



Scrutiny Liaison Committee

Budget 2025-2028

Witness: The Chief Minister

Tuesday, 19th November 2024

Panel:

Deputy I. Gardiner of St. Helier North (President)
Deputy H.M. Miles of St. Brelade (Vice President)
Deputy C.D. Curtis of St. Helier Central
Deputy T.A. Coles of St. Helier South
Deputy L.M.C. Doublet of St. Saviour

Witnesses:

Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter - The Chief Minister
Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter - Assistant Minister for Treasury and Resources
Mr. R. Bell - Treasurer of the States
Mr. A. McGlaughlin - Chief Executive Officer
Mr. A. Hacquoil - Group Director - Strategic Finance
Mr. P. Wylie - Group Director of Policy

[14:03]

Deputy I. Gardiner of St. Helier North (President):

Good afternoon and welcome, Chief Minister and the team that we will introduce shortly. Thank you, Chief Minister, for finding time in your busy schedule. We know that we have a budget debate next week and everyone is preparing. I am welcoming everyone to the public hearing of the Scrutiny Liaison Committee with the Chief Minister. The hearing will be filmed and streamed live, recorded and a transcript will be published afterwards on the States Assembly website. I would ask any members of the public who have joined us in the room today do not interfere in the proceeding and

as soon as the hearing is closed please leave quietly. I will begin with the introductions. Deputy Inna Gardiner, President of the Scrutiny Liaison Committee.

Deputy H.M. Miles of St. Brelade:

Deputy Helen Miles, Vice President, Scrutiny Liaison Committee.

Deputy L.M.C. Doublet of St. Saviour:

Deputy Louise Doublet. I am Chair of the Health and Social Security Scrutiny Panel.

Deputy C.D. Curtis of St. Helier Central:

I am Deputy Catherine Curtis, the Chair of the Children, Education and Home Affairs Scrutiny Panel.

Deputy T.A. Coles of St. Helier South:

Deputy Tom Coles, Vice Chair of Environment, Housing and Infrastructure.

The Chief Minister:

Thank you, Chair, for your warm welcome. Deputy Lyndon Farnham, Chief Minister.

Deputy I. Gardiner:

Your team?

Assistant Minister for Treasury and Resources:

Ian Gorst, Assistant Minister for Treasury and Resources.

Treasurer of the States:

Richard Bell, Treasurer.

Chief Executive Officer:

Andrew McGlaughlin, Chief Executive.

Group Director of Policy:

Paul Wylie, Group Director of Policy.

Deputy I. Gardiner:

Thank you. The main aim of this public hearing is to establish and to have a conversation - it is a conversation, Chief Minister - to seek your views on the rationale how this Government budget has the capacity, capability and resilience to deliver for the people of Jersey. The themes that we will go through after some general questions will be around people, services, funding and risks. So I

will start with the first general question. Will the Chief Minister let us know how have you and your Council of Ministers put this budget together? What was the process?

The Chief Minister:

So we have had a process of engagement with officials, 10, approximately 10 meetings, which ran through the whole process, which led to the production of the budget.

Deputy I. Gardiner:

Okay. Can you give us specific actions that were taken within the budget to ensure that it meets the outcome of the Future Jersey vision as you mentioned during the public hearing at Corporate Services?

The Chief Minister:

I think the driving force or the catalyst, whichever way you want to call it, for the budget is the corporate strategic policy which was approved by the States, which is linked to the Future Jersey vision. So we have really ... those were the foundations of the budget and ...

Deputy I. Gardiner:

Can you give the specific actions or specific examples of specific projects that can demonstrate what is happening in the budget that will ensure that it meets Future Jersey vision?

The Chief Minister:

Okay. For example, let us look at something like extended nursery care and child provision in relation to the Future Jersey work sustainable well-being aspect. The extended child nursery care comes under the community well-being aspect of that and in Island outcomes that supports children. All of the 13 key priorities in the Common Strategic Policy reflected in the budget relate ... are attached to the Future Jersey outcomes. Another one, for example, the transition to a living wage, that comes under economic well-being and affordable living. So we have linked all of the workstreams to those priorities or those ambitions, I should say.

Deputy I. Gardiner:

Thank you for your answer. It looks like the budget is focused on C.S.P. (Common Strategic Policy) priorities and objectives. The question is: what assessment have you undertaken of the medium and long-term impact that this approach may have; for instance, on more important strategic services and other matters that fall outside of C.S.P.? So the C.S.P. has 13 priorities but there are several longer strategic matters. How is it addressed?

The Chief Minister:

So I think the aim of the budget really is to prioritise essential services and the immediate challenges facing Islanders. We want to balance the budget. We want to address the exponential growth. We want to curb expenditure. The budget has grown exponentially over the last 6 years. I think there has been - the Treasurer can correct me if I am wrong - in the region of a half a billion pound increase in expenditure. So really, first and foremost, we are addressing that because we found ourselves, if we did not do something to address that, in an unsustainable position. So underpinning the work that the C.S.P. ... the focus on pushing expenditure towards areas in the C.S.P., we have also balanced that with curbing the growth across various sectors.

