



TREASURY AND RESOURCES

A STATES OF GUERNSEY GOVERNMENT DEPARTMENT

OPERATIONAL PLAN

2014 - 2016

TREASURY AND RESOURCES DEPARTMENT

OPERATIONAL PLAN – 2014-2016

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INTRODUCTION – WHO WE ARE AND WHAT WE DO

This document sets out our main purpose and principal responsibilities, our policies and current priorities and the organisation structure we have adopted to achieve these. It is a ‘living’ document which is regularly reviewed and updated with new policy initiatives included as these are developed. It is not intended to detail all of the day-to-day responsibilities we carry out; instead these are included in the Work Plans of each of the Department’s sections.

1. The Department’s Main Purpose

The Department has a broad range of responsibilities and at the highest level these are described in the mandate of the departments as advising the States on matters relating to:

- The allocation and administration of all States’ resources.
- The regulation and control of States’ financial affairs.
- The raising of States’ income and control of financial resources.
- The systems for the assessment and collection of income tax, dwellings profits tax (currently suspended) and tax on real property.

2. The Department’s Principal Objectives

The Board has defined three overarching statements that set the high level objectives of the department.

These are:

- To demonstrate leadership in the development and delivery of States’ Fiscal Policy by ensuring maximisation of investment and asset value and optimising revenues and expenditure.
- To provide the public facing, external services within the mandate efficiently and effectively and to seek continuous improvement.
- To provide the internal services within the mandate to the organisation efficiently and effectively and to seek continuous improvement.

The Department’s Objectives support the following States’ Aims:

- Wise, long-term management of Island resources, including the maintenance of a highly-skilled and well-educated workforce.
- Coordinated and cost-effective delivery of public services through cooperative working and transformation change management.
- Sustainable economic growth and effective public services without increasing population to the detriment of our environment and way of life.

In addition, they support the Fiscal and Economic Policy Plan objectives and themes of:

- Appropriate size of the government and sustainable long term finances and programmes.
- Enabling appropriate levels of future public services based on sustainable funding.
- Actively encouraging and supporting opportunities for competitive, high value growth which benefits the Guernsey economy.
- Investing in people, infrastructure and assets

The Department discharges its duties and responsibilities with regard to the Fiscal Framework and its stated fiscal disciplines namely:

- Maintenance of long-run 'permanent balance'.
- Total General Revenue and capital expenditure averaging no more than 21% of GDP.
- Restraint on any temporary operating deficit positions to less than 3% of GDP in any one year.
- Agreement to measures to remove any temporary deficit position within two years and removing them within five years.
- Annual capital expenditure averaging 3% of GDP.

3. Operational Responsibilities

The Department is organised along two directorates, namely Treasury and Resources. Within this organisational framework the Department is responsible for: -

Treasury:

Lead Officer: Ms Bethan Haines, States' Treasurer

- Treasury
- Strategic Procurement Services
- Income Tax
- The Cadastre

Resources:

Lead Officer: Mr Simon Elliott, States' Chief Corporate Resources Officer

- Corporate Shared Services
- Information and Communications Technology (ICT)
- States Property Services
- States' Health and Safety function
- The Shareholder function for States owned' commercial enterprises.
- Department administration

The Board executes oversight of the operational delivery either as a full Board or through delegation to sub-committee which have the delegated authority to act for the Board.

The Board currently comprises Deputies Gavin St Pier (Minister), Jan Kuttelwascher (Deputy Minister), Roger Perrot, Hunter Adam and Tony Spruce. In addition, Mr John Hollis sits on the Board as a Non States' Member. **The principal roles and responsibilities of the Board Members are shown at section 5.**

4. Principal Responsibilities of Operational Areas

Every Department is given a ‘mandate’ by the States of Deliberation (the States). Mandates broadly set out a Department’s high-level responsibilities – the things the States wants a Department to deal with. In order to deliver the mandate of the Treasury & Resources Department, our principal responsibilities are:

General

- Providing expert advice, guidance and support services to Departments and Committees in those areas for which the Treasury & Resources Department is responsible.
- Ensuring that all Departments are effective in controlling their capital projects through regular financial and project management reporting.
- Maintaining and promoting corporate regulatory frameworks for Finance, Information and Communication Technology, Procurement and Property.
- Providing resources for the offices of Crown appointees and for the function of the Royal Court.

