



Treasury and Resources Business Plan 2012

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FOREWORD

Although Jersey has found itself affected by the economic downturn we have, through prudent decisions, mitigated some of its effects, whilst maintaining close to a year's worth of spending within the Strategic Reserve.

We have successfully created a fiscal stimulus programme amounting to £44 million to boost the economy. Although the scheme is now closed to new applications there are remaining projects which continue to put much needed funds into the economy.

Alongside the Capital investment already approved by the States in the Annual Business Plan I will continue to work closely with the Treasurer and other Ministers and States Members to ensure that any capital projects that can be commenced earlier than originally planned will be brought forward to inject further stimulus into the economy.

The three part plan, consisting of cutting States spending, Economic Growth and the Fiscal Strategy Review that the Council of Ministers committed to in 2009 to address the forecast structural deficit by 2013 is progressing well. Although many difficult decisions have had to be made by departments, the reductions in States expenditure through the Comprehensive Spending Review process are on target. The new Council of Ministers remains committed to delivering the target of £65 million savings.

Turning now to the economic growth strategy and the development of new high value opportunities in

- exploiting e-commerce and intellectual property
- exploring opportunities for renewable energy
- pioneering ICT and broadband technology

it is the last of these opportunities which forms part of the decision I recently took to allow for an infrastructure investment in Jersey Telecom Group Limited. The Gigabit Jersey project will see JT deliver fibre optic broadband across the Island with many socio-economic benefits deriving from this investment that we as Ministers will aim to maximise.

The important work that the newly established Tax Policy team has undertaken which led to the recently approved budget has meant that the States is now following a fiscal strategy that is sustainable and will be for the benefit of the long term prosperity of the Island and a bright future for all.

Senator Philip Ozouf

Treasury and Resources Minister

SECTION 1

INTRODUCTION BY THE TREASURER OF THE STATES

My first full year as Treasurer of the States has presented me with many challenges but the dedication shown by staff has helped Treasury and Resources to achieve much and I look forward to delivering the ambitious programme set out in this 2012 business plan.

Amendments made to the Public Finances Law in 2011 allow for the preparation of the States first Medium Term Financial Plan for the period 2013-2015. This has been supported by the development of a Long Term Capital Plan for the period 2012-2032.

Longer term financial planning will allow Treasury officials to work with departments to develop funding policies to support the delivery of key service initiatives in the long term such as:

- address the ageing population and long term care
- maintenance of the sewerage infrastructure
- investment in Health and Social Services and the Hospital
- maintenance of States property

The Medium Term Financial Plan will be informed by the development of a Long Term Tax Policy and a new Fiscal Strategy.

Other key work streams for Treasury in the coming year include:

- supporting the existing Comprehensive Spending Review proposals
- development of options for further consideration on changes to public sector pension schemes in Jersey with the aim of ensuring they are sustainable and affordable for the long term
- Taxes transformation programme to modernise the service and make it easier for taxpayers to pay and file their returns electronically

I look forward to working with the Minister and Treasury and Resources staff to deliver the ambitious objectives set out in this Business Plan.

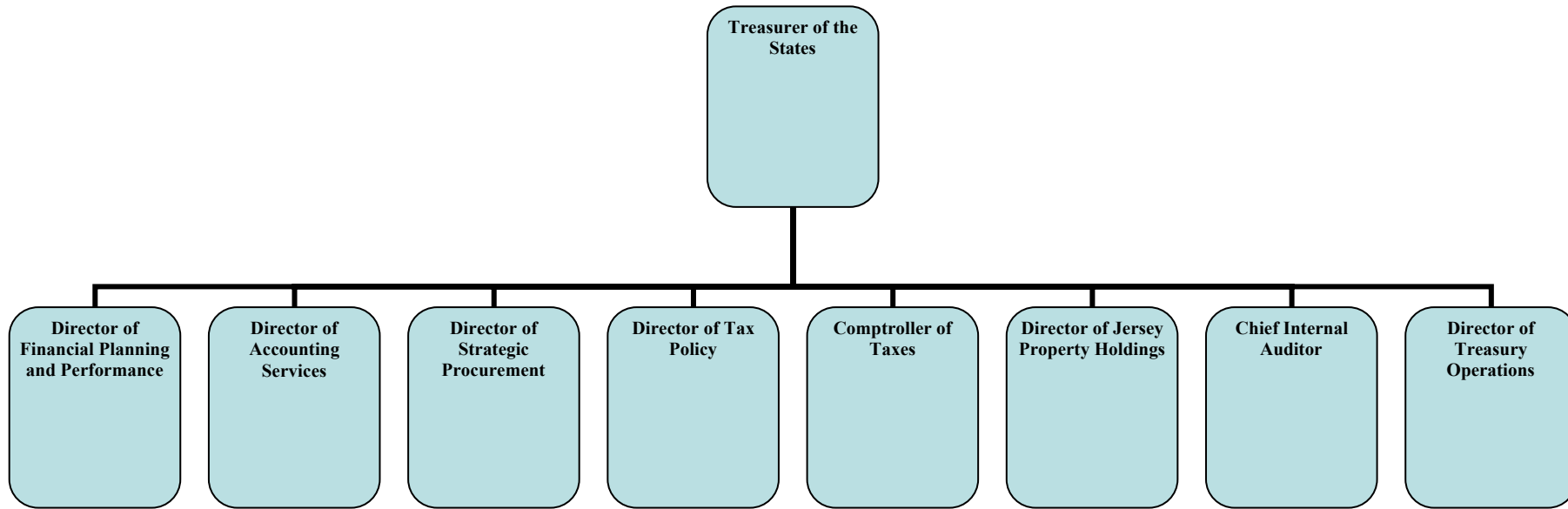
Laura Rowley

Treasurer of the States

WHO WE ARE

TREASURY

The Treasury and Resources Department employs a total of 255.7 full time equivalent (fte) staff organised to deliver services as follows:



WHAT WE DO

Treasury and Resources is two divisions, both under the direction of the Treasurer of the States.

TREASURY

The main services provided by each section within the Treasury are as follows:

Treasury Operations

The Treasury Operations function is responsible for States wide treasury management, development of the Public Finances Law and management of shareholdings in States owned companies. The following provides an outline of the key tasks undertaken by the section:-

- development and operation of effective treasury management policies and investment strategies
- management of States investments and cash balances, maximising financial returns whilst managing security and liquidity requirements
- management of the Island's currency
- management of States' insurances
- management of States' charitable funds
- manage the Financial Planning and Accounting for all Non-Ministerial departments
- provide accounting support for the pension funds including preparation of accounts and information for the States accounts.

Financial Planning and Performance

The role of Financial Planning and Performance is varied and covers a number of key functions. At its heart the team look to provide a well regulated and appropriate planning, accounting, monitoring, forecasting and decision support framework for the States of Jersey that gives assurances that the organisation is meeting its strategic and operational aims. In addition, the team are responsible for leading in financial accounting and control matters affecting the states including adherence to the Public Finances Law.

The following provide an outline of the key tasks undertaken by the section:-

- preparation of the States' annual budget and business plan
- implementation of the current Fiscal Strategy
- support the review and development of future Fiscal Strategy
- preparation of medium term financial plan and long term capital plan
- central financial planning support and research to inform strategic, departmental and capital projects
- strategic financial analysis and advice to Ministers, Chief Officers and departments

- delivering the Treasurer's head of profession role in relation to finance staff across the States
- financial and manpower resource allocation
- financial monitoring and consolidation of quarterly financial reporting
- assist with performance measurement, review and reporting
- supporting the Treasury and Resources Minister
- preparation of the States' annual report and accounts
- maintenance and updating of the Financial Control Framework
- delivering a programme for compliance with new and existing accounting standard requirements.
- development of an active shareholder role in respect of States owned companies, delivering improved governance and financial performance from companies
- maintenance and development of the Public Finances Law and associated governance arrangements
- responsibility for all States loans and borrowings, miscellaneous loan funds and separately constituted funds.

Internal Audit

The role of the Internal Audit division 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.

The scope of the work is to determine whether the organisation's control environment of risk management, control and corporate governance processes, as designed and represented by management, is functioning in a manner to ensure:-

- risks are appropriately identified and managed
- employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations
- resources are acquired economically, used efficiently, and adequately protected
- programmes, plans and objectives are achieved
- quality and continuous improvement are fostered in the organisation's control process.

