

STATES OF JERSEY



CUSTOMS AND IMMIGRATION (S.R.14/2008): RESPONSE OF THE MINISTER FOR HOME AFFAIRS

**Presented to the States on 23rd February 2009
by the Minister for Home Affairs**

STATES GREFFE

EDUCATION AND HOME AFFAIRS SCRUTINY PANEL REPORT – CUSTOMS AND IMMIGRATION

RESPONSE FROM THE MINISTER FOR HOME AFFAIRS

Introduction

The report by the former Education and Home Affairs Scrutiny Panel into the Customs and Immigration Service provides a thorough examination of the funding pressures which currently bear upon the Service's ability to carry out its statutory and other responsibilities. The findings and recommendations are supportive of the Service's position and I am grateful for the work carried out by former Scrutiny Panel members.

Findings

3.2.1 In 2007 full immigration coverage, including on-board controls, was only provided by officers working overtime and the irregular use of the officers in the Investigation Unit, and dispensing with Customs controls at peak times. The Service does not deem this to be sustainable in the long term.

The provision of on-board controls continues to be discussed with Condor Ferries and the Service has indicated that a solution will have to be found before the commencement of the summer season sailings. The Service has informed Condor Ferries that on-board controls cannot be provided for in the same way as previous years.

Condor Ferries had originally proposed a solution but have recently informed the Service that they will not be implementing it. It is expected that meetings will follow very shortly to now examine which of the alternatives for the provision of controls on in-transit passengers is the most feasible.

3.2.2 At times the Customs controls at the Airport, the Albert Pier and Gorey are unmanned and the Island is temporarily a Customs free area.

This will continue to be the case in 2009 although the situation will be helped by the aforementioned recruitment of additional officers, the reallocation of SIU officers and split-shifts.

The following should be noted for each of these factors:

- The 3 extra officers recruited are welcome but are obviously still short of the 6 extra officers that were identified as being required;
- The moving of officers out from SIU will have a detrimental effect on our ability to conduct pro-active investigations;
- Split-shifts will help to provide extra cover for busy periods but are not consistent with the concept of Frontier teams, which the Service's management team believe to be the most efficient and effective way to man the Customs and Immigration controls. Furthermore, the split shifts will only really assist with providing more Immigration coverage and will have a minor effect on Customs controls.

- 3.2.3 In 2006 the Service reallocated 2 officers from the frontiers to manage mandatory requirements of the new Regulation of Investigatory Powers Law (RIPL) and did not replace them as it received no extra funding. The States of Jersey Police had to find extra officers as well but unlike Customs and Immigration it did receive funding for an extra 2 officers.**

This is an accurate summary of one of the causes of reduced staffing levels.

- 3.2.4 As far back as March 1998 the Agent of the Impôts wrote to the Treasurer of the States to explain that the proposed cash limits for the Customs and Excise Department were inadequate. The subsequent ‘patch and mend’ approach is not sustainable.**

One-off supplementations of the Service’s staff budget can provide short-term remedies for under-funding but, to move away from this ad hoc approach, a permanent adjustment of the base budget is necessary.

- 3.2.5 The Panel agrees with the Comptroller and Auditor General that the Customs and Immigration Service ‘is, if anything, under-funded and that there is little likelihood that significant expenditure reductions could be achieved without major and contentious revisions of the service’.**

I agree with the findings of the Comptroller and Auditor General.

- 3.2.6 The only way that the Service manages at present is by abandoning the Customs controls at the harbour and airport for significant amounts of time and, if continued, this will be seriously detrimental to the safety and prosperity of the Island and its position within the Common Travel Area.**

Although the staffing situation has improved, there will still be occasions when the Customs controls at either the airport or harbour will be unmanned. This may be due to a number of reasons one of which is the Service still working below its minimum operational staffing level. Other aggravating factors include:

- The necessity to provide full Immigration controls on all commercial arrivals from abroad – a guarantee has had to be given to H.E. Lieutenant Governor that such 100% Immigration controls will be in place.
- Arrest and investigation of offenders taking officers away from the controls.
- Simultaneous arrival times of vessels and aircraft resulting in controls being only viable at one of the various locations.

- 3.2.7 The pressure on the Customs and Immigration Service has been exacerbated by the impact of increased air and shipping movements resulting from Economic Development Department policies to encourage economic growth.**

It is inescapable that increased air and shipping movements, particularly from outside the CTA, will correspondingly increase the workload of the Service in providing Frontier controls.

3.2.8 Insufficient consideration was given during the development of the States' Strategic Plan to the impact that Ministers' objectives might have on other Departments.

I agree that there must be consideration of the full impact of decisions taken during the development of States' Strategic Plans.

3.2.9 The Customs and Immigration Service has tried to accommodate the requirements of the travelling public and the Economic Development Department and its clients. However, although this has stretched resources, as acknowledged by the Minister for Economic Development, those efforts have not been sufficiently reciprocated by his Department.

The Service continues to try to accommodate the travelling public and the shipping and airline companies as far as it is able within legal and resourcing constraints. It is hoped that the improved communication lines between the Service and the Economic Development Department, as recognised in paragraph 5.6.53 of the Panel's report, will help prevent any potential future difficulties.

3.2.10 On-board immigration controls are an 'extraordinary' service.

The Service has always regarded the provision of on-board controls as over and above the usual immigration controls and, in that regard, I agree that they are 'extraordinary'.

