated by the department. The Council of Ministers views this as a high priority for 2009.

#### Increased charges from Residential Homes

A base pressure has arisen as a number of residential care homes have implemented new guidelines resulting in increased costs and consequently charges to the Social Security department well above the inflation provision and estimated at £550k. The department can not accommodate this unavoidable increase in cost and this is seen as a priority by the Council.

#### Proposals to develop JET and associated services

The Council supports the development of an initiative being proposed by the Joint Secretariat Executive Board for improvements to the existing service provision at JET. The current draft proposals represent £821k in a full year and are being further reviewed by the department. This increased cost which is in addition to the base pressure of £132k can not be accommodated within existing cash limit.

#### Law Officers: £30,000 staffing pressures

The Council would at this stage support an increase of £30,000 specifically in respect of existing staff pressures. The Council is minded to defer consideration of the other staff pressures until the Comptroller and Auditor General completes his review of the Law Officer function.

## Significant Funding Pressures – 2009 Business Plan

### **Department: Education, Sport and Culture**

#### **Description of Funding Pressure:**

#### **Social Inclusion/Mont a l'Abbe School**

The funding pressure which is both unavoidable and volatile, is due to:-

- An overall increase in the complex needs of children due to increased neo-natal survival of children with profound and multiple handicaps, resulting in increased staffing needs;
- An increasing number of pupils are wheelchair users, each taking up the equivalent of 3 minibus places. An additional vehicle, with associated driver and escort staff has become necessary;
- An increase in the statutory age of education to 19 for children with special needs. As a result, pupils remain in the school for an additional year, with associated staffing needs, which also involves supported work placement;
- More parents of children with special needs request that their children be educated in a mainstream environment to allow for integration into the local community, in line with the States of Jersey policy of promoting social inclusion. This requires support from Mont a l'Abbe staff to help mainstream colleagues extend their expertise in differentiating to greater individual learning needs;
- Families arriving in the Island whose children already have statements of special need support from the UK (eg a Year 9 student requiring individual support due to extreme physical fragility)
- Acquired needs due to trauma (eg a Year 5 pupil who is a blind wheelchair user rehabilitating following a medical accident, requiring individual support)

It should be noted that Jersey educates all children with profound and multiple learning difficulties on Island, which is more cost-effective provision compared to Guernsey and most UK Local Authorities where severe cases are educated in independent UK special schools at costs which can well exceed £100,000 a year per pupil.

#### **Why not included in 2008 Business Plan:**

The headteacher at Mont a l'Abbe school has attempted to continue to operate the school within minimum acceptable standards, however the cumulative impact of the factors detailed above have begun to impact on the level of special needs provision at the school. The immediate and unpredictable demands caused by the last two factors in particular, have placed considerable pressure on the school in an environment where the complexity of need is increasing. The school has had to rely on the goodwill and co-operation of staff and local charitable organisations, which can no longer be sustained.

A thorough review of the special needs requirement of the pupils at Mont a l'Abbe has been carried out within a banded funding methodology based on levels of need, and a shortfall has been calculated at £370,000.

#### **Link to Strategic Plan Objective:**

Vision – “We are an inclusive society where everyone has equality of opportunity and access to the services they need”

Commitment Three: “ We will promote a safe just and equitable society”

Commitment Six: “We will ensure that States services are necessary, efficient and of good quality”



**Impact of Funding Pressure not being introduced:**

- Transport not available for children who need it and buses overcrowded - Absence / lateness due to family difficulties in getting children to school. Health & safety issues – risk of injury to pupils / escort / driver;
- Teachers supervise instead of taking lunch break / preparing for afternoon lessons - Breach of employment law. Overtired staff leading to increased sickness absence. Inadequate preparation for lessons;
- Staff not trained in physical handling (restraint) techniques - Injuries to staff / pupils. Breach of Health & Safety regulations. Potential legal implications;
- Staff not trained / kept up to date in specialist educational interventions - Children’s special educational needs specified on Records of Need not addressed. Difficulties in recruiting and retaining high quality staff;
- Management deployed for class cover and crisis management - No school representation at Child Protection Case Conferences or other multi-agency meetings. Class teachers unable to attend pupil Annual Review (RoN) meetings. No school development planning;
- No personnel ‘front of house’ at Haute Vallee site - Security issues. Staff required to leave their class. Reduced availability for educational duties / overwork leading to sickness absence;
- Reduced quality of educational experience, pupils cannot access school activities and children’s educational needs not met;
- Children excluded from local school communities - Social inclusion compromised leading to parental complaints;
- Pupils denied access to educational programmes not available at Mont a L ‘Abbe. Mont a L’Abbe students discriminated against - Pupils do not gain qualifications they are capable of. Adult independence compromised. Social inclusion compromised. Parental complaints / politically sensitive;
- Mainstream schools unsupported and unable to differentiate curriculum appropriately, reluctant to include pupils with complex learning difficulties - Children’s special educational needs not met. Children vulnerable to behaviour difficulties / suspension. Parental complaints.

<b>Revenue Implications: £000</b>		<b>Capital Implications: £000</b>	
2009	£370 recurring	2009	
2010		2010	
2011		2011	
2012 onwards		2012 onwards	

**Manpower Implications (FTE): 2 x 0.5 Teachers / 5 x Teaching Assistants**

**Other financial or resource considerations: (impact on other depts?)**

- Children unable to develop independence and ability to communicate with mainstream peers will become dependent adults who will impact on services for the duration of their lives;
- Children who do not have the opportunities to experience college/supported work placements are less likely to become employable;
- Mainstream children who have minimal contact with special needs are unlikely to develop an understanding as they become the workforce of tomorrow.

**Options for Funding within Department:**

The Management Team at ESC recognised this as an immediate priority and was able to divert a sum of £200,000 to meet the shortfall in 2008 on a short term basis, by agreeing to delay certain planned initiatives:

- a one year delay in a number of initiatives associated with the implementation of the Youth Service Strategy,
- a planned delay in recruitment to posts within the Projects and Planning

*Division which will be required to meet the demands on formulating a five year Strategy and in progressing a number of essential projects (eg due to demographic changes);*

- *a change in the book purchasing policy at the Public Library which can only be sustained for one year;*
- *by diverting income generated from the Active Card Membership Scheme which will leave a shortfall in the funds required for programmed equipment replacement, which can only be sustained for one year without impacting on the quality of the Scheme.*

*It is essential that the budgets are replaced from 2009.*

**Contact Officer: Mario Lundy**

## Significant Funding Pressures – 2009 Business Plan

<b>Department: Education, Sport and Culture</b>	
<b>Description of Funding Pressure:</b>	
<b>Extension of Early Year's Funding Provision</b>	
<p>The Minister for Education, Sport and Culture brought forward proposals in last year's Business Plan, at a recurring cost of £1.5 million to extend opportunities for children aged three and four years to access free education, 20 hours per week, term time only. The Council of Ministers supports the extension of the early year's provision but is unable to identify funding within the existing spending limits.</p>	
<p><b>Why not included in 2008 Business Plan:</b>            The Amendment by the Minister for Education, Sport and Culture for the additional funding in last year's business plan was defeated however the Council of Ministers supports the extension of the early year's provision but is unable to identify the required funding within the existing spending limits.</p>	
<p><b>Link to Strategic Plan Objective:</b>            2.7 Access to high quality learning opportunities            - a higher proportion of children have access to affordable early years education and care</p>	
<b>Impact of Funding Pressure not being introduced:</b>	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009 £600k recurring	2009
2010 £1,519k recurring	2010
2011 £1,489k recurring	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE): None identified</b>	
<p><b>Other financial or resource considerations: (impact on other depts?)</b></p> <ul style="list-style-type: none"> <li>▪</li> </ul>	
<p><b>Options for Funding within Department:</b>            The department is unable to identify funding within its current cash limits</p>	
<b>Contact Officer: Mario Lundy</b>	

## Significant Funding Pressures – 2009 Business Plan

<b>Department: Home Affairs</b>	
<b>Description of Funding Pressure:</b>	
Reinstatement of funding for the implementation of Discrimination Legislation.	
<b>Why not included in 2008 Business Plan:</b>	
Additional funding of £500,000 was made available to the Home Affairs Department in 2007 as part of the Strategic Plan funding. However, following discussions with the Council of Ministers the funds have been diverted to the Prison for 2008 and beyond and it is therefore necessary to reinstate funding from 2009 when it is anticipated that the enabling Legislation will be in place.	
The Law will not incur any costs, the costs will come with the Regulations – the first phase being Race (originally scheduled for 2007). Claims brought under the Law will be monitored by a Discrimination Panel in a similar manner as the Employment tribunal and JACS.	
When the funds were approved in the States Annual Business Plan 2007 – 2011 the following observation was made – <i>‘it is unlikely that all of the funding will be required in the first year following the introduction of the Law and it is intended that the balance of funds will be used to supplement the Prison budget in the short term, until the funding pressures are resolved’</i> (Annex page 60).	
<b>Link to Strategic Plan Objective:</b>	
Delivery of States Commitment Three – <i>We will promote a safe, just and equitable society.</i>	
<i>In particular 3.1 – Basic rights and equal opportunities are established for all sectors of society.</i>	
<b>Impact of Funding Pressure not being introduced:</b>	
The States commitment to protect the rights of individuals in the community with the enactment of the Human Rights Law, ensuring the basic principles of respect and equality for all will be compromised.	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009: £500 recurring	2009
2010	2010
2011	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE): none</b>	
<b>Other financial or resource considerations: (impact on other depts?)</b>	
<b>Options for Funding within Department:</b>	
None	
<b>Contact Officer: : Steven Austin-Vautier – Chief Officer Home Affairs Department</b>	

## **Significant Funding Pressures – 2009 Business Plan**

### **Department: Home Affairs**

#### ***Description of Funding Pressure:***

Provision of an effective Customs and Immigration Service.