Taxes Office

Administration of the Income Tax and Goods and Services Tax Laws are entrusted to the Office of the Comptroller of Taxes. Annually the Comptroller of Taxes collects approximately 80% of total States' revenues from 107,000+ personal and corporate taxpayers.

The Taxes Office also administers the European Union Savings Directive Bilateral Agreements (EUSD) with 27 European Union countries. The administration and enforcement of Jersey's Double Taxation Agreements and Tax Information Exchange Agreements with OECD and G20 countries worldwide are also entrusted to the Comptroller, as Jersey's Competent Authority. Additional duties of the Taxes Office also include:-

- advise the Treasury and Resources Minister, as required, on proposed amendments to the Income Tax Law and Goods and Services Tax Law and implement that policy efficiently and effectively
- continue compliance activities and the investigation of taxpayers who try to either avoid or evade tax properly due under the Income Tax and the Goods and Services Tax Laws and ensure that the taxes properly due are paid, in addition to any interest or penalties that the Comptroller has the power to levy under the Law
- ensure the prompt issuing of rulings to professionals and taxpayers to facilitate transactions with a tax content
- ensure the efficient and effective administration of the Income Tax and Goods and Services Tax Laws through the most proficient use of resources by training and developing staff to their fullest potential and utilising information technology to its fullest extent
- administration of all private occupational and retirement annuity pension schemes
- ensure that we continue to provide high quality service to all customers of the Taxes Office, whether they are taxpayers, professionals, the Treasury and Resources Minister, other politicians and officers in other States departments.

Tax Policy Unit

The Tax Policy Unit (TPU) is responsible for developing and implementing changes to domestic and international tax policy matters, in close liaison with the Taxes Office. The key responsibilities of the TPU include:

- development of the principles of a long term tax policy
- design and implementation of changes to tax legislation to deliver those principles including revenue raising measures to the extent needed to meet fiscal policy
- advising Ministers on the implications of tax propositions brought to the States and international matters
- ensuring prompt response to questions raised by States Members
- identification of relevant partners and negotiation of tax agreements with those partners
- advising on and where necessary negotiating the terms of Jersey's involvement in international tax directives and conventions such as the European Union Savings Directive and the joint OECD/Council of Europe Multilateral Convention on Mutual Administrative Assistance in Tax Matters
- Jersey's representative in international tax meetings such as the Global Forum
- building relationships with key stakeholders both within and outside the States.

Accounting Services

The Shared services team have responsibility for:

- payments to suppliers for all goods and services purchased by the States
- input of financial journals and manual orders to the States' financial systems
- administering the receipt and payment of cash, including States housing rentals, income tax payments and court stamps
- renewing liquor licenses
- credit control and recovery of States debts
- paying all States employees correctly and on time
- disbursing monies deducted from employees' pay
- providing administrative services for PECRS Committee of Management and JTSP Management Board
- providing a pensions advisory service for members
- reconciliation and governance of States bank accounts
- corporate administration of all purchase cards
- Health & Safety and facilitating building related services, including internal messenger
- vault security and operational currency management for the Island.
- all staff, customer, supplier and general public interactions associated with the above activities.

The Corporate Group are responsible for providing professional financial advice to the Treasury and Resources, Chief Ministers and Economic Development. The services include:-

- management & statutory accounting
- assurance on financial governance and controls
- value for money.

Accounting Services are also responsible for supporting the Technical Working Group to develop options for further consideration on changes to public sector pension schemes in Jersey with the aim of ensuring that they are sustainable and affordable for the long term.

RESOURCES

The main services provided by each section within Resources are as follows:

Property Holdings

Jersey Property Holdings (JPH) primary role is to manage the operation and long term maintenance and replacement of the States' property portfolio. States' property has for many years been faced with an under-funding problem historically stemming from departments progressively cutting maintenance budgets to keep other front line services operating. The result is an estate which is now showing signs of poor maintenance and defects that need significant investment to bring it back to acceptable standards.

Key aims for Property Holdings:-

- provide fit for purpose and affordable accommodation for all States' departments
- provide property which is functionally and environmentally supportive of each department it houses, supporting the delivery of improved services to the Public
- rationalisation of States' Office Accommodation to deliver reduced property costs, release sites for residential development and act as an enabler for major organisational transformation
- development of a rolling five year Portfolio Plan across user departments to identify on a property by property basis the future occupation, investment and disposal plans for all States' premises.

Procurement

During 2011 as part of the Invest to Save Initiative £1.3 million was allocated to commence the procurement transformation programme. This is a three year programme and comprises three key work streams.

1. A programme of States wide procurement initiatives to deliver net savings of £6.5 million during the CSR timeframe
2. The organisation and development of a professional procurement function that is based upon category management. This model requires that procurement professionals / category managers are embedded in key areas of the business
3. The procurement and implementation of a modern procure to pay system.

The focus for corporate procurement during 2012 and 2013 will be upon supporting all States' departments to deliver improved, cost effective and efficient public services by employing optimum procurement strategies in support of delivering CSR initiatives to release recurring cashable savings that will result in budget reductions. In 2012 the target for net savings is £3m and in 2013 the target is £3.5m.

Work will continue to embed the single procurement function and category management approach to procurement. Training initiatives will be explored in order to ensure that there is sufficient capacity and capability across the States to build a sustainable function.

Underpinning all of the above will be the design and implementation of an "Amazon style" procurement to pay solution that will compliment the e tendering system currently used within the States.

To achieve its objectives Corporate Procurement will require extra investment from the restructuring provision in 2012.

Key aims for procurement are:-

- organise the procurement function to ensure a visible, credible, commercial and professional service is delivered at the appropriate level within the organisation
- implement category plans and work with departments to deliver savings identified by CSR process required to meet reducing cash limits
- deliver improvements to the whole procure to pay process including policy processes and technology with the aim of improving compliance and driving out inefficiency in processes.
- develop procurement skills across the States of Jersey and build capacity within the organisation in order to support best practice procurement and sustainable savings.

lead the development of a local supply base with appropriate departments and external organisations.

OUR VALUES

We believe that the following six values are fundamental to how the States must develop. We will strive to deliver these values every day for our customers (the public), our partners and ourselves.

The Core Values reflect the values of the States. A process of engagement with staff at all levels within the States Treasury is planned to ensure that these core values are further developed to reflect the values and aspirations of all our staff.

Our values are:-

- we put the customer at the heart of everything we do
- we take pride in delivering an effective public service for Jersey
- we relentlessly drive out waste and inefficiency
- we will always be fair and honest and act with integrity
- we constantly look for ways to improve what we do and are flexible and open to change and
- we will achieve success in all we do by working together.

Section 2(a) Key Objectives and priorities of the Treasury and Resources Department agreed as part of the States Annual Business Plan

AIM

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

SUMMARY OF KEY OBJECTIVES AND KEY SUCCESS CRITERIA

Objective 1: Effective long term strategic and financial planning and sustainable public finances

Success criteria:

- (i) Develop, implement and maintain a financial planning framework to ensure accurate forecasting and the setting of an overall financial envelope within which budgets are set – to include:
 - Medium Term Financial Plan
 - Long-term Capital Programme
- (ii) In conjunction with the Chief Minister's Department, continue to develop a robust strategic and business planning and performance framework ensuring firm linkages between financial and non financial information including the production of the annual Business Plan and the Strategic Plan for approval by the States;
- (iii) In appropriate years, develop, implement and take the lead in the Comprehensive Spending Review process to identify savings targets and work with departments to achieve these targets;
- (iv) Develop and gain approval of a Fiscal Strategy delivering:
 - balanced budgets over the economic cycle
 - a fiscal stimuli programme as necessary
 - measures to maintain low levels of inflation
 - sustainable taxes and charges
- (v) Further implementation of Generally Accepted Accounting Principles (GAAP) to include:
 - GAAP based budgets;
 - Progress towards compliance with International Financial Reporting Standards (IFRS)

Strategic Plan Priority: 1, 4 and 11

Objective 2: Improved monitoring and reporting of Financial Performance

- (i) Improved internal in-year financial performance reporting, forecasting, budgeting and analysis of both net revenue expenditure and capital expenditure;
- (ii) Financial assessment of major policy developments;
- (iii) Provision of information and advice to enable informed decision-making, thereby ensuring demonstrable value for money;
- (iv) Development of clear KPIs and other financial performance reports by which Departmental Performance can be monitored, reviewed and improved.