3.2.11 The impact of the introduction of GST on the Customs and Immigration Service was sufficiently planned and resourced.

An independent review, conducted by HM Revenue and Customs, has found that the implementation of GST was well managed. This endorses the Panel's finding.

3.2.12 Staff morale and service delivery at Customs and Immigration was significantly affected by the Police investigation into aspects of the Service's intelligence work.

The Police investigation did affect morale and all but halted the Service's intelligence and investigative capabilities for several months.

Nonetheless, the Service is now functioning effectively and the intelligence and investigative work is producing results and good progress is being made to establish proper cooperative working with the States of Jersey Police in these areas. Morale has also improved significantly now that the Service is operating as it should.

3.2.13 The Minister for Home Affairs continues to guarantee the 100% immigration controls, but Customs and Immigration is unable to deliver this service.

As has already been mentioned, His Excellency The Lieutenant Governor asked for a guarantee that the Service would provide 100% immigration controls. The Head of Service felt obliged to give this guarantee but the result is that, on occasions, this will exacerbate the absence of effective Customs controls.

3.2.14 On-board immigration controls are an added pressure on the Customs and Immigration Service and could be withdrawn, to the inconvenience of the public, ferry operators and Economic Development policy, if the funding pressures at the Service are not resolved.

The continued provision of on-board controls is subject to ongoing review not only because of funding pressures, but also because of serious questions over their viability as a proper control. It is unlikely that they will still be in place much beyond 2009.

3.2.15 Particular strain is being placed on officers at Customs and Immigration regarding the hours and overtime that they are being required to undertake to keep the Service functioning. Recently however there has been some relief of this pressure and a boost to morale as training and experience begin to show their effect, coupled with the knowledge that 3 extra officers will be in place in 2009.

Training continues to be a high priority within the Service and does have a positive effect on morale as competency levels rise. The knowledge that there will be some extra resources is also positive.

3.2.16 The Panel acknowledges that the Minister for Economic Development has, for a number of years, achieved the Strategic aim to raise the economy by at least 2% per annum. It is obvious however that this achievement has, in part, been made at a cost to the Customs and Immigration Service.

The increased workload caused by extra air and shipping movements has, and continues to have, an impact on the resources available to the Customs and Immigration Service. If that increase is due in whole or in part to the economic growth policy then the Panel's finding would be correct.

Recommendations

Recommendation 1: The Customs and Immigration Service is under-funded and this matter should be addressed as a priority of the new Minister for Home Affairs.

Accepted. The funding of 'front-line' services is one of my highest priorities. In considering the funding difficulties facing the Service, I will be taking account of the funding pressures on other Home Affairs services and the Council of Ministers' objectives in respect of States expenditure.

Recommendation 2: Greater emphasis must be placed by the Council of Ministers on cross-cutting issues. It should ensure that, in future, full assessments are made of the cross-cutting impacts of Strategic Plan and Business Plan aims and objectives before those plans are presented to the States.

Accepted. I am aware that my predecessor made representations to the former Minister for Economic Development regarding the effect that departmental policies might have on the Customs and Immigration Service, and the need for prior discussion. I have spoken to the current Minister on a number of occasions with a view to encouraging a closer working relationship on matters which might affect both services.

Recommendation 3: The Panel recommends that the Customs and Immigration Service budget should be adequately increased and that a thorough and flexible approach be taken to determine whether this should be achieved through central funds, from within existing Home Affairs resources or by other appropriate means. This should include that.

Accepted. The Home Affairs Department's cash limit has been increased by £250,000 in 2009. This has allowed the Customs and Immigration Service to fill vacant posts and provided initial funding for the recruitment of 3 additional officers for Frontier Teams. However, the States was not asked to approve the additional £400,000 from 2010 that would have enabled an additional 3 officers to be recruited to bring the Frontier Teams up to the optimum strength. Therefore, in the first instance, the Chief Officer Home Affairs will be carrying out an internal review of budgets allocated to Home Affairs services to see whether there is any flexibility to increase support to priority areas.

- The Home Affairs Department should invite the Comptroller and Auditor General to undertake a full base budget review to ascertain whether adequate funding is available from within the existing Home Affairs budget.

Accepted. I intend to seek the Comptroller and Auditor General's advice over the possibility of a Home Affairs base budget review, but this is likely to be resource-intensive.

- The Minister for Home Affairs should re-examine the suitability of a User Pays policy as a means of securing additional income for the Customs and Immigration Service, with particular regard to on-board controls.

Accepted. I shall be seeking the Minister for Economic Development's view on the feasibility of recovering additional staffing costs through charges by the Harbour.

- In recognising the additional revenue generated by the policies of Economic Development in relation to increased movements at the harbour and airport, the Minister for Treasury and Resources gives consideration to redistributing part of this revenue to the Customs and Immigration Service to cover its incurred additional costs.

Accepted. Similar to the previous recommendation, I shall be seeking the Minister for Treasury and Resources' view on the feasibility of redistributing revenue collected by the Service to cover additional staffing costs.

Conclusion

I accept the Panel's conclusions and thank its members for their work in this area. Although the additional £250,000 provided through the 2009 Business Plan is most welcome, a long-term solution to under-funding must indeed be found. In the meantime, and taking into account the wider funding pressures that the States is faced with, the Home Affairs Department will do all it can from within its cash limit to support the Service in the delivery of its responsibilities.