- Maintain existing staffing levels – £280,000
- Increase staffing levels to allow the frontier teams to operate at a minimum level of 7 per team – further £185,000.
- Increase staffing levels to allow the frontier teams to operate at a minimum level of 8 per team – further £185,000.

The current minimum numbers per team are 6 officers so very often Customs controls have to be waived as there is an obligation to provide full immigration control. Even with 8 officers per team there would be no scope for on board in transit controls let alone the movements at the Albert Pier or the Airport. The Service managed in 2007 to provide full immigration coverage (including on 'board controls' which are over and above the basic controls) by officers working overtime and the irregular use of the officers in the Investigation Unit, but this leaves no scope for Customs controls and is not sustainable in the long term.

This resource problem has been recognised in two independent reports in 2007 – an audit of the merger of the Customs and Immigration frontier teams by the Chief Internal Auditor and a review of staffing numbers prior to the introduction of GST by Crown Agents.

The audit of the merger of the frontier teams endorsed that initiative but identified as one of the two high priority observations the lack of resources and the impact this was having on the Customs controls and the potential effect on the commitments and well being of officers.

#### ***Why not included in 2008 Business Plan:***

Funding pressures were identified within the Customs and Immigration Service for 2008 and the only way that the Service could have managed to operate within budget in 2008 would have been to carry vacancies in areas such as the Joint Financial Crimes Unit. The Home Affairs Minister and Chief Officer recognised that this was not a viable option and funds were identified as a result of slippage in the introduction of major new legislation (Discrimination) for 2008 in order to maintain current staffing levels. The problem, however, will re-occur in 2009 when these funds will no longer be available and the option to carry vacancies will not be acceptable or practical due to the impact on Customs controls and possibly the Joint Financial Crimes Unit.

#### ***Link to Strategic Plan Objective:***

Delivery of States Commitment Three – *We will promote a safe, just and equitable society.*

*In particular 3.4 – Strong protection against threats to the security, social and economic integrity and environment of the Island.*

#### ***Impact of Funding Pressure not being introduced:***

The shortfall in officer numbers and funds must be seen in the context of the understandable and admirable efforts of the Economic Development Department to promote more commercial passenger shipping and aircraft to the Island. However the Service was struggling to provide effective controls in 2006 before any increase in movements. The 85% increase in foreign shipping arrivals in 2007 and the 298% increase in 'on board' controls plus the initiatives to increase this further and to have more foreign aircraft arrivals have placed strains on the

Service that are no longer fully manageable. The only way that the Service manages at present is by abandoning the Customs controls at the harbour and airport for significant amounts of time. If continued, this will be seriously detrimental to the safety and prosperity of the Island. It can only increase the chances of the commercial smuggling of drugs and other prohibited goods and of dutiable goods. We are starting to see this actually happen – seizures in 2007 were lower than in previous years.

<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009: £650 recurring	2009
2010	2010
2011	2011
2012 onwards	2012 onwards

**Manpower Implications (FTE):6.00**

**Other financial or resource considerations: (impact on other depts?)**

Failure to provide additional resources will impact on the Performance/success criteria of the Economic Development Department as detailed in the Annex to the Draft Annual Business Plan 2008:

- 5 (ii) increased number of visitors to the island;
- 8 (ii) development of new routes and extension of capacity where possible to existing routes;
- 8 (v) increased passenger traffic across a broader transport network;
- 9 (i) growth in annual passenger numbers;
- 9 (ii) existing routes retained and UK/European route network expanded;
- 10 (i) growth in annual passenger numbers;
- 10 (ii) existing routes retained and expanded.

**Options for Funding within Department:**

None

**Contact Officer: Steven Austin-Vautier – Chief Officer Home Affairs Department**

**Significant Funding Pressures – 2009 Business Plan**

<b>Department: Social Security</b>	
<b>Description of Funding Pressure:</b>	
Grant contribution to Jersey Employment Trust (JET) is not sufficient to meet the increase in demand on services, some of which has resulted through demographics	
<b>Why not included in 2008 Business Plan:</b>	
Expansion of services as a result of increased demand after submission of the 2008 Plan	
<b>Link to Strategic Plan Objective:</b>	
3.1 – Basic rights and equal opportunities are established for all sections of society	
<b>Impact of Funding Pressure not being introduced:</b>	
Restricted services for those in need	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009: £130 recurring	2009
2010	2010
2011	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE):</b> None	
<b>Other financial or resource considerations: (impact on other depts?)</b>	
None	
<b>Options for Funding within Department:</b>	
Prioritise against other costs – reduction in other employment services and redundancy	
<b>Contact Officer:</b> Richard Lang – Finance Director	

**Significant Funding Pressures – 2009 Business Plan**

<b>Department: Social Security</b>	
<b>Description of Funding Pressure:</b>	
Residential care costs within Income Support exceed forecasts as a result of Care homes increasing weekly tariff	
<b>Why not included in 2008 Business Plan:</b>	
Additional funding is included in 2008 and 2009 for demographic shifts (£1.5m each year), however without an island wide tariff the homes are under no obligation to restrict price increases - which can be applied outside the States Business Planning timetable	
<b>Link to Strategic Plan Objective:</b>	
3.7 – Social care to protect and support vulnerable people	
<b>Impact of Funding Pressure not being introduced:</b>	
Restrict benefit payments and number of people in homes within available resources	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009: £550 recurring	2009
2010	2010
2011	2011
2012	2012 onwards
<b>Manpower Implications (FTE):</b> None	
<b>Other financial or resource considerations:</b> (impact on other depts?)	
Risk that people access alternative care provision at a greater cost – H&SS	
<b>Options for Funding within Department:</b>	
None – Funded from within the IS budget which is fully committed	
<b>Contact Officer:</b> Richard Lang – Finance Director	



**Significant Funding Pressures – 2009 Business Plan**

<b>Department:</b>	
<b>Description of Funding Pressure:</b>	
Introduction of Inclusive Vocational Day Services and Employment for People with a Learning Disability and People on the Autistic Spectrum.	
<b>Why not included in 2008 Business Plan:</b>	
Strategy formulated at the request of the Joint Secretariat Executive Board for People with Special Needs in January 2008 – currently under consideration and to be presented to the Council of Ministers in February 2008.	
<b>Link to Strategic Plan Objective:</b>	
3.1 – Basic rights and equal opportunities are established for all sections of society.	
<b>Impact of Funding Pressure not being introduced:</b>	
Restricted services for those in need	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009 606 (includes £77k for 2008)	2009
2010 215	2010
2011	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE):22.30 from 2010.</b>	
<b>Other financial or resource considerations: (impact on other depts?)</b>	
Please note the above costs have been prepared by JET and are currently being scrutinised.	
<b>Options for Funding within Department:</b>	
Prioritise against other costs – reduction in other employment services and redundancy.	
<b>Contact Officer:</b> Richard Lang – Finance Director	

## Significant Funding Pressures – 2009 Business Plan

<b>Department: Treasury and Resources</b>	
<b>Description of Funding Pressure:</b> The provision of a budget to enable expert fiscal advice on new tax strategies and proposals	
<b>Why not included in 2008 Business Plan:</b> This provision is considered a high priority for the States in 2009 to review and progress the Islands Fiscal Strategy in light of 0/10, 20:20 and GST. And also to consider the challenges for funding the ageing population and Health New Directions Strategy	
<b>Link to Strategic Plan Objective:</b> Commitment One: Maintain a strong, successful and sustainable economy	
<b>Impact of Funding Pressure not being introduced:</b> The States would not have resources to buy in specialist advice to build the Islands future tax strategy	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009: £200 recurring	2009 Nil
2010:	2010
2011:	2011
2012 onwards:	2012 onwards
<b>Manpower Implications (FTE):0</b>	
<b>Other financial or resource considerations:</b>	
<b>Options for Funding within Department:</b> The T&R Budget has no capacity to fund this cost. T&R activity is mostly of a statutory nature and there is not sufficient discretionary budget to displace for this priority objective.	
<b>Contact Officer: Ian Black</b>	