Deputy I. Gardiner:

So would you consider this as an austerity budget?

The Chief Minister:

No.

Deputy I. Gardiner:

But once we are curbing, where are the cuts coming from?

The Chief Minister:

So there is a difference between cutting and curbing. Some areas we are looking at replacing services. Some areas we are reducing services. Some areas services will be discontinued. Because we want to focus ...

Deputy C.D. Curtis:

That sounds like austerity.

Deputy I. Gardiner:

It does sound like austerity.

The Chief Minister:

No, I think ...

Deputy I. Gardiner:

Where are the services reduced and where are the services ... where are they moved from? Which services were reduced and which services were added?

The Chief Minister:

Well, I am not sure I have a full list here.

Deputy I. Gardiner:

Because you mentioned it so I tried to understand what does it mean in practice.

The Chief Minister:

So, in practice, we are looking to prioritise expenditure. We are looking to prioritise expenditure to where it is going to provide the most benefit for Islanders; for example, helping with the cost of living, affordable housing, living wage, extended nursery care, and so forth, the business as usual activities across the public sector with specific focus on healthcare, education and infrastructure. We are curbing the growth to right size the senior management structures of the public sector and rely less on external consultants. Those are just some examples.

Deputy I. Gardiner:

A potential that the budget remain the same budget and there is an actual growth, but what we will do, I think ...

The Chief Minister:

So could I ...

Deputy I. Gardiner:

... we will start to get into the details. Let us move to the people. Let us explore a bit more and we will go around the amendments and I will move to Deputy Doublet.

Deputy L.M.C. Doublet:

Chief Minister, what analysis have you undertaken to establish the impact of this budget on various groups in Jersey, various demographic groups?

The Chief Minister:

Well, the analysis has been based around supporting those less well off in our society. You see most of the increase in expenditure is moved towards the lower income sectors. There is a good analysis of that held through various departments, not least Social Security, who front the work to assist those sectors.

Deputy L.M.C. Doublet:

Okay. So within ...

Assistant Minister for Treasury and Resources:

Just the entire budget is focused on maintaining front-line services and making sure that there is an increased apportionment of the overall budget going into those services. Hence the growth in health funding and right sizing, or you might use the word “cut”, right sizing those central functions which have grown over the last number of years. Now, that cannot be described as austerity because the overall budget is growing. What we are doing is right sizing those central functions or reducing them, constraining them, and making sure that there is growth in money for those services. So I say you can make an argument that says the service provision is going to see increased funding throughout this budget because that is what the Government’s priority is.

Deputy L.M.C. Doublet:

Right. So you are focusing on low-income Islanders; thank you for that. In terms of perhaps groups within that demographic, single parents, for example, disabled Islanders, women, what impact will this budget have on those particular groups?

The Chief Minister:

Well, the budget ... it is difficult for me to pull out specific impacts on those if you break it down into that area, but the overall budget is aimed at, like I said, helping the sectors of our society that need the most help. Again, I refer you to our C.S.P. priorities.

Deputy L.M.C. Doublet:

So would you say that single parents, for example, are a sector of our society that need the most help?

The Chief Minister:

Off the top of my head I could not say single parents need the most help. Some single parents would need more help than others, the same as some ...

Deputy L.M.C. Doublet:

They are the biggest group in relative low income in Jersey.

Assistant Minister for Treasury and Resources:

We have to go back to ... which we have sort of missed and I know we discussed this at the Corporate Services Scrutiny Panel. You go back to the risks that the community is facing, so the 2 risk registers that we have in government, the community one and the corporate one. You are seeking in allocation of resources to deal with those ... internally we call them tier 1 risks, but fundamental risks. So that is why you have money focused on the fire risk in schools and you are dealing with those issues. If you are talking about ... what you are trying to do is then subdivide it by demographics of individuals in our community. You can look at the work that the Education

Department is doing about providing free school meals. That was a priority of the previous Government. This Government has picked that up and continues to run with that for all the same reasons that the previous Government thought it was a priority. Because you are targeting that money then at the most vulnerable members of our community. One would expect, although we obviously do not have all this data in front of us because we could have ... we could have done previously.

[14:15]

One would expect that single parent households would be, generally speaking, lower income households and, therefore, receiving the benefit of school meals, for example. We talk about vulnerable female members of our community. We continue to do that work on the violence against women, which the Chair there started and set us on that track. This budget makes sure that there is resources allocated to do that as well.

Deputy L.M.C. Doublet:

I hear what you are saying. Can I ...

Assistant Minister for Treasury and Resources:

Pensioners, if you take pensioners, the pension is being upgraded because we still have that triple lock in place. So as you look through all of those things, you can see the rationale of particular projects which are focused on particular vulnerable members of our community.

