

STATES OF JERSEY

DRAFT ANNEX TO THE MEDIUM TERM FINANCIAL PLAN 2016 - 2019 (For Information Only)

Council of Ministers

I.J. Gorst	Senator	Chief Minister
A.J.H. Maclean	Senator	Treasury and Resources
L.J. Farnham	Senator	Economic Development
R.G. Bryans	Deputy	Education, Sport and Culture
Sir P.M. Bailhache	Senator	External Relations
A.K.F. Green M.B.E.	Senator	Health and Social Services and Deputy Chief Minister
K.L. Moore	Deputy	Home Affairs
A.E. Pryke	Deputy	Housing
S.G. Luce	Deputy	Planning and Environment
S.J. Pinel	Deputy	Social Security
E.J. Noel	Deputy	Transport and Technical Services
P.F.C. Ozouf	Senator	Assistant Chief Minister
P.F. Routier M.B.E.	Senator	Assistant Chief Minister
J.D. Richardson	Chief Executive	
R.W. Bell	Treasurer of the States	

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Introduction

Introduction

Our Purpose

The Council of Ministers, as the government of Jersey, serves and represents the best interests of the Island and its citizens. In order to do this, it must:

- Provide strong, fair and trusted leadership for the Island and its people
- Deliver positive, sustainable economic, social and environmental outcomes for Jersey
- Ensure effective, efficient and sustainable management and use of public funds
- Ensure the provision of modern and highly valued services for the public

Our Strategic Goals

The Council has a collective responsibility to deliver better lives for Islanders and a better future for Jersey by working to deliver a range of social, environmental and economic Strategic Goals:¹

SG1	Maintain a safe and just society
SG2	Promote health and social wellbeing for the whole community, providing prompt services for all and protecting the interests of the frail and the vulnerable
SG3	Help people in Jersey achieve and maintain financial independence and safeguard the most vulnerable in our community
SG4	Champion a proper supply of housing of all types, promote affordability, improve housing standards and build strong communities
SG5	Provide a first class education service, supporting the development of skills, creativity and lifelong learning
SG6	Increase the performance of the local economy, encourage economic diversification and improve job opportunities for local people
SG7	Promote sporting, leisure and cultural activities that enrich Islanders' lives
SG8	Promote Jersey's positive international identity
SG9	Protect and enhance the Island's natural and built environment
SG10	Provide attractive and well maintained public spaces, protect the environment from the impact of waste products and develop public transport, road and cycle networks that meet the needs of the community
SG11	Look after Jersey's finances and assets, ensuring responsible use of public funds

¹ Reference numbers for the Strategic Goals are to assist with cross-referencing change projects listed in this Annex

Government's performance in delivering against these Strategic Goals helps determine quality of life in Jersey. The community therefore expects the Council of Ministers to ensure the provision of quality services and infrastructure in support of the Goals.

The Strategic Plan

Each new Council publishes a Strategic Plan for its term of office which:

- identifies the Council's key priorities for its term of office, focusing on the key areas where significant change will make the biggest difference to Jersey's future; and
- sets the strategic direction for detailed delivery plans.

This process requires the Council to review Jersey's progress against the Strategic Goals and identify where priority focus is required in response to key pressures or opportunities. The 2015 Strategic Plan identified five Priorities where the Council believes such focus is required:

- Sustainable Public Finances
- Improve Health and Wellbeing
- Improve Education
- Optimise Economic Growth
- Improve St Helier

Prioritisation does not automatically mean additional funding. Focussing people on what is expected helps create the incentive to innovate, collaborate and find new ways of working with existing resources.

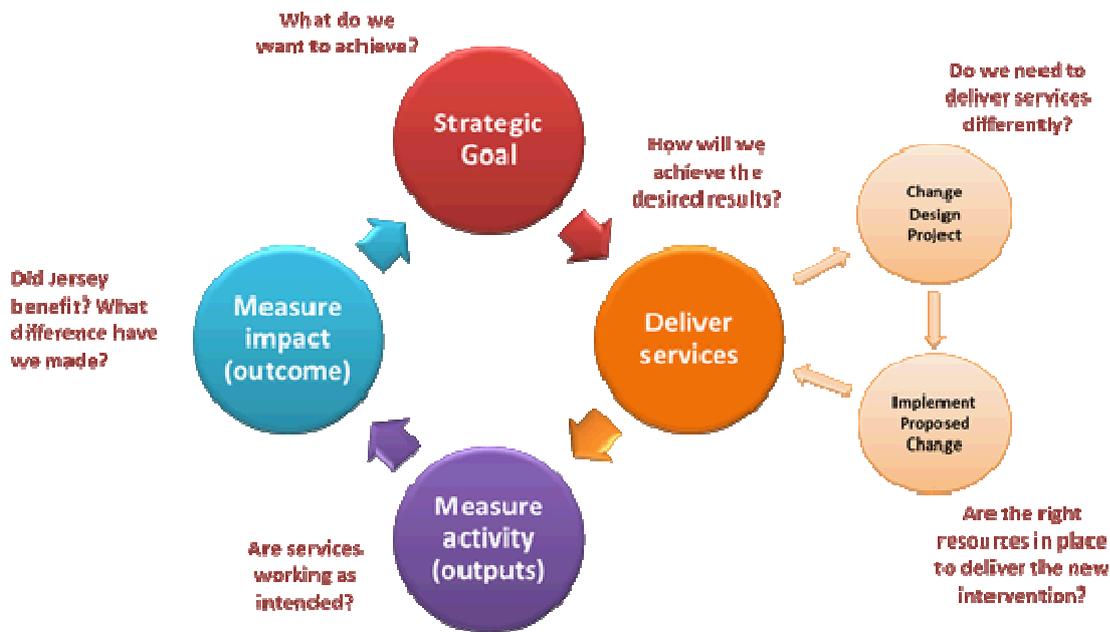
Measuring Performance

Governments must show that they make a difference in the lives of those they serve, not just that they are busy providing services which cannot be demonstrated to deliver proven results.

If we are to assess whether the Council is using public funds effectively to deliver tangible improvements against its Strategic Goals – and whether a focus on selected Priorities has the intended results - we need relevant and reliable information on what is being achieved. Sound management of public finances must be supported by effective performance management.

Performance against a Strategic Plan can be measured in three ways:

- Progress in delivering the specific strategy and policy changes (Projects) set out in the Plan
- Delivery of services (Outputs) designed to help achieve our Strategic Goals
- The impact on people's lives (Outcomes).



Measuring Projects

Projects have clear end products – a new strategy is developed, for example. A clearly defined result can be delivered and people can be held to account for timescales, quality and cost. This Annex lists, by department, key projects that will be delivered in 2016 to support the five Priorities in the Strategic Plan and government’s broader Strategic Goals².

These projects will be collated into a new Corporate Delivery Plan, which will become the single point of reference for all major change projects undertaken by the Council during its term of office. The Corporate Delivery Plan will provide the accountability mechanism by which the Council will monitor delivery of its Strategic Plan and report to the community on progress made.

²Delivery projects cannot be neatly categorised by department. Many initiatives, such as the 1,001 Days project, require cross-cutting contributions from different departments.

Measuring Outcomes

The Council’s ultimate purpose in developing new strategies, services or infrastructure is to deliver economic, social or environmental change that Islanders value. Such change, however, takes time. A single term of office is invariably too short a period in which to design and deliver strategic interventions such as the proposed regeneration of St Helier and demonstrate their true impact on people’s lives.

Developing our capacity to measure progress against outcomes – the economic, social or environmental changes we are looking to achieve - will feature as a key element of the new long term plan proposed in the Strategic Plan 2015-18. Internationally, much effort has been focussed on organising select sets of indicators into ‘Comprehensive Key Indicator Systems’ that benchmark progress over time and help guide strategy development.

The Council intends to draw on this international experience in bringing together a select set of ‘Island Indicators’ that provide information conveniently in one place on a broad range of outcomes. These indicators will measure progress in areas such as health, housing, jobs, community safety, education and our environment. Where possible, the Island Indicators will:

- come from existing datasets to allow us to understand progress and trends over time, and
- mirror indicators used internationally and/or in other key indicator systems.

Measuring Outputs

The 'Island Indicators' are not intended to provide comprehensive measurement of every activity undertaken. They will be underpinned by a range of qualitative and quantitative evidence that provides a more complete picture of progress. This detailed information is essential to managing operational delivery and understanding what works and why.

Much good work is already done at departmental level to measure performance and work is underway to improve linkages to financial reporting and performance appraisal. The development of better integrated performance management as a key component of the reform agenda will also aim to collect, organise, and present this information in more comprehensive, balanced way.

The Medium Term Financial Plan 2016-2019

The Medium Term Financial Plan (MTFP) sets out the States' overall tax and spending envelope for the next four years and departmental expenditure limits for 2016.

In developing the MTFP, the Council has taken decisive action to place Jersey on a path to fiscal balance and address any structural deficit by 2019 in line with the 'Sustainable Public Finances' priority. This has required tough decisions to balance funding for the services and infrastructure that underpin government's broader Strategic Goals with the investment required to progress its key Priorities.

Additional funding for existing services or new growth amounts to nearly £22 million for 2016. This investment has been achieved whilst containing departmental revenue expenditure to an increase of just 1.9% compared to 2015, by challenging existing expenditure in the context of the strategic priorities.

The Medium Term Financial Plan is split into two parts:

- The formal lodged report providing the background to the financial and economic position, the revenue and capital expenditure proposals and details of the measures that are proposed to maintain a balance on the Consolidated Fund, proposals to actively manage the balance sheet over the next four years and deliver balanced budget by 2019.
 - In this MTFP, the proposals will be presented in two stages with the total States income targets and expenditure limits, together with the detailed allocations for 2016 proposed in this report for debate in October 2015; and
 - an MTFP Addition will be presented by the end of June 2016, which will propose the detailed allocations for 2017-2019 within the total expenditure limits agreed.
- A detailed Annex which provides summary information for each department, describing the department's purpose and responsibilities and the major change initiatives planned in 2016 to support the Council's Priorities and government's broader Strategic Goals. The Annex also provides detailed financial information at a department level to support the proposals in the formal report, including:
 - detail of how the proposed department expenditure limits will be allocated to services for 2016;
 - a summary service analysis for the department for 2016, including manpower levels;
 - a Statement of Comprehensive Net Expenditure for each department for 2016; and
 - a reconciliation of the changes in expenditure allocations since 2015.

Presentation of the Medium Term Financial Plan 2016-2019

The Council of Ministers is extremely conscious that there still remains significant uncertainty in the economic outlook for the Island and income forecasts for 2016–2019 and, therefore, cannot commit to additional funding for service pressures, the uprating of benefits or additional funding for priority services beyond 2016 until detailed plans for savings and other measures to balance the budget have been established.

The Council of Ministers is therefore only proposing detailed department revenue spending limits for 2016. However, it is setting total expenditure limits for each of the years 2017-2019 such that the budget is balanced by 2019.

Public Finances (Jersey) Law Amendment

The Minister for Treasury and Resources consulted with the Council of Ministers and Scrutiny and has proposed changes to the Finance Law which have been agreed by the States (P42/2015 – June 2015) and will afford the Council, and the States, time as well as flexibility to consider how the current financial challenges should be addressed.

The Minister for Treasury and Resources also acknowledged the intention of the Amendment from the Corporate Services Scrutiny Panel and the States has agreed proposals to accelerate the timescales proposed by the Panel to allow all the required MTFP proposals for 2017-2019 to be brought forward by the end of June 2016. This will be in the form of an **MTFP Addition for 2017-2019**.

The Council of Ministers is also considering whether further legislative amendments are required in due course to improve the current arrangements for the allocation of funding to capital projects, in particular other capital projects which will require alternative sources of funding. If such amendments are to be proposed they will be brought forward for debate before the MTFP Addition is proposed in June 2016.

As a result of the agreed changes, in this draft MTFP for 2016-2019 the Council of Ministers is proposing:

- total States income targets for each year 2016 - 2019;
- total maximum expenditure allocation limits for each year 2016 - 2019;
- total capital expenditure allocation limits for each year 2016 - 2019;
- minimum department spending limits and central contingencies for 2016 only; and
- proposals for States Trading Operations for 2016 only.

The **MTFP Addition for 2017-2019**, to be lodged by the end of June 2016, will propose:

- minimum department spending limits for 2017-2019;
- central growth and central contingencies for 2017-2019,
- proposals for States Trading Operations for 2017-2019.

Alongside the MTFP Addition the Council of Ministers will also present a further MTFP Department Annex providing the details of each department's spending proposals that have been developed for 2017 to 2019.

Summary Tables

Department Cash Limits for 2016	2015 MTFP Annex Update £'000	Base Adjustments & Commitments £'000	2015 Service Transfers £'000	Staff and Non-Staff Inflation £'000	Provision for Supplementation and Benefits £'000	Additional Funding & New Growth £'000	Total Savings and Benefit changes £'000	Restraint on Staff and Non-Staff Inflation £'000	Total 2016 Cash Limits £'000	Variance to 2015 %
Chief Minister	21,539.1		300.8	135.6		1,103.0	(302.1)	(135.6)	22,640.8	
- Jersey Overseas Aid Commission	10,283.7			54.0					10,337.7	
Community and Constitutional Affairs	48,557.3		990.9	151.1		95.0	(372.7)	(151.1)	49,270.5	
Economic Development	18,429.5		(602.0)	298.7			(631.0)	(298.7)	17,196.5	
Education, Sport and Culture	108,591.1	(1,068.0)	580.9	270.0		4,807.0	(1,516.2)	(270.0)	111,394.8	
Department of the Environment	5,743.2		(1.0)	(31.5)			(536.8)	31.5	5,205.4	
Health and Social Services	200,254.5	6,078.0	(8,820.0)	1,246.1		7,947.0	(1,947.7)	(981.1)	203,776.8	
Social Security	190,463.0		8,622.1	70.6	(4,843.3)	477.0	(5,396.6)	(70.6)	189,322.2	
Transport and Technical Services	26,650.9		46.0	126.8		2,929.0	(1,007.6)	(126.8)	28,618.3	
Treasury and Resources	28,722.7	994.3	(1,117.2)	272.5		4,200.0	(237.3)	(272.5)	32,562.5	
Non Ministerial States Funded Bodies										
- Bailiff's Chamber	1,626.9			11.9			(63.0)	(11.9)	1,563.9	
- Law Officers' Department	7,784.4			52.3		209.0	(195.6)	(52.3)	7,797.8	
- Judicial Greffe	6,785.7		(8.8)	80.5			(160.8)	(80.5)	6,616.1	
- Viscount's Department	1,386.5		8.8	2.4			(74.7)	(2.4)	1,320.6	
- Official Analyst	626.0			3.7			(21.2)	(3.7)	604.8	
- Office of the Lieutenant Governor	714.4			1.8		42.0	(18.0)	(1.8)	738.4	
- Office of the Dean of Jersey	25.8			0.2				(0.2)	25.8	
- Data Protection Commission	226.9			(0.8)		60.0	(19.5)	0.8	267.4	
- Probation Department	2,160.9			3.4			(170.4)	(3.4)	1,990.5	
- Comptroller and Auditor General	761.0	16.2		13.8				(13.8)	777.2	
States Assembly and its Services	5,138.0		(0.5)	25.0		100.0	(51.3)	(25.0)	5,186.2	
Department Total	686,471.5	6,020.5	0.0	2,788.1	(4,843.3)	21,969.0	(12,722.5)	(2,469.1)	697,214.2	1.6%
Central Contingency Allocations										
Central Allocation - AME Contingency	2,000.0								2,000.0	
Central Allocation - DEL Contingency	5,000.0								5,000.0	
Central Allocation - Committee of Inquiry	-	4,000.0							4,000.0	
Central Allocation - Economic Growth	-						5,000.0		5,000.0	
Central Allocation - Restructuring Provision	7,170.0	(170.0)							7,000.0	
Central Allocation - Redundancy Provision	-						10,000.0		10,000.0	
Central Allocation - Workforce Modernisation, Pay and PECRS Provision	3,764.4	(3,764.4)		15,097.0				(10,893.9)	4,203.1	
Central Allocation - 2015 Budget Measures	15,548.5	(15,548.5)							-	
Subtotal of Central Contingencies	33,482.9	(15,482.9)	-	15,097.0	-	-	15,000.0	(10,893.9)	37,203.1	11.1%
Total	719,954.4	(9,462.4)	0.0	17,885.1	(4,843.3)	21,969.0	2,277.5	(13,363.0)	734,417.3	1.9%
<i>Housing Adjustment</i>	675.2	(675.2)								
Total	720,629.6	(10,137.6)								

Note: In April 2015, it was announced that the social, justice and constitutional policy responsibilities of the Chief Minister, the policy responsibilities of the Ministers for Housing and Home Affairs, and the public services of the Home Affairs Department, would be supported by a newly-merged department. This will deliver greater efficiency, flexibility, and alignment between complementary policy areas. The newly-merged Department is named '**Community and Constitutional Affairs**', reflecting the broad range of its responsibilities.

Summary of States Revenue Expenditure Allocations 2016

States Funded Bodies	Income	Near Cash		2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total	
		DEL	AME			2016 Net Revenue Expenditure	2016 FTE
£	£	£	£	£	£	£	
Ministerial Departments							
Chief Minister	(1,016,400)	23,657,200	-	22,640,800	1,387,100	24,027,900	243.0
- Jersey Overseas Aid Commission	-	10,337,700	-	10,337,700	-	10,337,700	1.5
Community and Constitutional Affairs	(2,117,200)	51,387,700	-	49,270,500	735,000	50,005,500	700.1
Economic Development	(1,162,900)	18,359,400	-	17,196,500	800	17,197,300	38.2
Education, Sport and Culture	(19,586,100)	130,980,900	-	111,394,800	421,300	111,816,100	1,834.3
Department of the Environment	(4,448,900)	9,654,300	-	5,205,400	160,000	5,365,400	114.9
Health and Social Services	(25,894,000)	229,670,800	-	203,776,800	3,556,900	207,333,700	2,763.0
Social Security	(4,969,100)	20,185,400	174,105,900	189,322,200	187,400	189,509,600	260.5
Transport and Technical Services	(15,814,800)	44,433,100	-	28,618,300	16,012,100	44,630,400	494.9
Treasury and Resources	(6,953,900)	39,516,400	-	32,562,500	20,991,300	53,553,800	260.8
Non Ministerial States Funded Bodies							
- Bailiff's Chambers	(86,800)	1,650,700	-	1,563,900	-	1,563,900	10.0
- Law Officers' Department	(112,000)	7,909,800	-	7,797,800	21,900	7,819,700	72.5
- Judicial Greffe	(958,300)	7,574,400	-	6,616,100	5,800	6,621,900	45.2
- Viscount's Department	(626,500)	1,947,100	-	1,320,600	57,000	1,377,600	21.9
- Official Analyst	(57,000)	661,800	-	604,800	68,000	672,800	9.4
- Office of the Lieutenant Governor	(107,100)	845,500	-	738,400	-	738,400	13.6
- Office of the Dean of Jersey	-	25,800	-	25,800	-	25,800	-
- Data Protection Commission	(200,000)	467,400	-	267,400	6,300	273,700	0.5
- Probation Department	(445,000)	2,435,500	-	1,990,500	2,100	1,992,600	32.3
- Comptroller and Auditor General	(58,100)	835,300	-	777,200	-	777,200	1.5
States Assembly and its services	(90,500)	5,276,700	-	5,186,200	-	5,186,200	27.0
Subtotal for Departments	(84,704,600)	607,812,900	174,105,900	697,214,200	43,613,000	740,827,200	6,945.1
Central Contingency Allocations							
Central Allocation for AME	-	-	2,000,000	2,000,000	-	2,000,000	-
Central Allocation for DEL	-	5,000,000	-	5,000,000	-	5,000,000	-
Central Allocation for Committee of Inquiry	-	4,000,000	-	4,000,000	-	4,000,000	-
Central Allocation for Economic Growth	-	5,000,000	-	5,000,000	-	5,000,000	-
Central Allocation to Restructuring Provision	-	7,000,000	-	7,000,000	-	7,000,000	-
Central Allocation to Redundancy Provision	-	10,000,000	-	10,000,000	-	10,000,000	-
Central Allocation for Pay and Workforce Modernisation	-	15,097,000	-	15,097,000	-	15,097,000	-
Central Allocation for Growth	-	-	-	-	-	-	-
Central Allocation for Savings	-	(10,893,900)	-	(10,893,900)	-	(10,893,900)	-
Total Net Revenue Expenditure	(84,704,600)	643,016,000	176,105,900	734,417,300	43,613,000	778,030,300	6,945.1

Note on Depreciation: A central provision to uprate depreciation has been made which has resulted in a total of £44,800,000 being proposed in the Main MTFP report

Consolidated Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(7,556,800)	Duties, Fees, Fines & Penalties	(8,252,800)
(68,225,200)	Sales of Goods and Services	(73,463,400)
(2,000)	Investment Income	(2,100)
(13,077,300)	Other Income	(2,986,300)
(88,861,300)	Total Income	(84,704,600)
	Expenditure	
186,263,500	Social Benefit Payments	183,576,700
367,999,800	Staff Costs	363,726,900
133,353,200	Supplies and Services	135,439,900
6,039,800	Administrative Expenses	5,603,200
41,355,900	Premises and Maintenance	42,777,600
1,583,000	Other Operating Expenses	1,529,300
43,249,100	Grants and Subsidies Payments	40,989,300
118,900	Impairment of Receivables	63,100
7,370,900	Finance Costs	7,375,900
-	Foreign Exchange (Gain)/Loss	-
22,156,800	Contingency Expenses	38,040,000
809,490,900	Total Expenditure	819,121,900
<hr/>		
720,629,600	Net Revenue Near Cash Expenditure	734,417,300
44,684,700	Depreciation	43,613,000
<hr/>		
765,314,300	Revised Net Revenue Non Cash Expenditure	778,030,300

Note on Depreciation: A central provision to uprate depreciation has been made which has resulted in a total of £44,800,000 being proposed in the Main MTFP report

Chief Minister's Department

Chief Minister's Department

Purpose

The Chief Minister's Department provides direction and leadership to the public service by developing and coordinating strategy and policy; delivering corporate services to support the provision of an efficient, effective and fit for purpose public sector; and promoting Jersey's international identity and reputation.