## Significant Funding Pressures – 2009 Business Plan

<b>Department:</b> Law Officers' Department		
<b>Description of Funding Pressure:</b> Three elements comprising: <ul style="list-style-type: none"> <li>• Existing staff pressures</li> <li>• On-going salary progression pressures.</li> <li>• Staff retention and succession planning.</li> </ul>		
<b>Why not included in 2008 Business Plan:</b> Unexpected resignations during 2007. Successful qualification of staff in 2007 not anticipated. No political agreement at that time of the need to review the Department's resources. That has now changed with the CAG review.		
<b>Link to Strategic Plan Objective:</b> The work of the Department relates to all objectives which require legal input or advice. In particular, the work of the Department relates to Commitments 1, 3, 4, 5 and 6 (See Department 2007 Business Plan for details)		
<b>Impact of Funding Pressure not being introduced:</b> Loss of qualified and experienced staff to private sector, some of whom have been trained in the Department thereby losing the benefit of training costs. Possible cases before the Employment Tribunal for constructive dismissal if staff not promoted on qualification.  Posts having to remain unfilled leading to deterioration in performance of Department, additional stress on staff possibly leading to claims against the States for stress related illness.  All States objectives that require legal input will be delayed.		
<b>Revenue Implications: £000</b>		<b>Capital Implications: £000</b>
2009 £30 recurring	2009	None
2010	2010	None
2011	2011	None
2012 onwards	2012 onwards	None
<b>Manpower Implications (FTE):</b> Nil		
<b>Other financial or resource considerations: (impact on other depts?)</b> Advice to other Departments delayed, criminal justice delayed leading to Human Rights claims and increases in Court and Case Costs expenditure, co-operation with other jurisdictions delayed leading to loss of Island's international reputation.		

***Options for Funding within Department:***

A large proportion of the Department's expenditure is already funded from the COCF. This has already been examined and reported on by the Comptroller and Auditor General and awaits political consideration. If the COCF ceases to provide funding for the Department, then substantial, additional funds over and above those outlined here will be required.

The Department will be making the case to the CAG during the review which is to take place in the next few weeks, that the Court and Case Costs funding made available to the Department but currently ring fenced could be more sensibly utilised (for example by employing more lawyers internally) to provide better value for money if it was transferred to the Department to be managed internally and without being ring fenced. In addition, the CAG review may recommend other changes to the budgetary arrangements for the Department which cannot be anticipated at this stage.

**The Department has also submitted a bid for additional funds in 2008 which are to be separately considered as they relate to one-off costs.**

**Contact Officer:** Tim Allen, Chief Clerk

## 6. Spending pressures with options being explored

## Summary of spending pressures identified by departments and supported by Council of Ministers

### Spending pressures with funding options being explored

Potential Spending Pressure from 2009 <i>Spending pressures with possible funding options</i>	Dept	2009	2010	2011	Manpower  FTE
		£m	£m	£m	
Urban Regeneration	CMD	0.200	0.200	0.200	
Sex Offenders Legislation - Resourcing	HA	0.180	0.180	0.180	3.0
Vetting and Barring office - Joint initiative	HA/ESC/HSS	0.160	0.160	0.160	3.0
Supplementation base pressures	SS	2.100	2.100	2.100	
Recycling initiatives funded from Tipping Fees	TTS	0.400	0.400	0.400	-
Probation Family Welfare Court Resources	Non Min	0.060	0.060	0.060	1.0
Data Protection	Non Min	0.035	0.035	0.035	
<b>New Pressures identified by Departments</b>		<b>3.135</b>	<b>3.135</b>	<b>3.135</b>	<b>7.0</b>

#### Urban Regeneration

The desire to identify an annual sum for Urban Renewal projects to regenerate St Helier which at £200k could not be found from within Chief Minister's revenue budget. *However, the Council's view is that this is a high priority and work will be undertaken to find additional funding from other sources, possibly JEB.*

#### Sex Offenders Legislation

To bring Jersey in line with the UK and the additional responsibilities arising from the Sexual Offences (Jersey) Law 200- would require an increase in current levels of supervision at a cost of £177k and 3 staff. *The Home Affairs department is proposing that the Criminal Injuries Compensation Scheme be charged to the COCF from 2009 making base budget available for this priority and the Vetting and Barring Office.* Although this constitutes an increase in total States spending the Council of Ministers support this proposal.

#### Vetting and Barring Office

A corporate initiative (£150k) to put in place local arrangements to respond to the changes to vetting arrangements due to come into force in the UK as a result of the Safeguarding Vulnerable Persons Act. *The Home Affairs department is proposing that the Criminal Injuries Compensation Scheme be charged to the COCF from 2009 making base budget available for this priority and the Sex Offenders supervision.* Although this constitutes an increase in total States spending the Council of Ministers support this proposal.

#### Supplementation

Current forecasts indicate an additional funding requirement of £1.7 million to £2.1 million for 2009. Work continues to improve the financial modeling and forecasting and furthermore options and recommendations are being developed during 2008 to enable the cost of supplementation to be contained within cash limits in future years. These recommendations will be brought to the States during 2008 and, if approved, the intention is that they would remove the requirement for the additional £2.1 million funding in 2009.

### Recycling Initiatives/Tipping Fees

The department's recycling initiatives have been developed as a result of an expansion in Tipping fee income. Unfortunately the income has now reduced but the recycling initiatives remain a high priority and should be continued. The department is faced with a funding shortfall and *is considering a number of alternatives including diverting car parking income and increasing bus fares*. It is hoped that a proposal for the additional funding can be agreed in the near future.

### Probation: £60,000 Family Division

This pressure is caused by increased divorce rates and subsequent work on reports on sibling welfare. Probation has requested Judicial Greffe to fund this cost - but no agreement reached. The Council has agreed that the *Judicial Greffier be approached requesting that consideration is given to a transfer of budget to Probation*.

### Data Protection: £35,000 increase for general budget shortfall.

There is no scope to reduce costs to meet this pressure. The fee could be increased from a £50 registration fee to £75 per company. However, this would make Jersey more expensive than UK (£50) and Guernsey (£40). The Council prefers another option which is to *provide one off funds by way of the 2007 carry forward process (£20,000) so that the Data Protection Office can recruit an individual to chase up non compliance*. If this fails to increase income then CoM should consider supporting a £30,000 extra budget in 2010.

## Significant Funding Pressures – 2009 Business Plan

<b>Department: Chief Minister</b>	
<b>Description of Funding Pressure:</b> This funding pressure is in respect of initial funding for the St Helier Regeneration Strategy. This funding is associated with the Council of Ministers proposal for regeneration of St Helier as set out in the EDAW report. The funding would not be sufficient to meet the majority of the costs of the strategy, which are envisaged to be funded from private sector development (via JEB initiatives), car park redevelopment, and injection of some funds resulting from the waterfront development channelled through JEB. However experience elsewhere shows that without some relatively small public pump priming to improve the town environment, or to kick start larger private schemes regeneration is very difficult to achieve. These funds would replace the funds spent on town improvement which were drawn from the urban renewal fund that is now exhausted.	
<b>Why not included in 2008 Business Plan:</b> Initiative not developed at that time	
<b>Link to Strategic Plan Objective:</b> <i>4.2 A vibrant town and Waterfront for St Helier</i>	
<b>Impact of Funding Pressure not being introduced:</b> The town regeneration strategy will stall and developments will become piecemeal, driven only by developer profit as opposed to a public / private partnership. In the longer term profits from the waterfront could help to drive town regeneration, but they will not be available for a number of years.	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009: £200 recurring	2009 Nil
2010:	2010
2011:	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE):</b>	
<b>Other financial or resource considerations: Nil</b> <i>Further capital funding of £400k for the existing Urban Renewal Scheme is currently profiled in the 2011 Capital Programme</i>	
<b>Options for Funding within Department:</b> None	
<b>Contact Officer: Bill Ogley</b>	