Strategic Plan Priority: 3

Objective 3: Effective governance of fiscal stimulus funds

Success criteria:

- (i) Fiscal stimulus projects delivered in accordance with the terms of reference.

Strategic Plan Priority: 1 and 2

Objective 4: Efficient and effective Treasury services

Success criteria:

- (i) Maintain and operate effective treasury management policies and investment strategies;
- (ii) Maximise financial returns on cash and investments whilst managing security and liquidity requirements;
- (iii) Effective management of the island's currency;
- (iv) Maintain and develop governance arrangements to facilitate improvement in value for money and performance in respect of States trading departments, States companies, States funds; and funds held in trust
- (v) Development of an active shareholder role in respect of States owned companies, delivering improved accountability and financial performance from companies, subject to funding;
- (vi) Effective monitoring, management and reporting on States investments;
- (vii) Maintenance and development of the Public Finances Law and associated governance arrangements.
- (viii) Effective management of States insurance
- (ix) Maintain an effective control and compliance framework for Treasury Operations

Strategic Plan Priority: 3 and 4

Objective 5: Efficient and Effective Financial Management and Financial Processing Services

Success criteria:

- (i) Improved external financial reporting;
- (ii) Maintain and develop a robust financial control and assurance framework across the States;
- (iii) Production Annual Accounts in accordance with Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) where appropriate;
- (iv) Maintain and develop financial systems and processes;
- (v) Pay States suppliers in accordance with agreed terms, conditions and policies;
- (vi) Pay States employees in accordance with agreed terms and conditions;
- (vii) An effective cashiering and accounts receivable service for the collection of States income charged for the provision of goods and services;
- (viii) Provision of services to support the administration of PECRS and Teachers pension schemes;
- (ix) Effective and efficient provision of a range of processing and back-office support services.

Strategic Plan Priority: 4

Objective 6: Long-term Tax Policy and Efficient and Effective Tax Administration and Collection

Success criteria:

- (i) Development and implementation of new Tax Policy and changes to current Tax Policy;
- (ii) Assessment, collection and enforcement of income tax and goods and services tax;
- (iii) Administration and enforcement of both sets of Jersey's international tax agreements.

Strategic Plan Priority: 2 and 4

Objective 7: Effective audit and risk management

Success criteria:

- (i) Agreed audit plan delivered in accordance with IIA Standards;
- (ii) Regular reports provided to the Audit Committee and C&AG;
- (iii) Risk management promoted and reviewed throughout the organisation to achieve “managed” status;
- (iv) Contribution to development and implementation of an effective Assurance Framework;
- (v) Review and appraise the soundness, adequacy, and application of accounting, financial and other operating controls, and promoting effective control at reasonable cost;
- (vi) Ascertain the extent of compliance with established policies, plans, procedures, laws, and regulations;
- (vii) Determine the extent of which the States assets are accounted for and safeguarded from losses of all kinds;

Strategic Plan Priority: 3 and 4

Objective 8: Deliver allocated savings to contribute to achieving the £65 million Comprehensive Spending Review savings target by 2013

Success criteria:

- (i) Sustainable, effective low cost services;
- (ii) Business Plans delivered within agreed Cash Limits

Strategic Plan Priority: 1, 2, 3 and 4

Jersey Property Holdings

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

Success criteria:

- (i) Improved asset utilisation and reduced property operating costs;
- (ii) The concentration of States’ administration into fewer geographic locations and the development of new working environments which support more collaborative and efficient ways of working;
- (iii) The release of surplus or high alternative use value properties to provide funds to support capital investment, with a strong focus on progressing sites which may be developed for social rented or private sector housing.

Strategic plan Priority: 3, 4 and 14

Objective 2: Addressing under funding of maintenance and capital works

Success criteria:

- (i) A significant reduction in “backlog” maintenance which has resulted from structural under-funding of property maintenance over a number of years, through the introduction of remedial works in a phased and prioritised programme plan;
- (ii) The instigation of a series of capital projects to replace assets which have deteriorated beyond reasonable repair, funded from proceeds generated by the disposal of property over and above that required to meet agreed capital proceeds targets;
- (iii) Capital projects commenced and completed on time and within budget.

Strategic plan Priority: 10 and 13

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

Success criteria:

- (i) The consolidation of all property survey information, asset valuations and legal commitments in a single database;
- (ii) The identification of all future investment activity in a single comprehensive Integrated Property System.

Strategic plan Priority: 3 and 10

Objective 4: Continued development of the Jersey Property Holdings organisation

Success criteria:

- (i) The introduction of a “charging mechanism” to recover the full cost of property from occupying Departments, including a notional rent for freehold and all leasehold premises;
- (ii) The installation of a single comprehensive Integrated Property System to replace the existing three separate systems;
- (iii) The introduction of new financial directions, policies and procedures to clarify all internal and external operating procedures for property transactions and utilisation;
- (iv) The completion of Health and Safety and supplier management training for all appropriate personnel;
- (v) The development of service level agreements for all property users in conjunction with lease agreements, including customer satisfaction indices.

Strategic plan Priority: 3 and 4

Procurement

Objective 5: A single corporate procurement function across the States.

Success criteria:

- (i) The implementation of a procurement strategy;
- (ii) A procurement plan to deliver cash and efficiency savings across the States focussing on large corporate initiatives that will deliver maximum benefit to the States;
- (iii) Educate to improve procurement skills at departmental and operational level;
- (iv) Support the implementation of e sourcing system and supplier portal across all departments;
- (v) Implement effective strategies, policies and procedures to support a corporate approach to the procurement of goods, services and works;
- (vi) Implement planning and performance management criteria in respect of the States’ procurement activities;
- (vii) Promulgate best practice with regard to supplier management and work with Economic Development to develop capacity of local suppliers.