Treasury Directorate

Treasury

- Assessing and commenting on the resource implications associated with Departments’ and Committees’ proposals which are to be placed before the States.
- Developing and submitting to the States the annual budget and proposals for capital expenditure
- Providing corporate Treasury services including the professional management of States’ investments, the Guernsey currency and the States’ insurance arrangements.
- Providing financial and accounting advice to Departments and Committees.
- Providing a strategic overview on financial matters including corporate policies, directives and guidelines.
- Contributing to the work of the Policy Council’s sub-groups including the Fiscal and Economic Policy, Social Policy and Environmental Policy Groups.
- Preparing the States’ Annual Accounts
- Ensuring the effective management of all States’ financial assets under the Department’s control, aligning performance with an acceptable level of risk.
- Planning and prioritising the States capital portfolio
- Managing the States of Guernsey bond issue including lending-on of the proceeds
- Managing the Transformation and transition Fund and Economic Development fund

Strategic Procurement Services

- Ensuring that States procurement is conducted fairly, provides value for money and complies with all best procurement practice.
- Providing strategic procurement services and advice to Departments and Committees.

- Providing a strategic overview on procurement matters including corporate policies, directives and guidelines.
- Establishing and maintaining framework agreements for use by Departments.
- Providing support and making training available to all staff involved in procurement.

Income Tax Office

- Developing and implementing policies on the assessment and collection of income tax.
- Administering the requirements of the Income Tax and Dwellings Profits Tax Laws (the latter of which is currently suspended) and maintaining systems for the assessment and collection of those taxes.
- Administering the exchange of information arising under the agreements associated with the EU Savings Tax Directive.
- Acting as the Competent Authority for the purposes of international tax agreements and the ongoing negotiation of those agreements for subsequent approval by the Policy Council.

Resource's Directorate

Corporate Shared Services

- Administering and supporting corporate systems including the States finance, purchasing and asset management system, accounts receivable system, payroll and pensions' payment system and HR administration and recruitment system.
- Administering the States' bank accounts, the collection of States' income, the payment of accounts, the issuing of Guernsey currency notes and coins and commemorative notes and coins.
- Administering the States' insurance programme.
- Leading on the development, maintenance and implementation of the Department's Business Continuity requirements and leading the Business Recovery Support Team for SCFH.

Corporate ICT Services

- Maintaining and promoting a corporate ICT Strategy and developing and implementing corporate policies and standards in support of the States' Strategic Plan.
- Providing and maintaining a corporate ICT infrastructure that is flexible and resilient enough to cope with the States of Guernsey business requirements both now and in the future.
- Providing a strategic overview on ICT matters including corporate policies, Directives and guidelines.
- Providing and maintaining the States' ICT network in line with good practice.
- Maintaining the security of IT systems and data held on the States' ICT network in line with good practice and legal and regulatory guidelines.
- Providing expert ICT advice and support to Departments and Committees on a strategic, operational and project basis.

States Property Services

- Providing specialist professional property and construction advice, assistance, support, training and facilities to Departments and Committees.

- Providing a strategic overview on property matters and corporate policies, Directives and guidelines for property and construction within the States.
- Initiating, developing and promoting good practice to achieve value for money and improved project delivery in construction matters.
- Achieving ‘best fit’ for the land and property assets within the States’ objectives.
- Improving the condition, maintenance and efficiency of States’ land and property assets and their management and utilisation.
- Rationalising and managing the States’ property portfolio to provide the best returns for the States.

