

STRATEGIC PLAN CONSULTATION

Green Paper



16 Jan 2012

Purpose and type of consultation: The Council of Ministers has identified its priorities for the next three years, as part of the development of a new States Strategic Plan.

This Green Paper explains what issues ministers want to concentrate on and it sets out the background to these issues.

Ministers want to know whether you agree with these priorities, or if there are other things you think are more important.

Your views are important as the new Strategic Plan, once approved, will set the future direction for States policies.

Closing date for this consultation: Thursday 1 March 2012

Summary

Each new Council of Ministers is required, by law, to propose a Strategic Plan for debate and approval within four months. As part of the development of a new Plan, Ministers have defined their vision and priorities for the next three years. These priorities will form the basis for a new Strategic Plan, and we want to know what you think of them.

This is your chance to tell the Council of Ministers whether you agree with the proposed priorities.

This public consultation will run from 16th January to 1st March. You will also have the chance to comment on the Draft Strategic Plan itself, which is due to be published on 20 March.

The Council of Ministers would like to know:

- Do you agree these are the highest priorities for the next three years?
- Are there other priorities you consider to be more important?
- What would you like to see achieved at the end of 3 years?

Key dates for the consultation process:

16 January	Publication of Green Paper - start of consultation process
31 January	States "In Committee" debate (if approved by the States)
01 March	Deadline for responses to Green Paper consultation
20 March	Draft Strategic Plan (White Paper) lodged
03 April	Deadline for final comments on White Paper
01 May	States Debate Strategic Plan

You can pick up a paper copy of this consultation from the States Greffe bookshop, the central library, Cyril Le Marquand House, or you can call 440422 and ask for a copy to be sent to you.

To tell us what you think:

Email: yousay@gov.je

Online survey:

Public meetings: a number of meetings will be arranged during the consultation process

Write to: Chief Minister, Cyril Le Marquand House, PO Box 140, JE4 8QT

Telephone: Call Janet Marshall with your queries on 440428

You can read more about these issues in the [Analysis of Key Strategic Issues](#).

This consultation paper has been sent to:

The Public Consultation Register

Your submission

Consultation responses may be made public (sent to the Scrutiny Office, quoted in a published report, reported in the media, published on www.gov.je, listed on a consultation summary).

By responding to this consultation you are agreeing that your comments may be made public and attributed to you.

Please indicate if you want your comments to remain anonymous, or tick here

INTRODUCTION

The strategic plan sets the broad medium and long term direction for the States. Detailed plans will be developed once the strategic direction is agreed.

In preparing for the next Strategic Plan, ministers are emphasising the need for Jersey's economy to flourish in the face of challenging economic conditions while also recognising the need for a balanced approach to economic, social and community issues.

Jersey is a diverse and resilient community with a proud history of adapting to change and punching well above its weight. The Island, in common with all jurisdictions, is facing some of the most challenging times ever seen in an increasingly competitive global environment.

These economic conditions mean that the prosperity enjoyed in recent times will be diminished for most people. Some difficult decisions remain.

The key to overcoming these challenges lies with the people of Jersey. Whether born or settled here, all have a stake in the Island's future and can be proud to call themselves 'Islanders'.

VISION AND PRIORITIES

The Council of Ministers is committed to delivering a successful future for Jersey through strong leadership, valuing the community and promoting fairness and responsibility.

The Council believes the Island can meet its challenges if all sections of the community work together with a common purpose and a shared vision. They want to inspire all Islanders to share their pride and confidence in a positive future for Jersey and its unique environment.

The diagram below illustrates the Council of Ministers' vision for Jersey and its priorities for the next three years.



ACHIEVING THE PRIORITIES

Get people into work

- We will reduce the number of unemployed Islanders
- We will raise academic standards in our schools and colleges and improve the skills of the local workforce
- We will build Jersey's international profile to attract inward investment and create jobs

Background

Our most urgent priority is to get unemployed Islanders working and to secure new employment opportunities for the future.