Strategic Plan Priority: 3 and 4

SECTION 2 (b) – ACTIVITIES, KEY PERFORMANCE INDICATORS, KEY RISKS

*DKO Ref - Departmental Key Objective Reference

TREASURY**Total Staff: 206fte****Budget: £13,347,600**

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
TREASURY OPERATIONS						
1	Implement and operate a comprehensive set of treasury policies including: <ul style="list-style-type: none"> • cash management • lending • investment management 	Compliance with CIPFA best practice	Key Policies in place by June 2012 Key Treasury processes and procedures documented by Dec 2012	2012	No dedicated resources to support implementation	4 (i) 4 (ix)
2	Effective governance and management of States' investments and treasury matters	Quarterly meetings of the Treasury Advisory Panel Review of all investment strategies Development and implementation of specific investment strategies for smaller funds	Continued operation of governance arrangements Existing Investment strategies reviewed and updated by Oct 2012 Development of specific investment strategies for all funds with permanent assets	2012	Changes to membership of Treasury Advisory panel	4(ii) 4(iv)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
			in excess of £50,000 by Dec 2012			
3	Manage and maintain the States Common Investment Fund	Maintain fund within published investments strategies. Monitor investment managers against agreed benchmark	Fund remains within investments strategies Investment manager performance reported to TAP	Qtrly Qtrly	Loss of key staff	4(ii)
4	Improve Cash flow monitoring, reporting and forecasting	Cash balances Interest Earned	Minimal operational cash balances Maximise interest earned on cash balances by effective investment	O		4(ii)
5	Promote the use of Jersey currency to increase circulation	Amount of Jersey currency in circulation	Increased circulation by RPI, compared to previous year	O	Co-operation of retail banks Public demand for cash	4(iii)
6	Arrange adequate and appropriate insurance for the States of Jersey assets Common investment fund	Implementation of the Insurance Fund Monitor insurance claims and manage risks through the risk forum	Fund established and operating by Dec 2012 Maintain insurance cost within budget	O	Dependent on States approval of fund	4(viii)
7	Account for, monitor and report on the Common Investment Fund, the Pension Fund Investments, States Separately Constituted funds, other	Quarterly accounts prepared for funds Accounting records processed	Accounts prepared within 12 days of quarter end Accounting reconciliations	O O	Insufficient resources Custodian fails to deliver	4 (iv) 4 (vi)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
	investments, loans and Charitable Funds	and reconciled Separately Constituted Fund Accounts prepared Charitable fund accounts prepared Prepare Pension Fund accounts	completed each month Accounts prepared in accordance with Financial Direction Separate accounts prepared for funds with significant net assets	(mthly) Feb 2012 July 2012 Nov 2012	reporting Reliance on other departments to supply data	5 (i) 5 (vii)
8	Manage accounting and financial planning services for the Non-Ministerial departments	States annual accounts information prepared States medium term financial plan information prepared Mthly budget maintained	Information prepared in accordance with the financial direction Information prepared in accordance with Treasury Timetable Information provided on a timely basis	Feb 2012 July 2012 0 (mthly)		
ACCOUNTING SERVICES						
9	Pay suppliers accurately, promptly and efficiently	Cost per invoice Client feedback	Maintain or reduce compared to previous year An average score of 3 or more from feedback questionnaires	0 (annual) 0 (annual)	External departmental cooperation System and IT network integrity	3(v)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
		Increased electronic transactions Audit Report score Compliance with FDs and Accounting policy (Corporate Performance) Prompt Payments (Corporate Performance)	Increased compared to previous year Score of 3 or more 80% of paid invoices matched to orders and 60% GRN'ed Reduce average time to pay invoices to 30 days	O (mthly) O (annual) O (mthly) O (mthly)	Staff support - Savings enforced without associated process improvement due to IT difficulties Departmental support	
10	Provide an accurate, prompt and efficient credit control service for States debt	Cost per invoice Client feedback Audit Report score Reduction of internal debt over 90 days Reduction of external debt over 90 days	Maintain or reduce compared to previous year An average score of 3 or more from feedback questionnaires Score of 3 or more 10% reduction compared to same quarter in previous year 5% reduction compared to same quarter in previous year	O (annual) O (annual) O (annual) O (mthly) O (mthly)	External departmental cooperation System and IT network integrity Staff support Approval and implementation of proposed process changes Departmental Support	3(vii)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
11	Provide an accurate, prompt, courteous and efficient Cashiering service including a timely and efficient service to the local clearing banks	Cost per transaction Client feedback Audit Report score Increased electronic transactions	Maintain or reduce compared to previous year An average score of 3 or more from feedback questionnaires Score of 3 or more Increased compared to previous year	O (annually) O (annually) O (annually) O (monthly)	External departmental cooperation System and IT network integrity. Staff support Departmental Support	3(vii)
12	Pay States employees accurately, promptly and efficiently	Cost per pay slip Client feedback Increased electronic transactions Audit Report score Accuracy of payments made	Maintain or reduce compared to previous year. An average score of 3 or more from feedback questionnaires Increased compared to previous year Score of 3 or more 99.5% accurate	O (annual) O (annual) O (mthly) O (annual) O	Timely receipt of accurate and complete data from HR officers and managers External departmental cooperation. System and IT network integrity. Staff support - Savings enforced without associated process improvement due to HR data and associated difficulties	3(vi)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
				(weekly)		
13	Provide a pensions administration service in accordance with the Pensions Administration Agreement	Benefit payment errors Audit Report score Client satisfaction Review and develop communication materials for PECRS and JTSF	Less than 0.5% Score of 3 or more All service standards achieved Progress against plan	O (weekly) O (annual) O (after agreed start date) Q4 2012	Trustee support Agreement by all States stakeholders Staff support Trustee support	3(viii)
14	Replace the Pensions Administration system for JTSF	Achieve progress against agreed plan and within agreed budget	Progress achieved within 1 month of agreed plan and within agreed budget	Dec 2012	Trustee support Software supplier reliability	3(viii)
15	Establish a robust and efficient pension administration service for the JTSF	Progress against the agreed transfer plan	Progress achieved within 1 month of agreed plan	O (mthly)	Trustee support	3(viii)
16	Establish an interactive website for PECRS	Progress against the agreed plan	Progress achieved within 1 month of agreed plan	Dec 2012	Trustee support Software supplier reliability Staff availability	3(viii)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
17	Establish an internet presence for JTSF on the States of Jersey website.	Progress against the agreed plan	Progress achieved within 1 month of agreed plan.	Jun 2012	Trustee support Software supplier reliability Staff availability	3(viii)
18	AP Scanning Review	Identifying and progressing the most effective AP Scanning and P2P solution	Progress achieved within one month of agreed plan	Dec 2012	Departmental Support Staff availability	3(v)
19	Bank accounts and Balance Sheet Reconciliations	Monthly reconciliations undertaken and reviewed	Reconciliations prepared within 15 days of month end (18 days for the Comité bank account)	O (mthly)	Staff availability System and IT network availability	3(ix)
20	Develop and increase take-up of on-line payments	Quarterly increase in on-line payments	Roll out of new payments on-line within one month of agreed plan	Dec 2012	Staff availability	3(vii)
21	Contribute to the development of a Procure to Pay system for the States of Jersey	Contribute to and assist in the delivery of the improvement agenda	Progress achieved within one month of agreed plan	Dec 2012	Staff availability	3(v)
22	Support the Technical Working Group with the development of options for further consideration on changes to public sector pension schemes in Jersey with the aim of ensuring they are sustainable and affordable for the long term	Contribute to and assist in the delivery of options for changes to pensions schemes	Progress achieved within one month of agreed plan	Dec 2012	Trustee support Staff availability	3(viii)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
23	Delivery of Health & Safety requirements for Treasury	Progress against the agreed plan	Progress achieved within 1 month of agreed plan	O (mthly)	Staff availability	3(ix)
24	Prepare monthly accounts for Treasury, Resources, CMD, EDD and Non-Ministerial departments	Monthly accounts prepared	7 working days of month end	2012	Information is not understood by reader	3(i)
25	Prepare quarterly returns for Treasury and Resources, CMD, EDD and Non-Ministerial departments	Quarterly returns prepared	Last day in month after Quarter end	2012		3(i)
26	Prepare annual accounts for Treasury and Resources, CMD, EDD and other areas	Annual Accounts prepared	Within deadlines laid out in Financial Direction.	2012		3(i)
27	Prepare, monitor, control and advise on departmental budgets for Treasury and Resources, CMD, EDD and Non-Ministerial departments	Monthly forecasts prepared Reports for each SMT	14 working days of month end Monthly SMT date	2012	Forecasts provided are not accurate Recommendations are not adopted	3(i) 3(iii) 4(iii) 4(iv)
28	Provide compliance and financial advice to Treasury and Resources, CMD, EDD and the Non Ministerial departments	Informed budget decisions and controlled departmental finances	Internal Audits score 3 or above No errors within given timescales	2012	Recommendations are not adopted	3(ii) 4(iii)
29	Provide accounting services for States' Loans, COCF, DTCTF and various other funds	Auditable quarterly accounts prepared	12 days of quarter end No errors within given timescales	2012	None	3(i) 3(ii) 3(iii) 4(ii)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
						4(ii) 4(iv)
FINANCIAL PLANNING AND PERFORMANCE						
30	Implementation of longer term financial planning as part of the Amendments to the Public Finances Law	Corporate and departmental financial planning horizons are extended to at least three and possibly five years for revenue and capital spending	Comprehensive longer term spending proposals are developed to inform the new Medium Term Financial Plan		Departmental support and resources	1(i) and (ii)
31	Prepare the States first Medium Term Financial Plan for the period 2013-2015	Medium Term Financial Plan produced in accordance with timetable and legal requirements First Medium Term Financial Plan lodged with States	Medium Term Financial Plan Target lodging 9 weeks before scheduled debate start of 26 Sept 2012. Lodging target July 24 th 2012	2012	Completion and approval of new States Strategic Plan in time to refine Medium Term Financial Plan proposals and agree with CoM prior to lodging	1
32	Prepare a Long Term Capital Plan for the period 2012-2032	Produce the Long Term Capital Plan to incorporate as part of the Medium Term Financial Plan	In line with Medium Term Financial Plan timetable Target end of May 2012	2012	Departmental support and resources	1(i)
33	Prepare the States 2013 Annual Budget	States 2013 Budget produced in accordance with timetable and legal requirements States 2013 Budget lodged with States	2013 Budget reflects the implementation of the high level proposals in the Medium Term Financial Plan Budget to reflect any recommendations of Fiscal Policy Panel Budget prepared and lodged	2012	Timing of decisions from Medium Term Financial Plan to enable Budget to be prepared and lodge in time for debate starting 11 th December with 6 weeks lodging	1(i) and (iv)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
			6 weeks in advance of December 11 th debate – Target lodging 30 October			
34	Support the existing Comprehensive Spending Review proposals to deliver £65 million and then work with the CSR Team, CMB and CoM to develop a future savings strategy	2013 savings incorporated in Medium Term Financial plan 2013-2015 Future savings strategy included in Medium Term Financial Plan	2013 savings and future savings strategy agreed by CoM by end of May 2012	2012		1(iii)
35	Support the development of a Long Term Tax Policy and new Fiscal Strategy to inform the Medium Term Financial Plan	Proposals developed and agreed to incorporate in Medium Term Financial Plan 2013-2015				1 (iv)
36	Work with departments to develop funding policies to support the delivery of key service initiatives in the long term: <ul style="list-style-type: none"> • address the ageing population and long term care • 'New Directions' to improve the health of the population • maintain sewerage infrastructure • disposal of inert waste • maintain States property 	Treasury Involvement in development of funding proposals for 5 strategic initiatives	Support the preparation of affordable and sustainable funding proposals to support each strategy, in line with the Fiscal Strategy Ensure initiatives are robustly costed and challenged leading to 2012 Business Plan	2012>	Affordability of proposals	1(i) and (iv)
37	Ensure consistent financial appraisal of all capital schemes and development of programme 2013 - 2015	Consistent financial appraisal of all major capital projects including both value for money and affordability (both capital and	Capital programme developed for 2013 to 2015 by June 2012 using the standard financial appraisals	2012		1(i) and (iv)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
		revenue)	adopted as part of the 2012 process			
38	Continue to develop and improve “in-year” and future financial forecasting	Accuracy of forecasting to within forecast range	Continual improvement in forecasting of States expenditure and general revenue income and associated trends and indices	2012 -	Unforeseen economic or service issues impact negatively on the accuracy of forecasting	1(i)
39	Provide the fiscal and financial planning input to support the Chief Minister’s department in the preparation of the new Council of Minister’s 100 day Strategic Plan 2012	A sustainable Strategic Plan from 2012 which has the objective of balanced budgets from 2013	A sustainable Strategic Plan from 2012 which has the objective of balanced budgets from 2013 In accordance with timetable	2012		1(ii)
40	Continue to develop and improve financial reporting to Corporate management Board and Council of Ministers	Reports include analysis of net revenue expenditure, States income and capital expenditure and reflect the needs of those receiving the reports	Continue to develop reporting packs to include adequate financial and manpower information	2012	Departmental information not provided within agreed timescales	
41	Review financial status of all capital schemes on a rolling basis	Capital schemes promptly closed on completion and any unspent funds identified Fixed assets appropriately accounted for and recorded on States Fixed Asset Register Depreciation charged on a timely basis and recorded against	Funds identified and returned to consolidated fund where appropriate Fixed assets recorded on the asset register within a month of purchase Depreciation charged to ledgers on a monthly basis	2012-		