Shareholder function

- Undertaking the shareholders’ functions and duties in respect of the States Trading Companies (Guernsey Electricity, Guernsey Post, Aurigny and Jamesco750) as set out in relevant legislation and the Memorandum of Understanding with each entity.

Cadastre

- Maintaining a register of property ownership for the purposes of assessing and collecting property tax including developing and maintaining the States Digital Map.

TREASURY – OPERATIONAL PLAN

Demonstrate leadership in the development and delivery of Fiscal Policy			
Objective		Measure	Date
1.	Developing a Financial Strategy for the States in order to ensure clarity of medium term fiscal objectives and that investment and asset values are maximised and that revenues and expenditure are optimised	<ul style="list-style-type: none"> - Fiscal Strategy approved and embedded. - Employ 'net asset management' by ensuring efficient capital structures for trading assets, effective debt and investment management. - Seek to maximise revenue, minimise expenditure through ensuring value focus; maximise investment returns and asset values to strengthen balance sheet further - Establish bond management arrangements 	2016
2.	Developing a sustainable long term model for public finances	<ul style="list-style-type: none"> - Personal Tax review report approved - Further projects developed, reports approved and measures enacted - Zero based/priority based budgeting models tested and rolled out - Continual review of corporate tax policy 	Q2 2015 2015- 2017 2016 Ongoing
3.	Develop financial reporting and monitoring across the Public Service that provides relevant, robust and easily accessible information to the tax payer and customers	<ul style="list-style-type: none"> - Asset and resource accounting rolled out and embedded - Develop and roll out VFM framework. VFM indicators for key States services regularly published to predetermined quality standards 	Starting in 2015 Ongoing
4.	Manage overall public expenditure pressures ensuring scarce resources are allocated effectively and enabling the delivery of public services that support the States' short, medium and long-term goals	<ul style="list-style-type: none"> - FTP closed in a controlled way as per agreed plan - Medium term financial plan for the States approved - Supporting Departments delivering further forecasted efficiency savings 	Q1 2015 2016 Ongoing

TREASURY – OPERATIONAL PLAN (cont)

Provide the public facing services within the T&R mandate efficiently and effectively and seeking continuous improvement		
Objective	Measure	Date
1.	Deliver a fit for purpose, customer focused income tax service and ensure an efficient collection system by joint working with SSD	<ul style="list-style-type: none"> - Future Target Operating Model designed and approved. Mid 2015 - Backlog reduced to agreed level. Early 2015 - Contribution and Tax Services (CATS) programme initiated 2015 - Major IT system development planning process completed early 2016 - Build and implementation of new systems completed End 2019
2.	Deliver a fit for purpose, customer focused Procurement service	<ul style="list-style-type: none"> - Range of engagement with suppliers including attendance at trade forums, ‘Meet the Buyer’ events; short training seminars, formal feedback from users Ongoing

Providing the internal services within the T&R mandate to the organisation, efficiently and effectively and seeking continuous improvement		
Objective	Measure	Date
1.	States’ rules, directives, procedures and controls are fit for purpose and embedded in all areas of the Public Service	<ul style="list-style-type: none"> - Rules and directives all issued and relevant activities monitored and evaluated. 2016 / ongoing
2.	Provide timely, accurate and impartial strategic advice to States’ Departments and Committees	<ul style="list-style-type: none"> - Customer (Departments and Committees) satisfaction baselined - KPI’s for advisory services developed, approved, baselined and performance within agreed tolerances 2016 / ongoing