Deputy L.M.C. Doublet:

So thank you for that live analysis, but has that analysis been carried out in any of those 10 meetings and on a more cohesive level, backed up by officer advice and data? Or is it just now that you are producing this thinking?

Assistant Minister for Treasury and Resources:

Well, I do not do live analysis. You have asked me a question and I am answering the question. You cannot really ...

Deputy L.M.C. Doublet:

Has it been discussed in any of the 10 meetings?

Assistant Minister for Treasury and Resources:

... say that is live analysis.

The Chief Minister:

I will come in. I am not sure you ... at the development, the series of workshops that the Council of Ministers went through to agree the budget, the principles of the budget, the higher level budgeting, the correlation to the Corporate Strategic Policy, did not drill down, as you would not expect it to, into all of those levels because it would have just been impossible to do at that level. But that is work that Ministers were doing separately between the workshops. Ministers were going away and consulting with officials and coming back, and that is how we shaped the ...

Deputy L.M.C. Doublet:

But how will you analyse the impact of the budget as it ... if it is approved, how will you analyse the impact of it on these groups?

The Chief Minister:

I wonder if Paul could talk about the ...

Group Director of Policy:

So, as the Chief Minister describes, in that kind of safe space of policy development, within our ministerial submission templates there is a specific section for equality considerations with all the protected characteristics, children's rights, and then there is sustainable well-being and community and economic environment. So as the Chief Minister is describing, each Minister was responsible for developing those 13 priorities and it was brought together in the budget.

Deputy L.M.C. Doublet:

That is kind of what I was trying to get at without saying that that was a policy that I created in the previous Government, but I want to know if that thinking is being carried out at ministerial level. I understand it is there in the officer steps, but I want to know at that highest level in C.O.M. (Council of Ministers) are those vulnerable groups and groups that have particular needs in terms of budgeting and services, are those groups being considered and, if they are not, is that something that you can commit to do on an ongoing basis, to analyse how this budget is helping Islanders and introduce any further measures if necessary for those groups?

The Chief Minister:

Well, of course, to take the second part of that question first, we want to make sure that we analyse the results of this budget and the work and the C.S.P. because that is how we reshape and improve things moving forward. So we will pay special attention to analysing how the budgetary impact on our society works or does not work in some circumstances. I am confident that all of the Ministers are very engaged with all of their work, especially the Ministers closely aligned to the areas that

require the most impact, Social Security, Education, Health, Housing, completely engaged, and they work extremely hard to help us shape this budget.

Deputy L.M.C. Doublet:

But, of course, Chief Minister, it is you as the Chief Minister with the overview. If we are talking pensioners, single parents, that is not one ministerial portfolio. Is it fair to say that you are aware of the economic situations of those particular groups and it is something that you are ...?

The Chief Minister:

Well, I like to think I am. There might be the odd gap in my knowledge here and there but I have tried to be as engaged, as with all Ministers, as we possibly can, but if we have missed something, well, we might have done but we have tried not to. We have tried to make this budget, more so than many budgets that have gone before, focused on helping those less well off in our society and helping all Islanders deal with the cost of living. That is why that is the sole reason why we have reprioritised the budgeting as we have.

Deputy C.D. Curtis:

I was just going to add before from what Deputy Doublet was saying that it just seems slightly odd that there is all this statistical data showing which groups of people are particularly badly affected - like you said, single parents, pensioners and so on - that that is not a starting point in some way rather than looking at it afterwards: "Yes, this bit that we are thinking of covers that" rather than it being a starting point.

The Chief Minister:

It depends on the circumstances of individual single parents and all families, but single parents will potentially benefit from extended nursery and childcare provision, from the school meals programme, from the reduction in G.P. (general practitioner) fees, from the implementation of all of the recommendations in the violence against women and girls. So ...

Deputy C.D. Curtis:

But it is not a starting point. Can I ask you: how did the Council of Ministers consider the impact its proposed budget would have on child rights? Because at the moment when we bring any proposition we have to do a child rights impact assessment. So in the actual budget ...

The Chief Minister:

The budgets have ...

Group Director of Policy:

So there is no requirement to do one on the whole of the Government Plan or budget, as you know, but where it directly engaged children's issues there was C.R.I.A.s (children's rights impact assessments) that were published alongside.

The Chief Minister:

So they have all been published.

Deputy C.D. Curtis:

Okay. So it is not considered as every decision is made, just certain things?

The Chief Minister:

In those related to the children.

Group Director of Policy:

If I may just go back to the earlier question, it is considered in the round in the policy development space, but if it is ... the law requires us to do a screener in all cases but actually only produce a children's rights impact assessment where it actively engages children's issues.

Deputy C.D. Curtis:

Okay.