Responsibilities

Corporate Policy and Affairs

- Support to the Chief Minister, Council of Ministers and Corporate Management Board
- Strategic and business planning, strategy and policy coordination, performance reporting and corporate governance
- Development, analysis and advice across all aspects of economic policy
- Effective communication and consultation on government policy

Corporate Services

- Programme management support and governance for Public Sector Reform
- Corporate IT services and infrastructure
- Deliver the organisation's people strategy and transactional services
- Draft legislation on behalf of the States and maintain the revised edition of the Laws of Jersey
- Produce official statistics
- Administer and develop the Freedom of Information (Jersey) Law 2011.

External Relations and Financial Services

- Manage external relations to develop and strengthen Jersey's international standing, and ensure international obligations are fulfilled
- Promote Jersey as a responsible and well regulated jurisdiction for international financial services and develop appropriate legislation and policy for the Island's finance industry

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11
Deliver a new long term strategic planning framework and 'Island Vision'	Improve Health & Wellbeing Improve Education Optimise Economic Growth Improve St Helier Sustainable Public Finances	1-11
Lead and coordinate delivery of Public Sector Reform workstreams: <ul style="list-style-type: none"> • e-government • workforce modernisation • service redesign • Jersey Lean System 	Sustainable Public Finances	11
Develop a new performance management framework	Sustainable Public Finances	1-11
Implement new Supply Jersey procurement system	Sustainable Public Finances	11
Implement new payroll system	Sustainable Public Finances	11
Information Services review	Sustainable Public Finances	11
Implement new Fiscal Policy Framework	Optimise Economic Growth Sustainable Public Finances	6,11
Implement a new Innovation Strategy	Optimise Economic Growth	6
Support the Regeneration Steering Group in delivering the major regeneration projects	Improve St Helier Sustainable Public Finances	6,8,9,11

Financial Narrative

2015 Recurring Savings

The Chief Minister's Department (CMD) will continue to deliver recurring savings of £486,000 agreed for 2015. The savings have been allocated between individual service areas and include the following initiatives:

Policy Unit and Public Sector Reform	Review of staffing, advisory and professional advice
Law Drafting Department	Review of staff working hours
Information Services	Review and reduction in budget allocated for new technology projects, training of staff and hardware replacement
Human Resources	Delivering efficiencies through restructuring of service delivery
External Relations	Efficiencies and reduction in budget supporting inbound VIP visitors
Financial Services	Efficiencies and reduction in procurement of advisory work

2016 Savings

In 2016 the Department is required to deliver further savings of £302,100 in addition to maintaining those savings implemented in 2015. In order to meet this target in 2016 there may be the need to reallocate budgets within and between service areas during 2016.

2016 Growth

Growth funding has been approved in 2016 to support a number of initiatives and pressures within CMD:

- Financial Services – implementation of the Jersey Financial Services Industry Policy Framework;
- Central Freedom of Information Unit (CFU) – support departments in the administration and execution of the Freedom of Information Law;
- Safeguarding Partnership Board – permanent funding for the Vulnerable Adults Policy Group and Vulnerable Adults safeguarding function; and
- Information Services – support for a range of initiatives including mobile data management, increased WAN bandwidth and software support costs.

Service Transfers

In 2015 the following recurring Departmental transfers were made:

- Transfer of the Taxes Information Services (IS) team to CMD in order to further align and consolidate IS teams and spend across the States of Jersey. This provides the opportunity to take advantage of synergies and economies of scale and also helps in reducing the risks associated with maintaining a small IS team that needs to keep abreast of a wide skill set in ever expanding technology trends;

- Transfer of the services and manpower of the Population Office to the Social Security Department (SSD) in order to minimise the administrative requirements and make it more convenient for both Islanders and employers by providing a number of services in one place. This also fits with the wider States drive to improve efficiency and customer service;
- Transfer of the Emergency Planning function to the Home Affairs Department, in order to minimise the administrative requirements and enable a more efficient service delivery to the Fire and Rescue Service;
- Transfer to Transport and Technical Services (TTS) to fund Corporate Health and Safety following a decision that the additional costs of Corporate Health and Safety should be allocated across departments; and
- As part of the ongoing Public Sector Reform programme the Home Affairs (HAD) and the Chief Minister's (CMD) departments are being restructured to improve efficiency and increase flexibility. The retirement of the Chief Officer for Home Affairs in 2015 has prompted a review of how to facilitate closer working between relevant teams from the HAD and CMD, resulting in some responsibilities within CMD being transferred to the re-named 'Community and Constitutional Affairs' department. A service transfer of £844,900 reflects the full effect of the transfer of responsibilities from 1st January 2016.

A review is also being undertaken to look at the synergies that may exist between the Economic Development Department, Financial Services and External Relations in order to make recommendations in relation to future organisation structures and the potential for greater operational efficiencies.

In addition, the Chief Minister has lodged a proposition (P.46/2015) that proposes to transfer certain functions between some existing ministerial portfolios which are intended to:

- underpin the Strategic Plan;
- deliver positive, sustainable economic, social and environmental outcomes for Jersey;
- ensure effective, efficient and sustainable management and use of public funds; and
- enable the provision of modern and highly valued services for the public.

For CMD this includes the transfer of functions in respect of the digital sector of the economy, competition and innovation from the Economic Development Department. The proposition is due to be debated on 14th July 2015.

Manpower

From 2015 to 2016 CMD had a net increase of 5.5 FTE from 237.5 FTE to 243.0 FTE.

During the FTE reconciliation exercise undertaken in 2015 a decision was made to include all temporary posts that previously had not been published. These temporary FTEs are all due to expire within the life of the Medium Term Financial Plan.

A full breakdown of FTE movements is given in the table below:

2015 FTE per 2015 Annex Update	237.5
Temporary posts - Committee of Inquiry into Historical Child Abuse	2.0
Temporary posts - eGov	12.0
Temporary posts - Workforce Modernisation	8.0
Project Management posts (contract)	5.0
Taxes IS transfer from Treasury and Resources	8.5
Resource transfer from Treasury and Resources	1.0
Transfer of Constitutional Affairs, Safeguarding Partnership Board and Policy to Community and Constitutional Affairs	-9.5
Population Officer transfer to Social Security	-17.0
Emergency Planning transfer to Community and Constitutional Affairs	-1.5
People Savings within Human Resources	-3.0
2016 FTE	243.0

Overview for 2017 – 2019

CMD will continue to support the Public Sector Reform programme and will explore a number of initiatives over the period 2017-2019 which will provide the opportunity for structure and service redesign in order to continue to deliver efficient and effective services alongside reduced budgets and workforce numbers.

Chief Minister's Department

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Income	Near Cash DEL	2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total 2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	
2,714,800	Chief Minister's Office	(94,700)	2,006,000	1,911,300	-	1,911,300	22.6
2,021,200	External Relations	-	1,740,700	1,740,700	-	1,740,700	7.0
1,008,500	Financial Services	-	1,528,500	1,528,500	-	1,528,500	9.0
994,600	Law Drafting Department	-	979,200	979,200	-	979,200	10.0
9,338,300	Information Services	(787,700)	12,011,600	11,223,900	1,387,100	12,611,000	108.4
5,233,600	Human Resources	(134,000)	5,244,700	5,110,700	-	5,110,700	79.0
228,100	Public Sector Reform	-	146,500	146,500	-	146,500	7.0
21,539,100	Net Revenue Expenditure	(1,016,400)	23,657,200	22,640,800	1,387,100	24,027,900	243.0

Chief Minister's Department

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(311,700)	Duties, Fees, Fines & Penalties	-
(1,451,900)	Sales of Goods and Services	(885,400)
-	Investment Income	-
(131,000)	Other Income	(131,000)
(1,894,600)	Total Income	(1,016,400)
	Expenditure	
-	Social Benefit Payments	-
14,756,300	Staff Costs	14,896,600
6,256,400	Supplies and Services	6,342,500
519,500	Administrative Expenses	621,200
533,700	Premises and Maintenance	595,600
800	Other Operating Expenses	1,500
1,367,000	Grants and Subsidies Payments	1,199,800
-	Impairment of Receivables	-
-	Finance Costs	-
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
23,433,700	Total Expenditure	23,657,200
21,539,100	Net Revenue Near Cash Expenditure	22,640,800
455,400	Depreciation	1,387,100
21,994,500	Total Net Revenue Expenditure	24,027,900

Chief Minister's Department

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	21,539,100
Price Inflation - Dept Income	(37,900)
Price Inflation - Dept Expenditure	173,500
Price Inflation - Provision for Pay Award	-
Commitments from Existing Policies	-
Departmental Transfers	
- Transfer of Emergency Planning Function to Community and Constitutional Affairs	(150,000)
- Transfer of Population Office to Social Security	(124,100)
- Transfer of budget for Corporate Health and Safety to Transport and Technical Services	(2,000)
- Transfer of Taxes Information Services Team from Treasury and Resources	1,421,800
- Transfer of Constitutional Affairs, Safeguarding Partnership Board and Policy to Community and Constitutional Affairs	(844,900)
	<u>300,800</u>
Savings	
- Department Savings Programme	(302,100)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	(135,600)
	<u>(437,700)</u>
Additional Funding	
- Funding Pressures	
- Commitments	
Financial Services / McKinsey Implementation	523,000
FOI (Central Unit)	100,000
Joint Safeguarding	125,000
- Demographics	-
- New Funding	-
ISD - increased revenue budget required	355,000
- Revenue implications of Capital Projects	-
	<u>1,103,000</u>
Other Variations	-
Net Revenue Near Cash Expenditure	22,640,800
Depreciation	1,387,100
Total Net Revenue Expenditure	24,027,900

Jersey Overseas Aid Commission

Jersey Overseas Aid Commission

Purpose

To implement fully the Jersey Overseas Aid Commission (Jersey) Law 2005.

Responsibilities

To manage and administer the monies voted by the States of Jersey for overseas aid, so as to enable humanitarian aid to be provided to developing countries for the purpose of:

- grant aid of development projects implemented through UK registered relief agencies and other recognised specialist aid agencies covering basic health care, medical care, effective education, safe drinking water and sanitation, projects to assist self sufficiency and food security and ensuring environmental sustainability
- emergency and disaster relief through internationally recognised UK registered relief agencies
- community work projects, where teams of Jersey volunteers undertake specific development projects overseas;
- supporting Jersey Charities in their work in overseas countries generally on a £ for £ basis
- assisting with corporate philanthropic projects
- providing sponsorship and bursaries to Jersey professionals and technicians offering specific services and training overseas

Financial Narrative

The Jersey Overseas Aid Commission's (JOAC) grant from the States of Jersey was reviewed in 2015 when it was proposed that an increase of 0.5% be awarded on the existing grant per annum for the period of the next Medium Term Financial Plan (2016-2019).

The largest part of the Commission's budget is allocated to grant aid with approximately 80% allocated to the Commission's approved aid agencies submitting proposals for projects covering basic health care, medical care, effective education, safe drinking water and sanitation, projects to assist self sufficiency and food security whilst ensuring environmental sustainability.

£1,500,000 of its grant is available for disaster and emergency relief due to ever increasing demands for both natural disasters and the emergencies arising through human conflict. Grants to local charities working overseas, community work projects and bursaries for voluntary services overseas are also funded. JOAC will give preference to projects and multi-year programmes located in counties which are within the bottom 50 countries ranked on HDI (Human Development Index www.hdr.undp.org/en/statistics).

2016 Savings

The Commission has been excluded from delivering the 2015 and 2016-2019 savings.

Manpower

From 2015 to 2016 FTE manpower increased by 0.5 FTE from 1.0 FTE to 1.5 FTE. This change is as a result of the MTFP/HRIS reconciliation exercise and not an actual increase in staffing levels.

Jersey Overseas Aid Commission

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Income	Near Cash DEL	2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total 2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	
10,283,700	Grant to Overseas Aid Commission	-	10,337,700	10,337,700	-	10,337,700	1.5
10,283,700	Net Revenue Expenditure	-	10,337,700	10,337,700	-	10,337,700	1.5

Jersey Overseas Aid Commission

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
	- Duties, Fees, Fines & Penalties	-
	- Sales of Goods and Services	-
	- Investment Income	-
	- Other Income	-
	- Total Income	-
	Expenditure	
	- Social Benefit Payments	-
78,600	Staff Costs	78,600
13,000	Supplies and Services	13,000
2,300	Administrative Expenses	2,300
	- Premises and Maintenance	-
	- Other Operating Expenses	-
10,189,800	Grants and Subsidies Payments	10,243,800
	- Impairment of Receivables	-
	- Finance Costs	-
	- Foreign Exchange (Gain)/Loss	-
	- Contingency Expenses	-
10,283,700	Total Expenditure	10,337,700
10,283,700	Net Revenue Near Cash Expenditure	10,337,700
	- Depreciation	-
10,283,700	Total Net Revenue Expenditure	10,337,700

Jersey Overseas Aid Commission

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	10,283,700
Price Inflation - Dept Income	-
Price Inflation - Dept Expenditure	-
Price Inflation - Provision for Pay Award	-
Price Inflation - Overseas Aid Grant	54,000
Commitments from Existing Policies	-
Departmental Transfers	-
Savings	
- Department Savings Programme	-
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	-
	<hr/>
	-
Additional Funding	
- Funding Pressures	-
- Commitments	-
- Demographics	-
- New Funding	-
- Revenue implications of Capital Projects	-
	<hr/>
	-
Other Variations	-
Net Revenue Near Cash Expenditure	10,337,700
Depreciation	-
Total Net Revenue Expenditure	10,337,700

Community and Constitutional Affairs

Community and Constitutional Affairs

Purpose

Community and Constitutional Affairs aims to improve the quality of life of everyone living in Jersey by helping create a safe, just and fairer society.

Responsibilities

- Responsibility for the following services:
 - States of Jersey Police
 - States of Jersey Fire and Rescue Service
 - Jersey Prison Service (HMP Prison La Moye)
 - Jersey Customs and Immigration Service
 - Jersey Field Squadron (Jersey's Army Reserves Unit)
 - Office of the Superintendent Registrar
 - Emergency Planning
 - Safeguarding Partnership Boards
- Criminal Justice Policy
- Constitutional and Justice Policy, including:
 - Policy and resources relating to the overall justice system, e.g. the overall criminal, civil, family and administrative justice system; the courts, tribunals, access to justice and legal aid
 - Safeguarding of human rights, data protection, legal services, constitutional reform
- Housing Policy
- Social Policy
- Building a Safer Society Strategy
- Registered authority for the Jersey Vetting Bureau
- Legislation Advisory Panel

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Change Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11
Implement new Building a Safer Society Strategy	Improve Health & Wellbeing Improve St Helier	1,2
Develop and implement gender based and domestic violence strategies, including extension of appropriate conventions and implementation of others, including the United Nations Convention of the Rights of the Child	Improve Health & Wellbeing	1,2
Implement Police Procedures and Criminal Evidence Code amendments		1
Implement updated Prison Law and Rules		1
Implement Jersey Fire and Rescue Service Integrated Risk Management Plan 2016 – 2019	Improve St Helier	1,2,9
Deliver the 2016 Policing Plan		1
Develop and embed 1,001 Critical Days Agenda	Improve Health & Wellbeing Improve Education Sustainable Public Finances	1,2,3,5,6,11
Co-ordinate delivery of Alcohol & Licensing Strategy, including new Licensing Law	Improve Health & Wellbeing Improve St Helier Optimise Economic Growth	1
Deliver the new Housing Strategy Framework, including measures to improve supply, standards, occupation, and neighborhoods	Improve Health & Wellbeing Improve St Helier Optimise Economic Growth	1,3,4,9
Introduce regulatory law and housing charter for social housing	Improve Health & Wellbeing Improve St Helier	2,4
Continue to support the supply of housing, including working with social housing providers to deliver key sites such as Ann Court and Samares Nurseries	Improve Health & Wellbeing Improve St Helier	2,4

Develop a Disability Strategy	Health & Wellbeing	1,2,3
Develop and introduce Charities Law, including an independent Charity Commissioner and enhancing the voluntary and community sector		1,2,3
Support development of independent Care Commission	Health & Wellbeing	1,2
Develop agreed legislative changes regarding same sex marriage and divorce reform		1
Implement Extension of Safeguarding Vulnerable Groups Act to Jersey		1
Progress amendments to introduce civil penalty system for parking on private land		1,4,10
Bring into force Cyber Crime (Jersey) Law 201-		1
Develop Judicial and Legal Services Commission White paper		1
Deliver Final Report on Access to Justice Review		1
Develop a new Criminal Procedures Law		1

Financial Narrative

2015 Recurring Savings

The new Department will continue to deliver recurring savings of £1,033,200 agreed for the Home Affairs Department (HAD) in 2015. The savings have been allocated between individual service areas and include the following initiatives:

States of Jersey Police	Review of staffing, overtime and non-staff costs
Prison	Reorganisation of staffing (Residential Accommodation and Prisoner Activity)
Customs and Immigration Service	Review of rental charges
Fire and Rescue Service	Reorganisation of staffing

2016 Savings

In 2016 the Department is required to deliver further savings of £372,700, attributed to the HAD, in addition to maintaining the savings implemented in 2015. In order to meet this target in 2016 these savings may be non-recurring in the first instance and, as a result, there may be the need to reallocate budgets between service areas during 2016.

In addition, the Department has found compensating savings of around £300,000 in order to fund the cost of staff incremental increases within the States of Jersey Police, Prison and Fire and Rescue Service.

2016 Growth

Funding is required in 2016 to support the additional revenue costs of maintaining the new Police Headquarters. It is anticipated that the building will be completed at the end of 2016 and fully operational in early 2017. The full impact of the additional revenue costs will be evaluated during the MTFP period.

Service Transfers

As part of the ongoing Public Sector Reform programme the Home Affairs (HAD) and the Chief Minister's (CMD) departments are being restructured to improve efficiency and increase flexibility. The retirement of the Chief Officer for Home Affairs in 2015 has prompted a review of how to facilitate closer working between relevant teams from the HAD and CMD. A service transfer of £844,900 reflects the full effect of the transfer of responsibilities from 1st January 2016 to the new Department for Community and Constitutional Affairs.

Manpower

Staff numbers increased by 1.6 FTE from 692.5 FTE to 694.1 FTE during 2015 as a result of an additional 1.6 FTE approved for the Jersey Customs and Immigration Service.

Staff numbers will increase by 6.0 FTE to 700.1 FTE in 2016 as a net result of the transfer of functions from the Chief Minister's Department (+11.0 FTE) and recurring staff savings in the States of Jersey Police, Prison and Fire and Rescue Service (-5.0 FTE).

Overview for 2017 – 2019

The Department for Community and Constitutional Affairs is exploring a number of initiatives over the period 2017-2019 which will provide the opportunity for changes in structure and service redesign which will be essential if the department is to continue to deliver efficient and effective front line emergency services with a reduced budget.

The Ministerial Team, Chief Officers and Service Heads will continue to support the Public Sector Reform Programme in order to deliver balanced budgets by 2019 and are fully aware of the challenges ahead if the department is to continue to deliver its core functions and provide essential services to islanders.

Community and Constitutional Affairs

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Income	Near Cash		Non Cash 2016 Net Revenue Expenditure	Total	
			DEL	2016 Net Revenue Expenditure		2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	
841,300	Home Affairs	(102,600)	991,400	888,800	-	888,800	3.5
-	Policy Unit	-	844,900	844,900	-	844,900	9.5
24,374,500	Police	(176,900)	24,378,600	24,201,700	220,900	24,422,600	352.7
5,202,600	Fire and Rescue	(149,100)	5,283,500	5,134,400	186,800	5,321,200	75.6
-	Emergency Planning	-	187,300	187,300	-	187,300	1.7
5,690,700	Customs and Immigration	(1,293,600)	6,989,500	5,695,900	166,000	5,861,900	87.2
10,891,700	HM Prison	(395,000)	11,162,700	10,767,700	159,800	10,927,500	164.4
1,063,400	Jersey Field Squadron	-	1,066,900	1,066,900	1,500	1,068,400	4.5
493,100	Building a Safer Society	-	482,900	482,900	-	482,900	1.0
48,557,300	Net Revenue Expenditure	(2,117,200)	51,387,700	49,270,500	735,000	50,005,500	700.1

Community and Constitutional Affairs

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(1,376,800)	Duties, Fees, Fines & Penalties	(1,353,600)
(736,500)	Sales of Goods and Services	(722,700)
-	Investment Income	-
(27,000)	Other Income	(40,900)
(2,140,300)	Total Income	(2,117,200)
	Expenditure	
-	Social Benefit Payments	-
41,004,300	Staff Costs	41,871,300
5,185,600	Supplies and Services	5,482,300
1,475,900	Administrative Expenses	922,200
2,547,000	Premises and Maintenance	2,630,100
308,800	Other Operating Expenses	305,800
164,000	Grants and Subsidies Payments	164,000
-	Impairment of Receivables	-
12,000	Finance Costs	12,000
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
50,697,600	Total Expenditure	51,387,700
48,557,300	Net Revenue Near Cash Expenditure	49,270,500
709,800	Depreciation	735,000
49,267,100	Total Net Revenue Expenditure	50,005,500

Community and Constitutional Affairs

Reconciliation of Net Revenue Expenditure

	2016
	£
Base Department Budget	48,557,300
Non-Staff Inflation - Dept Income	(42,500)
Non-Staff Inflation - Dept Expenditure	193,600
Staff Inflation - Provision for Pay Award	-
Commitments from Existing Policies	-
Departmental Transfers	
- Transfer of Emergency Planning Function from Chief Minister's Department	150,000
- Transfer of budget for Corporate Health and Safety to Transport and Technical Services	(4,000)
- Transfer of Constitutional Affairs, Safeguarding Partnership Board and Policy from Chief Minister's Department	844,900
	<u>990,900</u>
Savings	
- Department Savings Programme	(372,700)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	(151,100)
	<u>(523,800)</u>
Additional Funding	
- Funding Pressures	-
- Commitments	-
- Demographics	-
- New Funding	-
- Revenue implications of Capital Projects	
New Police Station	95,000
	<u>95,000</u>
Other Variations	-
Net Revenue Near Cash Expenditure	49,270,500
Depreciation	735,000
Total Net Revenue Expenditure	50,005,500

Economic Development

Economic Development

Purpose

Deliver economic growth, improve competitiveness, diversify the local economy and create new employment for local job seekers.