## Significant Funding Pressures – 2009 Business Plan

<b>Department: Home Affairs</b>	
<b>Description of Funding Pressure:</b>	
Revenue implications of implementing the Sexual Offenders (Jersey) Law – 3 members of staff plus access to the Violent and Sex Offender Register (ViSOR).	
<b>Why not included in 2008 Business Plan:</b>	
<p>New legislation concerning the management of sex offenders in Jersey was first proposed in 2004. This legislation gave the police a key role to play in protecting the public from sexual offenders. At the time, States of Jersey Police warned that the new legislation would carry resource implications and was granted an additional police post in the 2005 Fundamental Spending Review, the postholder is currently part of the Public Protection Unit. These resource implications were assessed prior to the findings of the HMIC inspection work on public protection in the United Kingdom being published towards the end of 2005 and again in 2007.</p> <p>The review work carried out in the UK during this intervening period has revealed that the resource implications of managing sex offenders are more significant than could have been predicted in 2004. The report concluded that <i>'Public protection is a rapidly developing and potentially high risk area for policing, that will require additional resources to meet the challenges and demand being placed upon the service'</i>.</p>	
<b>Link to Strategic Plan Objective:</b>	
Delivery of States Commitment Two – <i>We will create the environment in which everyone in Jersey has the opportunity to enjoy a good quality of life.</i>	
Delivery of States Commitment Three – <i>We will promote a safe, just and equitable society.</i>	
<b>Impact of Funding Pressure not being introduced:</b>	
If the current levels of supervision in the Public Protection Unit are not increased in line with the additional responsibilities arising from the Sexual Offences (Jersey) Law 200-, the Force will be unable to deliver the expected standards.	
The States may wish to consider reducing these costs by not opting to register sex offenders in Jersey retrospectively. Clearly, there is a risk of re-offending that is inherent to such a strategy, but it would obviate the need to create a new Detective Constable post at this stage. Only newly convicted offenders would be registered and the workload would only grow as new prosecutions worked their way through the system. Irrespective of this decision, the creation of a new supervisory post is deemed essential.	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009: £180 recurring	2009
2010	2010
2011	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE):3.00</b>	

***Other financial or resource considerations: (impact on other depts?)***

The financial implications include the need for the States of Jersey Police to gain access to the Violent and Sex Offender Register (ViSOR). ViSOR provides the Police, Probation and Prison Services with a confidential, shared national database to assist those services to identify, risk assess and manage sexual offenders.

***Options for Funding within Department:***

None - of even greater concern are the implications in terms of supervision. ACPO and the HMI place considerable emphasis on intrusive supervision across all aspects of Public Protection policing. If the current levels of supervision in the Public Protection Unit are not increased in line with the additional responsibilities arising from the Sexual Offences (Jersey) Law 200-, the Force will be unable to deliver the expected standards. In addition, the additional commitments imposed upon the single Detective Sergeant in the Public Protection Unit means that supervisory effectiveness will be severely compromised in the other areas of child protection and domestic abuse. These are equally high risk areas of business which are already experiencing significant workloads.

***Contact Officer: Steven Austin-Vautier – Chief Officer Home Affairs Department***

## Significant Funding Pressures – 2009 Business Plan

**Department: Home Affairs, Education Sport and Culture and Health and Social Services**

***Description of Funding Pressure:***

Establishment of a local 'Vetting and Barring' office to enable access to the UK Criminal Records Bureau.

This is a corporate initiative to provide for changes to vetting arrangements that may be required to respond to changes coming into force in the UK in October 2008 as a result of the Safeguarding Vulnerable Persons Act. This Act sets up a 'Vetting and Barring Scheme' which will be managed by the Criminal Records Bureau (CRB). The Island may need to respond through a different process putting in place appropriate local arrangements that will enable people to be vetted for employment and voluntary work involving children and vulnerable persons, and to have access to new lists managed by the CRB of persons barred from such involvement. A cross-Departmental working group is considering the implications for the Island, but this is heavily dependent upon advice from the Attorney General which is expected in February 2008. The early indications are however, that the CRB will want to work through a 'designated authority' in Jersey which can administer applications. Although only a best estimate at present, this may require the setting up of a small bureau with around 3 staff.

***Why not included in 2008 Business Plan:***

The joint bid was flagged up during the 2008 planning process but not taken forward.

***Link to Strategic Plan Objective:***

Delivery of States Commitment Three – *We will promote a safe, just and equitable society*

***Impact of Funding Pressure not being introduced:***

There will be no appropriate local arrangements in place to ensure that individuals are vetted for employment and voluntary work involving children and vulnerable persons.

<b><i>Revenue Implications: £000</i></b>	<b><i>Capital Implications: £000</i></b>
2009 : £160 recurring	2009
2010	2010
2011	2011
2012 onwards	2012 onwards

***Manpower Implications (FTE): 3.00***

***Other financial or resource considerations: (impact on other depts?)***

Joint bid on behalf of 3 Departments.

***Options for Funding within Department:***

None.

***Contact Officer: Steven Austin-Vautier – Chief Officer Home Affairs Department***

## Significant Funding Pressures – 2009 Business Plan

<b>Department: Social Security</b>	
<b>Description of Funding Pressure:</b>	
Supplementation – actual cost exceeds forecast and cash limit. Based on assumptions on average earnings and growth in numbers for 2008 forecasts indicate a potential funding pressure	
<b>Why not included in 2008 Business Plan:</b>	
The forecasting of supplementation each year involves a number of variables. These include the number of workers, distribution of their wages and current earnings ceiling. The Business Planning timetable requires forecasts to be made in May each year which use estimates on the average earnings increase, the changes to average earnings and the impact of the changes to the labour market. Actual data is unavailable within this timeframe which can result in outturn costs exceeding forecasts. Whilst work continues to improve the financial modelling, options and recommendations are being developed during 2008 to enable the cost of supplementation to remain within cash limits in future years. <b><i>If these are approved by the States this would remove any requirement to additional funding in 2009.</i></b>	
<b>Link to Strategic Plan Objective:</b>	
2.1 - Meet challenges and opportunities presented by an ageing population 3.6 - Help residents to achieve and maintain financial independence	
<b>Impact of Funding Pressure not being introduced:</b>	
The system of supplementation was established under the Social Security (Jersey) Law 1974 and is therefore enshrined in law.	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009 : £2,100 recurring	2009
2010	2010
2011	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE):</b> None	
<b>Other financial or resource considerations:</b> <i>(impact on other depts?)</i>	
The funding requirement is forecast within a range of £1.7m to £2.1m based on the latest assumptions	
<b>Options for Funding within Department:</b>	
None - this a significant cost pressure and there is no available funding within existing benefit spend to allocate funds to compensate for the cost of supplementation	
<b>Contact Officer:</b> Richard Lang – Finance Director	

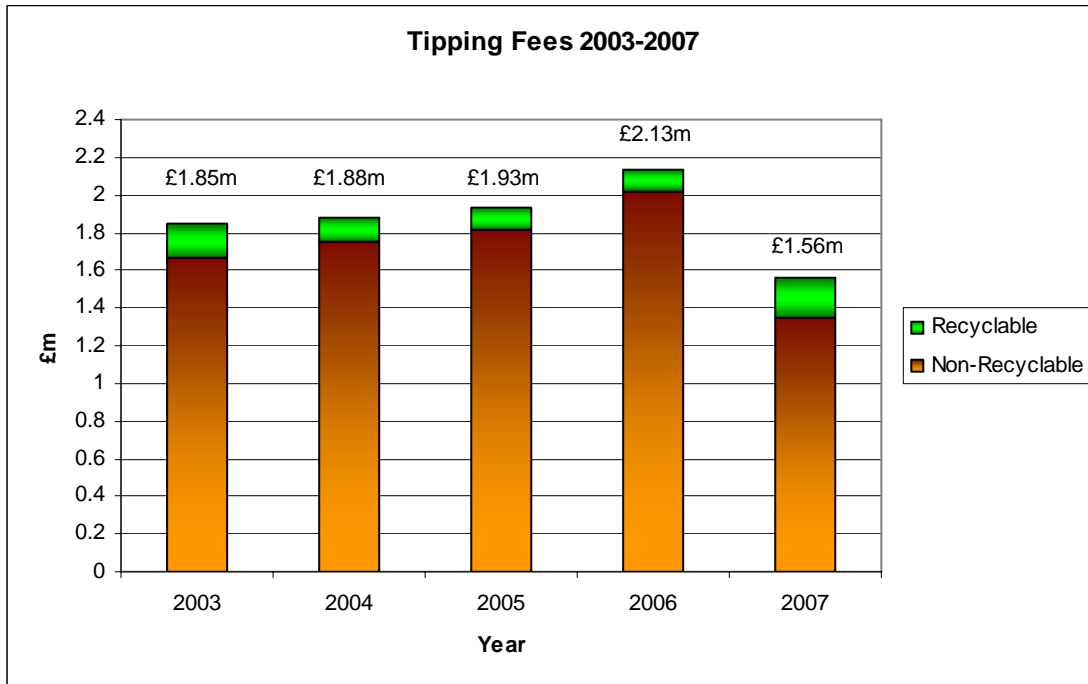
## Significant Funding Pressures – 2009 Business Plan

### **Department: Transport and Technical Services**

#### ***Description of Funding Pressure:***

**To request additional funding totalling £400k to off-set the expected shortfall in Tipping Fee Income.**

In 2007, the Department saw a significant downturn in tipping fee income it fell from £2.13 million in 2006 to £1.56 million in 2007, as highlighted below:



Tipping Fee Income fell from £2.13 million in 2006 to £1.56 million in 2007, due mainly to contractors using private tips.