- At the end of November 2011, there were 1,530 people actively seeking work.
- Long-term unemployment has more than doubled during the last 12 months (130 to 270) and now accounts for almost 1 in 5 of the total. Longer term unemployment in the under 25's and those over 40 is a growing issue.
- The globally comparable ILO¹ rate of unemployment, measured as part of the 2011 Census, was 4.7% (UK rate is 8%). This corresponds to 2,569 islanders, as it includes people who are unemployed but not registered with Social Security.
- The cost of providing benefits is increasing and the social impact of unemployment is profound.
- Future employment will require higher levels of skills, particularly in sectors facing global competition. We need to improve the skills of the local workforce through academic and vocational training and make sure young people are prepared for the work that's available.
- Measures are being taken to improve employment opportunities for local residents:
 - expanding successful schemes like Advance to Work and Advance Plus
 - CV workshops
 - job coaching and mentoring
 - employment placements
 - short training courses to improve employability
 - more apprenticeships
- A consultation paper *Learning for tomorrow's world* has started the debate on the future shape and funding of education in Jersey.
- Primary school student numbers are predicted to **increase** by 5% between 2012 and 2020. Over the same period secondary school (11-16) student numbers will **decline** by 6%. This will affect the provision and cost of education services.
- The increasing proportion of older residents will increase the need for training provision to help islanders continue in employment throughout their lives.
- Improving the skills of the local workforce will reduce reliance on imported labour.
- The Population Office will ensure that licences for non-locally qualified staff are only approved for posts that cannot be filled from within the island.

¹ International Labour Organisation - the international organisation responsible for drawing up and overseeing international labour standards

Sustainable economic growth provides jobs

- Jersey's success has been built on a vibrant economy which has delivered long-term growth and one of the highest incomes per head in the world. This has provided employment, with the number of people employed currently at an all time high. It has also funded the high quality public services and low personal tax rates that Islanders have come to expect.
- Jersey's economic performance over the last decade has been less impressive. The global recession has seen the Jersey economy decline by more than 10% since 2007. In common with other jurisdictions, weak growth is forecast for 2012 and beyond.
- In its most recent report published in October, the Fiscal Policy Panel recommended that Jersey should 'continue to plan on the basis of a fragile and drawn out global recovery'.
- Sustainable economic growth based on increased competitiveness will create new employment opportunities.

Jersey's draft [Economic Growth Strategy](#) says we will need to: -

1. Further develop a flourishing and diverse financial services sector
 2. Increase the competitiveness and raise productivity of existing sectors
 3. Create opportunities for new, high productivity sectors and markets with a greater emphasis on inward investment
- International finance, taxation and trade have raised Jersey's international profile at a time when the UK government no longer provides all our external representation. The challenge now is to take a more active role, including international representation at ministerial level, to maintain our competitiveness on the world stage.

Manage population growth and migration

- We will update the population model using the new Census information and set realistic targets for population
- We will control inward migration while maintaining competitiveness

Background

If we are to provide meaningful jobs for existing Islanders and future generations, we need to maintain enough working islanders to support the economy and fund public services in the face of an ageing population.

- Jersey, like many other countries, is anticipating an increasingly older population supported by fewer working adults.
- Current forecasts suggest:-
 - a 95% increase in the number of 65s and over in the next 30 years
 - in 2035 there will be 1.9 workers for each pensioner, compared with 3.9 in 2001
 - the increase in pensionable age to 67 years (phased in from 2020 to 2031) will increase the ratio to 2.2 workers per pensioner
- We need to balance the need for workers to sustain economic growth and provide tax revenues, against the impact of an increased population on our environment and way of life.
- We will help Islanders to develop the skills they need for the existing jobs but we will need some inward migration to provide experience that is not available locally. We must get the balance right so that we import the right skills without increasing the population to an

unsustainable level. Neither “opening the floodgates” nor “closing the doors” is an acceptable policy.

- The current migration policy allows for inward migration of an average of 150 heads of household per year over a five year rolling average (overall increase c.325)
- The 2011 Census showed that population levels actually increased from 87,186 in 2001 to 97,857 in 2011. Ministers will be reviewing the current policy once a new population model has been developed, expected later in 2012. The States may decide to put back the debate on population/migration policy until the updated information is available.
- The new migration law, Control of Housing and Work Law, comes into force this year, which will allow closer monitoring and control of immigration. It is important that Jersey is seen as ‘open for business’. Some inward migration is necessary to support investment and job creation.

Reform Health and Social Services

- We will identify the options for providing affordable health and social services and bring proposals to the States for approval

Background

A Health and Social Care consultation paper, ‘Caring for each other, caring for ourselves’ published in 2011 described the service as under significant and increasing pressure. Significant changes are needed to maintain safe, sustainable and affordable health and social care.