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
		relevant departments				
42	Continue to roll out on-line access to financial reporting information	Provision of on-line financial information to budget holders	Budget holders have access to on-line financial data in a standard format	2012	Capacity of finance teams to support roll out and outstanding software fixes not materialising	
43	Effective governance of the closure of the Fiscal Stimulus initiative	The Fiscal Stimulus programme is now closed to new requests leaving the closure process such as reporting requirements and assurances over appropriate use of allocated funds and the agreement of payback timing	The Fiscal Stimulus programme is concluded except where paybacks remain	2012		
44	Support the Minister for Treasury and Resources in responding to States' Member and Scrutiny questions, hearings, reports and third party correspondence	Timely production of accurate information	100% of questions answered on time 100% of Scrutiny Reports responded to within agreed timescale	O	Number of requests for information	
45	Review all States Propositions identifying potential financial consequences	All States propositions reviewed with appropriate comments and amendments prepared where necessary	100% of Propositions reviewed	O		4 (ii)
46	Review all Council of Ministers papers identifying potential financial consequences	All CoM reports reviewed and departments requested to ensure financial information is robust	100% of CoM reports reviewed	O	Reports may not be received to review	4 (ii)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
47	Provide advice and information enabling the Minister and Treasurer to discharge their obligations under the Public Finances Law and other legislation	Timely and robust: <ul style="list-style-type: none"> • presentation of reports to the States • management of States' manpower controls • governance of Ministerial decision making 	Advice, information and reports prepared to provide timely and appropriate governance around decision making, reporting and appointments	○		
48	Develop and promote professional standards to improve financial expertise across States functions	All States departments achieving timely and accurate financial reporting and year end accounts	Quarterly briefings and regular updates	○		
49	Implement and operate a comprehensive set of new team policies including: <ul style="list-style-type: none"> • borrowing • lending • shareholder function 	Compliance with CIPFA best practice	Policies in place by June 2012 All treasury processes and procedures documented by Dec 2012	2012	Recruitment to the shareholder executive function	
50	Manage the States shareholdings	Implement new governance arrangements for States Owned companies Voting at company AGMs Annual valuation of shareholdings completed Memorandum of Understanding in place with each company	Shareholder executive role in operation Shareholder strategy prepared and approved Annual valuations completed MoU in place with each company and operating effectively	2012	Recruitment to Shareholder Executive function	

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
51	Prepare and publish the States' accounts in accordance with the Jersey Financial Reporting Manual	Accounts prepared in accordance with timetable and legal requirements	Present 2011 Accounts to the Comptroller and Auditor General for audit by March 2012 Present 2011 Accounts to the States by June 2012	2012	Compliance with Accounting Standards	
52	Develop the accounting standards used by the States of Jersey in line with agreed Accounting Standards Policy	JFReM (and Ministerial Order) updated to reflect the adoption of IFRS for the 2012 accounts Production of a set of shadow 2011 accounts on an IFRS basis to use as comparatives for the 2012 accounts	Updated JFReM (and Ministerial Order) approved by the Treasury Minister by September 2011 2012 Year End Accounting Procedures to reflect the adoption of IFRS	2011/ 2012	Compliance with new Accounting Standards	
53	Facilitate publication of grants information	Implement the process for publishing accounts in accordance with the relevant Finance Direction	Process implemented	2012		
54	Review and improve the Financial Control Framework against best practice	Review completed, action plan prepared and improvements imbedded	An improved Financial Control Framework imbedded	2012		
55	Prepare a Corporate Statement on Internal Control	Statement prepared	Statement prepared by March 2012	2012		
56	Maintain the integrity of the Chart of Accounts	A Chart of Accounts that meets the informational needs of departments whilst allowing effective financial reporting	To ensure that any Chart of Accounts review carried out in 2012 retains/improves the usability and financial	2012		

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
			reporting integrity of the CoA			
57	Develop and implement Memorandum of Understanding and governance arrangements for the States shareholding in the Jersey Development Company	Implementation of a Memorandum of Understanding and governance arrangements	Memorandum of Understanding and associated processes in place	2012	Recruitment to Shareholder Executive function	
58	Account for, monitor and report on States Separately Constituted loan Funds, miscellaneous loans and Guarantees and letters of Comfort	Quarterly accounts prepared for funds Accounting records processed and reconciled Separately Constituted Fund Accounts prepared	Accounts prepared within a month of quarter end Accounting reconciliations completed each month Accounts and notes to the accounts prepared in accordance with Financial Direction	O O (mthly) March 2012		
59	Effective management and control of central contingency provisions	Delivery of business plan objectives and maintaining funding within guidelines	100% adherence to contingency provision rules	O		
INTERNAL AUDIT						
60	Prepare and deliver all reviews in the agreed audit plan	Compliance with IIA – UK Auditing Standards	All reviews complete by 31 st December 2012	2012	Planned reviews being cancelled, unplanned reviews being requested or departments delaying the process outside of agreed reporting protocols	