The reduction in tipping fee income placed great pressure on the department during 2007 as the department tried to balance the budget as a whole by ceasing any discretionary expenditure this included ceasing non-essential maintenance projects.

#### ***Why not included in 2008 Business Plan:***

When preparing the 2008 Business Plan the department was still forecasting that Tipping Fee Income would achieve its budgeted target of £2 million. It wasn't until mid-2007 that the Department started to forecast a reduction in tipping fee income.

#### ***Link to Strategic Plan Objective:***

Strategic Plan 4.6.

**Impact of Funding Pressure not being introduced:**

If the Department does not receive an additional budget allocation of £0.4 million it will have to cease non-discretionary services these include:

- Reduce the Highways Resurfacing programme which will significantly reduce the Department's ability to return the Island's Infrastructure to an appropriate standard.
- Increase school bus and student fares from 50p to a £1.
- The cessation of Christmas, Castle and Promenade Display Lighting.
- Reduce the standard of out-of-town highways and footpath cleaning (reduction of two posts).
- Stop specific recycling initiatives.
- Increase the cost of operating the abattoir to full cost recovery, or allow the local meat industry to operate it with no public subsidy.
- Reduce the quality of Parks and Gardens by replacing all bedding with shrubs and close the nursery.
- Introduce a 50p flat fare on the buses for Pensioners.

<b>Revenue Implications: £'000</b>	<b>Capital Implications: £000</b>
2009 £400k recurring	2009
2010	2010
2011	2011
2012 onwards	2012 onwards

**Manpower Implications (FTE):**

**Other financial or resource considerations: (impact on other depts?)**

There are no other currently identified resource considerations.

**Options for Funding within Department:**

As detailed above.

**Contact Officer: John Richardson**

## **Significant Funding Pressures – 2009 Business Plan**

### **Department: Probation and After Care Service**

#### ***Description of Funding Pressure:***

Increase in work for the Family Division of the Royal Court.

2007 statistics show a further increase on the statistics quoted as follows:

- 45 1<sup>st</sup> Appointment hearings
- 47 Family Court Welfare Reports
- 11 Guardian ad Litem Reports.

In addition to the above, for the first time allocation of work had to be delayed during 2007 and a number of reports were prepared by contract staff from outside of the Island.

The statistics alone do not provide a full picture of the increase in work required. The development of “Best Practice” has resulted in practitioners remaining involved with Parties for longer than was previously the case and it is believed that the workload allowance used by both services (37 hours) may now be a substantial underestimate of the time taken by Officers to complete their reports.

#### ***Why not included in 2008 Business Plan:***

The work spans two Departments and until recently it was difficult to assess the situation. Other measures have been explored and failed to reduce the impact of the increase.

- 1<sup>st</sup> Appointment hearings were introduced to attempt earlier focussed intervention which would reduce the need for full reports.
- What had been two separate services has become essentially one “virtual” service with one set of operating standards and procedures which has reduced but not eliminated the potential for Parties to request second reports when unhappy with the first.
- The Courts have been approached unsuccessfully during 2007 to fund a post.

These measures have reduced what would otherwise have been a much greater increase in referrals.

#### ***Link to Strategic Plan Objective:***

***2.3 Health and Social Services of a high standard; 3.7 Social Care to protect and support vulnerable people; Focus on Young People.***

Work for the Family Division of the Royal Court is all about the best interests of the children concerned; whether through the making of Adoption Orders, granting parental responsibility; or working with divorcing and separating couples who have been unable to agree arrangements for the children of their relationship. The increase in work has arisen as a result of the implementation of the Children (Jersey) Law 2003.

***Impact of Funding Pressure not being introduced:***

The current situation is already impacting on other areas of Child welfare and Probation work. Delays are also being experienced in the allocation of this work leading to Parties' attitudes becoming more entrenched, and successful resolution more difficult. This work is statutory, and impacts greatly on the lives of the children who are the subjects of these enquiries.

<b><i>Revenue Implications: £000</i></b>	<b><i>Capital Implications: £000</i></b>
2009 £60 recurring	2009 None
2010	2010
2011	2011
2012 onwards	2012 onwards

***Manpower Implications (FTE): One***

***Other financial or resource considerations: (impact on other depts?)***

Although a Probation Service bid this post would be used to relieve pressure on both services. It should be noted that both the Probation Service and Children's Department see merit in further developing the service which they are jointly providing to become a "stand alone" one analogous to CAFCASS which provides the equivalent service in England and Wales. In this event this proposed post would form part of the staff resource transferred into the new organisation. It should be emphasised that the post is needed regardless of the model which emerges.

***Options for Funding within Department:***

None – the Probation service is experiencing growth in other areas which is being absorbed within existing resources.

***Contact Officer: Brian Heath Chief Probation Officer***



## Significant Funding Pressures – 2009 Business Plan

<b>Department: Non Ministerial (Data Protection)</b>	
<b>Description of Funding Pressure:</b> Increases in income have not kept pace with increased structural costs of running department (i.e. upgraded salaries and IT)	
<b>Why not included in 2008 Business Plan:</b>  The concerns regarding potential structural under-funding have been highlighted by the department for several years as part of spending reviews and business plans.	
<b>Link to Strategic Plan Objective:</b> The department is a creature of statute and therefore its objectives are set out in the Data Protection (Jersey) Law 2005.	
<b>Impact of Funding Pressure not being introduced:</b> The department will continue to be under-funded and therefore will be unable to maintain expenditure within the allocated budget.	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009: £30 recurring	2009
2010:	2010
2011:	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE):0</b>	
<b>Other financial or resource considerations:</b>	
<b>Options for Funding within Department:</b> The net budget of the Data Protection Office is £210,000. This is made up of £210,000 staff costs, £36,000 rent costs, £24,000 office expenditure, and £60,000 income. The income is all from registration fees.  There is no scope to absorb the increased costs or volatility of income in the office expenditure.  Fees have recently been raised to a level that is higher than Isle of Man, UK and Guernsey - it is not desired to increase this further. However, with resource there may be scope to increase the number of registrations which will be investigated if funds are made available in 2008.	
<b>Contact Officer: Emma Martins</b>	



## 7. Issues to Consider for a Contingency provision

## **SUMMARY OF CONTINGENCY PRESSURES**

### Significant variations in the pay and inflation provision

The Council will review the current pay and inflation provisions in May on the basis of the March 2008 RPI. This will enable the future forecasts to be reviewed. However, the current uncertainty in financial markets and the global economy in general mean that there is potential for significant variations in inflation. A number of factors may influence this not least the impact of the credit crunch and its effect on bank interest rates, but also the current pressures on food and fuel price inflation.

With a large proportion of States costs fairly directly linked to, or influenced by inflation indices there is a risk of significant variation in forecasts over the next twelve months.

As an example a 1% variation in the pay award would cause a £3 million variation in costs and a 1% variation in benefit inflation would cause a £1 million variation in costs.

### Increase in Top-Up Fees

Tuition fees for local students attending UK universities are negotiated with the UK Universities representative body. The current agreement is subject to review in 2008 and the outcomes of that review will be implemented with regard to students entering university in September 2009. The UK Government has previously signalled that it is likely to allow universities to increase fees when the current cap on top-up fees comes to an end, so an increase could be expected with effect from September 2009. Recent discussions between the Minister and senior officials in the UK, suggest there may not be changes in top-up fees above RPI until 2011. The Department is maintaining close communication with the UK and is monitoring the situation

If an increase is imposed the allocation of any increase will have to be considered between parental contributions, student loans and the States contribution. At this stage it is impossible to forecast but a provision within a contingency vote may be considered appropriate.

### Implementing the Outcomes of the Williamson Review

The Council of Ministers has commissioned a report into the child protection system in Jersey and the outcomes of this report will be known shortly and implementing the recommendations may require additional funding beyond approved States spending levels. While it is impossible to forecast these costs at this stage provision within a contingency vote may be considered appropriate, particularly following the recent revelations.

### Haut De Garenne Inquiry

While the costs of the current inquiry will be largely one off and primarily fall in 2008 there are inevitably funding pressures which will continue into 2009 and may include proposed changes which will require recurring funding. Work has already started within departments to identify the current one-off and future recurring costs as part of the quarterly financial reporting to Council of Ministers. While it is impossible to forecast these costs at this stage it will become clearer following this piece of work whether a provision within a contingency vote would be considered appropriate.