- More than half of our hospital doctors are due to retire in the next 7 years and as medical training becomes more specialised we would need to replace each generalist with 2 or 3 specialists. It will be difficult to fund this increase in staffing and our population is too small for specialists to maintain their skill levels. This will make it more difficult to recruit senior medical staff to work here, adding to the existing problems we face in recruiting nursing staff.
- Some of our buildings have outgrown their usefulness. The General Hospital will need extensive refurbishment or replacement in the next 10 years and other accommodation - children’s homes, mental health wards and group homes - will also need to be upgraded.
- Current health care in Jersey centres on the hospital, even for conditions that could be treated at home with community support. This is unnecessarily expensive.
- The consultation paper has highlighted ways to redesign our services: -
 - expanding community teams and providing 24-hour home care for people with long term conditions such as heart disease or dementia
 - developing parish-based services – eg providing help for patients, carers and their families
 - providing more specialist care locally, with specialists visiting or holding video-appointments to reduce travel time and cost to patients
 - providing specialist foster carers to increase the options for children who cannot live with their birth parents
 - offering early support for individuals to take control of their own health and encouraging people to live healthy, active lives so they maximise their well-being.
 - Improving integration between departments and with external agencies, including the charitable and voluntary sectors.

House our community

- We will investigate schemes to generate affordable housing
- We will investigate schemes to support first time buyers
- We will continue work on existing homes to meet the decent homes standard

Background

The level of home ownership in Jersey (57%) is low compared with many jurisdictions and house prices are high compared to average earnings. This is a result of economic success and tight planning controls.

- 25% of 3-bed houses sold between October 2010 and September 2011 cost £420,000 or less (more than 11 times the average income of £34,800 p.a.)
- Most recent first time buyer development saw 3 bedroom houses selling for £425,000 (more than 12 times average income)
- Around 16% of Jersey's homes are occupied as social rented housing. 24% of homes are privately rented. In the UK the social rented sector is significantly larger with just 10% of homes being privately rented.
- The demand for social housing has increased and the supply of new rental homes has slowed
- Demand for life-long homes is increasing as the population ages.
- States rental waiting list increased from 264 in 2005 to 505 at the end of 2011

	2005	2006	2007	2008	2009	2010	2011
New social rented homes	26	205	77	-13	0	0	21
Waiting list at end of year	264	233	234	292	385	425	505

- Long term under-investment in the States owned social housing stock means 28% of the homes would fail the UK Government's Decent Homes Standard. There is an annual funding shortfall of £6m.
- We need to:
 - review reliance on private developers to generate affordable housing
 - invest in social housing schemes
 - develop new life-long homes to meet the needs of an ageing population
- Plans are underway for the incorporation of the Housing Department which will allow more flexibility in tackling these issues.

Reform government and the public sector

- We will work with the Privileges and Procedures Committee to reform the way our government works
- We will work with the proposed Electoral Commission and Privileges and Procedures Committee on proposals to change the composition of the States Assembly
- We will co-ordinate all major States policy from the Chief Minister's Department

- We will continue to transform the public sector to deliver efficient and effective services

Background

The Council is committed to government reform to ensure the island’s political processes work in the best interests of the island.

- The States has agreed to set up an Electoral Commission to look at the composition of the States Assembly and the electoral process. Ministers will also work with the Privileges and Procedures Committee to improve the operation of the Assembly, including arrangements for debates and States Questions.
- The Council wants to involve more States Members in decision making and policy development and to make information more accessible. Ministers will work with the Privileges and Procedures Committee to review the working processes of ministerial government and to agree improvements to the existing system.

Government needs better co-ordination of policy. Public sector reform will improve efficiency, reduce costs and support a cost-effective, “joined-up” approach.