Deputy L.M.C. Doublet:

Okay. Can we talk about health now, please? Do you feel that this budget tackles the health inequalities that are present in our Island and on what basis?

The Chief Minister:

Could you perhaps explain the health inequalities?

Deputy L.M.C. Doublet:

So whereby different Islanders with different characteristics have different levels of health outcomes. So have you prioritised your spending accordingly?

The Chief Minister:

That ultimately is a question for the Minister for Health and Social Services, who cannot be here today. We did not realise he was required until I read it in your email yesterday. Yes, so apologies. That is something I cannot answer because I cannot go into the detail because I do not ... my knowledge on the health service is not at that level, although I do work closely where I can with the ministerial team at Health. But Health is one of the key priorities, not least because there is a lot of

sorting out that needs to be done, restructuring, reorganisation, almost a reinvention of the health service, which the team are getting into, of course supported by our biggest ever capital spend on the new hospital, plus a significantly increased budget which we are continuing to do through the course of this budget. So, from a funding aspect, I am relatively confident that we are providing the resources for them to provide those assurances, but I cannot give you the detail, I am afraid.

Deputy L.M.C. Doublet:

Thank you. I will focus in one area where there are health inequalities and that is in the area of women's health. The output from Government, the planned output, has been reduced. Can you comment on that, please?

The Chief Minister:

Sorry, what has been reduced?

Deputy L.M.C. Doublet:

The women's health strategy is not being produced and there are areas that were raised in the consultation that women on the Island feel the services that Government are providing need to be improved. Has this budget taken account of that?

The Chief Minister:

I could not tell you. We would need to have the Minister for Health and Social Services here for that.

Deputy L.M.C. Doublet:

Would you not agree that given women are 51 per cent of our population that their health is something that across the Council of Ministers should be a priority?

The Chief Minister:

I cannot disagree with that, but you would need to ... there is a rationale for the thinking behind the health team but you would have to ask them for that rationale.

Deputy L.M.C. Doublet:

As Chief Minister, do you support the Minister for Health and Social Services having the budget that he needs to deliver the necessary services for women's health?

The Chief Minister:

Well, it is difficult. Of course I do; in principle I do. For women's health and men's health and children's health, for the health of all Islanders, of course I do. We want the health service to be properly resourced to deliver health right across the community, but where there are areas that need

specific or additional support, then that is a matter for the team. Now, the reason I cannot ... I cannot quite remember what they are doing with this, but I am not sure they ...

Deputy L.M.C. Doublet:

Can you just clarify, sorry? You said that is a matter for the team. Who do you refer to when you say that?

The Chief Minister:

The Health team, Deputy Tom Binet and the Assistant Minister, Deputy Barbara Ward, Deputy Rose Binet and Deputy Andy Howell. They have been working on that, but I cannot recall off the top of my head where they are with the women's health strategy. I know they were ... they might be producing it. I am not sure where they are with it.

Deputy I. Gardiner:

Okay. We are still on people; 2 quick questions before we go on to Deputy Curtis on skills. You have mentioned twice obviously, and it is completely right, during your answers about providing the childcare. Do you remember or do you know, if it is in front of you, how many hours of the free childcare or subsidised childcare Islanders can expect in 2025 and for what age?

The Chief Minister:

I do not have it in front of me. Sorry, I ...

Deputy I. Gardiner:

No worries. Can we follow it up to ...?

The Chief Minister:

We have talked about it, but I cannot remember.

Deputy I. Gardiner:

Okay. Because it is important to understand the budget that was allocated, what does it mean in practice, how many hours, for what ages. Second question ...

Deputy L.M.C. Doublet:

Can I add how many families are benefiting from the additional needs funding for the 2 to 3? Because as I understand it, it is not universal funding that is being proposed in this budget but it is targeted funding. How many additional families this year will receive that?

The Chief Minister:

Again, I do not have that information, but the service is being introduced in phases so we can bring the resource ...

Deputy I. Gardiner:

No, no, what I am trying to understand is we have a budget for 2025; what does it mean in hours and family support? So if we can have it later on, it is fine, yes.

The Chief Minister:

We can make a note of it.

Deputy I. Gardiner:

Another quick question: we talked about the children a lot. About the pensioners, if you have or your team have on top of your ... 3 top things that Government is doing to ensure that pensioners in Jersey have a decent standard of living, 3 things that are different this year? In 2025 I mean.

The Chief Minister:

In relation to the budget?

Deputy I. Gardiner:

Yes. So what budget is doing different ... because we did have extensive debate last sitting and there was so many things mentioned how pensioners feel because there are so many things could be changed. Is it anything this budget ... what within this budget would be different for pensioners?

The Chief Minister:

Well, we are trying to bear down on the cost of living for all Islanders. I am not sure I can point immediately to any specific line in this budget that sort of directs to any particular ... without notice off the top of my head ...