#### Payment of Rates on States Properties

The Minister for Treasury and Resources is committed to investigate whether it is considered appropriate for the States to pay rates on its properties. The Council of Ministers is not recommending that provision be made in States spending until it has had the opportunity to consider the proposals which arise from the working grouping.

#### Freedom of Information

The Privileges and Procedures Committee (PPC) is considering these proposals. the Council noted that the Privileges and Procedures Committee had indicated that it was minded not to lodge 'au Greffe' the draft Law until such time as it had reviewed the effectiveness of the existing Code of Practice on Access to Public Information.

The Council of Ministers is not recommending that provision be made in States spending until it is able to consider the proposals from the Committee in due course.



8. Spending pressures where final proposals are still being developed

## **Summary of spending pressures identified by departments and supported by Council of Ministers**

**Pressures where further work is required before final proposals for the 2009 Business Plan can be made.**

### Town Park

Provision for the increased capital costs of remediation work beyond the original estimates is being considered as part of the capital programme, probably in the order of between £4 million and £5 million. The revenue costs of running and maintaining the park as well as providing for the lost income from the Talman site also need to be provided totalling £500k from 2011. The States has approved the principle of the Town Park and the original capital funding, consideration now needs to be given as to how the additional and recurring revenue costs can be accommodated. The Council recognizes this has a high political priority for inclusion in 2011 onwards.

### Education ICT Strategy

Following an initial investment of over £10 million on the provision of ICT for schools a further annual provision is required to continuing the upgrade and replacement of this investment. In the last few years this has been funded by a variety of carry forwards and savings but requires a permanent allocation of funding in the future. Provision for 2008 was agreed from the Corporate ICT programme but this programme is already oversubscribed and undergoing a review by the new Head of States ICT. The department is likely to achieve savings on student finance in 2008 which can be vired and together with other savings on outstanding capital votes should enable this to be funded until 2011. At this point permanent funding in the order of £600k will be required in addition to approved States spending limits.

### Health and Social Services - New Directions Strategy

Health and Social Services department will be bringing forward a New Directions Strategy during 2008 which will identify a significant increase in the provision of health and related services to proactively addressing the issues related to an ageing population and increases in chronic diseases. Further work is continuing on costing the strategy and developing the associated funding streams. These are likely to include a realignment of the current Health Insurance Fund and additional social contributions over a period of time. What is clear is that States spending and associated social contributions will need to increase significantly over the next 20 years to proactively address this issue and prevent the likelihood of an even greater scale of costs predicted under a “do nothing” scenario. It is unlikely that the costs and funding options will be sufficiently developed for the 2009 Business Plan and will come forward for in principle debate at a later time.

### Environment Strategy – Tax and spending initiatives

The Council of Ministers is due to consider a report on the latest proposals for new environmental taxes and the Minister for Treasury and Resources has already lodged proposals for the replacement of Vehicle Registration Duty (VRD) with a Vehicle Emissions Duty (VED) P31/2008. The proposals for



environmental taxes will consider opportunities for new taxes from 2009 to be earmarked to fund new initiatives for energy efficiency, transport initiatives and waste recycling. It is likely that the proposals for 2009 will focus on a small increase in fuel duty to raise £500k to enable early initiatives to promote energy efficiency, with further increases proposed in future years.

As with the Health New Directions Strategy this initiative will seek to increase States spending above approved levels but with proposals for compensating taxes and new funding.

#### Planning and Building Fees

The department is currently preparing a service improvement plan which it will bring forward in 2008 to radically redesign processes and redefine the vision, role and capability of the Department within existing resources. This plan will inform the proposals to further the user pays principle within planning and building fees. These proposals are to promote an increase, and more equitable distribution, of planning and building fees, in order to fund a maximum cost of £700k and upto 13 additional staff necessary to achieve a significant improvement in service levels at no extra net cost to the States.

However, this proposal will increase States gross spending above approved levels but with fees increased to fund the additional expenditure proposed.

#### Infrastructure Maintenance

The Council is also aware that the introduction of GAAP and Resource Accounting and Budgeting is likely to provide evidence to support the view that the States currently “under provides” for infrastructure maintenance. Significant pressure is already highlighted by Transport and Technical Services and Property Holdings and this issue will need to be addressed at a States level once the new asset values are known as part of next year’s Business Plan.

The scale of pressure could well be significant as the figures provisionally identified by Transport and Technical Services and Property Holdings are estimated to be in excess of £5 million or 1% of States expenditure.

#### Probation: £120,000 Criminal Justice Law

Probation believe that this bid could be reduced by £60,000 (and a significant reduction in prisoner numbers could arise) if Jersey offered UK Prisoners return to UK prisons without requiring Jersey parole terms. This would require a policy change from Home Affairs - but would be supported by Probation and UK authorities. Home Affairs have not been approached re this as yet.

Remaining £60,000 - recommended to defer until 2010 when Criminal Justice Law implications are clearer.

#### Law Officers: £300,000 Salary Progression and £280,000 for Increased Workload

The C&AG is undertaking an efficiency review in this Department. The Council is awaiting the outcomes of this review before concluding its funding considerations. The pressures appear to arise primarily from the volume of requests for advice from States Departments. One recommendation is that the Law Department moves to a charging model - whereby Departments are required to pay for legal advice on a day rate.

The Council does consider that provision of an additional budget of £30,000 for the increased cost of the new Solicitor General would be appropriate if additional funding can be identified.

Law Officers: £138,000 Freedom of Information Law

Recommendation is to defer the progress of the Law until the resource implications are fundable.

Freedom of Information

The Privileges and Procedures Committee (PPC) is considering these proposals. The Council noted that the Privileges and Procedures Committee had indicated that it was minded not to lodge 'au Greffe' the draft Law until such time as it had reviewed the effectiveness of the existing Code of Practice on Access to Public Information.

The Council of Ministers is not recommending that provision be made in States spending until it is able to consider the proposals from the Committee in due course.

Payment of Rates on States Properties

The Minister for Treasury and Resources is committed to investigate whether it is considered appropriate for the States to pay rates on its properties. The Council of Ministers is not recommending that provision be made in States spending until it has had the opportunity to consider the proposals which arise from the working group.

## Significant Funding Pressures – 2009 Business Plan

<b>Department: Transport and Technical Services</b>
<b><i>Description of Funding Pressure:</i></b> Insufficient capital and revenue funding to deliver the Town Park.
<b><i>Why not included in 2008 Business Plan:</i></b>  Indicative costs for the park and ground remediation only became available in Q3 2007 following which a report was presented to the Council of Ministers on 29 <sup>th</sup> November 2007. The Council agreed to proceed with the scheme and determined that TTS should prepare a capital bid for the additional Town Park funding. This form takes the place of that capital bid.
<b><i>Link to Strategic Plan Objective:</i></b>  4.1.1 – identify mechanism to deliver the Town Park.
<b><i>Impact of Funding Pressure not being introduced:</i></b>  The impact of not providing the funding is simple. The contaminated ground will not be remediated and the new park will not be built.  In order to fully explain the funding requirements an extract from the report which went to Council Of Ministers on the 29 <sup>th</sup> November has been included below. What must be appreciated, and which was emphasised in the report and at COM, is that these figures are indicative and cannot be considered as final figures until further work has been carried out. Work to remediate the contaminated land below the new park is considered highly risky in terms of determining an out turn cost and cannot be finalised until a specification is drawn up, works are tendered and a firm figure has been received from a specialist ground remediation contractor.  Since COM approval to proceed was received at the end of November last year, TTS have appointed a project manager who is now working full time on the scheme to progress these and other issues. However it is unlikely that the figures below will be able to be finalised for 12 to 18 months.  It should also be noted that all prices are based on 2007 prices.  <b><u>Extract from COM Report , 29<sup>th</sup> November 2007</u></b>  <b>Required Budget</b>  As noted above, all costs relating to the new Ann Court car park are being funded by the Car Park Trading Account. There are therefore only two capital heads of expenditure which require funding which are the ground remediation works and the construction of the new Park. Based on the information included in the Appendices the high level costs can be summarised as follows:

<u>Option 1</u>	<u>£ (m)</u>	<u>Option 2</u>	<u>£ (m)</u>
Ground Remediation	4.998	Ground Remediation	4.998
Complete Park	<u>3,863</u>	Grass Park	<u>3,075</u>
	<b><u>£8.861</u></b>		<b><u>£8.073</u></b>

(with the exiting available funding and future capital allocations currently identified there will be a total of £4.051m available in 2011)

It can be seen from the above figures that there is a capital shortfall in funding of between £4.02M and £4.81M if the remediation and the construction of the new Town Park are to progress. If just the remediation works were to be completed there is a capital shortfall of circa £1.0M.