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
61	Undertake annual risk workshop in each department to assist them in preparation of their business plan for 2013	Compliance with States policy on risk management	All workshops facilitated within business plan timetable for draft plan production	2012	Department not engaging with risk work	
62	Facilitate and record output from the annual Corporate Management Board risk workshop	Compliance with States policy on risk management	Mid year	2012	CMB not committing to the workshop or not engaging when I progress	
63	Prepare and distribute a States' wide Assurance Framework in line with the business planning process	In line with best practice	September 2012	2012	Departments undertaking their own line of assurance recording	
TAXES OFFICE						
64	Plan and begin to implement the agreed findings of the Deloitte Review	Detailed project plan agreed and short term recommendations implemented	December, 2012	O	Resources and funding	5(i)
65	Implement changes arising from Budget 2012	Legislation approved by States Assembly in 2011	December, 2012	O	None identified	5(i)
66	Implement changes arising from agreed 2012 CSR savings	Approved by States Assembly in 2010 CSR changes brought in within agreed timescales	December, 2012	2012	None identified	5(i)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
67	Ensure any new QROPS compliant legislation is implemented efficiently and effectively and administer all private and occupational pensions schemes effectively	Approved by States Assembly in 2012	December 2012	O	Failure of stakeholders to agree a common and agreed way forward	5(i)
68	Undertake compliance with existing and new international Tax Information Exchange Agreements, Double Taxation Agreements and the European Union Savings Directive Bilateral Agreements through meetings with relevant Competent Authorities and the submission of specific information and retention tax Ensure all appeals and any contentious issues arising from requests and Notices are handled effectively	All information exchanged and retention tax reconciled with appropriate international authorities	Within 40 working days of specific Tax Information Exchange Agreement request / 30th June, 2012 for the EU Savings Directive Bilateral Agreements	O	Reporting requirements not met by paying agents	5(ii)
69	Ensure the continued practice of quick and pertinent tax rulings to professionals on new lines of business and innovative business transactions	Tax rulings to be made within three days	100%	O	None identified	5(i)
70	Assess and collect tax revenues arising from: <ul style="list-style-type: none"> 107,000 + personal, non-company business taxpayers and 	Taxation collected during 2012 and % of 2011 tax collected by the end of 2012 Error rate on personal tax assessment	£496 million in income tax, and goods and services tax 95% of 2011 income tax collected by 31 Dec. 2012	O	Lack of trained staff and resources	5(i)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
	corporate entities • the Goods and Services Tax Law	Company tax assessments (where corporate tax rate >0%) closed and issued Cheques over £15,000 banked on day of receipt Personal and Business tax assessments closed and issued Maintain current levels of voluntary compliance	<5% 100% by end February 2012 100% 100% by end November, 2012 Above 90%			
71	Continue compliance activities in areas such as claiming of non tax deductible expenses in business accounts and attempts to convert income into capital Investigate and collect back taxes and penalties from those who evade tax Prepare prosecution files for HM Attorney General in cases of heinous fraud and evasion	Yearly statistics published in Taxes Office Annual Report Number of cases investigated, amount of settlements tax per annum	Statistics published by 31st December, 2012 £2.25 million in back taxes and penalties	O	Lack of trained staff and resources	5(i)
72	Continue to list delay and contentious appeals at five meetings a year for the hearing and determination of the independent Commissioners of Appeal		Number of cases listed	O	Insufficient number of Commissioners available Increase in number and	5(i)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
					complexity of appeals	
73	Continue programme of anonymous feedback from taxpayers and professionals on the quality of our service at the Help Desk, by post and through telephone contact	Anonymous feedback on level of service given	Improvement on level of service in previous years	O	None identified	5(i)
74	Contribute, together with colleagues from other relevant departments, to increase the tax take from high net worth individuals	Number of new cases per annum	Statistics published by 31st December, 2012	O	Other jurisdictions appearing more attractive	5(i)
TAX POLICY UNIT						
75	Develop for agreement with the Council of Ministers, the principles of a long term tax policy	Preparation of and agreement by Council of Ministers of a report setting out the principles of a long term tax policy	Initial discussions with Council of Ministers during December 2011 and January 2012. Delivery of final paper during Q1 2012	2012		6(i)
76	Develop, advise on and implement tax changes for Budget 2013 to deliver administrative and fiscal requirements	Delivery of Budget 2013	Develop policies during 2012 with delivery of draft Budget proposals to Council of Ministers in September 2012	2012		6(i)
77	Research key priorities as set out in the 2012 Budget Statement, leading to recommendations to the Treasury Minister and proposed changes to the tax legislation	Completion of research, delivery of reports recommending action and where appropriate lodging propositions and legislation	By Budget 2014, completion of the reviews and recommendations. Proposals brought forward where appropriate during 2012 and 2013	2012/2013		6(i)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
78	Continued advice on tax related propositions and questions raised by States Members	Prompt and appropriate responses prepared to all propositions and questions raised	All propositions and questions dealt with in the prescribed deadline	2012		6(i)
79	Continued negotiation of Tax Information Exchange Agreements and Double Tax Agreements	Successful negotiation signing of the agreements	Target for 2012 is signing of TIEAs with the remaining EU Member States and DTAs with 4 jurisdictions	2012	Achieving the target depends on the other jurisdictions willingness to negotiate. The outstanding TIEAs are with jurisdictions that have so far not engaged	6(ii)
80	Continued monitoring and advice on the implications of international tax directives and conventions including possible implementation of those agreements	Appropriate advice delivered on a timely manner to the Minister and Council of Ministers as appropriate	In 2012 a decision will be required on Jersey's involvement in the joint OECD/Council of Europe Mutual Administrative Assistance Directive. Consultation is proposed December 2011	2012		6(ii)

RESOURCES

Total Staff: 49.7fte

Budget: £20,605,700

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
PROPERTY HOLDINGS						
81	Implement Phase 1 of the Office Estate Rationalisation Strategy (Police Relocation) Agree framework for Office Strategy and progress Phase 2 feasibility	Adherence to programme timetable Corporate agreement to framework and Phase 2 proposals	Milestone targets as set out in the programme Solution for relocating South Hill staff by end of 2012	2012-14 2012	Barriers identified in feasibility study Costs higher than anticipated Resistance to acquiring property in the market Availability of funding	1
82	Disposal of property assets identified as surplus	Disposal receipts achieved at the expected level and in accordance with forecast timeline	£5.5 million in 2012 Business Plan Delivery will be through direct disposals and transfers to SoJDC	0	Deterioration in residential property market prices Resistance to disposal	1
83	Continue prioritised backlog maintenance investment programme	Reduction in value of outstanding backlog maintenance	Increase in backlog maintenance slowed	2012-14	Withdrawal of funding stream in future years Programme does not keep pace with	2

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
					structural under funding	
84	Manage the delivery of a series of capital projects to replace property assets no longer fit for purpose	Projects delivered on time and budget	No overspends and project timelines achieved	0	Inflation higher than provided for in budget	2
85	Continued implementation of the integrated property management system	Full implementation of estates management and maintenance modules Ongoing development of system, such as new valuation and condition data to be integrated	Maintenance PPM module fully operational in quarter 1 2012	2012 2012	Technical resource support not made available to project	3(ii) 4(ii)
86	Introduction of a 'charging mechanism' to recover property costs for office accommodation from occupying departments	Charging mechanism in place for office premises	In place by quarter 2 2012 and embedded in 2013 Business Plan	2012	Lack of financial support resources	4(i)
87	Development of appropriate occupancy/service level agreements for all property users	Effective SLA developed for all properties for which JPH has 'landlord' responsibility	SLA's in place by end of 2012	2012	Insufficient funds to provide agreed landlord functions Grant aided third parties unwilling to agree to terms of occupation	4(v)
88	Introduce new financial governance arrangements, departmental policies and procedures to clarify all internal and external operating procedures for property transactions and utilisation	Adherence to policy ratified through internal audits	Reviewed and revised policies in place throughout 2012 as part of ongoing monitoring	2012/O		4(iii)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
89	Continuation of the ongoing programme of Health and Safety and supplier management training for all appropriate personnel	Progress against training gap analysis	All identified staff to have completed relevant training	O	Budgetary / time constraints to deliver all required training	4(iv)
PROCUREMENT						
90	Completion of high level category and savings plans for 2012	Timetable of procurement activity aligned with the CSR programme	January 2012	2012	Insufficient data to identify key opportunities	5(i) 5(iii) 5(iv) 5(v) 5(vi)
91	Align with the CSR delivery team to ensure the successful delivery of departmental and corporate projects and savings through a commercial, professional approach to procurement	Category plans in place and procurement strategies agreed:- For:-IS, FM and Infrastructure, professional services, ESC and Health and Social Services categories	£6.5million by the end of 2013	2012 - 2013	Unable to agree differentiation between corporate and departmental savings	5(i) 5(iii) 5(iv) 5(v) 5(vi)
92	Deliver the transformation of the procure to pay system across the States - (technology)	Complete procurement of "Amazon style" procure to pay solution Design, Implementation, and roll out of IS solution in accordance with the plan Change management team in place to support the business process change required for successful roll out to departments	First quarter 2012 Fourth quarter 2012 January 2012 - ongoing	2012 2012 -13	Lack of funds to deliver the solution Unable to finalise contract with chosen supplier Lack of resources to support the programme of work Competing priorities	5(i) 5(iii) 5(iv) 5(v) 5(vi)