Deputy I. Gardiner:

Yes, I understand. That is what I asked. If you have it on top of your head, it is fine. If not, it is fine.

The Chief Minister:

It is difficult but you could ... again, you can look at where we are putting money in line with our Common Strategic Policy is the work that the Minister for Social Security is doing across that portfolio. She has made some changes recently which have provided more financial support to the less well off. Ian, do you want to ...?

Assistant Minister for Treasury and Resources:

Well, only, Chief Minister ... you keep asking the Chief Minister about specific demographics. Pensioners are going to benefit from the increased funding in Health, tens of millions of pounds. This year we will be spending ... next year, £322 million in our health service. That is focused on all of those areas where people are currently experiencing delay or lack of service. We know the demographic that uses the hospital so they are going to benefit there. They are going to benefit from reduced G.P. fees as well. So while we might want to categorise everybody out, and I have no problem with that, but they are things in this budget that are going to be benefiting ... I have only thought of 2 off the top of my head.

Deputy I. Gardiner:

Thank you.

Assistant Minister for Treasury and Resources:

But they are going to be benefiting pensioners like the Chief Minister said.

Deputy I. Gardiner:

Yes, I think that we will get into the health budget when we go into the funding, but around the people it is helpful. Thank you. We will move to skills.

Deputy C.D. Curtis:

Okay. So one of the Government's C.S.P. priorities is to increase lifelong learning and skills development. Can you explain what you and the Council of Ministers are expecting this priority and the associated funding of £1.158 million in 2025 to achieve?

The Chief Minister:

Not off the top of our head. I mean, it is rather difficult to deal with this without any ... this is a rather unique occasion. It is the first time I think S.L.C. (Scrutiny Liaison Committee) have convened a meeting like this and we can certainly take a note of that question and come back to you. But this is really ... perhaps we should have got all of the Council of Ministers here and we could have answered those questions.

Deputy L.M.C. Doublet:

Might need a bigger room.

The Chief Minister:

Yes, I know, yes.

Deputy C.D. Curtis:

One point that I expect you could answer is as it is a C.S.P. priority £1.158 million does not seem much.

The Chief Minister:

Without having the Minister's programme in front of me, I cannot remember that detail, sorry.

Deputy C.D. Curtis:

Okay. So can you tell us about your understanding of the cross ...

The Chief Minister:

If any of the officers remember, just shout out, yes.

Group Director of Policy:

So Deputy Ward is developing that. It is a C.S.P. priority. The budget is for next year in its development phase and, of course, he will be bringing forward proposals to the Council of Ministers and then to ...

Deputy I. Gardiner:

Just a minute.

The Chief Minister:

Yes, but we do not know if that ...

Deputy I. Gardiner:

Just a minute. You have a budget but you do not know what you will deliver on the budget, it is in development stage?

[14:30]

Group Director of Policy:

No, it is developing because it is ... you need to know how you ...

Deputy I. Gardiner:

Why is it 1.1 and why not 2 million?

Group Director of Policy:

You need to know how you are going to develop ... you have Skills Jersey already, as you know. You have the apprenticeship schemes. It is decisions that are being taken in that space.

Deputy I. Gardiner:

Okay.

Deputy C.D. Curtis:

Okay. I was going to ask about the understanding of the cross-government working that is needed to support an objective like this. So how does that work?

The Chief Minister:

Andrew, do you want to ...?

Chief Executive Officer:

Can you just clarify the question, sorry?

Deputy C.D. Curtis:

So we were just talking about the lifelong learning and skills development and this cross between different departments. So how does it work when working out the budget for this cross-ministerial work? How is that done? Is there a set process?

Chief Executive Officer:

In setting the overall C.S.P. each Minister will obviously work with their team on their priorities for Government. So they had to prioritise before they came to, if you like, the bigger table to prioritise, and in that specific instance if you are using the example of that policy and Deputy Ward, this was an area where he felt the Government can make meaningful progress during what is a very short term that it has, effectively 2 years. He will convene with and officers will convene with relevant departments across government to bring the policy to life once it is finalised. So I do not think ... just like if you take another example, the living wage, you had a lot of engagement particularly between the Minister for Economic Development, between the C.L.S. (Customer and Local Services) Minister and others and their officers to work up that policy and look at the costs and benefits of the different options within it. So this is just a normal working of government. As the Chief Minister said, we have had 10 workshops with the C.O.M. Behind those workshops is a huge amount of cross-departmental working by officers and individual Ministers to prepare papers for that C.O.M. to prepare the research for that C.O.M. So I think that is just the normal workings of Government.

Deputy C.D. Curtis:

Yes. Well, I mean, this particular example is very much part of the Minister for Economic Development's interest as well, is it not?

Group Director of Policy:

If I can expand on that, there is a specific ministerial subgroup of C.O.M., which is the Housing and Work Advisory Group, where the Minister for Economic Development, the Minister for Education and Lifelong Learning and Justice and Home Affairs and Social Security and others convene on a monthly basis to balance out those population and skills and migration issues. Because you are right, they do overlay, particularly with the economy.