There are also associated effects on current and future revenue budgets which need to be considered and these are listed below

Existing revenue income is derived from the Gas Place and Talman car parks in the form of car parking charges. With respect to Transport and Technical Services there will be no revenue effect on the income to the Car Park Trading Account as when Gas Place closes the new replacement Ann Court car park will open.

With regard to the Talman site the current rental income of £330k per annum is credited to Property Holdings. Property Holdings are aware of this potential reduction in their income if the scheme is to progress and will require a compensatory base budget adjustment in 2010 (part year effect) and 2011 and thereafter (full year effect).

Part of Arups report details the requirement for ongoing monitoring of the remediated ground and the surrounding water table following completion of the proposed remediation works. The proposals recommend that this monitoring is carried out for the first twelve months following remediation. The expected cost of these works is £150,000.

There will be new revenue costs for manning, maintaining and servicing the new Town Park. These costs have been determined based on current running cost of similar Parks in St Helier and are estimated at between £125K and £175K dependent on which Park design option is chosen. The revenue implications of the above scheme can be summarised as follows:

#### **On going revenue implications**

	<u>£</u>
Loss of Gas Place car park to TTS	zero
Loss of car park income to PH	330K
Cost of ongoing ground monitoring (one year only)	150K
Cost of maintaining the new Park	175K (Option 1)
	<b><u>£655K</u></b>

There is, therefore, a new revenue requirement of £655K in 2011 and £505K each year thereafter.

It should be noted that all budget estimates are based on 2007 figures and would need to be inflated to take account of when the works are programmed to happen.

**CONCLUSIONS:**

It can be concluded from the preliminary work completed to date that there are insufficient capital and future revenue funds to remediate the contaminated ground on the Gas Place and Talman sites and deliver the new Town Park. The funding shortfalls can be summarised as follows:

**Capital** – There is a shortfall in capital funding of between **£4m and £5m** to carry out ground remediation and park construction (dependent on which park design is chosen). There is a shortfall in capital funding of **£1m** to carry out just the ground remediation. Based on the outline programme this funding would be required in 2010/2011

**HDF** - Top-up funding of at least **£3m** is required for the Housing Development Fund to enable the write off of costs associated with the Sunshine and Salisbury Crescent site to be transferred to Housing. This funding is required in 2014

**Revenue** – New funding streams need to be identified to cover the new ongoing revenue costs and foregone income to Property Holdings. This amounts to **£665k** in 2011 and **£505k** annually thereafter.

<b>Revenue Implications: £'000</b>	<b>Capital Implications: £000</b>
2009	2009
2010	2010 Option 1 - £4m. Option 2 - £5m
2011 £665k	2011
2012 onwards £505k	2012 onwards £3m for HDF

**Manpower Implications (FTE):**

The future administration of the park has not been determined at this stage. The options are for the Parish of St Helier or TTS to run the park. The above revenue figures assume Option 1 park design is implemented and TTS run the park. In this scenario one additional FTE would be required to manage the Park.

**Other financial or resource considerations: (impact on other depts?)**

There are no other currently identified resource considerations.

**Options for Funding within Department:**

TTS are unable to provide any funding towards the above deficits

**Contact Officer: John Richardson**

## Significant Funding Pressures – 2009 Business Plan

<b>Department: Transport and Technical Services</b>	
<b>Description of Funding Pressure:</b>	
<p>To request an increase to the department's Highways Infrastructure and Maintenance Capital Vote amounting to £2million.</p>	
<b>Why not included in 2008 Business Plan:</b>	
<p>The Department currently receives a capital allocation of £4.5 million per annum to fund maintenance on the existing drainage and highways networks and the Island Sea Defences.</p> <p>Bids for increased future funding have been made. However, the Department has been unsuccessful in receiving the funds it requires to maintain the existing network and prevent deterioration to the Island's Infrastructure Assets.</p>	
<b>Link to Strategic Plan Objective:</b>	
<p>Strategic Plan Commitment: 4.8, 4.8.1, 4.8.2, 4.8.3 and 4.8.4.</p>	
<b>Impact of Funding Pressure not being introduced:</b>	
<p>Recent reviews of the Island's drainage and highway's network indicate that the Department is inadequately resourced to maintain the current condition of the Island's Infrastructure Network and unless the Department receives additional funds there will, inevitably, be a further deterioration in the condition of the network. As a result, an increased proportion of the budget will need to be spent on the safety work, further reducing the funds available for restorative maintenance.</p>	
<b>Revenue Implications: £'000</b>	<b>Capital Implications: £000</b>
2009	2009 - £2 million
2010	2010 - £2 million
2011	2011 - £2 million
2012 onwards	2012 - £2 million
<b>Manpower Implications (FTE): N/A</b>	
<b>Other financial or resource considerations: (impact on other depts?)</b>	
<p>There are no other currently identified resource considerations.</p>	
<b>Options for Funding within Department:</b>	
<p>As detailed above.</p>	
<b>Contact Officer: John Richardson</b>	

## Significant Funding Pressures – 2009 Business Plan

<b>Department: Treasury and Resources (Property Holdings)</b>	
<b>Description of Funding Pressure:</b>	
Structural deficit of between £4m and £6.5m per annum in the property maintenance budget across the States estate	
<b>Why not included in 2008 Business Plan:</b>	
Information in respect of asset valuations is being obtained in preparation for GAAP/Resource Accounting and Budgeting and is not yet available to undertake analysis.	
<b>Link to Strategic Plan Objective:</b>	
6.2.5 Create a new States Department responsible for all States property assets (except social rented housing and property under the administration of trading bodies) charged with delivering the first Property Plan and revenue savings from property of £1.5 million by 2009 as well as capital receipts of £4 million (CM)	
<b>Impact of Funding Pressure not being introduced:</b>	
Already under maintained property assets will further deteriorate. This will reduce the value of assets on the States balance sheet, impact on the ability of the property to provide a quality service and acceptable employment environment. Continued under funding may impact of the health and safety of those using the building, at which point the building will become non-operational.	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009 range £4,000 to £6,500 recurring	2009
2010	2010
2011	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE):</b>	
None - additional works would be undertaken by external contractors	
<b>Other financial or resource considerations: (impact on other depts?)</b>	
All departments deliver services through the medium of property. Continued deterioration in the condition of property assets will impact on the quality and efficiency of the services provided.	

***Options for Funding within Department:***

Limited efficiency savings from natural wastage and procurement. No funding to undertake VR/VER programme.

Reduce overall maintenance costs through a reduction in the size of the estate. This medium term approach could be coupled with the application of capital receipts in excess of target to provide a 'one off' injection of funds to part finance a maintenance catch up programme. This is not a sustainable solution long term solution.

Increase income by recovery full rent and costs from third party lets (see linked submission)

***Contact Officer:*** Ray Foster



**Significant Funding Pressures – 2009 Business Plan**

<b>Department: Probation</b>	
<b>Description of Funding Pressure:</b>	
<p>Personnel to implement Criminal Justice (supervised release of offenders) (Jersey) Law 200- .</p> <p>The one or two posts required to implement this legislation have not been funded to date despite the need being identified in successive business plans, and the States of Jersey Criminal Justice Policy.</p>	
<b>Why not included in 2008 Business Plan:</b>	
<p>See above. It is envisaged that the legislation will come into effect in 2009. The requirement may have grown from one to two posts due to changes in resettlement and transfer practice by the Prison and changes in the proposed legislation following consultation.</p> <p>If the prison is able to change its current practice of assisting non native prisoners to resettle in Jersey post release, and re introduce “unrestricted” transfer to the United Kingdom the existing request for one post is likely to be sufficient. The present practices are likely to lead to a requirement for two posts on current estimates. (There are potential human rights issues for the prison to resolve around transfer and withholding of working out and temporary release to non local prisoners.)</p>	
<b>Link to Strategic Plan Objective:</b>	
3.2 and 3.3	
<b>Impact of Funding Pressure not being introduced:</b>	
The Legislation will not be implemented.	
<b>Revenue Implications: £000</b>	<b>Capital Implications: £000</b>
2009 £60 or £120 recurring	2009 None
2010	2010
2011	2011
2012 onwards	2012 onwards
<b>Manpower Implications (FTE): 1 or 2</b>	
<b>Other financial or resource considerations: (impact on other depts?)</b>	
Impacts on prison resettlement strategy.	
<b>Options for Funding within Department:</b>	
None – the Probation Service is working to capacity and has provided additional resource to prison through care by re prioritisation already.	
<b>Contact Officer: Brian Heath Chief Probation Officer</b>	

**Significant Funding Pressures – 2009 Business Plan**

<b>Department:</b> Law Officers' Department		
<b>Description of Funding Pressure:</b> On-going salary progression pressures. Staff retention and succession planning.		
<b>Why not included in 2008 Business Plan:</b> Unexpected resignations during 2007. Successful qualification of staff in 2007 not anticipated. No political agreement at that time of the need to review the Department's resources. That has now changed with the CAG review.		
<b>Link to Strategic Plan Objective:</b> The work of the Department relates to all objectives which require legal input or advice. In particular, the work of the Department relates to Commitments 1, 3, 4, 5 and 6 (See Department 2007 Business Plan for details)		
<b>Impact of Funding Pressure not being introduced:</b> Loss of qualified and experienced staff to private sector, some of whom have been trained in the Department thereby losing the benefit of training costs. Possible cases before the Employment Tribunal for constructive dismissal if staff not promoted on qualification.  Posts having to remain unfilled leading to deterioration in performance of Department, additional stress on staff possibly leading to claims against the States for stress related illness.  All States objectives that require legal input will be delayed.		
<b>Revenue Implications: £000</b>		<b>Capital Implications: £000</b>
2009 £304 recurring	2009	None
2010 £30 recurring	2010	None
2011	2011	None
2012 onwards	2012 onwards	None
<b>Manpower Implications (FTE):</b> Nil		
<b>Other financial or resource considerations: (impact on other depts?)</b> Advice to other Departments delayed, criminal justice delayed leading to Human Rights claims and increases in Court and Case Costs expenditure, co-operation with other jurisdictions delayed leading to loss of Island's international reputation.		