Responsibilities

- Working closely with partners across all sectors of Jersey’s economy to support their development and diversification
- Supporting new and established businesses through Jersey Business
- Encouraging inward investment and developing international trade through Locate Jersey
- Promoting work-related skills training through Skills Jersey
- The promotion of Jersey as a visitor destination through Visit Jersey
- The operation and management of Jersey’s commercial ports, airport and harbours, including provision of a coastguard service and other professional services through the Ports of Jersey
- The registration of pleasure boats and commercial vessels through the British Registrar of Ships in Jersey and the registration of planes at the Jersey Aircraft Registry
- Encouraging high-wealth individuals who will contribute economically and socially to take up residency in Jersey
- The enforcement of consumer protection laws and the provision of a comprehensive consumer and business advisory service
- A range of regulatory functions across different sectors of the economy including retail, intellectual property and gambling
- Supporting the rural economy to grow and diversify

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11

Develop a new Enterprise Strategy	Optimise Economic Growth	6
Implement a new Rural Economy Strategy	Optimise Economic Growth	6,9
Support the development of a new Innovation Strategy	Optimise Economic Growth	6
Develop a new strategy for Tourism in Jersey	Optimise Economic Growth	6
Launch the Aircraft Registry	Optimise Economic Growth	6

Financial Narrative

2015 Recurring Savings and 2016 Savings

Recurring savings of £0.4 million were identified in 2015 as part of the 2% savings targets for all departments. There was a reduction in grants for Jersey Finance and Skills Development, together with a reduction in expenditure for Renewable Energy, Intellectual Property and E-Commerce.

In 2016 the Department will deliver further savings of £0.6 million and this will mainly be met by general efficiency savings and a reduction in funding for the Rural Sector and Route Development.

Further savings will be made in 2016 by removing funding to the Tourism Development Fund for 2016 as part of a reprioritisation process to help increase funding towards securing Economic Growth and employment opportunities.

Service Transfers

A permanent transfer of £0.6 million skills funding to the Education, Sports and Culture Department (ESC) will be made on 1st January 2016 to fund and increase numbers involved on the Trackers programme in 2016.

Subject to the agreement of the States Assembly, a proposal (P.46/2015) has been lodged for the transfer of the following from 1 January 2016:

- Sport (£3.5 million) from ESC to EDD
- Culture (£4.7 million) from ESC to EDD
- Jersey Finance, Digital Jersey, Broadcasting, Competition, Intellectual Property (£6.0 million) and the Jersey Innovation Fund from EDD to CMD

Manpower

Staff employed by the department – prior to inbound transfers - will decrease by 20.1 FTE to 38.2 FTE from 1st January 2016. This is mainly due to the creation of Visit Jersey in 2015 and the reduction of Tourism staff.

It is anticipated that approximately 108 FTE would transfer into the department on 1st January 2016 as part of the transfer of Sport & Culture from ESC, if approved by the States.

Overview for 2017-2019

In the period 2017-19, the Department will continue to prioritise activity towards securing greater productivity and economic growth within the Island economy, in moving towards delivery of the Strategic Plan 'Economic Growth' Priority.

New strategies for Tourism, Enterprise, Retail and the Rural Economy are likely to flag up the need for continued Government investment in initiatives designed to boost productivity, exports, skills development and innovation as part sustaining and developing local businesses and seeking to attract further inward investment.

If approved, the incorporation of Sport & Culture into the department will bring opportunities to more fully develop the economic potential of both areas and secure greater integration with Tourism, as plans develop to maximise the potential for in-bound sport and events-led tourism.

Looking forward, there will continue to be challenges to match limited budget with the priorities set out in the Strategic Plan to deliver economic growth through increased productivity, improved competitiveness, diversification of the local economy, and creation of new employment for local job seekers.

Economic Development

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Income	Near Cash		Non Cash 2016 Net Revenue Expenditure	Total	
			DEL	2016 Net Revenue Expenditure		2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	
2,377,300	Economic Growth & Diversification	-	3,554,200	3,554,200	-	3,554,200	8.5
6,657,300	Tourism, Destination & Marketing	-	5,205,500	5,205,500	-	5,205,500	1.5
1,818,300	Policy and Regulation	(1,162,900)	2,867,200	1,704,300	800	1,705,100	21.5
4,870,600	Financial Services	-	4,870,600	4,870,600	-	4,870,600	-
2,007,100	Rural Support	-	1,861,900	1,861,900	-	1,861,900	6.7
698,900	Skills	-	-	-	-	-	-
18,429,500	Net Revenue Expenditure	(1,162,900)	18,359,400	17,196,500	800	17,197,300	38.2

Economic Development

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(667,800)	Duties, Fees, Fines & Penalties	(821,900)
(981,100)	Sales of Goods and Services	(341,000)
-	Investment Income	-
(75,000)	Other Income	-
(1,723,900)	Total Income	(1,162,900)
	Expenditure	
-	Social Benefit Payments	-
3,493,300	Staff Costs	2,706,100
5,953,200	Supplies and Services	1,774,800
251,500	Administrative Expenses	37,800
354,000	Premises and Maintenance	351,100
700,500	Other Operating Expenses	15,000
9,400,900	Grants and Subsidies Payments	13,474,600
-	Impairment of Receivables	-
-	Finance Costs	-
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
20,153,400	Total Expenditure	18,359,400
18,429,500	Net Revenue Near Cash Expenditure	17,196,500
3,200	Depreciation	800
18,432,700	Total Net Revenue Expenditure	17,197,300

Economic Development

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	18,429,500
Price Inflation - Dept Income	(34,500)
Price Inflation - Dept Expenditure	333,200
Price Inflation - Provision for Pay Award	-
Commitments from Existing Policies	-
Departmental Transfers	
- Transfer of budget for Corporate Health and Safety to Transport and Technical Services	(2,000)
- Transfer of Trackers Apprentices Programme to Education, Sport and Culture	(600,000)
	<u>(602,000)</u>
Savings	
- Department Savings Programme	(631,000)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	(298,700)
	<u>(929,700)</u>
Additional Funding	
- Funding Pressures	-
- Commitments	-
- Demographics	-
- New Funding	-
- Revenue implications of Capital Projects	-
	<u>-</u>
Other Variations	-
Net Revenue Near Cash Expenditure	17,196,500
Depreciation	800
Total Net Revenue Expenditure	17,197,300

Education, Sport and Culture

Education, Sport & Culture

Purpose

Education, Sport and Culture provides educational, sporting and cultural opportunities which begin at nursery and continue into retirement. This supports our commitment to encourage lifelong learning to enable everyone to realise their potential.

Responsibilities

- The provision of an effective curriculum for 3 to 19 year olds including the monitoring of the curriculum and teaching and learning
- Professional development and training of all teaching staff
- Supporting and providing advice to head teachers
- Making educational provisions for the special needs of all children
- The provision of specialist and general careers advice
- Providing financial assistance for higher education courses
- The development of sport and leisure strategies and the management of sport and leisure facilities
- The delivery of the island's youth service
- The registration of out-of-home childcare settings
- The delivery of library services across the island
- Liaison with and financial support for trusts and voluntary organisations for the promotion of arts, heritage and childcare

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11
Raising Achievement Funding (growth)	Improve Education	3,5,6
Provision of a data team (growth)	Improve Education	3,5,6
Extending Professional Partnering (growth)	Improve Education	3,5,6

Additional support for SEN children in Early Years (growth)	Improve Education	3,5,6
ICT skills strategy (growth)	Improve Education	3,5,6
Develop a new strategy for culture and heritage	Improve St Helier	7

The department's day-to-day business activity will also support and deliver the Priorities set out in the Council of Ministers' Strategic Plan (Improve Education).

In addition to the initiatives already highlighted the department will undertake a change programme centering on the four key priority areas for change: raising standards; reshaping the curriculum; effective working with families; and providing autonomy to schools. This will support the Council of Ministers' Strategic Goal SG5 (Provide a first class education service, supporting the development of skills, creativity and lifelong learning).

With regard to Sport the department will 'continue to develop sport in the island by delivering the ESC sports strategy' and we will 'ensure our schools and other ESC facilities are built and maintained to excellent standards and enjoyed by their users'. This will support the Council of Ministers' Strategic Goal SG2 (Promote health and social wellbeing for the whole community, providing prompt services for all and protecting the interests of the frail and the vulnerable) and SG7 (Promote sporting, leisure and cultural activities that enrich Islanders' lives).

Financial Narrative

Education

As detailed in the Education Business Plan, and highlighted above, the department will focus on four key priority areas in 2016: standards, curriculum, families and autonomy.

Additional funding of £4.8 million will target the following areas:

£2.1 million for growth in pupil numbers forecast for primary and secondary education including a notable increase in the number of pupils staying on to A-Level;

£1.2 million to raise standards through the introduction of a UK equivalent 'Pupil Premium' to address low performance across all vulnerable to lower attainment pupil groups. This will include an extension to the professional partnering programme to ensure high quality school self-evaluation and an enhanced data insight team to provide additional and more accurate data;

£0.8 million for the ICT Skills Strategy launched in 2012 to provide the optimum IT infrastructure and education possible within schools and to support the continued delivery of school business cases;

£0.7 million for early years including additional support for children with identified needs covering pre-birth to five to ensure children get the best possible start to their education and additional funding for the forecast increase in the number of children entitled to Nursery Education Fund (NEF) providing parents with the opportunity to access 20 hours of early years education for children aged four. In recognition of the growing importance of Early Year Services separate disclosure for this area has been introduced covering nursery school education, NEF, early years, parenting programme, the Bridge, childcare registration and the Jersey Child Care Trust.

Recurring efficiency savings of £0.2 million have been identified as part of the 2015 2% savings targets for all departments.

Further Education and Culture

The introduction of the Trackers Apprentice Scheme as part of the MTFP 2013-2015 has been a victim of its own success. The numbers are growing above predictions and these will be funded through a permanent transfer of skills funding from the Economic Development Department (EDD) of £0.6 million.

There has been a small decline in the number of students accessing UK higher education with an increase in on Island provision. This is reflected in recurring savings in 2015 of £2.1 million on higher education and further savings of £25,000 in 2016.

Currently there is much public debate over the financing options for students in higher education and a review of options will be considered going forward.

Subject to the agreement of the States Assembly, a proposal has been lodged for the transfer of Culture (£4.7 million) from ESC to EDD from 1 January 2016.

Sports

The decrease in Sports is due to a reduction in the AquaSplash grant negotiated as part of the new contract with Serco contributing to the 2015 2% savings, removal of the one-off NatWest Island Games grant in 2016 and CSR savings on sports income and a reduction in grants to clubs and associations.

Subject to the agreement of the States Assembly, a proposal has been lodged for the transfer of Sports (£3.5 million) from ESC to EDD from 1 January 2016.

CSR Savings

The department remains committed to the delivery of the final year of the CSR savings. These include the phasing out of grants for independent preparatory schools, the final increase to reach the full occupancy charges for fee paying provided schools, the introduction of a new model of vocational education for pupils with special educational needs (SEN) and efficiency savings in primary and secondary education.

Manpower

Staff employed by the department increased by 114.4 FTE to 1,789.9 FTE during 2015. This represented an adjustment of 114.4 FTE to introduce FTE budget for all permanent posts currently covered by employees on zero hour contracts.

FTE will increase by a further 44.4 FTE from 1st January 2016 to 1834.3 FTE. This represents an increase of 2.0 FTE for the Trackers Apprentice Scheme, and an increase of 42.4 FTE as a result of additional funding provided for Education to fund demographic growth (24.4 FTE), early years (7.0 FTE) and to raise standards including the expansion of professional partnering and the data insight team (11.0 FTE).

Overview for 2017-2019

The proposed transfer of Sports and Culture to EDD will enable the department to focus on improvements in educational and vocational standards and in equipping the local workforce with the skills they need.

The Education Business Plan identifies four key priorities to improve education and these have all secured additional funding for the period of the MTFP 2016-2019. Challenging States circumstances however mean savings also need to be achieved and the department has tried to minimize the impact of planned savings on front line services.

Future savings proposals being considered by the department include a review of the educational system, in particular secondary education to ensure optimal both in terms of costs and pedagogy, and the review of service delivery models for SEN and Highlands College to ensure optimal delivery for minimal cost.

Looking forward, there will continue to be challenges to match limited budget with a first class education service and we will continue to review the whole structure of education to ensure best value is achieved from every pound spent.

Education, Sport and Culture

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Near Cash			Non Cash 2016 Net Revenue Expenditure	Total	
		Income	DEL	2016 Net Revenue Expenditure		2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	
4,221,700	Early Years Services	(354,800)	5,180,400	4,825,600	-	4,825,600	65.3
59,757,100	Non Fee Paying Provided Schools	(891,200)	63,753,400	62,862,200	275,100	63,137,300	1,103.5
5,447,700	Fee Paying Provided Schools	(10,101,300)	16,059,200	5,957,900	18,200	5,976,100	218.0
4,799,300	Non Provided Schools	-	4,677,600	4,677,600	-	4,677,600	-
21,089,600	Further and Higher Education	(2,921,300)	23,812,700	20,891,400	5,900	20,897,300	235.3
4,173,000	Youth, Careers and Libraries	(908,000)	5,060,600	4,152,600	11,100	4,163,700	100.8
4,578,300	Culture	-	4,685,900	4,685,900	-	4,685,900	1.0
4,524,400	Sports	(4,409,500)	7,751,100	3,341,600	111,000	3,452,600	110.4
108,591,100	Net Revenue Expenditure	(19,586,100)	130,980,900	111,394,800	421,300	111,816,100	1,834.3

Education, Sport and Culture

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(21,600)	Duties, Fees, Fines & Penalties	(21,200)
(18,795,300)	Sales of Goods and Services	(19,245,800)
-	Investment Income	-
(341,800)	Other Income	(319,100)
(19,158,700)	Total Income	(19,586,100)
	Expenditure	
9,368,500	Social Benefit Payments	9,343,500
87,828,600	Staff Costs	90,240,900
10,038,100	Supplies and Services	11,060,800
917,700	Administrative Expenses	1,034,500
6,917,800	Premises and Maintenance	7,406,100
26,000	Other Operating Expenses	30,400
12,628,800	Grants and Subsidies Payments	11,839,600
-	Impairment of Receivables	-
24,300	Finance Costs	25,100
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
127,749,800	Total Expenditure	130,980,900
108,591,100	Net Revenue Near Cash Expenditure	111,394,800
293,200	Depreciation	421,300
108,884,300	Total Net Revenue Expenditure	111,816,100

Education, Sport and Culture

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	108,591,100
Non-Staff Inflation - Dept Income	(383,200)
Non-Staff Inflation - Dept Expenditure	653,200
Staff Inflation - Provision for Pay Award	-
Commitments from Existing Policies	
- Remaining CSR savings	(1,068,000)
Departmental Transfers	
- Transfer of budget and service for Les Creux Country Park to Treasury and Resources (Jersey Property Holdings)	(8,100)
- Transfer of budget for Corporate Health and Safety to Transport and Technical Services	(11,000)
- Transfer of Trackers Apprentice Programme from Economic Development	600,000
	<u>580,900</u>
Savings	
- Department Savings Programme	(1,516,200)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	(270,000)
	<u>(1,786,200)</u>
Additional Funding	
- Funding Pressures	-
- Commitments	-
- Demographics	
Primary School Demographics	745,000
Secondary School Demographics	1,313,000
Nursery Education Fund	376,000
- New Funding	
Raising Achievement Funding - (UK Pupil Premium Equivalent)	837,000
Provision of a Data Team	120,000
Extending Professional Partnering	288,000
Early Years	278,000
- Revenue implications of Capital Projects	
ICT skills strategy	750,000
New schools	100,000
	<u>4,807,000</u>
Other Variations	-
Net Revenue Near Cash Expenditure	111,394,800
Depreciation	421,300
Total Net Revenue Expenditure	111,816,100

Department of the Environment

Department of the Environment

Purpose

Protect and enhance the natural and built environment, including our sea, water, air, land and buildings, recognising the impact on our community and economy.

Responsibilities

- Developing and implementing legislation, policies, plans and guidance to protect and enhance the natural and built environment
- Regulation of the natural and built environment
- Promoting and encouraging the sustainable use of natural resources
- Ensuring secure, affordable and sustainable energy
- Promoting awareness and understanding of environmental issues
- Making sure development is designed and constructed to safe and environmentally appropriate standards
- Monitoring plant health risks and providing a protective framework
- Monitoring and enforcement of animal health and welfare and exercising controls to prevent or eradicate animal diseases
- Management of the countryside, access network and biodiversity
- Management and regulation of the marine environment and associated industries
- Provision of meteorological and climate recording services

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11
Implement Pathway 2050: An Energy Plan for Jersey	Sustainable Public Finances	2,3,4,6,9
Implement the Rural Economy Strategy 2016-2020	Optimise Economic Growth	6,9

Lead the development and implementation of the Future St Helier project	Improve St Helier	4,6,9,10
Lead the development and implementation of legislation, policies, plans and guidance to support the Future St Helier project	Improve St Helier	4,6,7,9,10
Develop and implement a new Water Strategy	Improve Health & Wellbeing	2,9
Further streamline of planning process - changes to the General Development Orders (GDOs) / permitted development	Sustainable Public Finances	9

Financial Narrative

In support of public sector reform and to help balance the financial position over the period of this MTFP the Department of the Environment (DoE) is taking the opportunity to review what services it continues to offer and how these are best delivered.

2015 Recurring Savings and 2016 Savings

Following States approval in 2015 of the new planning appeals system, 2016 will see the first full year of operation of the new planning application system. The Planning Applications Committee now review all major planning applications on behalf of the Minister and applicants now have access to a lower cost and independent appeals system. While the new appeals system was due to be part funded from a growth bid in the new MTFP, it is now proposed that the planning appeals system be fully self-funding. Options to recover the costs to operate the new appeals system via existing or new fees will be explored during 2016.

The Energy Plan (adopted in May 2014) outlined the reallocation of the department's budget to the delivery of all of the action statements within the Plan in order to achieve secure, affordable and sustainable energy for Jersey. This budget was previously used to provide 100% turnkey grants for energy efficiency measures to the socially vulnerable; it was always intended that this programme would be scaled back to release budget and resource to deliver the other action statements in the Plan. Savings have been made as follows:

- a service redesign identified that some action statements can be delivered differently;
- ceasing all 100% grants to community buildings 2 years earlier than intended;
- ceasing the programme of grants to the socially vulnerable from the end of 2015; and
- staff reductions.

Service Transfers

The Corporate Health and Safety function was transferred from the Chief Minister's Department to the Transport and Technical Services Department in 2013. Although this was initially funded by a growth bid of £50,000 under that department, the budget was never enough to provide for a full time officer and the training and development required to ensure that the States of Jersey fulfils its statutory obligations. As such, further resources totalling £46,000 are to be transferred from other States departments who will be benefiting from the service provided. DoE's contribution to this service amounts to a recurring budget transfer of £1,000.

Overview for 2017-2019

In total, 11 posts have been identified across the department that could deliver financial savings during the period 2017-19 as part of service redesign initiatives. It is expected that department staff will need to adopt broader responsibilities, with some expert research or advisory work being outsourced if required. The Rural Economy Service and advice offered to the industry will see some redesign and this is likely to result in changes to the level of services provided by the environment division. Planning and building officers will have wider responsibilities in administering advice, applications and appeals and the delivery of the online planning applications process will provide efficiencies and improve the customer experience. Opportunities to achieve efficiencies by combining similar services across the States will also be explored.

Department of the Environment

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure £	Income £	Near Cash DEL £	2016 Net Revenue Expenditure £	Non Cash 2016 Net Revenue Expenditure £	Total 2016 Net Revenue Expenditure £	2016 FTE
723,500 Planning and Building	(3,301,200)	3,955,200	654,000	32,900	686,900	54.4
5,019,700 Environment	(1,147,700)	5,699,100	4,551,400	127,100	4,678,500	60.5
5,743,200 Net Revenue Expenditure	(4,448,900)	9,654,300	5,205,400	160,000	5,365,400	114.9

Department of the Environment

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(3,587,000)	Duties, Fees, Fines & Penalties	(3,527,000)
(848,500)	Sales of Goods and Services	(861,000)
(100)	Investment Income	(100)
(42,200)	Other Income	(60,800)
(4,477,800)	Total Income	(4,448,900)
	Expenditure	
-	Social Benefit Payments	-
7,478,400	Staff Costs	7,225,200
1,415,000	Supplies and Services	1,734,200
97,900	Administrative Expenses	95,300
368,500	Premises and Maintenance	383,300
-	Other Operating Expenses	-
861,000	Grants and Subsidies Payments	216,000
-	Impairment of Receivables	-
200	Finance Costs	300
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
10,221,000	Total Expenditure	9,654,300
5,743,200	Net Revenue Near Cash Expenditure	5,205,400
383,800	Depreciation	160,000
6,127,000	Total Net Revenue Expenditure	5,365,400

Department of the Environment

Reconciliation of Net Revenue Expenditure

	2016
	£
Base Department Budget	5,743,200
Price Inflation - Dept Income	(89,000)
Price Inflation - Dept Expenditure	57,500
Price Inflation - Provision for Pay Award	-
Commitments from Existing Policies	-
Departmental Transfers	
- Transfer of budget for Corporate Health and Safety to Transport and Technical Services	(1,000)
	<u>(1,000)</u>
Savings	
- Department Savings Programme	(536,800)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	31,500
	<u>(505,300)</u>
Additional Funding	
- Funding Pressures	-
- Commitments	-
- Demographics	-
- New Funding	-
- Revenue implications of Capital Projects	-
	<u>-</u>
Other Variations	-
Net Revenue Near Cash Expenditure	5,205,400
Depreciation	160,000
Total Net Revenue Expenditure	5,365,400

Health and Social Services

Health and Social Services

Purpose

Health and Social Services aims to enable Islanders to live longer, healthier and more productive lives by ensuring the provision of safe, sustainable, affordable and integrated services that are delivered in partnership with others.