Deputy C.D. Curtis:

Okay. So what consideration has the Council of Ministers given to the viability of student finance grants for the future? This must be something of a priority to make sure there is professional ...

The Chief Minister:

I know, but these are questions ...

Deputy C.D. Curtis:

... people for Jersey.

The Chief Minister:

... with the greatest of respect, you need to be asking to the relevant Minister.

Deputy C.D. Curtis:

We do. On my panel, we have asked the Minister, but it seems that it goes to a higher level where the Council of Ministers as a whole and the Chief Minister would be concerned about whether people are going to be professionally qualified to fulfil posts in the Island.

The Chief Minister:

Of course, and we have agreed the high-level policy on supporting increased provision of lifelong learning, but with the best will in the world - and I wish I could - we simply cannot, without notice of questions, give you detailed answers on other Ministers' portfolios. So, we will take the question down and we can go to the Minister for Education and Lifelong Learning and ask him to provide that, but I ...

Deputy C.D. Curtis:

As a panel we have already asked the Minister for Education and Lifelong Learning, so what we want to know is whether the Council of Ministers and the Chief Minister have something to say about the training opportunities for people in Jersey as part of the overall economy.

Deputy I. Gardiner:

It is more about your use and vision, it is not about the data, because the Ministers do need support from the Council of Ministers and the Chief Minister.

Assistant Minister for Treasury and Resources:

These documents are Council of Ministers documents. They did not used to be like this. They used to be Minister for Treasury and Resources documents, but it was changed. So as you have asked and indicated, each Minister comes to the Council of Ministers and ultimately you have the common strategic priorities. You have the risk registers. So you are going back to those first principles that you were talking about. You have the long-term vision for Jersey. You have to prioritise those things and you have to compromise until you get to a document that the Council of Ministers support. But if you want to ask questions on individual Ministers' portfolios for which they are legally responsible, then we support what is in the document.

Deputy I. Gardiner:

I think it is more about really the vision and the views and less about the exact because we are asking about the things that are within the Common Strategic Policy. This is like ... we are not asking about the whole ministerial portfolio and what is within the amendments, but what I would suggest, because you mentioned the services, we will move to the services and the questions exactly around the services and specific amendments that I assume we have discussed the amendments and the services.

The Chief Minister:

Did I mention the services?

Deputy I. Gardiner:

Yes. You said that some services out, some services in, in one of your answers. **[Laughter]**

The Chief Minister:

Come on then, let us have a go.

Deputy T.A. Coles:

Unfortunately, you did mention that some services were going to be cut as ...

Deputy I. Gardiner:

Yes, you did.

The Chief Minister:

Oh, right.

Deputy T.A. Coles:

... of your reprioritising.

The Chief Minister:

Okay.

Deputy T.A. Coles:

You have also mentioned that you do not have a list directly in front of you. So I suppose my first question is: would that kind of list be available? Is that something that you have a record of what you are going to be ...?

The Chief Minister:

Yes. So following a written question where a lot of the information has been provided to scrutiny, officers are consolidating that list now for you. It is not quite finished. We are nearly there with that, but we will let you have that. So we have consolidated it into capital programme changes and that shows you the increases in capital and where we have reduced ... I say reduced capital; we have put in place a capital programme that we can deliver rather than over-stating or over-budgeting it and getting lots of carry forwards. The same with our new revenue investment. We are listing the new revenue investment and areas where we are reprioritising, reducing or removing certain things. But we are tending to move our focus from ... we are sort of, if you like, right sizing the management structures, we are right sizing the back office functions, (a) to help curb the growth in expenditure, but then to put more money to the front line.

Deputy T.A. Coles:

I assume that you will have done your full risk assessment and risk-based analysis of these roles which will be produced?

The Chief Minister:

Well, yes, we have. There is significant risk assessment. We have our community risk register and the corporate risk register, and that has been guiding us right throughout the process. I do not know if any of the officers ... Paul, would you like to add anything to that?

Group Director of Policy:

As you were saying, in the corporate risk area, for example, I.T. (information technology) and cyber have been historically underinvested, and that is a deliberate choice by this Council of Ministers to prioritise that because it will end up in so many of even our front-line services.

Deputy T.A. Coles:

Yes. It will be good with any list that you can produce if you are able to include the corporate and the other risk analysis annexed to it because that information is good to know that you have chosen to stop or reduce a project.

The Chief Minister:

For example, an example of community risk is the increased investment in fire safety in schools. That is one example. That is quite a big ... £6 million, I think, investment.