***Options for Funding within Department:***

A large proportion of the Department's expenditure is already funded from the COCF. This has already been examined and reported on by the Comptroller and Auditor General and awaits political consideration. If the COCF ceases to provide funding for the Department, then substantial, additional funds over and above those outlined here will be required.

The Department will be making the case to the CAG during the review which is to take place in the next few weeks, that the Court and Case Costs funding made available to the Department but currently ring fenced could be more sensibly utilised (for example by employing more lawyers internally) to provide better value for money if it was transferred to the Department to be managed internally and without being ring fenced. In addition, the CAG review may recommend other changes to the budgetary arrangements for the Department which cannot be anticipated at this stage.

**The Department has also submitted a bid for additional funds in 2008 which are to be separately considered as they relate to one-off costs.**

**Contact Officer:** Tim Allen, Chief Clerk

## Significant Funding Pressures – 2009 Business Plan

<b>Department:</b> Law Officers' Department		
<b>Description of Funding Pressure:</b> Two additional Senior Legal Advisers to deal with increasing workloads within the Department		
<b>Why not included in 2008 Business Plan:</b> No political agreement at that time of the need to review the Department's resources. That has now changed with the CAG review.		
<b>Link to Strategic Plan Objective:</b> The work of the Department relates to all objectives which require legal input or advice. In particular, the work of the Department relates to Commitments 1, 3, 4, 5 and 6 (See Department 2007 Business Plan for details)		
<b>Impact of Funding Pressure not being introduced:</b> All States objectives that require legal input will be delayed.  Posts having to remain unfilled leading to deterioration in performance of Department, additional stress on staff possibly leading to claims against the States for stress related illness.		
<b>Revenue Implications: £000</b>		<b>Capital Implications: £000</b>
2009	£280 recurring	2009 None
2010		2010 None
2011		2011 None
2012 onwards		2012 onwards None
<b>Manpower Implications (FTE):</b> Two		
<b>Other financial or resource considerations: (impact on other depts?)</b> Advice to other Departments delayed, all other work of the Department effected such as criminal justice delayed leading to Human Rights claims and increases in Court and Case Costs expenditure, co-operation with other jurisdictions delayed leading to loss of Island's international reputation.		
<b>Options for Funding within Department:</b> A large proportion of the Department's expenditure is already funded from the COCF. This has already been examined and reported on by the Comptroller and Auditor General and awaits political consideration. If the COCF ceases to provide funding for the Department, then substantial, additional funds over and above those outlined here will be required. The COCF would not be able cover the funding of these posts as they fall outside the uses to which monies from the Fund can be used.  The Department will be making the case to the CAG during the review which is to take place in the next few weeks, that the Court and Case Costs funding made available to the Department but currently ring fenced could be more		

sensibly utilised (for example by employing more lawyers internally) to provide better value for money if it was transferred to the Department to be managed internally and without being ring fenced. In addition, the CAG review may recommend other changes to the budgetary arrangements for the Department which cannot be anticipated at this stage.

**The Department has also submitted a bid for additional funds in 2008 which are to be separately considered as they relate to one-off costs.**

**Contact Officer:** Tim Allen, Chief Clerk



## 9. Timetable for 2009 Business Plan process

## **2009 Business Planning Process - Proposed Timetable**

The following process has been agreed with the Council of Ministers and the Chairmen's Scrutiny Panel to engage as many States Members as possible in the process to prepare the 2009 Business Plan.

<b>16 January</b> for	CMB meeting to consider the financial framework (additional meeting) 2009 – 2011 and present any emerging departmental pressures.
<b>21 January</b>	Half day session of Council of Ministers to initiate (Part of Away Day) the 2009 Business Planning process and to confirm the financial framework.  The Council will review the future spending limits, receive an update on the underlying assumptions and also consider the implications of any emerging pressures from departments which will include Prison, Town Park etc.....
<b>25 January</b>	Separate briefing and discussion with Assistant Ministers.
<b>1 February</b>	Separate briefing and discussion with all Scrutiny Panels and other States Members.
<b>28 January to 22 February</b>	Ministers, Assistant Ministers and Senior Management Teams produce high level analysis of implications for the Department over the next 3 years. This should focus on what could be achieved with particular emphasis on the Strategic Plan.
<b>13 February</b>	Deadline for departments returns identifying the impact of the provisional cash limit for 2009 from the Council of Ministers.
<b>20 February</b> pm	Corporate Management Board Workshop to consider the high level implications of cash limits as submitted by departments for 2009 and any comments before Council of Ministers' workshop.
<b>22 February</b>	Deadline for departments returns identifying the impact of the provisional cash limit for 2010-11 from the Council of Ministers.
<b>28 February</b>	Council of Ministers' workshop to consider (additional meeting) the high level implications of cash limits and to finalise the proposed cash limits. This workshop will also receive revised financial forecasts
<b>6 March</b>	Reserve date for Council of Ministers if States (Reserve date) overrun on 28 February
<b>7 March</b>	Joint briefing for Assistant Ministers, Scrutiny and other States Members on the revised Financial Forecasts and progress to date
<b>Early March</b>	Opportunity for Departments to revise impact documents based on outcomes of Council of Ministers discussions prior to release for Scrutiny.
<b>12 March</b>	CMB Review of first draft of Capital and Legislation Programme for 2009 Business Plan
<b>20 March</b>	Council of Ministers: <ul style="list-style-type: none"><li>• agree final submissions from depts of impacts of proposed cash limits for the three years 2009-2011.</li><li>• Review first draft of Capital Programme for 2009 Business Plan</li></ul>



<b>w/c 25 March</b>	Chief Minister presentation to Assistant Ministers, Scrutiny Members and other States Members on Business Planning process so far, covering background, financial forecasts, proposed cash limits and departments responses on impacts.
<b>March to End April</b>	All Scrutiny Panels and States Members invited to review the implications of potential cash limits for States departments and services.
<b>Early May (8<sup>th</sup> ?)</b>	Chairmens Committee to present views of all Scrutiny Panels to the Council of Ministers
<b>Mid May</b>	Council of Ministers consider views of Scrutiny and others before confirming to departments the proposed cash limits to be included in the 2009 Business Plan.
<b>End May</b>	Departments complete detailed submissions for 2009 Business Plan Annex and return to Treasury
<b>26 June</b>	Council of Ministers finalise 2009 Business Plan proposals.
<b>End June</b>	Release of Final Draft 2009 Business Plan proposals to Assistant Ministers, and Scrutiny Members prior to publication.
<b>14 July</b>	Presentation of 2009 Business Plan proposals to States Members and Officers, Business and Interest Groups, Press and Media
<b>15 July</b>	Council of Ministers lodge draft Annual Business Plan 2009.
<b>2 September</b>	Deadline for Amendments to 2009 Business Plan
<b>11 September</b>	Council of Ministers consider Amendments to 2009 Business Plan and consider draft Comments
<b>16 - 18 September</b>	Draft Annual Business Plan 2009 debate.
<b>Early October</b>	Minister for Treasury and Resources presents Budget 2009 proposals to Council of Ministers
<b>20 October</b>	Presentation of Budget 2009 proposals to all States Members, Interest and Business Groups, Unions and Media
<b>21 October</b>	Lodging of 2009 Budget
<b>19 November</b>	Deadline for Budget Amendments
<b>2<sup>nd</sup> – 4<sup>th</sup> December</b>	States Debate 2009 Budget

***2009 BUDGET has to be wrapped up by 5th December as following week New States Members are sworn in, followed by Election of Chief Minister and Council and other Chairmen etc.***