		<ul style="list-style-type: none"> - Levels of compliance with rules and directives improving 	
3.	Provide timely, accurate and impartial operational services and advice to States' Departments and Committees	<ul style="list-style-type: none"> - Customer (Departments and Committees) satisfaction baselined - KPI's for advisory services developed, approved, baselined and performance within agreed tolerances - Levels of compliance with rules and directives improving - 	
4.	Provide fit for purpose customer focused management information services to States Departments and Committees, supporting effective service management and decision making at all levels of the Public Service	<ul style="list-style-type: none"> - SLAs agreed achieving agreed standards 	Q2 2015
5.	Ensure that the States' portfolio of investment, is well balanced, supports the delivery of the States strategic objectives and optimises the benefits derived	<ul style="list-style-type: none"> - Portfolio Defined and approved. - Allocation of constrained resources is optimised to:- <ul style="list-style-type: none"> - align strategic impact, - coordinate programme and project delivery - Improved management of portfolio level risk - - MCA and investment criteria defined improved and being applied effectively - Portfolio Management KPIs defined, approved and performance within agreed tolerances 	Q2 2015- ongoing 2016

RESOURCES – OPERATIONAL PLAN

Provide the public facing services within the T&R mandate efficiently and effectively and seeking continuous improvement		
Objective	Measure	Date
1. GDS (Operations) – Monitoring and management of new commercial agreement for the Guernsey digital map resource which safeguards income to the States and enhances the product provided.	<ul style="list-style-type: none"> Income levels to the dept maintained and enhanced. 	<ul style="list-style-type: none"> Ongoing, measured by annual performance.
2. HUB - Monitor operation of new ‘success factors’ e-recruitment portal	<ul style="list-style-type: none"> Assess through feedback from users what changes they seek and implement changes where possible 	<ul style="list-style-type: none"> Ongoing.
3. SHAREHOLDER- Acting through the Supervisory Sub-Committee, establish clear shareholder objectives for the States-owned trading companies	<ul style="list-style-type: none"> Ensure the companies deliver cost-effective and innovative services which are responsive to their customers’ needs and that they operate efficiently and responsibly in the best interests of the community 	<ul style="list-style-type: none"> ongoing
4. SHAREHOLDER - Ensure T&R is an active and effective shareholder in the businesses it owns	<ul style="list-style-type: none"> Drive value and an appropriate return that provides best value to the Guernsey economy from the businesses for the taxpayer, whilst striking a balance with the enabling role they play in supporting the Island and its social, economic and environmental objectives for the long-term benefit of the Island and its community. Support review of working capital structures. 	<ul style="list-style-type: none"> ongoing
5. SHAREHOLDER-establish alternative model of regulation for Guernsey Electricity and Guernsey Post	<ul style="list-style-type: none"> Support the Commerce & Employment Department in submitting States Report to the States during 2016 on legislation required to deliver alternative model agreed by States in 2015. 	<ul style="list-style-type: none"> Q1 2016
6. ICT- Creation of a revised ICT Strategy in support of States’ policy and plans	<ul style="list-style-type: none"> Deliver the ICT Improvement Programme. A Project Delivery Service has been established for all projects involving ITU. Technical architecture has been updated. Strategy work is ongoing in line with the States Review Committee and Public Services Reform Programme. 	<ul style="list-style-type: none"> Ongoing

RESOURCES – OPERATIONAL PLAN (cont)

Providing the internal services within the T&R mandate to the organisation, efficiently and effectively and seeking continuous improvement		
Objective	Measure	Date
1. SPS- Ensure that all States' commercial property management and construction projects are carried out using best practice and in compliance with the Rules and Directives	<ul style="list-style-type: none"> • Increase % of planned maintenance and decrease responsive (80/20 split). • Increase the number of on-time and on-budget construction projects. 	2017 (as data is collected in SAP PM) 2017 (review progress of SCIP projects)
2. SPS- Review and improve all processes and procedures relating to the management, administration of States' land, built assets and construction services to increase revenue, manage and minimise costs and increase value for money.	<ul style="list-style-type: none"> • Maximise payment by direct debit. • Introduce insurance rental recharging. • Assist in delivering the second tranche of the Capital Prioritisation Programme. 	Significantly complete Deliver policy in Q4 2015. Introduce wef 2016 – Ongoing support to Departments

RESOURCES – OPERATIONAL PLAN (cont)