1. BP Ref	2. Activity	3. Key Performance Indicators	4. Target	5. Imp Year	6. Key Risk	7. DKO* Ref
		and commitment to use by suppliers			within departments impacts on delivery timeline	
93	Deliver the transformation of the procure to pay processes across the States by embedding the use of the procurement toolkit and training staff engaged in the procurement activity	Procurement toolkit enhanced and developed to provide advice and guidance in relation to all aspects of the procurement process Departments using the toolkit	Ongoing	2012	Lack of resources to support the programme of work	5(i) (iii)(v)
94	Rollout and contract manage corporate contracts completed in 2011 for example:- Managed Print, Travel, Contingent Labour	New processes and systems in place and all States' departments using the new arrangements - maverick spend controlled	2012 – Ongoing	2012	Departments resistant to change Insufficient resources to embed new processes	5(ii)(v) (vi)

SECTION 3 – FUNDING AND RESOURCE ALLOCATION

Financial Commentary

The main changes from 2011 to 2012 have arisen due to the CSR process and service transfers between Treasury and Resources and Chief Minister's Department.

2 new contingency funds were established in 2011 and these have been increased in 2012. Central Reserves have increased from £9m in 2011 to £12m in 2012 in order to meet pending issues such as the introduction of the Freedom of Information Law, the Historic Child Abuse Enquiry and rising demands on Legal Aid. An additional £4m has been made available for restructuring to deliver future CSR savings.

CSR savings and user pays schemes have been deducted from the Treasury and Resources departmental cash limit as follows:

- Treasury £248,000
- Taxes Office £151,000
- Jersey Property Holdings £500,000
- Procurement Department £ 33,000

The Department has received the following additional recurring funding for 2012:

- £100,000 to strengthen the finance function in Treasury
- £427,000 to strengthen the Tax Policy Team, funded from additional tax income
- £248,000 for additional tax investigators in the Taxes Office, funded from additional tax income collected
- £218,000 to create a Shareholder Executive function to protect and develop returns from States' shareholdings
- £1,000,000 for Jersey Property Holdings backlog maintenance work
- £50,000 increase in Pensions payments to meet obligations

In addition, around £400,000 of non-recurring funding has been allocated to undertake property valuations for GAAP compliance and to implement IFRS.

The Resources Division has been disbanded in 2011 and its component services have been allocated between the Chief Minister's Department and the Treasury and Resources Department for 2012. The consequent transfer of Information Services, Human Resources and Pensions Budgets to the Chief Minister's Department has reduced the T&R Department's cash limit in 2012 by £18.2m.

There have been other transfers following changes of accountability for a Strategic Planning resource which has transferred to CMD at £78,000.

The move to GAAP continues with an additional £500,000 planned to be transferred from capital to Revenue for the backlog maintenance programme in Property Holdings.

Further detail is provided in the "Reconciliation of Net Revenue Expenditure" table at the end of this section.

Net Revenue Expenditure - Service Analysis

2011 Net Revenue Expenditure (Restated) + Depreciation £	2012 Gross Revenue Expenditure		2012 Income	2012 Net Revenue Expenditure	2012 FTE	
	DEL £	AME £	£	£		
Treasury Division						
5,171,300	States Treasury	7,071,700	-	(1,073,300)	5,998,400	103.5
7,176,800	Taxes Office	6,451,900	1,090,600	(193,300)	7,349,200	102.5
12,348,100	Sub-total: Treasury Division	13,523,600	1,090,600	(1,266,600)	13,347,600	206.0
Resources Division						
19,954,319	Property Holdings	14,755,700	10,799,200	(5,439,100)	20,115,800	42.7
511,800	Corporate Procurement	533,400	-	(43,500)	489,900	7.0
(492,000)	Corporate Resources - States-wide Savings	-	-	-	-	-
19,974,119	Sub-total: Resources Division	15,289,100	10,799,200	(5,482,600)	20,605,700	7.0
Non-Departmental						
2,706,500	Insurance	2,709,100	-	-	2,709,100	-
32,322,219	Sub-total: Treasury & Resources	31,521,800	11,889,800	(6,749,200)	36,662,400	213.0
Central Allocations						
8,862,000	Provision for Central Reserves	10,485,000	2,000,000	-	12,485,000	-
6,000,000	Restructuring Costs	10,000,000	-	-	10,000,000	-
	Corporate Procurement Savings Target	(3,000,000)	-	-	(3,000,000)	-
	Central Pay Provision	7,325,800	-	-	7,325,800	-
	Terms & Conditions Savings Target	(7,000,000)	-	-	(7,000,000)	-
49,890,719	Net Revenue Expenditure	49,332,600	13,889,800	(6,749,200)	56,473,200	213.0
(12,868,219)	Less: Depreciation					
37,022,500	Reconciliation to Business Plan 2011					

Detailed Service Analysis - Key Objectives

Description of Service and Objectives	Ref. key objectives	2011 + Depreciation (Restated) £	2012 Estimate + Depreciation £	Increase / (Decrease) £	Financial Summary
Treasury Division					
Treasury					
Provide the Financial Management framework for the States of Jersey. Plan States income and expenditure. Lead on taxation policy. Ensure the efficient and effective use of all States assets including cash, investments, pension funds and property. Financial governance, audit and compliance. Produce States of Jersey financial statements, management reports and statutory accounts. Provide financial processing and transactional services. Allocation and monitoring of States staff numbers.	1, 2, 3, 4, 5, 6(i), 7, 8	5,171,300	5,998,400	827,100	<i>Additions:</i> £218k to fund the Shareholder Executive function and other cost pressures. £357k to strengthen Tax Policy team. £100k to fund the implementation of IFRS. £100k additional staff costs in Treasury. £90k non-staff inflation and impact of FSR social security contribution increase. <i>Transfers:</i> £175k transfer from CMD for Director of International Tax post. £78k transfer to CMD for Head of Strategic Planning and Performance Post. <i>Reductions:</i> £201k in relation to the savings made for the CSR.
Taxes Office					
Assess and collect tax revenues from over 105,000 personal and corporate taxpayers. Efficient and effective administration of TIEA with OECD countries. Continue compliance activities in areas such as tax evasion, attempts to convert income into capital and the claiming of expenses in business accounts. Administer and ensure compliance with the Goods and Services Tax laws, and collect GST revenues.	6(ii), 6 (iii)	7,176,800	7,349,200	172,400	<i>Additions:</i> £248k additional staffing resources for the investigation and collection teams as part of the CSR plan to generate additional tax revenues and improve cash flow. The cost of these officers will be significantly outweighed by the additional revenues generated/write-offs reduced. £70k additional staffing resource to strengthen financial management within the Taxes Office. £35k non-Staff inflation and impact of FSR Social Security Contribution increase. <i>Reductions:</i> £151k reduction in staffing resource within Senior Management and Business Tax in order to achieve CSR savings. £30k reduction in the depreciation budget.
Resources Division					
Property Holdings					
Architecture, building and engineering services. Property Strategy and capital management. Property management and advice plus maintenance of the estate. Acts as landlord for States land and buildings.	1, 2, 3, 4, 6	19,954,319	20,115,800	161,481	<i>Additions:</i> £1million growth in the base Property Maintenance Budget in 2012 Allocation of £300k in respect of GAAP Accounting for Property revaluation. £500k transferred from Capital Revenue in respect of Back Log Maintenance. <i>Reductions:</i> Savings of £500k in streamlining the Architects Design Team (£200k), together with an increase in income from Ground sites (£300k). Reduction of £250k in respect of procurement savings in Resources Division.