Deputy T.A. Coles:

Yes. So one that came from the panel that I am here representing, Environment, Housing and Infrastructure, was around Fort Regent. There is a concern from within our panel - so why we brought the amendment about the line of head of expenditure - around that Fort Regent is very much considered a public asset. But we are aware that feasibility work is being carried out by S.o.J.D.C. (States of Jersey Development Company). So the additional line for the new head of expenditure was to assure the public that any funds and expenditure on that is to consider this asset still a public asset or confirm whether or not it is going to be more pushed towards S.o.J.D.C. as an operator for the site.

The Chief Minister:

No, it will remain a public asset. S.o.J.D.C. are helping with it because they have the expertise in that particular area.

Chief Executive Officer:

Yes, I think it is important to remember that you set S.o.J.D.C. up as a development company of the Government, so this is very much in their sphere of expertise. You would expect us to allocate that work to the party best able to manage the risk of it, which is them, and they are themselves owned by the Government. So I am not sure of the distinction between public and social and private you are trying to make, but it is a public asset and it is a public company set up to be a development company that is doing the work, which I think would seem reasonable.

Deputy T.A. Coles:

I think the fear or the concern, more reasonably put, is that S.o.J.D.C.'s model is more acquire, develop and then sell on, rather than develop and retain and operate. So this just seems to be a slight change in their model from ... at least from my perspective in the sector, but the panel and maybe the wider public see that S.o.J.D.C. are develop and sell and then they utilise funds for other things around. So that is the concern.

Chief Executive Officer:

I do not know if that has been shaped by the fact that they have become so synonymous with the development out at the Waterfront and so forth, but definitely they have the skills to undertake this piece of work.

The Chief Minister:

So just to be clear, there is no plan to hand over Fort Regent to the development company for them to do as they wish with it. It will remain as a public asset and they are helping the Government through the Regeneration Steering Group put the plan together. But it will remain a public asset. There might be some commercial aspects as part of it, but it will remain in public ownership.

Deputy T.A. Coles:

Of course, I am trying not to push too ... without the appropriate Ministers being here to answer the appropriate questions.

The Chief Minister:

I can try but ...

Deputy L.M.C. Doublet:

Can I just zero in on something? You said there might be commercial aspects. Are parts of Fort Regent going to be sold off?

The Chief Minister:

No, not sold off, but there might be ... there could be restaurants up there leased out to commercial owners. There could be a hotel. There could be a cinema. There could be ...

Deputy L.M.C. Doublet:

Are there any parts that are planned to not be accessible by the public; for example, ramparts or ...?

The Chief Minister:

No, I think the ramparts are a big part of the potential of Fort Regent.

Assistant Minister for Treasury and Resources:

There is a potential that it will be closed off to the public if we do not do something. **[Laughter]**

Deputy L.M.C. Doublet:

Do not think anybody wants that.

Assistant Minister for Treasury and Resources:

I think it is a good plan to harness the benefit of some of the previous development and invest it in trying to give a long-term future to Fort Regent. There is an issue that we need to think about accounting when it comes to the head of expenditure because I am not sure it really perhaps does quite what the panel were thinking.

The Chief Minister:

There is potentially the access to parts of the fort that you had never, ever thought there would be access to, but hopefully we will be in a position soon to reveal what is going on.

Deputy T.A. Coles:

One of our other things that we had within our panel briefings we had with the Minister for Infrastructure was around the funding for a skate park that was not included within the 2025 budget but apparently funds have been found and allocated. So I suppose the question is ... we want to know where these funds came from and then how are they fitting in within the ambitions of the Council of Ministers and for other projects?

The Chief Minister:

So I am looking to Andy. Do you want to come and talk ...?

Group Director - Strategic Finance:

I will perch, I think. Sorry, would you just repeat the question to make sure I answer it as fully as possible?

Deputy T.A. Coles:

So the panel, my panel, have been aware of the project for the town skate park for which funding was not anticipated in the short term and not included within the 2025 budget. So are you satisfied that the budget that States Members are debating is accurately reflecting funding and spending requirements for 2025?

Group Director - Strategic Finance:

So my understanding, and again this is ... yes, that is the one. So the skate park itself in the budget as it was lodged was reprofiled towards the back end of the plan. So there was funding that remained in the plan, but as some panel members will certainly be aware, the Government Plan establishes what we call grouped heads of expenditure, which allow projects to move backwards and forwards in time if things change. So if projects become ready quicker, they can move forward in the plan. If the other projects ... obviously consequential delay due to planning, et cetera, they

may move backwards. So that flexibility is built in to try and maximise the amount of capital that can actually be delivered, to deliver benefit for the Island. So the skate park I think is one of those examples where if there is space in that programme due to the grouped head of expenditure it could be brought forward. I believe that is the conversation that the Minister for Infrastructure has been having and looking at.

Deputy T.A. Coles:

So is it safe to assume that that same rule applies for the list of other delayed or postponed projects that have been supplied by other Ministers within their portfolios?