- The existing system does not easily support “joined up” policy development across departments. This makes it difficult to coordinate policies which affect every area of the organisation: -
 - The [Social Policy Framework](#), approved in 2007, sets out the guiding principles of promoting independence, supporting those at risk and protecting those in need through early intervention. This approach calls for responsibility to be shared between the States and the people of Jersey and should underpin all major policy development.
 - Continued community safety depends on the effective tackling of minor crime and anti-social behaviour, alcohol-fuelled violence and disorder, international money laundering and organised crime. It requires partnership working between the States and Honorary Police, other States departments, the voluntary and private sectors.
- The priorities proposed for the Strategic Plan will require co-ordination, co-operation and partnership across the public, private, voluntary and charitable sectors, particularly on the development of social, economic and environmental policies.
- In order to deliver the co-ordination, improved efficiency and savings required, we will need to modernise public services

Develop long term planning

- We will introduce medium and long term financial plans
- We will introduce long term capital planning
- We will review the sustainability of public sector and State pension schemes
- We will introduce a long term care benefit scheme
- We will introduce an Energy Policy
- We will develop a closer working relationship with Guernsey

Background

Jersey's successful economy has generated enough tax revenue to provide services typically associated with larger jurisdictions and higher tax rates.

In recent years, this financial position has weakened and there are a number of choices to be made.

- There have been two significant changes to tax revenues in recent years: -
 - 0/10 business tax regime was introduced to keep the financial services industry competitive in response to international concerns. GST, '20 means 20' and ITIS were introduced to offset the impact of 0/10 on tax revenues
 - Tax revenues have been reduced by the impact of the global economic climate. This reduction in tax revenues, together with the need to maintain improvements in health care, education and children services, meant the States faced a deficit of £100m by 2013, unless action was taken
- A three-part plan was agreed to return to balanced budgets by 2013:
 1. reducing public spending by £65 million
 2. boosting economic growth
 3. increasing taxation and social security contributions
- The Fiscal Policy Panel's most recent report said the financial situation is still 'very tight'. It warned that recent international economic developments may see the economy growing less than forecast. The Treasury is working to improve our longer term expenditure and tax forecasting.
- It is particularly hard, on a small island, to boost the economy. We are therefore focussing on productivity based economic growth that does not require more land for development. The Island Plan sets out how development can support economic growth and diversification, for instance through urban regeneration, while protecting the natural beauty of our Island.
- We now intend to:
 - Manage our finances through medium and long term plans. We cannot meet the challenges of the downturn and the ageing population, while also providing ongoing States services, without finding new funding – whether it's from taxation, user pays, borrowing or a combination of the three.
 - Manage infrastructure requirements as part of longer term Capital Planning – dealing with liquid and solid waste disposal with limited resources.
 - Review pensions to determine any changes needed in contribution rates and to ensure the system can support an increasing proportion of older residents
 - Encourage pensioners to use a mix of state, occupational and private pensions, as well as investments and ongoing employment, to reduce reliance on Social Security pension and income support. Otherwise the increase in pensioner numbers will increase cost to the public.
 - Develop a new mechanism to fund long term care. This will be a major step forward in caring for the elderly, but will also place an increasing burden on residents at a time when there will be pressure to increase Social Security contributions.
 - Meet the costs of climate change and reduce its impact on our population.
 - Comply with international obligations by reducing carbon emissions. The Energy White Paper will investigate how to achieve secure, affordable and sustainable energy supplies.
 - Develop proposals for sustainable future funding of Health and Social Services

Conclusion

The priorities identified by the Council of Ministers will form the basis of the States Strategic Plan. We will also continue to provide the wide range of public services that Islanders need – benefits, pensions and suppliers will be paid; taxes will be collected, streets cleaned and public order maintained through our criminal justice system. Our emergency services, harbours and airport will operate as usual and our waste will be collected. We will strive to maintain high standards and provide value for money in all our core services.

Jersey now has to find a way to return to economic growth and lay the foundations for improved competitiveness while investing in essential services. This must be achieved against a backdrop of a fragile global economy, while also cutting costs and preparing for the impact of an ageing population.

Policy decisions need to work for the short, medium and long term, and policy makers must assess the impact of each new policy on every other policy under development.

For instance, getting people into work is an immediate issue because of the current level of unemployment. It is also a long term one, as the right training and skills development programmes need to be in place to prepare future job seekers for the work that will be available to them.

Our Island is a special place to live and work. By understanding what it is that makes Jersey special, we can take action to protect our unique culture and heritage.

What we would like you to tell us

- **Do you agree these are the highest priorities for the next 3 years?**
- **Are there other priorities that you consider are more important?**
- **What would you like to see achieved at the end of 3 years?**