Responsibilities

- Leading the health and social care strategy, working closely with partners, providing the long-term vision
- Provision of a wide array of hospital services, including emergency and elective care and the associated services such as theatres, pathology, radiology and estates
- Provision of ambulance services
- Provision of social care and support in the community
- Provision of drug and alcohol services
- Provision of mental health care for all age groups, including psychiatry, psychology and 'talking therapies'
- Provision of therapies e.g. physiotherapy, occupational therapy, speech & language therapy
- Education and development of health and social care professionals
- Influencing and creating conditions which allow people to improve their health and wellbeing
- Advising about the maintenance of a safe and healthy environment
- Enforcement of public health regulations
- Monitoring of health related environmental issues
- Prevention and control of infectious diseases
- Supporting, funding and partnering with voluntary and community sector organisations
- Monitoring and improving the quality and value for money of all services
- Providing governance for general practitioners

2016 Change Projects

The Strategic Plan 2015-18 identifies the transformation of health and social services as a key priority –

“The transformation of our health and care services is already underway as Jersey prepares to meet the demographic challenge. System redesign on the required scale requires significant investment but trying to prolong the current system would cost far more in the long term.

It is vital that we see this change programme through, not only to keep pace with growing demand and ensure that services are safe and fit for the future, but also to deliver a health and social care model that is financially sustainable.

Our focus on increasing the health and wellbeing of our community, and ensuring that people can access quality health care if they need it, will help reduce social exclusion. It will also keep more people healthy and in the workforce helping mitigate the rising costs of health care”

States of Jersey Strategic Plan 2015-18

The impact of these changes goes beyond the health and wellbeing of Islanders. A safe, sustainable range of health and social services, including a new hospital, is essential to maintain the reputation of the island as a place to live and invest in.

Much of the programme will be delivered from within existing resources but growth funding will also support a range of significant projects to deliver reform of Jersey’s health and care services as set out in P.82/2012.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11
Improve value from contracts with on and off-Island service providers and suppliers	Sustainable Public Finances	11
Continue to develop the health and social care system, as agreed in P82/2012, including continuing to develop, test and deliver integrated ‘out of hospital’ (community) services	Improve Health & Wellbeing	2
Develop a new Health and Wellbeing Framework, to include strategies on tobacco, sexual health, alcohol, prevention of suicide and food and nutrition, encompassing a wider cross government approach to tackling and improving the wider determinants of health	Improve Health & Wellbeing	2
Agree new legislation including Public Health law, food safety law, housing law, smoking law, mental health law	Improve Health & Wellbeing	2
Develop and deliver a new Mental Health Strategy*	Improve Health & Wellbeing	2

Develop and deliver a Children's services strategy, which incorporates Children in Care, disabled children, transition into adulthood, Child and Adolescent Mental Health services*	Improve Health & Wellbeing	2
Commence delivery of the priority investments for Phase 2 of P82/2012*	Improve Health & Wellbeing	2
Review and update the Carers' Strategy	Improve Health & Wellbeing	2
Agree regulations under the Regulation of Care (Jersey) law 2014	Improve Health & Wellbeing	2
Develop and agree the Sustainable Primary Care Strategy and agree the plan for implementing the agreed strategy	Improve Health & Wellbeing	2
Agree the Future Hospital site	Improve Health & Wellbeing Improve St Helier	2,9
Agree and then introduce as many of the new models of working as practical and feasible – including new models for emergency and ambulatory care, reduced lengths of stay and new theatres	Improve Health & Wellbeing	2,11
Engage the contractor and commence the first elements of the build of the Future Hospital	Improve Health & Wellbeing Improve St Helier	2,9
Continued development of a Nursing degree course delivered on-island	Improve Health & Wellbeing Improve Education	2,6

All of the above will be achieved through working with a range of partner organisations, including the voluntary & community sector and Primary Care.

Initiatives marked with an asterix(*) will be delivered from P.82/2012 funding which is subject to approval of the Medium Term Financial Plan 2016-2019.

Financial Narrative

Changes in base budgets

2015 2% savings adjustment £78,000: The 2015 savings target has been adjusted to reflect the fact that HSS has transferred £3.9 million of its expenditure budget to the Long Term Care fund. The department is no longer commissioning some long term care services from third party service providers as these are funded by the Long Term Care scheme.

Replacement of Health Insurance Fund (HIF) funding £6 million: In 2015 the department received £6 million from the HIF to contribute to the costs of primary care activities. This income stream has ceased and therefore is replaced by an increase in the base department budget.

Service Transfers

- Transfer of £8.5 million to Social Security for Long Term Care: This transfer is a result of the introduction of the long term care scheme, and is made up of two parts:
 - 1) Increased income target for Long Term Care in respect of care provided by the Department, £4.6 million: The department provides some long term care services for which it now charges at long term care benefit rates. The income target has therefore been increased in order to enable these funds to be returned to the Long Term Care fund (ie there is no additional funding for HSS as a result of the increased charges).
 - 2) Reduction in net expenditure for Long Term Care in respect of care provided by third parties, £3.9 million: The department is no longer commissioning some long term care services from third party service providers as these are funded by the Long Term Care scheme. The department's budget has therefore been adjusted to reflect this decrease in cost.
- Transfer of property maintenance budgets to Jersey Property Holdings £300,000: Responsibility for the maintenance of community properties occupied by Health and Social Services has been transferred to JPH together with 4 FTE.
- Transfer of budget to TTS to fund Corporate Health and Safety £20,000: agreed transfer from all departments to support a Corporate Health and Safety function.

Pay

- 2015 Nurses' Pay award (0.4%) £265,000: this reflects the additional cost of the pay award for 2015 for nurses and family support workers as agreed by the States Employment Board.

2015 Recurring Savings and 2016 Savings

The department has made £4.6 million of savings in 2015, as part of the agreed 2015 Budget Measures to deliver 2% savings. These have been achieved non-recurrently in 2015:

- by phasing the continued development of service transformation as set out in the White Paper 'Caring for each other, Caring for Ourselves' and P.82/2012: Health and Social Services – A New Way Forward; and
- by managing staff turnover and vacancies in order to deliver staff savings.

In the latter half of 2015 and 2016 the department will seek to deliver these savings through sustainable efficiencies, service redesign, and cost reductions.

In addition to this, the department has further savings to deliver in 2016:

- Approximately £1 million of non-pay inflation which will occur but for which no additional funding has been allocated; and
- £1.97 million of other savings targets including a contribution to Corporate Health and Safety initiatives.

In total the department will deliver £7.6 million of savings in 2015 - 2016.

There are a range of schemes already planned, including (but not exclusive to):

- a review of non-pay budgets and reduction in usage of supplies,
- reducing spend on patient food services for inpatients,
- reducing the number of FTE in management and administrative support areas,
- improving procurement of specialist care in the UK to reduce cost,
- requiring efficiencies in contracts for services with on-island providers including voluntary and community sector partners,
- restructuring management of Community & Social Services,
- closing hospital beds at the weekends, where safe to do so,
- reducing staff travel costs and patient travel subsidies,
- reviewing the provision of patient transport services,
- improving staff absence management and the spend on agency and locum staff,
- reviewing provision of some low level care services, and
- implementing recommendations from the review of Private Patient Income by the Comptroller and Auditor General.

If delivered in full these schemes will deliver approximately £4.5 million of the required savings.

Additional schemes are still being considered to deliver the remaining £3.1 million. In the service analysis presented for 2016, the planned savings have been attributed across the department in line with current plans.

2016 Growth

A table of growth proposals is shown in the main MTFP report with a brief description of the planned changes. The impact of these changes on service areas is as follows.

P.82/2012 Health Transformation £3,772,000:

£3.8 million has been allocated to the department for 2016. While this is significantly less than was estimated to deliver the full change agenda, the department will be able to make critical changes to services in order to continue to move towards the redesigned health and social care services envisaged in the White Paper and in P.82/2012.

Key areas for investment are:

- Children's Services: approximately £1.9 million of the proposed 2016 investment is for Children's services (in addition to investment of £2.4 million in 2013-2015). This investment will support the delivery of safe and sustainable services for the future, providing appropriate care to those children who require it including increased fostering and improved respite services.
- Acute Services: £1.6 million will be invested in redesigning and addressing urgent demand for acute services including opening additional beds at Samares ward, recruiting to critical posts within the hospital and focusing on the development of IT systems and integration to support patient care and deliver improvements in safety and efficiency across primary, secondary and community based care services.
- Out of Hospital Services: £0.3 million will support some extension of the Out of Hospital programme.

In addition there will be investment in 2016 using funding phased from 2015:

- Mental Health Services: reflecting the outcomes of the Mental Health Strategy finalised in 2015, the department will invest a further £1.6 million from the phased 2013-2015 funding into this area.
- Adults and Older Adults services: £0.3 million of funding phased from 2015 will be invested in supporting the development of out of hospital long term conditions support.

2% investment in service standards and healthcare inflation £4,175,000:

The 2% funding for Health and Social Services is provided to assist the department to respond to changes in standards of care recommended by the Royal Colleges and other professional bodies, to maintain services at a comparable standard to neighbouring jurisdictions, provide for increases in demand for specific care, meet healthcare specific inflation costs (e.g. drugs) and make new drugs, treatments and therapies available to islanders where appropriate. Therefore, the exact allocation of this funding each year is variable and dependent on factors outside the control of the Department. The actual additional costs to the department are approximately 0.5% higher, and are managed through targeted efficiency savings year on year. In 2016, the key allocations will include:

- high cost packages of care for children with complex needs (approximately £1 million),
- adult specialist care packages (approximately £1 million),
- healthcare inflation costs such as the cost of new drug therapies, theatre supplies and prosthetics (approximately £1,100,000),
- maintaining standards in healthcare such as managing infection control and ensuring safe staffing ratios (approximately £500,000), and
- specialist Acute Care in the UK (approximately £600,000).

Manpower

In 2015 the Department undertook a comprehensive review of the approved FTE limit and as a result 227.7 FTE were removed from Health and Social Services.

Following this a number of changes are proposed for 2016 including the transfer of 4 FTE to Jersey Property Holdings. In addition, there is an estimated reduction of 15 FTE as a result of savings proposals and an estimated increase of 47 FTE as a result of investment in the transformation of Health and Social Services.

Further work is required to confirm the FTE impact of savings schemes for 2016. Any resulting manpower savings in addition to the 15 identified above will be adjusted for once the schemes are agreed.

Overview for 2017 – 2019

Corporate themes

- LEAN

Health and Social Services is still the lead within the States of Jersey in embedding Lean within the department. A number of benefits have been achieved incorporating improvements in quality, safety and value. As part of the sustainability plan departmental staff are now delivering training in house. One of key objectives is to empower front line staff with the skills they have acquired to improve the services they deliver and improve efficiency and effectiveness.

- Public Sector Reform

Health and Social Services continues to drive forward the reform of health and social care across Jersey, working with partners in the voluntary and community sector, in Primary Care and with other States departments such as Education and Social Security. P.82/2012 is a ten-year transformation programme; Phase 1 has been completed. The vision is to ensure services are safe, sustainable and affordable, integrated and delivered in partnership. The system and service changes are consistent with the States Reform themes, particularly in regard to *Makings Islanders' lives better, Easier access to services and Services provided effectively*.

In the period 2017 – 2019, there will be a focus on:

- Children's Services - to support the delivery of safe and sustainable services for the future, providing appropriate care to those children who require it including specialist fostering and respite services.
- Mental Health services – implementing the Mental Health Strategy, including investment priorities relating to crisis, recovery, early intervention and criminal justice, for example introducing a Recovery College, working to reduce stigma and improve workplace mental health and mental wellbeing support, improving services for individuals in crisis and improving prison mental health.
- Primary Care – implementing the Sustainable Primary Care strategy, which is due to be delivered in 2015.
- 'Out of hospital care' – providing more care in individuals' homes, in order to ensure Islanders remain in their own homes, independent, for as long as possible, through 'reablement', integrated patient-centred pathways and support for carers, for

example, through expanding the Rapid Response, Reablement and Crisis team and implementing integrated pathways for Long Term Conditions and multimorbidities.

- Acute services – implementing the Acute Services Strategy whilst the Future Hospital is being developed, making changes in the way we provide the services now in order to continue improving quality and reducing cost and to ensure services are appropriate for the newly designed Hospital. Work will continue on the development of IT systems and integration. Acute services developments will also include new theatres, ‘ambulatory emergency services’ and redesigning patient pathways to reduce hospital length of stay and ensure only those needing an inpatient stay are admitted.
- Healthy lifestyles – building on phase 1 where investment has been made into education and prevention of alcohol and smoking, the department will continue to raise awareness and encourage Islanders to take care of their own health and wellbeing, for example regarding obesity and sexual health.
- Continual improvement - completing a series of service reviews in order to improve value (improving quality and reducing cost), for example, in redesigning transfers of care from hospital to other settings.
- Legislation changes - including the Regulation of Care Law, Mental Health Law and Mental Capacity Law and Food Safety Law.
- Health and wellbeing strategies – a new, overarching Health and Wellbeing Framework, connecting existing health improvement and preventative strategies including the Food and Nutrition Strategy and the Tobacco Control Strategy.
- Regulations - including those governing care homes, care provided in our own homes, dental practitioners, and dwellings in the rented sector.

In June 2014, the Ministerial Oversight Group Expert Panel noted the progress made and confirmed that plans were appropriate: “*The Panel was clear that the case for change was made and the selection of a new model for health and social care was the right one*”. They recommended “*That the States continue with a new model of health and social care*”.

Departmental plans

A key area of focus throughout this period will be the delivery of sustainable savings while maintaining safe services for patients, clients and other service users. Health and Social Services will need to invest considerable effort and resource to ensure that services are managed effectively while delivering challenging savings targets.

In this context, the main focus for Health and Social Services over the next four years will be the delivery of an integrated programme of transformation supported by the allocation of funding for initiatives described in P.82/2012.

P.82 achieves value through only progressing projects which have an evidence base and a meet the P.82 criteria:

- New models of care are preventive rather than reactive (early intervention), for example Health economists have calculated a return of up to 3 to 7 times the original investment in early intervention by the time the young person is 21 years.

- Keeping people out of (expensive) hospital care, which also improves safety, outcomes and experience.
- Proactive, integrated care which improves independence and ability to stay in a patient's own home for longer.

Health and Social Services

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Near Cash		2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total	
		Income	DEL			2016 Net Revenue Expenditure	2016 Net Revenue Expenditure
£		£	£	£	£	£	
2,726,000	Public Health Services	(207,000)	3,691,300	3,484,300	-	3,484,300	47.0
	Hospital Services						
18,355,700	Surgical Services	(292,600)	18,995,000	18,702,400	302,300	19,004,700	259.0
15,342,100	Theatres	(4,449,600)	20,059,400	15,609,800	722,300	16,332,100	232.0
14,541,000	Women & Children	(678,000)	15,455,700	14,777,700	119,400	14,897,100	217.0
28,249,800	Medical Specialities and Emergency Care	(1,374,900)	30,853,300	29,478,400	91,900	29,570,300	399.0
25,129,800	Diagnostic and Clinical Support	(6,629,600)	31,825,200	25,195,600	2,244,500	27,440,100	367.0
4,222,300	Tertiary Care	(68,500)	4,303,900	4,235,400	30,900	4,266,300	65.0
13,034,100	Ambulance Emergency Services	(823,200)	14,333,800	13,510,600	1,100	13,511,700	7.0
	Community & Social Services						
24,719,100	Adults and Older Adults Mental Health	(3,079,500)	21,530,000	18,450,500	2,600	18,453,100	359.0
21,500,100	Adults and Older Adults Other	(8,173,200)	26,438,000	18,264,800	32,200	18,297,000	368.0
18,086,200	Children's Services	(13,600)	22,383,100	22,369,500	-	22,369,500	286.0
9,007,000	Therapy Services	(78,500)	9,232,700	9,154,200	9,700	9,163,900	157.0
5,341,300	Voluntary & Community Sector	(25,800)	10,569,400	10,543,600	-	10,543,600	-
200,254,500	Net Revenue Expenditure	(25,894,000)	229,670,800	203,776,800	3,556,900	207,333,700	2,763.0

Notes:

Adults and Older Adults budgets have been reduced by £8.5 million reflecting the impact of Long Term Care Benefit.

Public Health Services and Voluntary & Community Sector budgets have been impacted by the replacement of HIF income.

Neither adjustment has altered the range of services provided.

Health and Social Services

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(4,100)	Duties, Fees, Fines & Penalties	(4,100)
(21,958,800)	Sales of Goods and Services	(24,753,000)
-	Investment Income	-
(7,136,900)	Other Income	(1,136,900)
(29,099,800)	Total Income	(25,894,000)
	Expenditure	
6,397,900	Social Benefit Payments	964,200
142,963,300	Staff Costs	141,934,800
70,624,900	Supplies and Services	77,861,500
1,268,300	Administrative Expenses	1,278,500
7,632,900	Premises and Maintenance	7,164,800
124,800	Other Operating Expenses	124,800
324,700	Grants and Subsidies Payments	324,700
-	Impairment of Receivables	-
17,500	Finance Costs	17,500
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
229,354,300	Total Expenditure	229,670,800
200,254,500	Net Revenue Near Cash Expenditure	203,776,800
3,306,500	Depreciation	3,556,900
203,561,000	Total Net Revenue Expenditure	207,333,700

Health and Social Services

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	200,254,500
2015 2% Savings adjustment	78,000
Price Inflation - Dept Income	(453,500)
Price Inflation - Dept Expenditure	1,434,600
Price Inflation - Provision for Pay Award	-
Commitments from Existing Policies	
- Funding for Primary Care	6,000,000
Departmental Transfers	
- Transfer of Budget for Long Term Care (Reduced Expenditure) to Social Security	(3,900,000)
- Transfer of Budget for Long Term Care (Additional Income) to Social Security	(4,600,000)
- Transfer of Property Maintenance Budgets to Treasury and Resources (Jersey Property Holdings)	(300,000)
- Transfer of budget for Corporate Health and Safety to Transport and Technical Services	(20,000)
	<u>(8,820,000)</u>
Pay	
- Recurring effect of 2015 Nurses' Pay Award (0.4%)	265,000
Savings	
- Department Savings Programme	(1,947,700)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	(981,100)
	<u>(2,928,800)</u>
Additional Funding	
- Funding Pressures	
2% Investment in Service Standards and Healthcare Inflation	4,175,000
- Commitments	-
- Demographics	
P.82/2012 - Health Transformation (White Paper)	3,772,000
- New Funding	-
- Revenue implications of Capital Projects	-
	<u>7,947,000</u>
Other Variations	-
Net Revenue Near Cash Expenditure	203,776,800
Depreciation	3,556,900
Total Net Revenue Expenditure	207,333,700

Social Security

Social Security

Purpose

We help people to achieve and maintain financial independence and provide social benefits to those unable to support themselves.

Responsibilities

- A compulsory, contributory Social Security Insurance Scheme that receives contributions from employers, employees and general tax revenues. The scheme provides old age pensions and a range of working age benefits
- A compulsory, contributory Health Insurance Scheme that receives contributions from employers and employees. The health scheme provides subsidies for GP visits and covers the costs of prescription drugs
- A compulsory, contributory Long Term Care scheme that receives contributions and provides a range of benefits for adults with long-term care needs
- Non-contributory means-tested benefits including Income Support
- Health and Safety legislation, as well as the Health and Safety Inspectorate
- Back to Work services which provide targeted support to help people to obtain and maintain employment
- Employment legislation, which sets out minimum standards for good employment relations and protection in the workplace
- Discrimination legislation, which protects people from unfair or unequal treatment based on characteristics including race and sex
- Maintain the Names and Addresses Register and register individuals and businesses under the Control of Housing and Work Law

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Department Initiative	Council Priority	Strategic Goal
Support and implement: <ul style="list-style-type: none"> • Public Sector Reform initiatives, • a programme of customer-focussed and waste-reducing Lean initiatives, and • initiatives to ensure the delivery of savings 	Sustainable Public Finances	11

under the 2016-19 Medium Term Financial Plan.		
Extend and adapt the range of Back To Work initiatives as the economy recovers	Optimise Economic Growth	3, 6
Continue to develop the discrimination law (age characteristic)		1, 3
Review the sustainability of the Social Security Fund	Sustainable Public Finances	2, 3, 11
Review the sustainability of the Health Insurance Fund	Sustainable Public Finances	2, 3, 11
Advance the e-gov programme for the processing of benefits and contributions	Sustainable Public Finances	11
Introduce updated health and safety regulations for the construction industry	Improve Health & Wellbeing	1, 2, 3

Financial Narrative

2015 Recurring Savings

The department committed to making a recurring 2% saving (£330,900) in 2015. This will be achieved by:

	Amount (£)
Delivering efficiencies supported through the capacity generated by application of Lean methodology and other reform work.	286,200
Maintaining grants to Grant Aided Bodies at 2014 levels	44,700
Total	330,900

Changes in base budgets

- Reforecasting of benefit levels

When the 2015 budget was set in the last MTFP, the poor economic situation combined with the anticipated impact of the removal of Low Value Consignment Relief (LVCR) resulted in Income Support budgets being based on forecasts including high levels of unemployment. The actual levels of unemployment experienced have not been as severe as anticipated and were mitigated by the positive impact of the Back to Work teams – for example 2014 expenditure on Income Support was £85.1 million compared to a budget of £94.4 million.

Income Support and Other Benefit budgets have been reforecast using the latest information around claims and economic assumptions, and this has resulted in a decrease in the level of expected spend. The level of contingency relating to benefits has also been reduced as a result of the lower forecast spend, and the replacement of expenditure under Income Support Residential Care with a contribution to the Long Term Care Fund (LTCF) being set by a certainty calculation.

- Financial Implications to Social Security of Housing Incorporation

The financial implications of the incorporation of the Housing Department on Income Support Expenditure were identified in the Annual Update to the MTFP Departmental Annex 2014. The financial impact of the return to near market rent levels in the Social Sector will be phased over many years as new tenancies are created.