3.	SPS- Continue with the updating and implementation of the Corporate Property Plans (approved by the States in 2009).	<ul style="list-style-type: none"> • Deliver the final tranches of the Estates Directives and Guidance Notes. • Lead on the Building Information Modelling (BIM) technology to integrate into States' projects where added value can be obtained. 	<p>Q2 2016 (work ongoing)</p> <p>On-going</p>
4.	ICT- Continued development of the States telephony and wide area network	<ul style="list-style-type: none"> • Continued migration onto new WAN infrastructure and services 	<ul style="list-style-type: none"> • On-going through 2016
5.	ICT -Clarification of roles and responsibilities of department systems owners and renew SLAs	<ul style="list-style-type: none"> • Being addressed as part of the current IT Improvement Programme. This will provide an IT service to enable States Departments to support the States Review Committee recommendations, public services reform programme and Smart Guernsey. Business Continuity requirements and establishing priorities for the support of departmental applications has been carried out as part of the States' wide business continuity review. 	<ul style="list-style-type: none"> • March 2014 - Q2 2016

BOARD MEMBERS ROLES AND RESPONSIBILITIES

The Board executes oversight of the operational delivery either as a full Board or through delegation to sub-committee which have the delegated authority to act for the Board.

<u>Name</u>	<u>Term of Office</u>	<u>Position Held</u>	<u>T & R Sub Committee roles</u>	<u>Project Board roles</u>	<u>Working Party/other roles</u>
Deputy Gavin St Pier	01/05/12 – 30/04/16	Minister, Treasury and Resources Department Board	Investment Sub –Committee (Chairman) Supervisory Sub-Committee Bond Management Sub-Committee (Chairman)	CATS	C & E / T & R - Review of Utility Regulation Working Party C&E - ICT Strategic Sub Group
Deputy Jan Kuttelwascher	01/05/12 – 30/04/16	Deputy Minister, Treasury and Resources Department Board	Property Services Sub-Committee ICT Sub-Committee	PSD – Airport Pavements Rehabilitation Les Beaucamps School	C & E / T & R - Review of Utility Regulation Working Party Chair of Construction Sector Group
Deputy Roger Perrot	01/05/12 – 30/04/16 (elected to T&R 30/01/2013)	Member, Treasury and Resources Department Board	Investment Sub-Committee Property Services Sub-Committee Supervisory Sub-Committee Bond Management Sub-Committee	PSD – St Peter Port Harbour Cranes – Berths 4,5 & 6 Digimap	Member of Construction Sector Group Member of Social Welfare and Benefits Investigation Committee

Deputy Tony Spruce	01/05/12 – 30/04/16	Member, Treasury and Resources Department Board	Property Services Sub-Committee (Chairman)		Waste, Water and Stone Working Group
Deputy Hunter Adam	01/05/12 – 30/04/16 (elected to T&R 29/05/2013)	Member, Treasury and Resources Department Board	Investment Sub-Committee ICT Sub-Committee (Chairman) Bond Management Sub-Committee	PSD – Slaughterhouse HSSD – Acute Adult Mental Health PEH Phase 6b	
Mr John Hollis	30/07/2013– 30/04/2016	Non-States Member, Treasury and Resources Department	ICT Sub-Committee Supervisory Sub-Committee	AMIS CATS	

Notes:

1. The Minister, or in his absence, the Deputy Minister is responsible for responding to all media comment on departmental policy matters.
2. Board Members' responsibilities include:-
 - Preparing for all meetings including advance reading of all papers.
 - Giving prior notice of unavailability for meetings.
 - Being available for 'ad hoc' meetings where reasonable prior notice has been provided.
 - Diligently discharging their responsibilities as Members of the Board, its Sub-Committees and Project Boards including keeping the full Board apprised of any significant issues of which they become aware.
 - Advising the Minister / Board if they are unable to fulfil their obligations as a Member on the Board so that alternative arrangements can be considered.
3. An annual review will be undertaken of the role and responsibilities of Members of the Board and an annual assessment of the effectiveness of the Board and its Sub-Committees.