Detailed Service Analysis - Key Objectives

Description of Service and Objectives	Ref. key objectives	2011 + Depreciation (Restated) £	2012 Estimate + Depreciation £	Increase / (Decrease) £	Financial Summary
Corporate Procurement					
Development of Procurement Strategy	5, 6	511,800	489,900	(21,900)	<i>Addition:</i> Transfer of £8.4k to cover electricity and rent and non-staff inflation of £1.6k <i>Reductions:</i> £33k CSR saving for reduction in staffing
Corporate Resources					
States-wide Savings		(492,000)	-	492,000	<i>Additions:</i> Removal of 2010 £242k Joint Fraud Office savings target £242k due to delay and remodelling of this project to address through increased general revenue income. The remaining £250k will be achieved from savings made in the tendering of building maintenance contracts.
Non-Departmental					
Insurance	Treasury: 4(viii)	2,706,500	2,709,100	2,600	<i>Additions:</i> £49k non-staff inflation <i>Reductions:</i> CSR savings target of £47k to be met through re-tendering the States insurance contract
Central Allocations					
Provision for Central Reserves		8,862,000	12,485,000	3,623,000	An increase of £4 million relates to the reinstatement of additional contingency budget removed from 2011.
Restructuring Costs		6,000,000	10,000,000	4,000,000	The increase is to fund further restructuring costs arising from CSR initiatives.
Corporate Procurement Savings Target		-	(3,000,000)	(3,000,000)	
Central Pay Provision		-	7,325,800	7,325,800	
Terms & Conditions Savings Target		-	(7,000,000)	(7,000,000)	
Treasury and Resources Department		49,890,719	56,473,200	6,582,481	

Net Expenditure - Operating Cost Statement

2011 Net Revenue Expenditure (Restated)		2012 Estimate
£		£
Income		
-	Duties, Fees, Fines & Penalties	-
-	Sales of Goods	-
(4,771,800)	Sales of Services	(4,163,800)
(1,200)	Commission	(127,300)
(2,118,100)	Hire & Rentals	(2,318,200)
-	Investment Income	(10,000)
(81,700)	Other Revenue	(129,900)
(6,972,800)	Total Income	(6,749,200)
Expenditure		
-	Social Benefit Payments	-
13,917,712	Staff Costs	13,994,500
2,240,794	Supplies and Services	3,225,700
17,744	Administrative Expenses	374,200
12,751,250	Premises and Maintenance	13,779,800
181,400	Operating Expenses	117,100
-	Grants and Subsidies Payments	-
24,400	Finance Costs	30,400
-	Financial Return	-
-	Pension Finance Costs	-
-	Foreign Exchange (Gain)/Loss	-
-	Asset Disposal (Gain)/Loss	100
12,868,219	Depreciation	11,889,800
14,862,000	Contingency	19,810,800
56,863,519	Total Expenditure	63,222,400
49,890,719	Net Revenue Expenditure	56,473,200

Reconciliation of Net Revenue Expenditure

	2012 £
Prior Year Net Revenue Expenditure	54,901,900
Commitments in Base	
Additional Staff Costs Treasury	100,000
Property Maintenance	1,000,000
Additional Expenditure	
Provision for Annual Pay Awards	55,000
Non-staff Inflation	381,600
CSR Process - Part 2	
User Pays	
Savings will be achieved through User Pays for non-core Estates Management.	(100,000)
Increasing rents to market levels that are subsidised and rationalising office space - 2012	(200,000)
Savings	
Savings identified by the Taxes review.	(151,000)
Reduce annual payment into States self-insurance fund	(47,000)
Loss of post in Shared Services (VR saving of £55,000 delivered in 2011)	(100,000)
Temp resource - performance reporting, FM Change Programme	(60,000)
Restructure management accounting support.	(28,000)
Reduction in Audit Contract days	(10,000)
Financial Planning	(3,000)
Architects - consolidation of the design function (VR savings of £74,000 delivered in 2011)	(200,000)
Technical delivery of telecoms, consolidation of existing Data Centres, plus central licence management (proposal taken in 2011)	(170,000)
Streamlined support model for corporate systems & services (VR savings of £81,000 delivered in 2011)	(135,000)
Staff reduction by implementing technology improvements	(50,000)
Restructure of procurement team	(33,000)
Growth	
One off funding of IFRS compliance	100,000
Recruit additional officers for investigation and collection of Income Tax	248,000
Property valuations required to meet GAAP compliance	300,000
Renewal/replacement of servers	324,000
PECRS Pension Costs	50,000
Resource Allocation	
Delay in Joint Fraud Office savings	242,000
HRIS replacement	80,000
New recruitment system	40,000
Insight upgrade	15,000
Strengthen Tax Office/Policy Team	427,000
Shareholder Executive Function	218,000
Adjustments	
FSR - ERS 2% increase above cap	60,200
Departmental Transfers	
Transfer of Crisis properties to Housing	(9,100)
Transfer of Head of Strategic Planning and Performance to Chief Minister's Department	(78,100)
Transfer of Director of International Tax and Team from Chief Minister's Department	175,600
Transfer of HR Budget from Health and Social Services	22,500
Amendment 4 - Transfer of Information Services, Human Resources and PECRS	
Pre-1987 Debt *	(18,232,000)

Reconciliation of Net Revenue Expenditure

Central Allocations	
Provision for Central Reserves	138,000
Additional Central Contingency - Freedom of information, HCAE, Legal Aid etc	4,000,000
Resource Allocation - States Assembly - Electoral Commission	(200,000)
Resource Allocation - Education, Sport and Culture - Jersey Heritage Trust	(315,000)
Restructuring Costs	4,000,000
Corporate Procurement Savings Target	(3,000,000)
Central Pay Provision	7,325,800
Terms and Conditions Savings Target	(7,000,000)
Capital to Revenue Transfers	
Property Holdings: Backlog Maintenance Programme	500,000
Depreciation *	11,889,800
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Net Revenue Expenditure	56,473,200
Less: Depreciation	(11,889,800)
Net Revenue Expenditure (rec to financial forecast)	44,583,400

* Service transfer shown net of depreciation. Depreciation element included in separate line

Proposed Capital Programme for 2012-2014

Dep't	Description	2012 £000	2013 £000	2014 £000
Various	Replacement Assets	2,056	1,643	2,423
JFM	Vehicle Purchases	1,000	1,000	1,500
TTS	Infrastructure Assets	6,956	6,956	6,956
TTS	Infrastructure Assets - Revenue to Capital Transfer	1,800	1,800	1,800
HA ⁺	Police Station Relocation - Tranche 4	2,000	1,000	1,000
H&SS ⁺	ICU - Infection Control	2,500	-	-
H&SS ⁺	Maternity Theatre SCBU - Patient Safety, Privacy & Dignity	1,494	-	-
H&SS ⁺	Upgrade of Main Theatres - Infection Control and Reliability	1,052	2,100	1,837
H&SS ⁺	Clinique Pinel Refurbishment	2,868	-	-
TTS	Phillips Street Shaft	3,600	-	-
CMD	Upgrade Microsoft Desktop Technology	752	663	-
CMD	Web Development	100	100	170
T&R	Tax Transformation Programme & IT systems	600	-	500
ESC ⁺	St Martin's School Replacement	-	7,732	-
H&SS ⁺	The Limes Refurbishment	-	700	-
TTS	Refurbishment Clinical Waste Incinerator	-	700	300
ESC ⁺	FB Fields Running Track Replacement	-	-	535
ESC ⁺	Les Quennevais Artificial Pitch Replacement	-	-	613
ESC ⁺	Autism Support Unit, Haute Vallee School	-	-	1,066
TTS	Sewage Treatment Works - Secondary Treatment Upgrade	-	-	3,100
HSG	Social Housing Programme - Funded from Other Sources	10,804	14,055	13,702
Total Proposed Capital Allocation		37,582	38,449	35,502
Other Funding Sources				
JPH Asset Disposals Receipts		(5,500)	(3,300)	-
Earmarked Social Housing Capital Receipts		(4,989)	(4,307)	(3,773)
Other Earmarked Social Housing Funding		(5,815)	(9,748)	(9,929)
Additional Consolidated Fund applied to Clinique Pinel ¹		(1,768)	-	-
Additional Consolidated Fund applied to Phillips Street Shaft ²		(3,600)	-	-
Net Allocation		15,910	21,094	21,800

¹ Additional funding available from funds returned to the Consolidated Fund from unused Fiscal Stimulus and Pandemic Flu funding

² Treasury and Resources - Jersey Property Holdings managed project

For further information visit

www.gov.je

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