The additional Income Support costs arising from the return to near market rent levels in 2016 are expected to be £1.9 million:

- In the States sector, the additional cost in 2016 is estimated to be £700,000. This will potentially increase to £2 million by 2043.
- In the Housing Trust sector, the additional cost in 2016 is estimated to be £184,000. £134,000 was previously allocated to the department in 2015, meaning an additional £50,000 has been allocated for 2016. The total costs will potentially increase to £1 million by 2043.

- In the Private Sector, rental components were adjusted in parallel with the public sector changes in 2014, and the full effect of £1 million of additional costs in the private sector were built into the base budget in 2015.
- Calculation of States Contributions to the Social Security and Long Term Care Funds

The States Contribution to the Social Security Fund towards the cost of supplementation is normally based on a 'certainty calculation', which ensures that the cost is known for the whole period of the MTFP in advance. Under the Long Term Care (States Contribution) (Jersey) Regulations 2013 the States annual contribution to the Long Term Care Fund is calculated using a similar formula.

However, as a short-term measure, the value of the States annual contribution to the Social Security Fund will be frozen at the 2015 level throughout the MTFP period. This will reduce the value of the States grant and help to maintain balanced budgets throughout the four-year period.

Service Transfers

- Transfer from Health and Social Services in relation to the Long Term Care Fund

Under P.140/2013(Add) it was agreed that from 2016 onwards, an annual States Contribution to the Long Term Care Fund (LTCF) would be made from the consolidated fund, based on the impact on existing budgets held in both the Health and Social Services Department (HSSD) and the Social Security Department (SSD).

Prior to the introduction of the LTCF, HSSD provided funding for some long term care costs. HSSD also provide long term care services directly as a care provider. The introduction of the LTCF has changed the way in which these costs are met.

- HSSD previously used part of its budget to purchase external nursing beds and provide additional payments in respect of some external residential care and under-65 placements. HSSD is no longer involved in funding standard care costs for claimants cared for by other providers – these individuals receive support for their standard care costs through the LTC scheme. A full-year figure for 2014 equating to the reduction in HSSD Expenditure is agreed at £3.9 million.
- HSSD supports adults with long term care needs at HSS owned long term care adult facilities. In this case, the cost of the service is not affected by introduction of the LTC scheme. However, the income received by HSSD will increase as the standard charges levied under the new Long Term Care (Health and Social Services Charges) (Jersey) Law 2014 are in line with the standard benefit rates payable under the Long Term Care Law. A full-year figure for 2014 equating to the increase in HSSD Income is agreed at £4.6 million.

It was agreed that any reduction in funding required from the consolidated fund by HSSD relating to long term care as part of the introduction of the LTCF would be transferred into the LTCF. A budget of £8.5 million will therefore be transferred to SSD to be paid as a contribution to the LTCF from 2016.

- Transfer of the Population Office from Chief Minister's Department (CMD)

It was agreed in 2015 (MD-S-2015-0041) that the administration of the Population Office could be made more effective through integration with SSD, and that the net budget (£124,100), staffing (17.0 FTE) and assets of the Population Office (including the Housing

Gateway) should be transferred from CMD. The underlying policy associated with the Control of Housing and Work Law remains the responsibility of the Chief Minister.

In addition, work on the income generated under the Control of Housing and Work Law is being undertaken by CMD to cover the £250,000 shortfall in income as a result of the States' decision not to implement an annual charge on registered employees, which is not reflected in the net budget and has previously been funded from central contingencies.

- Transfer to Transport and Technical Services (TTS) to fund Corporate Health and Safety

£2,000 will be transferred to TTS with effect from 1st January 2016 following a decision that the additional costs of Corporate Health and Safety should be allocated across departments.

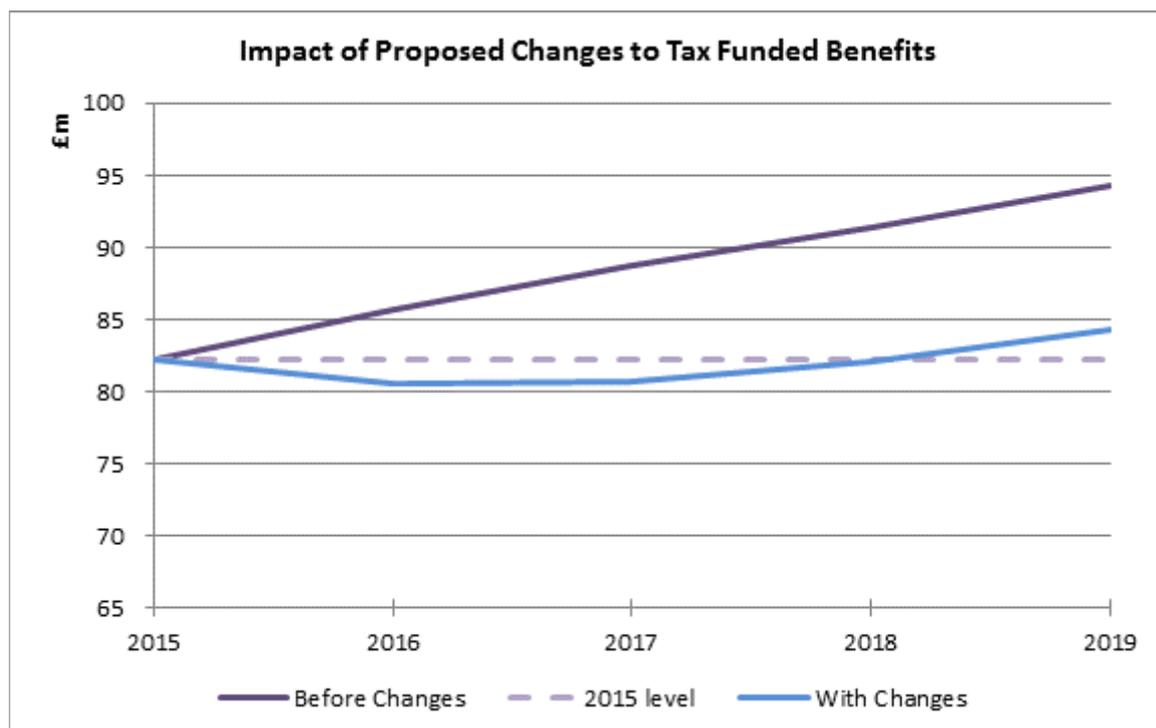
Short-term measures

In addition to a freeze in respect of the States contribution to the Social Security Fund throughout MTFP2, it is also proposed to make transfers from the Health Insurance Fund in 2017 and 2018 to the Consolidated Fund. These transfers will be used to support the additional cost of health services in advance of the full implementation of a sustainable funding mechanism for health ('health charge'), planned for 2019.

2016 Savings

- Changes to Benefits

The Resources Statement accompanying the Strategic Plan (P.27/2015(Add)) identified that changes to benefits would be included within the overall package to support the funding of the strategic aims approved by the States Assembly and achieve the agreed public funding position by 2019. In total, SSD has been asked to reduce its anticipated spend on tax funded benefits by £10.0 million by 2019. As shown in this graph, this target is roughly equivalent to maintaining the spend on tax funded benefits at the 2015 level, throughout the period of the MTFP2.



Benefit changes were considered using the following criteria:

- Promote financial independence – use changes in benefit to promote activities that will support the financial independence of claimants, and protect benefits which are supporting the financial independence of claimants;
- Improve targeting of benefits – change benefits in areas where public money is not specifically targeted to vulnerable groups; and
- Minimise individual impact – spread changes over larger groups of claimants, rather than a few individuals.

For 2016, departmental proposals provide for a tax funded benefit budget that is £5.1 million below the original anticipated spend.

One of the financial pressures facing the States is the range of extra costs associated with the growth in the number of people aged 65 and above and one of the key strategic aims of this Council of Ministers is to ensure that we have a health system that can continue to provide good quality care to an ageing population.

In order to allow funds to be available to meet the costs of demographic pressures within the health service, the Department proposes to make major changes to two benefits which are predominantly claimed by older people. The Christmas Bonus is paid to local pensioners and is worth just over £80 per person per year, giving a total cost of £1.5 million in 2015. It is not means tested or targeted and it is paid automatically. From 2016 this bonus will no longer be paid. The second change is that the scheme that provides free television licences to some pensioners aged 75+ will be closed to new entrants. People who are already receiving a free TV licence under this scheme will continue to be eligible.

From the funds released by these changes, the Department will retain £200,000 to improve the 65+ health scheme which provides financial support for dental, optical and chiropody costs to pensioners with incomes below the tax threshold, who do not pay income tax. This support is well targeted and helps older people to remain independent and stay healthy. The remaining funds will be available to the Treasury and Resources Department as part of the overall savings target, to help to meet the increasing cost of HSSD across the whole range of health services provided to older people.

These changes will require States approval to amend existing legislation. Changes will be lodged in August to allow a debate immediately following the main MTFP debate.

Changes are also proposed to the income support scheme. The impact of these changes for 2016 is explained in the table below:

Proposal	2016 Net Saving £'m	Notes
Provide increases for rental and childcare components but maintain other Income Support components at their 2015 value	2.0	Planned increases in rents for Andium and other social housing providers will be fully covered

Align the treatment of lone parents with other adults in income support households	0.8	An additional component worth just over £40 per week is currently allocated to lone parents who receive income support. Over the next four years the treatment of lone parents will be progressively brought in line with the treatment of all other adults in income support households
Phase in changes to the income support child component		Changes will be gradually introduced from 2016 onwards
Align the treatment of some types of benefit income with that of other non-earned income	0.6	Some income support claimants are currently allocated an extra allowance of up to £12 a week in respect of specific contributory Social Security benefits that they also receive. In 2016, the treatment of this benefit income will be aligned with the treatment of all other non-earned income
Align the treatment of pension income with that of earned income	0.0	Income support claimants over State pension age who receive a pension are currently allocated a fixed allowance which does not reflect the value of the pension. The structure of the allowance will be gradually changed so that it is progressively aligned with the treatment of earned income and the value of the allowance reflects the amount of provision made by the claimant for their old age
Bring the treatment of jobseekers under 25 in line with the treatment of students aged under 25	0.2	A jobseeker aged between 19 and 24 can currently claim £92 per week, even if living at home with parents who do not qualify for income support. By 2016, the treatment of jobseekers will be brought in line with the treatment of full-time students in a similar situation
Provide more Income Support one-off payments as loans	0.1	Income support households receive help with a variety of one-off costs. Grants are currently available for white goods, furniture and fittings. By 2016, these will be available as loans

Changes will be made through the update of Ministerial Orders or internal policy documents except for changes in the Child and Lone parent components, which require States approval to amend income support regulations. Amendments will be lodged in August to allow for debates immediately following the main MTFP debate.

- Non-Benefit Savings

SSD will also make a reduction in expenditure of £296,600 in non-benefit areas in 2016. The department plans to continue to work to improve the efficiency of its services through the application of the LEAN methodology, which, in addition to improving customer service, will generate additional capacity within the department. This in turn can be translated into savings, for example through the non-replacement of staff leavers. Changes to the funding of Grant Aided Bodies will also be considered.

2016 Growth

During the States debate on Deputy J A Martin of St Helier's amendment to the draft Income Support Regulations (P.90/2014) in respect of components payable to children with disabilities and long term health conditions, the States strongly supported a move to make payments to children with severe or very severe disabilities irrespective of the income or means of the family.

As identified by the Minister for Social Security both prior to and during the debate, acceptance of the amendment carried with it significant implications in terms of both funding and administration. The additional funding allocation of £477,000 reflects the financial impact of the change, and is split between the additional cost of Income Support (£420,800), and the costs of an additional administration post (£56,200).

Manpower

In the previous MTFP the total Full Time Equivalent of the department was shown net of those staff members who are recharged to the Social Security Fund, Health Insurance Fund and Long Term Care Fund (81.9 FTE). To reflect the full level of staffing in the department this credit has been removed in 2016.

The department had one extra FTE approved in 2015 to support the additional administration resulting from the approval of P.90/2014 (see above). In addition, 17.0 FTE were transferred from CMD as a result of the transfer of the administration of the Population Office.

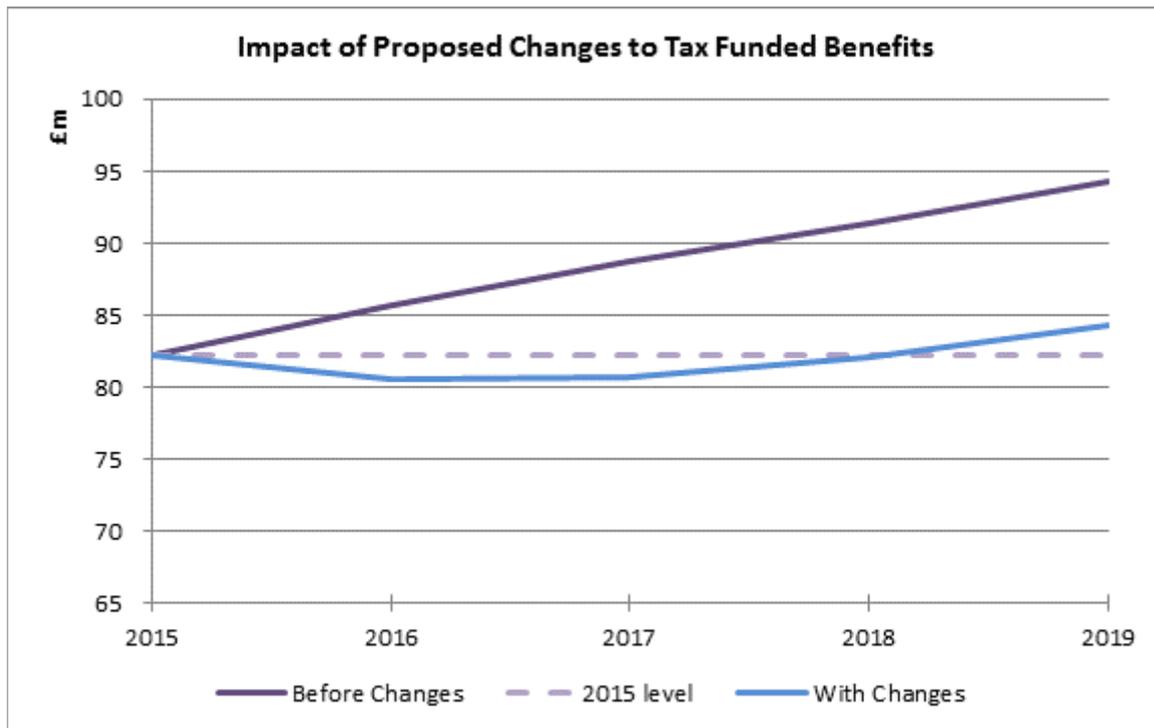
	FTE
Reported in 2015 MTFP Annex Update	160.6
Restatement – Recharge to Funds	81.9
Restated 2015 FTE	242.5
Administration of PC2/3	1.0
Transfer of Population Office	17.0
Total FTE 2016	260.5

Overview for 2017-2019

Some of the benefit changes proposed for 2016 will see their full impact during 2016, and savings against anticipated expenditure as a result of these changes will continue throughout the remainder of the MTFP. Other benefit changes will be progressively phased in over the MTFP period. The current estimate of the phasing of savings against anticipated expenditure is shown below:

	2016 £'m	2017 £'m	2018 £'m	2019 £'m
Savings	5.1	8.1	9.4	10.0

The graph below illustrates that the department will be seeking to keep the level of benefits close to the level of expected spend in 2015 throughout the period of the MTFP.



The department also will continue to work to improve the efficiency of its services in order to deliver further non-benefit savings in 2017-2019.

Review of the Social Security Fund

The most recent review of the Social Security Fund by the UK Government Actuary identified that the Fund was projected to reach a break-even point next year, with increasing pension and benefit costs outstripping contribution income for the first time in 2016. The Fund has substantial reserves, but a review of the Social Security Scheme is now needed to ensure the long term sustainability of the Fund.

The review will consider all aspects of the current scheme, including the level of contributions collected and the eligibility for, and the value of, pensions and benefits payable. The review will start in 2016 and will consider options for:

- increasing the liability for contributions from higher earners
- reviewing the level of the standard earnings limit and the upper earnings limit
- increasing the percentage rate for contributions
- reviewing the balance between employer and employee contributions
- reviewing the liability of self-employed contributors
- reviewing the method for uprating pensions and benefits
- increasing the state pension age
- reviewing the eligibility for pensions
- reviewing the range of working age benefits available

The review will also consider the future level of the annual contribution made by the States into the Social Security Fund.

Review of the Health Insurance Fund

Significant improvements have been made over the last five years to adapt the legislation underlying the Health Insurance Fund to introduce a modern governance framework for GPs and to extend the way in which primary care services can be supported through the Fund. At the same time, the Health and Social Services Department (HSSD) has been leading a major review of health services in the island in response to the issue of ageing demographics and the increasing costs of providing all forms of healthcare to an older population.

The current Health Insurance Fund contribution rate of 2% has led to reserves being built up in the Fund over a number of years. However, the 2% rate is no longer sufficient to cover the costs of the benefits provided and the Fund has needed to use investment returns to make up the shortfall in contribution income in recent years. Separately, some of the reserve (just over £26 million) has been used to support primary care costs incurred by the HSSD since 2011.

One of the short term measures proposed within the MTFP is to transfer additional sums to ensure that HSSD can continue to meet the growing cost of health care overall. This would involve a total of up to £30 million, to support costs in advance of the introduction of a sustainable funding mechanism for health care.

It is likely that future health services will be closely coordinated between primary and secondary practitioners, with more care being provided in the community. This will require different funding methods and the future role of the Health Insurance Fund will be reviewed during 2016 as part of this process and alongside the development of a sustainable funding mechanism to support the overall cost of healthcare.

Social Security

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure		Income	Near Cash		2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total	
			DEL	AME			2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	£	
65,300,000	States Contribution to Social Security Fund	-	-	65,300,000	65,300,000	-	65,300,000	-
18,084,000	States Contribution to Long Term Care Fund	-	-	28,212,900	28,212,900	-	28,212,900	-
87,447,600	Income Support	-	-	77,971,000	77,971,000	-	77,971,000	-
3,235,300	Other Benefits	-	-	1,785,100	1,785,100	-	1,785,100	-
1,061,500	Contingency	-	-	836,900	836,900	-	836,900	-
12,489,200	Staff Costs and Administration	(4,969,100)	17,446,500	-	12,477,400	187,400	12,664,800	255.5
563,400	Health and Safety at Work	-	452,100	-	452,100	-	452,100	5.0
2,282,000	Grant Aided Bodies	-	2,286,800	-	2,286,800	-	2,286,800	-
190,463,000	Net Revenue Expenditure	(4,969,100)	20,185,400	174,105,900	189,322,200	187,400	189,509,600	260.5

Social Security

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
	- Duties, Fees, Fines & Penalties	(885,600)
(3,937,500)	Sales of Goods and Services	(4,083,500)
	- Investment Income	-
	- Other Income	-
(3,937,500)	Total Income	(4,969,100)
	Expenditure	
174,066,900	Social Benefit Payments	173,269,000
11,745,900	Staff Costs	13,500,200
1,518,500	Supplies and Services	2,377,600
175,000	Administrative Expenses	295,100
121,000	Premises and Maintenance	446,300
214,700	Other Operating Expenses	120,000
5,486,800	Grants and Subsidies Payments	3,426,800
	- Impairment of Receivables	-
10,200	Finance Costs	19,400
	- Foreign Exchange (Gain)/Loss	-
1,061,500	Contingency Expenses	836,900
194,400,500	Total Expenditure	194,291,300
190,463,000	Net Revenue Near Cash Expenditure	189,322,200
	- Depreciation	187,400
190,463,000	Total Net Revenue Expenditure	189,509,600

Social Security

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	190,463,000
Price Inflation - Dept Income	(78,800)
Price Inflation - Dept Expenditure	149,400
Price Inflation - Provision for Pay Award	-
Net provision for uprating of Benefits	
Reforecasting of Benefit Levels	(7,222,200)
Financial Implications to Social Security of Housing Incorporation	884,000
Funding for Impact of Housing Incorporation already in Base Budget	(134,000)
Increase in States Contribution to the Social Security Fund	-
Increase in States Contribution to the Long Term Care Fund	1,628,900
Commitments from Existing Policies	-
Departmental Transfers	
- Transfer of Budget for Long Term Care (Reduced Expenditure) from Health and Social Services	3,900,000
- Transfer of Budget for Long Term Care (Additional Income) from Health and Social Services	4,600,000
- Transfer of Population Office from Chief Minister's Department	124,100
- Transfer of budget for Corporate Health and Safety to Transport and Technical Services	(2,000)
	<u>8,622,100</u>
Savings	
- Department Savings Programme	(296,600)
- Benefit Changes	(5,100,000)
- Restraint on Non-Staff Inflation for 2016	(70,600)
	<u>(5,467,200)</u>
Additional Funding	
- Funding Pressures	-
- Commitments	
Child Personal Care Benefit level 2 and 3	477,000
- Demographics	-
- New Funding	-
- Revenue implications of Capital Projects	-
	<u>477,000</u>
Other Variations	-
Net Revenue Near Cash Expenditure	189,322,200
Depreciation	187,400
Total Net Revenue Expenditure	189,509,600

Transport and Technical Services

Transport and Technical Services

Purpose

Ensure the impact of waste is minimised on the environment, that on-Island travel networks which meet the needs of the community are developed and that Jersey has attractive and well maintained public amenities and infrastructure.

Responsibilities

- The provision of sustainable and efficient waste management facilities
- The development and operation of schemes for waste minimisation and recycling
- The provision, management and maintenance of the foul and surface water sewerage system
- The treatment and disposal of the Island's liquid waste
- The management of the main road network
- The monitoring and management of public transport
- The management of traffic systems
- The provision and management of parking facilities
- Ensuring motor vehicles are roadworthy and drivers competent
- The maintenance and cleaning of public spaces, amenities, structures and sea defences
- The provision and maintenance of formal parks, gardens, open spaces and amenity areas

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11
Deliver a Road Safety Action Plan to re-establish a falling trend in traffic accidents on the Island's roads	Improve Health & Wellbeing	1,2,10

Work with CMD to develop a concessionary fare scheme to support Islanders with disabilities.		2,3
Subject to funding, progress in stages new cycle and walking route from Sandybrook to St Mary's village along St Peter's valley	Improve Health & Wellbeing	1,2,9,10
Work with the Parish of St Helier to deliver efficiencies, savings and improvements on gardening and cleaning services	Improve St Helier Sustainable Public Finances	2,9,10,11
Provide technical expertise to the Future St Helier Project	Improve St Helier	9,10
Work with Andium to progress the delivery of Ann Court Car Park	Improve St Helier	9,10
Work with LibertyBus to continue to develop public transport offer and continue with programme to extend bus shelter provision		9,10
Modernise taxi regulation		10
Develop voluntary road worthiness testing scheme for light vehicles	Improve Health & Wellbeing	1,2,10

Financial Narrative

2016 to 2019 will be a period of change for Transport and Technical Services (TTS), one of which will be the change as a result of P.46/2015, which calls for joining Jersey Property Holdings and TTS to form the new Department of Infrastructure.

In addition, alongside other departments, TTS will have to make significant savings and to achieve this, fundamentally redesign how our services are delivered. It is intended to investigate the possibility of increasing the number of trading operations to encompass more of the department's functions. During 2015 and 2016 proposals will be investigated and it is intended that these be brought to the States in the next phase of the MTFP with a view to implementation in 2018-19.

2015 Recurring Savings and 2016 Savings

Proposals for savings for 2016 include the extension of some of the savings introduced during 2015 as a result of the 2015 Budget Measures required to balance the consolidated fund, including closure of the day-to-day operations at La Saline quarry, efficiency improvements in many operational and support areas of the Department, and potential changes to the concessionary bus fares arrangements to maximise bus capacity during the morning peak period.

Inevitably, some of these changes will affect staff. It is hoped that by improving efficiency and taking advantage of the age profile of the department, many of the savings can be made without impacting significantly on service standards.

2016 Growth

In 2015, the original MTFP 2013-2015 included an expectation that TTS would commence treating Guernsey waste. Discussions are ongoing and the Guernsey Public Services Department issued a Pre-Qualification Questionnaire, which was submitted in June 2015, as a pre-cursor to a formal tender exercise for treatment of Guernsey waste exports. However, prior to any imports of waste, formal agreement to this will be required by the States Assemblies in Jersey and Guernsey as well as the relevant Waste Regulators. Accordingly, a growth bid of £1.5 million to offset this shortfall in income was accepted by the Council of Ministers, as it is now expected that the earliest that shipments could commence, if Jersey is successful in its tender bid, is 2017.

In addition, when budgets were prepared for the MTFP 2013-2015 in early 2012, it was expected that the unit price of electricity generated at the La Collette Energy from Waste (EFW) plant would be considerably higher than that currently being received. As a result of market conditions in Europe, bulk prices for electricity have reduced by over 30% since budgets were set which, when considered alongside an expected 10% increase in on-Island prices when the MTFP was set, has resulted in a likely shortfall in income of £1.2 million in 2015. The Council of Ministers has agreed a growth bid for TTS in 2016 of £1.1 million as a result of this predicted income pressure, which is outside of the control of the department.

Without the linkage between car park charges and bus services the increase in the costs of concessionary travel and demographic pressures on the school bus service has necessitated a further growth bid of £278,000 for 2016. The bus service continues to improve and increased frequency of service and capacity on routes is of critical importance to promote modal change as required by the Sustainable Transport Policy agreed by the States in 2010.

Service Transfers

The Corporate Health and Safety function was transferred from the Chief Minister's Department in 2013. Although this was initially funded by a growth bid of £50,000 under that department, the budget was never enough to provide for a full time officer and the training and development required to ensure that the States of Jersey fulfils its statutory obligations. As such, further resources totalling £46,000 are to be transferred from other States departments who will be benefiting from the service provided.

Manpower

A reconciliation between the figures quoted in the 2015 MTFP Annex Update (499.1 FTE) and the States' Human Resources Information System (HRIS) identified that a number of posts should have been included in the previous totals that were omitted in error. As such, an increase of 19.8 FTE was approved. However, savings generated by natural attrition identified 3.0 FTE in the 2015 2% exercise, with a further net reduction of 21.0 FTE in 2016. As a result, the department has brought the budgeted total down to 494.9 FTE for 2016.

Overview for 2017-2019

As previously mentioned, the department faces a number of changes over the coming years, not least of which is a potential for some areas to become a trading or separate operation. Whilst investigations into the feasibility of such a move are currently at very early stages, it is intended that proposals be brought forward in the next phase of the current MTFP period in 2016.

It is acknowledged that additional charges for services which have been perceived as a free good by the public, is at best challenging. However the principle of User Pays charges will significantly improve the environmental behaviours with respect to transport, solid waste and liquid waste. Charging for commercial solid waste will enable alternative business opportunities for recycling which are currently suppressed due to TTS's free disposal option.

Given the financial challenges facing the States, it is important that every effort is made to minimise cost and improve efficiency across the services. Whilst this will contribute to meeting the shortfall, it is increasingly obvious that some additional charges will have to be considered in order to provide sustainable funding in the longer term. Chief amongst these will be charges for solid and liquid waste disposal. In many jurisdictions such charges are commonplace and go some way to encourage recycling and innovative solutions to dealing with waste.

The amalgamation with Jersey Property Holdings would mean that the majority of the States assets are managed by one entity. Working more closely together to share resources and facilities will provide further opportunities for achieving efficiencies. In addition, this will help maintain and develop a critical mass of on-island expertise to deliver capital projects across the States portfolio of buildings and infrastructure assets now and into the future.

One of the priorities of the new Strategic Plan 2015 – 2018 is 'Improving St Helier'. TTS will have a part to play in achieving the desired goals.

The opportunities for achieving savings will continue throughout the period, as ageing assets such as the Sewage Treatment Works are replaced with modern, energy efficient, low maintenance systems. Significant process improvements and the re-use of energy from anaerobic digestion will lead to reductions in operational cost and maintenance requirements.

Work will continue to review services provided to other departments and the public to establish whether TTS continues to offer best value when compared to the private sector. Where the potential for duplication exists, such as with services also provided by the parishes, opportunities for rationalisation of these services will be investigated.

The future will inevitably bring change. The period of the next MTFP will be challenging for the department and the States as a whole. However, the department is confident that by taking the initiative in seeking new ways to deliver important services for the Island, the future of these vital functions can be protected.

Transport and Technical Services

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Income	Near Cash DEL	2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total 2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	
13,040,000	Operational Services: Waste	(7,608,800)	23,124,300	15,515,500	11,543,900	27,059,400	191.1
3,713,500	Operational Services: Municipals	(6,466,500)	9,940,000	3,473,500	43,700	3,517,200	212.1
4,476,100	Engineering and Highways	(298,500)	4,729,200	4,430,700	4,386,700	8,817,400	65.7
5,421,300	Transport	(1,441,000)	6,639,600	5,198,600	37,800	5,236,400	26.0
26,650,900	Net Revenue Expenditure	(15,814,800)	44,433,100	28,618,300	16,012,100	44,630,400	494.9

Transport and Technical Services

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(902,100)	Duties, Fees, Fines & Penalties	(885,800)
(16,749,900)	Sales of Goods and Services	(14,766,400)
(1,000)	Investment Income	(1,000)
(163,400)	Other Income	(161,600)
(17,816,400)	Total Income	(15,814,800)
	Expenditure	
	- Social Benefit Payments	-
20,312,400	Staff Costs	19,597,500
15,518,500	Supplies and Services	16,484,000
266,500	Administrative Expenses	260,700
8,333,800	Premises and Maintenance	7,409,800
(10,600)	Other Operating Expenses	632,900
	- Grants and Subsidies Payments	-
1,100	Impairment of Receivables	6,000
45,600	Finance Costs	42,200
	- Foreign Exchange (Gain)/Loss	-
	- Contingency Expenses	-
44,467,300	Total Expenditure	44,433,100
26,650,900	Net Revenue Near Cash Expenditure	28,618,300
19,015,700	Depreciation	16,012,100
45,666,600	Total Net Revenue Expenditure	44,630,400

Transport and Technical Services

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	26,650,900
Price Inflation - Dept Income	(356,300)
Price Inflation - Dept Expenditure	483,100
Price Inflation - Provision for Pay Award	-
Commitments from Existing Policies	-
Departmental Transfers	
- Transfer of budgets for Corporate Health and Safety from various Departments	46,000
	<u>46,000</u>
Savings	
- Department Savings Programme	(1,007,600)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	(126,800)
	<u>(1,134,400)</u>
Additional Funding	
- Funding Pressures	
Energy From Waste - Shortfall in Income (JEC/waste volumes)	1,121,000
Energy From Waste - No Guernsey Waste Income	1,530,000
- Commitments	-
- Demographics	-
- New Funding	
Bus Contract - Main Contract and School Bus Service	278,000
- Revenue implications of Capital Projects	-
	<u>2,929,000</u>
Other Variations	-
Net Revenue Near Cash Expenditure	28,618,300
Depreciation	16,012,100
Total Net Revenue Expenditure	44,630,400

Treasury and Resources

Treasury and Resources

Purpose

The Treasury and Resources Department looks after the Island's finances and assets, ensuring the protection and good use of public funds.

Responsibilities

- Prepare and publish the States' Accounts in accordance with the Jersey Financial Reporting Manual
- Provide an efficient and accurate payroll service to the States of Jersey and third parties (Andium Homes, Family Nursing & Homecare)
- Administer the Public Employees Contributory Retirement Scheme (PECRS) and Jersey Teachers Superannuation Fund (JTSF) for the States of Jersey and 25 Admitted Bodies in accordance with Scheme Regulations
- Deliver changes to the public service pension schemes that ensure they are sustainable, affordable and fair for the long term
- Provide an efficient and accurate accounts receivable, accounts payable and income collection services to Departments
- Manage the currency of the Island
- Develop and implement changes to domestic tax policy matters
- Assess and collect tax revenues arising from:
 - Personal and corporate taxpayers
 - GST
- Comply with International Tax Information Agreements, Double Taxation Agreements, European Savings Directive, FATCA and similar agreements
- Provide an independent and objective internal audit service
- Support States Fund Investment management
- Integrate longer term financial planning with the strategic vision to inform the appropriate allocation of resources
- Monitor and report financial performance across States departments
- Manage the Utility, SOJDC and Andium shareholdings

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Support and implement: <ul style="list-style-type: none"> • Public Sector Reform initiatives, • a programme of customer-focussed and waste-reducing Lean initiatives, and • initiatives to ensure the delivery of savings under the 2016-19 Medium Term Financial Plan. 	Sustainable Public Finances	11
Review the shareholder function	Sustainable Public Finances	11
Address backlog maintenance requirements across the property portfolio	Sustainable Public Finances	11

The department's day-to-day business activity will also support and deliver the Priorities set out in the Council of Ministers' Strategic Plan (Sustainable Public Finances).

Financial Narrative

2015 Recurring Savings

The Treasury and Resources Department (T&R) will continue to deliver recurring savings of £778,900 agreed for 2015. The savings have been allocated between individual service areas and include the following initiatives:

States Treasury	Reorganisation of staffing and efficiencies in non-staff budgets
Taxes Office	Review of staffing and efficiencies within non-staff budgets (printing, postage and other administration costs)
Jersey Property Holdings	Reduction in planned maintenance projects, exact area of reduction will vary from year to year dependent on future priorities

2016 Savings

In 2016 the Department is required to deliver further savings of £237,300 in addition to maintaining those savings implemented in 2015. In order to meet this target in 2016 a review of staffing across the Treasury function was undertaken and efficiencies identified.

2016 Growth

Growth funding has been approved in 2016 to:

- Support the wider and more diverse scope of the Shareholder Relationship function for the States' strategic investments. In addition this will enable the department to action the recommendations of several reviews carried out in recent years on the Treasury and Resources function as a shareholder by strengthening the governance surrounding the relationships; and
- Mitigate backlog maintenance requirements across the property portfolio. A recent survey of the Health and Social Services (non-General and Acute) property estate identified the poor condition of the portfolio and determined a requirement over a number of years to bring and maintain the estate in a good order. This growth bid will address a proportion of the highest needs across the overall estate in this MTFP period.

Service Transfers

In 2015 the following recurring Departmental transfers were made:

- Transfer of budget, service and management responsibility from Education, Sport and Culture to Jersey Property Holdings (JPH) for Les Cruex Country Park;
- Transfer of budget and service responsibility for an agreed list of properties (a selection of community property from which services are delivered that do not rely on specialist plant and equipment) from Health and Social Services (H&SS) to JPH in respect of the maintenance function being part of a phased handover of maintenance responsibilities. In addition, the transfer of FTEs from H&SS to JPH for use on the delivery of maintenance works in the H&SS community property will enable a specific delivery team to be set up to undertake these maintenance works;

- Transfer to Transport and Technical Services (TTS) to fund Corporate Health and Safety following a decision that the additional costs of Corporate Health and Safety should be allocated across departments; and
- Transfer of Taxes Information Services (IS) team to the Chief Ministers Department (CMD) in order to further align and consolidate IS teams and spend across the States of Jersey. This provides the opportunity to take advantage synergies and economies of scale and also helps in reducing the risks associated with maintaining a small IS team that needs to keep abreast of a wide skill set in ever expanding technology trends.

In addition, the Chief Minister has lodged a proposition (P.46/2015) that proposes to transfer certain functions between some existing ministerial portfolios which are intended to:

- underpin the Strategic Plan;
- deliver positive, sustainable economic, social and environmental outcomes for Jersey;
- ensure effective, efficient and sustainable management and use of public funds; and
- enable the provision of modern and highly valued services for the public.

For T&R this includes the transfer of functions in respect of Jersey Property Holdings to the Transport and Technical Services Department.

Manpower

From 2015 to 2016 T&R manpower decreased by 7.5 FTE from 268.3 FTE to 260.8 FTE.

A full breakdown of FTE movements is given in the table below:

2015 FTE per 2015 Annex Update	268.3
Temporary project posts – Jersey Property Holdings	5.0
Resource transfer from Health and Social Services – JPH	4.0
Resource transfer to Chief Minister’s Department	-1.0
Taxes IS transfer to Chief Minister’s Department	-8.5
Reduction made as part of 2015 2% Savings – Treasury	-3.0
Reduction made as part of 2015 2% Savings – Taxes	-2.0
Reduction made as part of 2016 Savings - Treasury	-2.0
2016 FTE	260.8

Overview for 2017 – 2019

T&R will continue to support the Public Sector Reform programme and will explore a number of initiatives over the period 2017-2019 which will provide the opportunity for changes in structure and service redesign in order to continue to deliver efficient and effective services alongside reduced budgets and manpower numbers.

Treasury and Resources

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Income	Near Cash DEL	2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total 2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	
4,530,100	States Treasury	(2,187,500)	7,895,100	5,707,600	-	5,707,600	103.2
6,287,200	Taxes Office	(106,000)	5,087,700	4,981,700	1,100	4,982,800	88.6
7,176,400	Jersey Property Holdings	(4,616,900)	15,997,200	11,380,300	20,990,200	32,370,500	57.0
487,200	Corporate Procurement	(43,500)	583,200	539,700	-	539,700	12.0
2,310,100	Insurance	-	2,310,100	2,310,100	-	2,310,100	-
7,931,700	Pensions	-	7,643,100	7,643,100	-	7,643,100	-
28,722,700	Net Revenue Expenditure	(6,953,900)	39,516,400	32,562,500	20,991,300	53,553,800	260.8

Treasury and Resources

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
-	Duties, Fees, Fines & Penalties	-
(7,317,400)	Sales of Goods and Services	(6,731,700)
-	Investment Income	-
(225,700)	Other Income	(222,200)
(7,543,100)	Total Income	(6,953,900)
	Expenditure	
-	Social Benefit Payments	-
15,095,700	Staff Costs	13,618,700
2,947,200	Supplies and Services	4,047,300
446,400	Administrative Expenses	441,000
11,231,600	Premises and Maintenance	13,938,300
184,900	Other Operating Expenses	160,600
-	Grants and Subsidies Payments	-
117,800	Impairment of Receivables	57,100
7,236,500	Finance Costs	7,253,400
-	Foreign Exchange (Gain)/Loss	-
(994,300)	Contingency Expenses	-
36,265,800	Total Expenditure	39,516,400
28,722,700	Net Revenue Near Cash Expenditure	32,562,500
20,305,000	Depreciation	20,991,300
49,027,700	Total Net Revenue Expenditure	53,553,800

Treasury and Resources

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	28,722,700
Price Inflation - Dept Income	(150,900)
Price Inflation - Dept Expenditure	423,400
Price Inflation - Provision for Pay Award	-
Add back: Unallocated Procurement Savings	994,300
Commitments from Existing Policies	-
Departmental Transfers	
- Transfer of Property Maintenance Budgets from Health and Social Services	300,000
- Transfer of budget and service for Les Creux Country Park from Education, Sport and Culture	8,100
- Transfer of budget for Corporate Health and Safety to Transport and Technical Services	(3,500)
- Transfer of Taxes Information Services Team to Chief Minister's Department	(1,421,800)
	<u>(1,117,200)</u>
Savings	
- Department Savings Programme	(237,300)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	(272,500)
	<u>(509,800)</u>
Additional Funding	
- Funding Pressures	-
- Commitments	-
- Demographics	-
- New Funding	
Additional Property Maintenance	4,000,000
Strengthening the Shareholder Relationship Resources	200,000
- Revenue implications of Capital Projects	-
	<u>4,200,000</u>
Other Variations	-
Net Revenue Near Cash Expenditure	32,562,500
Depreciation	20,991,300
Total Net Revenue Expenditure	53,553,800

Non-Ministerial States Funded Bodies

Bailiff's Chambers

Purpose

To support the rôle of the Bailiff as President of the Royal Court and the States Assembly, and in his other customary and statutory duties as Civic Head of the Island.

Responsibilities

- Support the Island's judiciary in the delivery of civil and criminal justice
- Assist in facilitating the democratic process of the States Assembly
- Encourage awareness of the Island's constitutional position and ensure that the position is not compromised
- Provide the appropriate frameworks to enable the Bailiff to discharge his customary and statutory responsibilities.

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11

Law Officers' Department

Purpose

To provide legal advice to the Crown and to the States of Jersey and provide a public prosecution service for the Island.

Responsibilities

- Providing legal advice to the Crown, the States of Jersey and others
- Providing a public prosecution service for the Island
- Protecting the interests of the Crown and the States of Jersey in civil proceedings
- Performing the functions and duties of the Attorney General
- Assisting overseas law enforcement agencies
- Carrying out conveyancing work for the Crown and States of Jersey

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11

Judicial Greffe and Viscount's Department

Purpose

To provide an efficient and effective Court Service.

Responsibilities

- An efficient and effective administrative service provided to the Royal Court, the Court of Appeal and the Tribunals Service
- Provide a Public Registry, Intellectual Property Register and Probate Registry
- Provide an administrative service to the Magistrate's, Youth and Petty Debt Courts
- The efficient enforcement of all Court Orders
- Efficient and effective Désastre proceedings
- Effective management of the financial affairs of impecunious interdicts
- Effective investigation of sudden deaths to establish cause and reason
- Compile and manage the jury selection procedure and manage the jury during assize trials

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11

Official Analyst

Purpose

To providing authoritative and impartial scientific analysis and advice for the States of Jersey and Island community.

Responsibilities

- Providing proficient and effective forensic analysis of samples and evidence in criminal investigations and unexplained deaths
- Providing proficient and effective environmental and consumer protection analysis services

2016 Change Projects

The department's day-to-day business activity will support and deliver the Priorities set out in the Council of Ministers' Strategic Plan. There are no other change projects planned in 2016.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11

Office of the Lieutenant Governor

Purpose

The Lieutenant-Governor is the representative of Her Majesty The Queen, by whose Royal Warrant he is appointed "Lieutenant-Governor and Commander-in-Chief". As such, he is the formal, official channel of communication between the States of Jersey and the UK Government through the Ministry of Justice.

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11

Office of the Dean of Jersey

Purpose

The Dean of Jersey is appointed by the Crown under Letters Patent. He is a member of the States and speaks on behalf of all the churches and faith communities especially on the ethical and moral dimension of issues that come before the Assembly.

Responsibilities

The Dean is Chaplain to the States and is responsible for Services to mark the great occasions of Island life.

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11

Office of the Data Protection Commissioner

Purpose

Independent Regulator for the Data Protection (Jersey) Law 2005 and Freedom of Information (Jersey) Law 2011.

Responsibilities

Data Protection

- Promote observance of the Law and the following of good practice by data controllers
- Disseminate information about the Law and developments of new EU Regulation, aimed at both organisations and individuals
- Publish Codes of Practice necessary to establish good practice
- Produce an Annual Report
- Maintain a public register of data controllers which includes details of the nature of the personal data they process and the purposes and methods of such processing
- Provide a fair and effective mechanism to assess the lawfulness of processing and take enforcement action as necessary
- Co-operate internationally as the designated Authority for the purposes of Article 13 of the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data

Freedom of Information

- Encourage public authorities to follow good practice
- Supply members of the public with information about the Law and their rights within it
- Produce an Annual Report
- Publish a Code of Practice to supplement the Law and provide a mechanism for issuing practice recommendations where necessary
- Provide a mechanism for appeals against decisions by public authorities not to disclose and issue decision notices where necessary

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11

Probation and After Care Service

Purpose

An effective and efficient social work service that supports the criminal justice system and the family division of the Jersey Royal Court.

Responsibilities

- Provide information and assessment to the Parish Halls, Criminal and Family Courts, Lt Governor and prisons which are accurate, timely and aid decision making
- Provide supervision services to the Parish Halls, Courts and prisons which are effective in assisting people to make positive changes in their lives which reduce re offending
- Provide monitoring and where necessary timely enforcement action to assist in the protection of the public from further offending

2016 Change Projects

In 2016, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Project	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	Sustainable Public Finances	11

Comptroller and Auditor General

Purpose

To provide the States with independent assurance that the public finances of Jersey are being regulated, controlled and supervised and accounted for in accordance with the relevant legislation.

Responsibilities

The appointment of auditors to audit the financial statements of the States of Jersey (which include the accounts of the Social Security, Social Security (Reserve), Health Insurance and Long Term Care Funds) and certain other entities.

Considering and reporting on:

- general corporate governance arrangements;
- effectiveness of internal controls; and
- economy, efficiency and effectiveness in the use of resources.

2016 Change Projects

The Comptroller and Auditor General (C&AG) acts independently in the discharge of her functions and in determining the work of her Office does not seek to reflect the Strategic Plan Priorities. The independence of the C&AG from the executive arm of government is secured by:

- a statutory duty on the States to provide the C&AG with sufficient resources to carry out her functions (Article 9, Comptroller and Auditor General (Jersey) Law 2014); and
- a requirement that estimates of revenue expenditure for the office of the C&AG shall be the amounts provided by the Chairman of the Public Accounts Committee (Articles 8 and 24C of the Public Finance (Jersey) Law 2005).

However, elements of the work of her Office are directly relevant to one Strategic Plan Priority.

Project	Council Priority	Strategic Goal
Focus on financial management, change management and savings realisation in annual audit programme.	Sustainable Public Finances	11

Non Ministerial States Funded Bodies

Financial Narrative

2015 Recurring Savings

The Non Ministerial Departments will continue to deliver recurring savings amounting to £532,000 of the £548,200 agreed for 2015. The savings have been allocated between each of the departments and include the following initiatives:

Bailiff Chambers	Delivering efficiencies through review of Court and Case costs.
Law Officers Department	Delivering efficiencies through introducing new policies and a review of Court and Case Costs. Efficiencies will also be made across the department through a review of both Staff and Non Staff expenditure.
Judicial Greffe	Delivering efficiencies through review of Court and Case Costs fixed fees and review of both staffing and professional fees.
Viscounts Department	Delivering efficiencies through review of advisory services in Court and Case costs and a review of staffing.
Official Analyst	Review of staffing, reduction of staff working hours.
Office of the Lieutenant Governor	Review of staffing.
Office of the Information Commissioner	Reduction in operational expenditure.
Probation and After Care	Review and reduction in budget allocated to upgrade of Daisy software and a review of staffing.

The Comptroller and Auditor General (C&AG) is excluded from contributing to the savings to be made in 2016 to 2019. In 2016 to 2019 the work programme for the C&AG Office will be developed to increase the focus on value for money, including potential efficiency savings, and enhance follow up of previous audit recommendations. The C&AG will continue to ensure the responsibilities of her office are met and risks addressed. Cost pressures will be addressed by:

- bringing forward the work programme into 2015 where budget is available; and
- programming work to avoid the Summer months, minimising the cost of travel and accommodation.

2016 Savings

In 2016 each of the Non Ministerial Department's (excluding the Comptroller and Auditor General) is required to deliver further savings of £724,000 in addition to maintaining those savings implemented in 2015. In order to meet this target in 2016 there may be the need to reallocate budgets within and between service areas during 2016.

2016 Growth

Growth funding has been approved in 2016 to support a number of initiatives and pressures within the Non Ministerial Departments:

- Office of the Information Commissioner (OIC) – to support the additional legal costs associated with the Freedom of Information (Jersey) Law 2011 which created the new statutory role of Information Commissioner whose department is charged with regulatory oversight. Due to risks of conflict the Law Officers' Department are unable to provide this legal support to the OIC.
- Office of the Lieutenant Governor – to fund the post of the Cadet and Military Support Officer.
- Law Officers' Department – to fund the cost of the new pay and reward scheme which was implemented in 2014.

Manpower

Between 2015 to 2016 manpower decreased by 2.0 FTE from 208.9 FTE to 206.9 FTE.

A full breakdown of FTE movements is given in the table below:

2015 FTE per 2015 Annex Update	208.9
<u>FTE reconciliation exercise</u>	
Data Protection - EA Paygroup	-3.0
Probation – historically obsolete posts	-3.8
<i>The above posts were deleted in error and are to be re-instated</i>	3.8
<u>2015 savings</u>	
Law Officers Department - Information and Records Officer	-0.5
Viscounts Department - Désastre Administrator	-1.0
Official Analyst - Staff reduction in hours	-0.2
Office of the Lieutenant Governor - 70% of vacant Housekeeper	-0.6
<u>2016 Growth</u>	
Law Officers' Department	
- Legal Adviser Civil Litigation	1.0
- Senior Legal Adviser	1.0
- Senior Legal Advisers Assistant	3.0
<u>2016 savings</u>	
Viscounts Department - Assistant Enforcement Officer	-1.0
Office of the Lieutenant Governor - 30% of vacant Housekeeper	-0.2
Data Protection Commission	-0.5
2016 FTE	206.9

Overview for 2017 – 2019

The Non Ministerial Departments will continue to support the Public Sector Reform programme and will explore a number of initiatives over the period 2017-2019 which will provide the opportunity for changes in structure and service redesign in order to continue to deliver efficient and effective services alongside reduced budgets and manpower numbers.

Non-Ministerial Departments

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Income	Near Cash DEL	2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total 2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	
	Bailiff's Chambers						
1,309,300	Bailiff's Chambers General	(86,800)	1,371,200	1,284,400	-	1,284,400	10.0
317,600	Court and Case Costs	-	279,500	279,500	-	279,500	-
1,626,900		(86,800)	1,650,700	1,563,900	-	1,563,900	10.0
	Law Officers' Department						
5,820,000	Law Officers' General	(112,000)	6,141,100	6,029,100	21,900	6,029,100	72.5
1,964,400	Court and Case Costs	-	1,768,700	1,768,700	-	1,768,700	-
7,784,400		(112,000)	7,909,800	7,797,800	21,900	7,797,800	72.5
	Judicial Greffe						
2,746,300	Judicial Greffe - General	(958,300)	3,663,700	2,705,400	5,800	2,705,400	45.2
4,039,400	Court and Case Costs	-	3,910,700	3,910,700	-	3,910,700	-
6,785,700		(958,300)	7,574,400	6,616,100	5,800	6,616,100	45.2
	Viscount's Department						
1,139,600	Duties of the Viscount	(626,500)	1,719,600	1,093,100	57,000	1,093,100	21.9
246,900	Court and Case Costs	-	227,500	227,500	-	227,500	-
1,386,500		(626,500)	1,947,100	1,320,600	57,000	1,320,600	21.9
626,000	Official Analyst	(57,000)	661,800	604,800	68,000	604,800	9.4
626,000		(57,000)	661,800	604,800	68,000	604,800	9.4
714,400	Office of the Lieutenant Governor	(107,100)	845,500	738,400	-	738,400	13.6
714,400		(107,100)	845,500	738,400	-	738,400	13.6
25,800	Office of the Dean of Jersey	-	25,800	25,800	-	25,800	-
25,800		-	25,800	25,800	-	25,800	-
226,900	Office of the Data Protection Commissioner	(200,000)	467,400	267,400	6,300	267,400	0.5
226,900		(200,000)	467,400	267,400	6,300	267,400	0.5
	Probation						
1,918,600	Probation and Aftercare Service	(445,000)	2,341,100	1,896,100	2,100	1,896,100	32.3
242,300	Court and Case Costs	-	94,400	94,400	-	94,400	-
2,160,900		(445,000)	2,435,500	1,990,500	2,100	1,990,500	32.3
761,000	Comptroller and Auditor General	(58,100)	835,300	777,200	-	777,200	1.5
761,000		(58,100)	835,300	777,200	-	777,200	1.5
22,098,500	Net Revenue Expenditure	(2,650,800)	24,353,300	21,702,500	161,100	21,702,500	206.9

Non Ministerial Departments

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(713,900)	Duties, Fees, Fines & Penalties	(753,600)
(904,200)	Sales of Goods and Services	(982,400)
(1,000)	Investment Income	(1,000)
(3,164,500)	Other Income	(913,800)
(4,783,600)	Total Income	(2,650,800)
	Expenditure	
-	Social Benefit Payments	-
13,672,400	Staff Costs	14,040,400
10,841,600	Supplies and Services	7,754,200
427,400	Administrative Expenses	473,600
1,739,700	Premises and Maintenance	1,840,800
92,700	Other Operating Expenses	138,300
100,000	Grants and Subsidies Payments	100,000
-	Impairment of Receivables	-
8,300	Finance Costs	6,000
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
26,882,100	Total Expenditure	24,353,300
22,098,500	Net Revenue Near Cash Expenditure	21,702,500
212,100	Depreciation	161,100
22,310,600	Total Net Revenue Expenditure	21,863,600

Non Ministerial Departments

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	22,098,500
Price Inflation - Dept Income	(95,700)
Price Inflation - Dept Expenditure	264,900
Price Inflation - Provision for Pay Award	-
Add back: Comptroller and Auditor General - 2015 Savings (Non-Recurring)	16,200
Commitments from Existing Policies	-
Departmental Transfers	-
Savings	
- Department Savings Programme	(723,200)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	(169,200)
	<u>(892,400)</u>
Additional Funding	
- Funding Pressures	-
- Commitments	
Office of the Data Protection Commissioner - Freedom of Information	60,000
- Demographics	-
- New Funding	
Law Officers' Department - Revised Pay and Rewards Structure	209,000
Office of the Lieutenant Governor - Cadet and Military Support Officer	42,000
- Revenue implications of Capital Projects	-
	<u>311,000</u>
Other Variations	-
Net Revenue Near Cash Expenditure	21,702,500
Depreciation	161,100
Total Net Revenue Expenditure	21,863,600

States Assembly and its Services

States Assembly

Purpose

The budget of the States Assembly is proposed by the Privileges and Procedures Committee under Article 24B of the Public Finances (Jersey) Law 2005 which allows PPC to put forward estimates in the MTPF without interference from the Council of Ministers to ensure the independence of the legislature from the Government is maintained.

The purpose of the budget of the Assembly is to enable it to operate effectively as Jersey's legislature, to facilitate the work of all panels and committees of the Assembly and to fund members' remuneration, inter-parliamentary exchanges and the support services provided by the States Greffe.

Responsibilities

- States Assembly able to operate effectively
- Effective and efficient scrutiny function
- Reform of the composition of the Assembly and electoral reform progressed.
- Public kept well-informed about the work of the Assembly
- Effective and efficient administrative support provided to the Assembly, its members, its committees and panels and a number of other bodies by the States Greffe

2016 Change Projects

- Web-streaming and online archive of film of all States meetings introduced (if approved by the States on 14th July 2015).
- Introduce scheme to match pension contributions made by States members as recommended by the States Members Remuneration Review Body

Financial Narrative

2015 Recurring Savings and 2016 Savings

The budget for the States Assembly and its services is governed by special provisions in the Public Finances (Jersey) Law 2005 in order to preserve the independence of the legislature from the Government of Jersey. As a result the Privileges and Procedures Committee (PPC) is able to put forward the estimates it wishes without interference from the Council of Ministers.

For the period 2016 to 2019 PPC has, by a majority, nevertheless agreed to mirror the savings being imposed on ministerial departments in order to balance the budget by 2019 so that the Assembly is seen to play its part in making budget and manpower reductions.

The 2016 estimates include the carried forward effect of recurring savings being made in 2015 as a result of the reduction in the membership of the Assembly from 51 to 49 in November 2014 and as a result of a decision not to fill an administrative post in the States Greffe following the retirement of the postholder. These recurring savings amounted to £104,000 which was slightly in excess of the 2% target.

For 2016 a further £45,000 saving will be made as a result of the decision not to fill the post in the States Greffe of the officer currently seconded to liaise with the Independent Jersey Care Inquiry when he retires in early 2016. The full year effect of this saving (a further £15,000) will be seen in 2017.

2016 Growth

PPC currently has 2 projects that, subject to States approval, will require additional funding. The first is the project to film and web-stream the proceedings of the Assembly. Although this will incur an additional cost PPC has committed to absorb this cost within the existing budget and, as a result, additional savings will be made from administrative costs in the States Greffe to offset the cost of filming if the States approve the web-streaming proposals. The second item, the introduction of pensions for States members, is shown as a growth request for £100,000 in the 2016 estimates.

Manpower

From 2015 to 2016 manpower decreased by 6.8 FTE from 33.8 FTE to 27 FTE. This was mainly as a result of a reconciliation exercise which took place in March 2015. 1.0 FTE was lost as a result of the 2015 savings mentioned above and a further 0.5 FTE is to be saved in 2016 as a result of the States Liaison Officer post being reduced to part time. A breakdown of FTE movements is given in the following table:

2015 FTE per 2015 Annex Update	33.8
<u>31 March reconciliation exercise</u>	
To agree to HRIS	-5.3
<u>2015 savings</u>	
Loss of Personal Assistant to the Greffier	-1.0
<u>Indicative 2016 savings</u>	
States Liaison Officer (post changed to part time)	-0.5
2016 FTE	27.0

Overview for 2017 – 2019

PPC has committed to make a further total of £229,000 recurring savings in the years 2017 to 2019 and has already received an indication from the Chairmen's Committee that a proportion of this sum can come from the scrutiny part of the Assembly's budget.

States Assembly

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Income	Near Cash DEL	2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total 2016 Net Revenue Expenditure	2016 FTE
£		£	£	£	£	£	
1,424,000	States Assembly General	(90,500)	1,489,700	1,399,200	-	1,399,200	16.0
1,378,300	Scrutiny	-	1,302,300	1,302,300	-	1,302,300	11.0
2,335,700	Members Remuneration	-	2,484,700	2,484,700	-	2,484,700	-
5,138,000	Net Revenue Expenditure	(90,500)	5,276,700	5,186,200	-	5,186,200	27.0

States Assembly

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
	- Duties, Fees, Fines & Penalties	-
(94,700)	Sales of Goods and Services	(90,500)
	- Investment Income	-
	- Other Income	-
(94,700)	Total Income	(90,500)
	Expenditure	
	- Social Benefit Payments	-
3,888,100	Staff Costs	4,016,600
551,700	Supplies and Services	507,700
181,400	Administrative Expenses	141,000
611,500	Premises and Maintenance	611,400
	- Other Operating Expenses	-
	- Grants and Subsidies Payments	-
	- Impairment of Receivables	-
	- Finance Costs	-
	- Foreign Exchange (Gain)/Loss	-
	- Contingency Expenses	-
5,232,700	Total Expenditure	5,276,700
5,138,000	Net Revenue Near Cash Expenditure	5,186,200
	- Depreciation	-
5,138,000	Total Net Revenue Expenditure	5,186,200

States Assembly

Reconciliation of Net Revenue Expenditure

	2016
	£
Base Department Budget	5,138,000
Price Inflation - Dept Income	(1,900)
Price Inflation - Dept Expenditure	26,900
Price Inflation - Provision for Pay Award	-
Commitments from Existing Policies	-
Departmental Transfers	
- Transfer of budget for Corporate Health and Safety to Transport and Technical Services	(500)
	<u>(500)</u>
Savings	
- Department Savings Programme	(51,300)
- Benefit Changes	-
- Restraint on Non-Staff Inflation for 2016	(25,000)
	<u>(76,300)</u>
Additional Funding	
- Funding Pressures	-
- Commitments	-
- Demographics	-
- New Funding	
States Members' Pensions	100,000
- Revenue implications of Capital Projects	-
	<u>100,000</u>
Other Variations	-
Net Revenue Near Cash Expenditure	5,186,200
Depreciation	-
Total Net Revenue Expenditure	5,186,200

Central Contingency Allocations

Central Contingency Allocations

Central Allocations for AME and DEL Contingencies

The Annually Managed Expenditure (AME) contingency is set aside to provide for un-forecast variations in Income Support and other tax funded benefits which are in excess of the 1% contingency provided by the Social Security department within its annual cash limit. At a level of £2 million the central AME contingency provides a further 2% cover for this area of expenditure and also provides some contingency for higher education grants.

The Departmental Expenditure Limit (DEL) contingency is provided for one-off, unforeseen and unexpected items. The principles are that the first call on any emerging pressure or priority is within the department itself with the central contingency providing only a short-term funding solution in order to allow a department some time, generally during the remainder of a financial year, to adjust its spending plans accordingly.

Central Allocation for Committee of Inquiry

As a result of P.20/2015 the States agreed to fund a further £14 million of expenditure for the Committee of Inquiry. The Minister for Treasury and Resources is proposing that £14 million be transferred from the Strategic Reserve to the Consolidated Fund (P.76/2015) and is requesting that up to £10 million be allocated to the Central Allocation for Committee of Inquiry in 2015 to be allocated to departments as required.

The balance of up to £4 million is the estimate of the expenditure required in 2016 and the Council of Ministers is proposing this be allocated to Central Allocation for Committee of Inquiry so that it may be allocated to the appropriate departments as further expenditure is required.

Central Allocation for Economic and Productivity Growth Drawdown Provision

The Council of Ministers is proposing that up to a £5 million funding provision be created in each year of the MTFP 2016-2019 which could be drawn down if new economic growth and productivity initiatives can demonstrate:

- that they cannot be funded from existing resources, and
- that there is a strong rationale that they can have a positive impact on productivity.

Financial management of the allocations would be through the Minister for Treasury and Resources and reported to Council of Ministers based on recommendations from the proposed Ministerial Oversight Group – the Economic Policy Group.

Central Allocation to Restructuring Provision

In the MTFP 2013-2015, the Restructuring Provision supported the final year of the CSR programme and Phase 1 – the ‘enabling’ stage - of the Public Sector Reform (PSR) programme which commenced in 2012. In this first phase, the funds were used predominately to support the individual workstreams of Workforce Modernisation, e-Government, Lean and Culture which incorporated leadership, training and engagement.

In the MTFP 2016-2019, the Restructuring Provision is required to maintain support for PSR in the second phase – the ‘implementation’ stage – and is required for the following projects:

- to complete the Workforce Modernisation project,

- to continue funding for e-Government initiatives – the project is currently funded up to and including 2016 but will require further tranches to deliver the full capability,
- to provide programme support for PSR, and
- To provide a funding route for future Voluntary Release Schemes and Compulsory Redundancies if required.

Central Allocation to Redundancy Provision

The voluntary release scheme provides a mechanism for employees who wish to volunteer to leave the organisation through redundancy or early retirement to receive a redundancy payment or immediate pension. It is anticipated that future use of such a scheme would be more targeted throughout 2016 to 2019 focusing on areas where re-design of services are identified that will add value to the services provided by the public sector.

This focused approach in partnership with our Unions should reduce the need for compulsory redundancy and facilitate the achievement of the £70 million people saving targets for the period. The Council of Ministers is proposing to set aside up to £10 million in 2016 and up to a further £10 million in 2017 to the Central Redundancy Provision.

Central Allocation for Workforce Modernisation, Pay and PECRS Provision

As part of the Public Sector Reform programme, the Workforce Modernisation project continues to be developed in partnership with the Trade Unions. It will deliver an improved, more productive and sustainable public service by unifying at least 11 pay groups (75% of the workforce) onto a single reward framework with the same employee terms, conditions and policies that are fair, transparent, and fit for the future.

This will provide equal pay for work of equal value (addressing pay parity issues to meet Jersey discrimination legislation), and enable well designed jobs to be managed through an improved performance culture that provides organisational flexibility and supports continual service redesign.

The introduction of modern reward structures require funding in order to facilitate employees onto their new terms and conditions whilst maintaining services and redesigning the organisation.

This provision also provides for the new PECRS CARE scheme which is to be opened to new members from January 2016.

Central Allocation for Growth

The Council of Ministers is proposing the allocation of additional funding and growth directly to departments for 2016. The assumption is that this level of funding is provided to departments on a recurring basis but that any increases for 2017-2019 will be determined in the MTFP Addition by the end of June 2016.

Indicative additional funding and growth allocations for 2017-2019 will also be dependent on the delivery of the planned programme and profile of savings and the achievement of the States income forecasts.

In the MTFP Addition, the allocations will be made to Central Allocation for Growth, in line with Corporate Services Scrutiny recommendations, according to what is affordable and with

any re-prioritisation of funding that is required. Typically, the allocations to departments from the central growth allocation will be agreed by the States in the annual Budgets.

Central Allocation for Savings

The programme and indicative targets for savings are described in Section 11 of the Main MTFP report. The savings are made up of targets for redesign, reform and reorganisation, planned pay restraint, restraint on price inflation, benefit changes and user pays.

As the programme and allocation of savings to a department level are identified and agreed, these will be allocated to departments spending limits for the respective years. The intention would be that as part of the MTFP Addition at the end of June 2016, the majority of the savings targets will be fully allocated across departments.

The savings targets will also be reviewed relative to the income forecasts and as these are refreshed it may be necessary to adjust the savings targets to ensure the States still achieves balanced budgets by 2019.

Central Contingency Allocations for 2017-2019

The central contingency allocations for 2017-2019 are only indicative as part of the total States net expenditure limits. The level and detail of these contingency allocations will be improved and defined over the course of the next 6 to 9 months in order that they can be proposed at the appropriate level of detail in the MTFP Addition by the end of June 2016.

The indicative Central Contingency Allocations for 2017-2019 include a Central Allocation for Pay, Prices, Benefits and LTC Provision. Provision is being made for the pay, price and benefit uprating for each of the years 2017-2019. The provisions are before savings to be achieved and represent 2% for pay and non- staff inflation and the appropriate uprating formula for tax funded benefits. The actual allocations to departments will depend on the delivery of the planned programme and profile of savings and the achievement of the States income forecasts.

The States Grant to the Social Security Fund is proposed to be frozen at 2015 levels as part of the short-term measures to ensure a positive balance on the Consolidated Fund (see Section 12 of the Main MTFP Report). The increase to the grant to the Long Term Care Fund is based on an agreed formula determining the annual uplift which will be provided and allocated to Social Security on an annual basis.

Central Contingency Allocations

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure	Service Area	Income	Near Cash		2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total 2016 Net Revenue Expenditure
			DEL	AME			
£		£	£		£	£	£
2,000,000	Central Allocation for AME Contingency	-	-	2,000,000	2,000,000	-	2,000,000
5,000,000	Central Allocation for DEL Contingency	-	5,000,000	-	5,000,000	-	5,000,000
-	Central Allocation for Committee of Inquiry	-	4,000,000	-	4,000,000	-	4,000,000
-	Central Allocation for Economic and Productivity Growth Drawdown Provision	-	5,000,000	-	5,000,000	-	5,000,000
7,170,000	Central Allocation to Restructuring Provision	-	7,000,000	-	7,000,000	-	7,000,000
-	Central Allocation to Redundancy Provision	-	10,000,000	-	10,000,000	-	10,000,000
3,764,400	Central Allocation for Workforce Management, Pay and PECRS Provision	-	4,203,100	-	4,203,100	-	4,203,100
	Central Allocation for 2015 Budget Measures						
3,480,000	- 1% reduction on Central Pay Provision	-	-	-	-	-	-
12,068,500	- 2% savings on Departmental 2015 Gross Expenditure budgets	-	-	-	-	-	-
33,482,900	Net Revenue Expenditure	-	35,203,100	2,000,000	37,203,100	-	37,203,100

Central Contingency Allocations

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
	- Duties, Fees, Fines & Penalties	-
	- Sales of Goods and Services	-
	- Investment Income	-
	- Other Income	-
	- Total Income	-
	Expenditure	
	- Social Benefit Payments	-
	- Staff Costs	-
	- Supplies and Services	-
	- Administrative Expenses	-
	- Premises and Maintenance	-
	- Other Operating Expenses	-
	- Grants and Subsidies Payments	-
	- Impairment of Receivables	-
	- Finance Costs	-
	- Foreign Exchange (Gain)/Loss	-
33,482,900	Contingency Expenses	37,203,100
33,482,900	Total Expenditure	37,203,100
33,482,900	Net Revenue Near Cash Expenditure	37,203,100

States Trading Operations

Summary of States Trading Operations 2016

States Trading Operations	Income	Near Cash DEL	2016 Net Revenue Expenditure	Non Cash 2016 Net Revenue Expenditure	Total 2016 Net Revenue Expenditure	2016 FTE	Financial Return 2016
	£	£	£	£	£		£
Jersey Airport	(29,400,000)	22,387,500	(7,012,500)	6,067,100	(945,400)	197.0	-
Jersey Harbours	(16,487,800)	12,508,600	(3,979,200)	5,102,300	1,123,100	66.5	-
Jersey Car Parking	(6,743,800)	5,448,000	(1,295,800)	972,300	(323,500)	24.0	1,672,000
Jersey Fleet Management	(4,381,200)	3,092,300	(1,288,900)	1,149,700	(139,200)	25.0	-
Net Revenue Expenditure Allocation	(57,012,800)	43,436,400	(13,576,400)	13,291,400	(285,000)	312.5	1,672,000

Summary of States Trading Funds 2016

States Trading Operations	Opening Balance	Surplus/ (Deficit)	Add Back: Depreciation	Additional funding for other States Departments	Less: Capital Expenditure	Plus: Capital Receipts	Closing Balance
	£	£	£		£	£	£
Jersey Airport	30,338,700	945,400	6,067,100	-	(7,000,000)	-	30,351,200
Jersey Harbours	11,437,400	(1,123,100)	5,102,300	-	(3,000,000)	-	12,416,600
Jersey Car Parking	13,665,000	323,500	972,300	-	(2,088,000)	-	12,872,800
Jersey Fleet Management	2,112,400	139,200	1,204,700	1,200,000	(2,365,700)	55,000	2,345,600
Total	57,553,500	285,000	13,346,400	1,200,000	(14,453,700)	55,000	57,986,200

Economic Development Ports of Jersey

Ports of Jersey

Purpose

To ensure the Island's key strategic transportation assets, Jersey Airport and Jersey Harbours, including historic harbours and numerous associated maritime and aeronautical assets and functions, remain open, safe and secure and are managed in accordance with their designation as States Trading Operations.

Responsibilities

- To ensure the Ports of Jersey remain open for business, whilst operating in a safe and secure environment for all stakeholders and in accordance with the relevant aviation and maritime laws and regulations
- The administration, management, operation, financing, development and maintenance of Jersey Airport and Jersey Harbours in accordance with their designation as States Trading Operations
- To maintain and develop a comprehensive network of aviation and maritime routes to UK and European destinations for commercial and private business, and personal travel purposes
- Through the Minister for External Relations, to provide air traffic control of the Channel Islands Control Zone for French and UK authorities
- To provide and maintain berthing and mooring facilities for local boat owners and visitors within St Helier Marina and outlying harbours including the 'Five Gold Anchor' status marinas in St Helier
- To provide and maintain a modern commercial Port ensuring the long term viability of lifeline goods entering the Island
- To provide the coastguard service for our territorial waters, an essential public service which in most jurisdictions is funded for by taxpayers but in Jersey is funded entirely by revenue generated through Ports commercial activity
- To prevent, reduce and minimise the effects of marine pollution
- To maintain Jersey's heritage assets in the form of historic and outlying harbours
- To support the Island's tourist industry by working in conjunction with Visit Jersey.

Financial Narrative

On 2nd June 2015, the States approved the Draft Air and Sea Ports (Incorporation)(Jersey) Law 201-. This puts in place the framework for the creation of a wholly States-owned self-funding company to be called the “Ports of Jersey Limited” (POJL), to control and operate the air and sea ports.

It is anticipated that the new law will be approved by the Privy Council and enacted through the Royal Court during the summer of 2015. Once this approval is secured the Transfer Regulations can be debated and approved in the States Assembly as well as the Appointed Day Act. At this time the POJL can be formed and begin to operate. It is anticipated that POJL will be incorporated and begin operating 1st October 2015.

The Memorandum of Understanding (MoU) between the Minister for Treasury and Resources as shareholder and POJL sets out guidelines for the preparation of a 5 year Strategic Business Plan to be prepared and approved prior to the commencement of the financial year. It is anticipated that this Strategic Business Plan will be presented to the Minister for Treasury and Resources in November 2015.

To prepare this Strategic Business Plan, POJL will review the incorporation financial projections and update to reflect current knowledge. In particular, the illustrative projects included in the financial projections will be substituted with projects that have been subject to more in depth review and analysis and appropriately robust business cases.

Should there be significant delays in the incorporation of the entity, resulting in an appointed day that is later than 31st December 2015, then the Ports of Jersey would not have an approved States budget in place for 1st January 2016. This would contravene the Public Finances (Jersey) Law 2005. To mitigate against this unlikely scenario, this Medium Term Financial Plan (MTFP) submission has been constructed on the basis that the entity is still a government department. The main differences between this submission, the incorporation financial projections and the eventual Strategic Business Plan are as follows:

- All items that are specifically in relation to an incorporated entity have been removed; taxation, parish rates, dividends, PECRS repayment.
- Commercial projects that have yet to commence, or be approved via the States, have been removed.
- Underlying base figures have been reset based on most current information.
- Depreciation figures have been uplifted due to a 5% increase in the net book value at the end of 2014 on depreciated replacement costs assets.

Net revenue for the Airport has decreased by £1.2 million compared to prior year MTFP submissions as a result of the structural weakening of the Euro in the past 4 years. Approximately £6 million of income is received in respect of the operation of the Channel Islands’ Control Zone annually. This contract was renegotiated at the end of 2014 when rates were significantly weaker when compared to the timing of previous contract in 2011. Exploitation of commercial opportunities by the incorporated entity will enable mitigation against such situations in a timely and appropriate manner not currently available to the non-incorporated entity.

Net expenditure for the Harbours has decreased by circa £1.2 million compared to the prior year MTFP submission. In terms of near cash this is mainly the result of increased revenues

due to the expected completion of outstanding property agreements and improved investment returns due to a change in policy. Non cash expenditure has reduced by £700,000; this is the result of an over statement in the 2015 submission in the depreciation calculation which has been recalculated this year.

Economic Development Jersey Airport

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure £	Income £	Near Cash	2016 Net Revenue Expenditure £	Non Cash 2016 Net Revenue Expenditure £	Total	
		DEL £			2016 Net Revenue Expenditure £	2016 FTE
(8,107,000) Jersey Airport	(29,400,000)	22,387,500	(7,012,500)	6,067,100	(945,400)	197.0
(8,107,000) Net Revenue Expenditure	(29,400,000)	22,387,500	(7,012,500)	6,067,100	(945,400)	197.0

Economic Development Jersey Airport

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(6,700)	Duties, Fees, Fines & Penalties	(1,000)
(29,712,200)	Sales of Goods and Services	(28,389,300)
(89,400)	Investment Income	(875,000)
(818,100)	Other Income	(134,700)
(30,626,400)	Total Income	(29,400,000)
	Expenditure	
-	Social Benefit Payments	-
12,255,800	Staff Costs	11,459,100
5,222,500	Supplies and Services	5,820,000
201,400	Administrative Expenses	646,100
4,263,700	Premises and Maintenance	4,210,700
222,000	Other Operating Expenses	2,300
-	Grants and Subsidies Payments	-
-	Impairment of Receivables	-
354,000	Finance Costs	249,300
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
22,519,400	Total Expenditure	22,387,500
(8,107,000)	Net Revenue Near Cash Expenditure	(7,012,500)
5,970,100	Depreciation	6,067,100
(2,136,900)	Total Net Revenue Expenditure	(945,400)

Economic Development Jersey Airport

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	(8,107,000)
Price Inflation - Dept Income	(550,500)
Price Inflation - Dept Expenditure	456,900
Price Inflation - Provision for Pay Award	-
Departmental Transfers	-
Department Savings	-
Additional Funding	-
Other Variations	
- Withdrawal of Below Ground Works grant	702,000
- Reduce Eurocontrol Income	925,200
- Change in TF investment policy & New Commercial Returns	(375,000)
- End of Taxiway Lease	(64,100)
Net Revenue Near Cash Expenditure	(7,012,500)
Depreciation	6,067,100
Total Net Revenue Expenditure	(945,400)

Economic Development Jersey Airport

Trading Fund Balance

	2016
	£
Estimated Trading Fund Opening Balance	30,338,700
Surplus/(Deficit) for the year	945,400
Add back: Depreciation	6,067,100
Less: Capital Expenditure	
- Above Ground works	(7,000,000)
- Below Ground works	-
Plus: Capital Grant Funding	-
Other balance sheet movements	-
Estimated Trading Fund Closing Balance	30,351,200

Economic Development

Jersey Harbours

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure £	Income £	Near Cash		2016 Net Revenue Expenditure £	Non Cash 2016 Net Revenue Expenditure £	Total	
		DEL £	2016 Net Revenue Expenditure £			2016 Net Revenue Expenditure £	2016 FTE
(2,540,000) Port of Jersey	(11,698,700)	7,449,900	(4,248,800)	2,817,100	(1,431,700)	43.2	
(138,000) Jersey Coastguard	-	1,490,100	1,490,100	366,800	1,856,900	11.0	
(892,000) Marine Leisure	(4,789,100)	3,568,600	(1,220,500)	1,918,400	697,900	12.3	
(3,570,000) Net Revenue Expenditure	(16,487,800)	12,508,600	(3,979,200)	5,102,300	1,123,100	66.5	

Economic Development Jersey Harbours

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(27,000)	Duties, Fees, Fines & Penalties	(60,400)
(15,381,000)	Sales of Goods and Services	(15,847,200)
(83,000)	Investment Income	(450,000)
(41,000)	Other Income	(130,200)
(15,532,000)	Total Income	(16,487,800)
	Expenditure	
-	Social Benefit Payments	-
4,186,000	Staff Costs	4,366,400
2,947,000	Supplies and Services	3,284,700
117,000	Administrative Expenses	82,200
4,354,000	Premises and Maintenance	4,065,700
56,000	Other Operating Expenses	9,300
23,000	Grants and Subsidies Payments	371,200
-	Impairment of Receivables	156,800
279,000	Finance Costs	170,700
-	Foreign Exchange (Gain)/Loss	1,600
-	Contingency Expenses	-
11,962,000	Total Expenditure	12,508,600
(3,570,000)	Net Revenue Near Cash Expenditure	(3,979,200)
5,793,400	Depreciation	5,102,300
2,223,400	Total Net Revenue Expenditure	1,123,100

Economic Development Jersey Harbours

Reconciliation of Net Revenue Expenditure

	2016 £
Prior Year Net Revenue Expenditure	(3,570,000)
Price Inflation - Dept Income	(385,400)
Price Inflation - Dept Expenditure	196,200
Price Inflation - Provision for Pay Award	-
Departmental Transfers	-
Department Savings	-
Additional Funding	-
Other Variations	
- Change in Investment Policy	(220,000)
Net Revenue Near Cash Expenditure	(3,979,200)
Depreciation	5,102,300
Total Net Revenue Expenditure	1,123,100

Economic Development Jersey Harbours

Trading Fund Balance

	2016
	£
Estimated Trading Fund Opening Balance	11,437,400
Surplus/(Deficit) for the year	(1,123,100)
Add back: Depreciation	5,102,300
Add back: Depreciation on assets sold in year	-
Less: Capital Expenditure	(3,000,000)
Plus: Capital Grant Funding	-
Other balance sheet movements	
- Capital Grant funding deferred income release	-
Estimated Trading Fund Closing Balance	12,416,600

Transport and Technical Services Jersey Car Parking

Jersey Car Parking

Purpose

Responsible for the administration, management, financing, development and maintenance of public parking places.

Responsibilities

- Provision of public parking facilities
- Policing of public parking areas

2016 Change Projects

Project	Council Priority	Strategic Goal
Deliver the refurbishment of Sand St Car Park to improve the amenity and extend life of the structure	Improve St Helier	9,10
Work with Andium Homes Limited to progress the delivery of Ann Court Car Park	Improve St Helier	9,10

Financial Narrative

Following a review by the Public Accounts Committee, Jersey Car Parking (JCP) is undertaking a review of the car parking operations. A number of proposals have been considered which seek to reflect the aims of the Sustainable Transport Policy in achieving modal shift (whereby commuters are encouraged to use alternative means of transport). It is intended that proposals will be included in the MTFP Addition in June 2016, outlining the intentions for 2017-19.

JCP also continues to review its day to day operations, seeking to make efficiencies where possible, improve the parking experience for the public and making use of appropriate technology wherever possible.

JCP will continue with the introduction of more flexible payment systems, following on from the trial of the ANPR pay on return car parking system at Sand Street car park.

The financial return to the States of Jersey will continue at similar levels to previous years, ensuring that the funds raised by car parking charges cover the capital and maintenance costs of the various car parking facilities around the Island.

During the period of the MTFP, the housing development at Ann Court will commence, led by Andium Homes Limited. It is proposed to include a number of public parking spaces on the ground floor of the development, which will be funded through the car parks trading account (funds for which were agreed in the last MTFP).

The emphasis on the existing multi-storey car parks will continue to be on maintenance and improvement of facilities to the public. With the cathodic protection and surface treatment systems working well to minimise the impact of concrete degradation the requirement to rebuild the existing car park stock can be delayed and asset lives extended.

In 2016, JCP will start its multi-storey car park lift replacement programme. All the current lifts have been in place since the car parks were built and over the coming years need replacement.

The North of Town masterplan indicated that additional car parking facilities would be required in the area around the Millennium Town Park. Work continues with developers and other public bodies to identify and enhance the car parking provision in this area of the town.

The States of Jersey Development Company has now finished work on the new car park on the waterfront development to temporarily replace the existing Esplanade car park once development of the new Finance Centre commences. Jersey Car Parking will continue to lease and operate this area of parking on a similar basis to the existing Esplanade car park.

Manpower

Budgeted manpower within JCP will continue at current levels.

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure £		Near Cash		2016 Net Revenue Expenditure £	Non Cash 2016 Net Revenue Expenditure £	Total	
		Income £	DEL £			2016 Net Revenue Expenditure £	2016 FTE
(1,351,300)	Jersey Car Parking	(6,743,800)	5,448,000	(1,295,800)	972,300	(323,500)	24.0
(1,351,300)	Net Revenue Expenditure	(6,743,800)	5,448,000	(1,295,800)	972,300	(323,500)	24.0

Transport and Technical Services

Jersey Car Parking

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
(373,500)	Duties, Fees, Fines & Penalties	(480,000)
(6,255,500)	Sales of Goods and Services	(6,111,300)
(149,000)	Investment Income	(100,000)
(49,600)	Other Income	(52,500)
(6,827,600)	Total Income	(6,743,800)
	Expenditure	
-	Social Benefit Payments	-
812,600	Staff Costs	823,800
859,600	Supplies and Services	962,800
20,600	Administrative Expenses	29,000
1,939,200	Premises and Maintenance	1,862,400
-	Other Operating Expenses	-
-	Grants and Subsidies Payments	-
63,000	Impairment of Receivables	20,000
150,300	Finance Costs	78,000
1,631,000	Financial Returns	1,672,000
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
5,476,300	Total Expenditure	5,448,000
(1,351,300)	Net Revenue Near Cash Expenditure	(1,295,800)
921,800	Depreciation	972,300
(429,500)	Total Net Revenue Expenditure	(323,500)

Transport and Technical Services

Jersey Car Parking

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	(1,351,300)
Non-Staff Inflation - Dept Income	-
Non-Staff Inflation - Dept Expenditure	14,500
Staff Inflation - Provision for Pay Award	-
Departmental Transfers	-
Department Savings	-
Additional Funding	-
Other Variations	
Increase to financial return to General Revenue	41,000
Net Revenue Near Cash Expenditure	(1,295,800)
Depreciation	972,300
Total Net Revenue Expenditure	(323,500)

Transport and Technical Services

Jersey Car Parking

Trading Fund Balance

	2016
	£
Estimated Trading Fund Opening Balance	13,665,000
Surplus/(Deficit) for the year	323,500
Add back: Depreciation	972,300
Less: Capital Expenditure	
Car Park Maintenance and Refurbishment	(1,488,000)
Automated charging system	(400,000)
Sustainable Transport and Road Safety Schemes	(1,000,000)
Plus: Capital Receipts	-
Estimated Trading Fund Closing Balance	12,072,800

Transport and Technical Services Jersey Fleet Management

Jersey Fleet Management

Purpose

Responsible for the acquisition, maintenance, servicing, fuelling, garaging and disposal of vehicles and mobile plant on behalf of the States.

Responsibilities

- Provide the States with a fleet of vehicles fit for purpose at the best possible whole life costs
- Provide cost effective fuel and workshop services for States fleet vehicles

Financial Narrative

From 2012, Jersey Fleet Management (JFM) was tasked with providing fleet procurement for all States Departments. Departmental vehicle stock has been assessed and prioritised for replacement, this exercise identified that the total requirement for replacement of departmental vehicles was significantly in excess of the £5 million assigned in 2013–15. However, JFM now finds that a number of departments have put some fleet replacement on hold pending the outcome of service reviews which seek to identify areas suitable for operational efficiencies, including reducing the number of vehicles.

Pending the outcome of these reviews, JFM continues to maintain the existing vehicle stock ensuring that it is fit for purpose and continues to provide value for money. Extending the working life of some vehicles is not always cost effective, however, and could have an impact on the vehicle maintenance costs incurred by JFM in the intervening period. Other benefits of running a modern vehicle stock include better emissions standards, fuel efficiency and safety standards, which all contribute to JFM's aim of ensuring that the whole life cost of the vehicles in the corporate fleet is optimised.

Manpower

Budgeted manpower within JFM will continue at current levels.

Transport and Technical Services

Jersey Fleet Management

Net Revenue Expenditure - Service Analysis

Near Cash 2015 Revised Net Revenue Expenditure £		Near Cash		2016 Net Revenue Expenditure £	Non Cash 2016 Net Revenue Expenditure £	Total	
		Income £	DEL £			2016 Net Revenue Expenditure £	2016 FTE
(1,373,200)	Jersey Fleet Management	(4,381,200)	3,092,300	(1,288,900)	1,149,700	(139,200)	29.0
(1,373,200)	Net Revenue Expenditure	(4,381,200)	3,092,300	(1,288,900)	1,149,700	(139,200)	29.0

Transport and Technical Services

Jersey Fleet Management

Statement of Comprehensive Net Expenditure

2015 Revised Net Revenue Expenditure		2016 Net Revenue Expenditure
£		£
	Income	
	- Duties, Fees, Fines & Penalties	-
(5,526,000)	Sales of Goods and Services ¹	(4,371,200)
(15,000)	Investment Income	(10,000)
	- Other Income	-
(5,541,000)	Total Income	(4,381,200)
	Expenditure	
	- Social Benefit Payments	-
1,124,800	Staff Costs	1,071,700
1,077,200	Supplies and Services	1,046,500
1,300	Administrative Expenses	2,800
1,964,500	Premises and Maintenance ¹	971,300
	- Other Operating Expenses	-
	- Grants and Subsidies Payments	-
	- Impairment of Receivables	-
	- Finance Costs	-
	- Financial Returns	-
	- Foreign Exchange (Gain)/Loss	-
	- Contingency Expenses	-
4,167,800	Total Expenditure	3,092,300
(1,373,200)	Net Revenue Near Cash Expenditure	(1,288,900)
1,149,700	Depreciation	1,204,700
(55,000)	Asset Disposal (Gain)/Loss	(55,000)
1,094,700	Net Revenue Non Cash Expenditure	1,149,700
(278,500)	Total Net Revenue Expenditure	(139,200)

¹ A change in accounting policy regarding maintenance charges for owned vehicles has reduced the estimates for maintenance expenditure and income with Jersey Fleet Management

Transport and Technical Services Jersey Fleet Management

Reconciliation of Net Revenue Expenditure

	2016 £
Base Department Budget	(1,373,200)
Non-Staff Inflation - Dept Income	-
Non-Staff Inflation - Dept Expenditure	84,300
Staff Inflation - Provision for Pay Award	-
Departmental Transfers	-
Department Savings	-
Additional Funding	-
Other Variations	-
Net Revenue Near Cash Expenditure	(1,288,900)
Depreciation	1,204,700
Asset Disposal Gain	(55,000)
Net Revenue Non Cash Expenditure	1,149,700
Total Net Revenue Expenditure	(139,200)

Transport and Technical Services Jersey Fleet Management

Trading Fund Balance

	2016
	£
Estimated Trading Fund Opening Balance	2,112,400
Surplus/(Deficit) for the year	139,200
Add back: Depreciation	1,204,700
Additional funding for other States Departments	1,200,000
Less: Capital Expenditure Vehicle and Plant Replacement	(2,365,700)
Plus: Capital Receipts	55,000
Estimated Trading Fund Closing Balance	2,345,600