Group Director - Strategic Finance:

So in most cases. So grouped head of expenditure is still for a purpose. So if you had a project which was completely unrelated to that purpose, you would not necessarily be able to use it, although the Minister for Treasury and Resources obviously has powers to reallocate between heads of expenditure as well so could look at operating those powers if needs be. That needs consultation with other Ministers who are responsible for their heads of expenditure.

[14:45]

Deputy I. Gardiner:

Thank you. It is really helpful. So if I understood that correctly, because the skate park project was ready the funds were reallocated after the budget ... the Government Plan was lodged. So based on this principle, if, for example, Le Squez is ready to go would there be opportunity and possibility to reallocate funding to make sure that Le Squez delivers because other projects are still within the purchase, development, feasibility studies? Because Le Squez was much more progressed compared to other ...

Group Director - Strategic Finance:

So on that specific example ... I am sorry, I am just trying to make sure I am ...

Deputy I. Gardiner:

I am asking about the principle because we do not have details and I do not think that it is right to go into the details at what stage each development. I am asking about the principle.

Group Director - Strategic Finance:

Yes, the principle. So Le Squez, for example, the example you have used, is a separate head of expenditure and a separate major project. So if you were to bring Le Squez forward in the plan it would probably involve the Minister making a transfer from another head of expenditure. So that is

possible under the Public Finances Law. The Minister has those powers, but it could not be done just within a grouped head of expenditure because it exists in its own right.

Deputy I. Gardiner:

Fort Regent we do not have heads of expenditure?

Group Director - Strategic Finance:

Fort Regent does not have a head of expenditure. That is the amendment ...

Deputy I. Gardiner:

Because it is not a major project.

Group Director - Strategic Finance:

... that was referred to.

Treasurer of the States:

The proposal is that S.o.J.D.C. will develop Fort Regent within the company. Therefore, it does not require the head of expenditure. When the plans are brought forward so will the funding also.

Deputy I. Gardiner:

Okay. Let us move.

Deputy C.D. Curtis:

The Children, Education and Home Affairs Scrutiny Panel lodged an amendment that requests funding for refurbishment work at Highlands College so that is brought forward. Chief Minister, what are your views on the way Government assesses and prioritises the maintenance of publicly owned buildings? Does Government have sufficient oversight of this?

The Chief Minister:

Of course, the management, the property management, of public buildings is run by Property Holdings Limited and I know that is an area where the Minister for Infrastructure is I think wanting to make some improvements. I do not think it is a surprise, I think enough politicians around the table will know that I think we have not really maintained or managed our property portfolio adequately in recent years, and that is something that the Government, led by the Minister for Infrastructure, is looking at now, how we perhaps reprioritise that. But I think the answer to your question is we could do a lot better.

Deputy C.D. Curtis:

No, that is good. For example, I was wondering if more weighting is given to buildings that children use, for example. Because it seems to be more important that a public building used by children would not be falling apart more so than some other public buildings.

The Chief Minister:

Well, I am not sure how Property Holdings weight their investment plan or programme, but certainly I would hope that we will ... if we start to introduce firmer policy around putting the children first agenda, and certainly from the discussions we have around the Council of Ministers table led by the Minister for Education and Lifelong Learning, we are very keen to make sure the investment in the whole of the children and young person infrastructure is a higher priority. Without an official weighting formula, if you like, we are mindful of that in line with previous States decisions and that is what we are working towards where we can.

Deputy C.D. Curtis:

When will that be realised?

The Chief Minister:

Well, it is being realised now in the decisions we make every day but there are possibly still gaps in that. That is I think policy and development.

Deputy C.D. Curtis:

So will the next budget have a weighted formula?

The Chief Minister:

I could not say at this stage.

Deputy C.D. Curtis:

So is that something that you would like to achieve?

The Chief Minister:

We can discuss it, and again I think the 2 relevant Ministers, the Minister for Children and Families and the Minister for Education and Lifelong Learning, will have something to say on that, but I am not sure where we are with it.

Deputy T.A. Coles:

Yes. You say the Minister for Infrastructure is looking at Property Holdings and, as I say, he has discussed with our panel about improving the S.L.A.s (service level agreements) between them and varying other bodies. If through his work the Minister says that J.P.H. (Jersey Property Holdings)

needs to have a large-scale review and maybe a restructure, is that something you would support and allocate budget for?

The Chief Minister:

I absolutely would and that is something we have been discussing. Andrew, I do not know if you would like to provide a bit more background around that.

Chief Executive Officer:

Yes. I think we have touched on a really important area. I think it is well known among all Members that for a long period of time the maintenance budget available to the department or to J.P.H. relative to the size of the asset base has looked like it was not enough, which means that the budget over time ... I think it is just inevitable in any lifecycle maintenance model over time your limited budget will be at the mercy of events, emergency repairs, things that crop up in the risk register and so forth. In fact, I appreciate you do not have the capital programme yet but you will have it very soon. I think you will see there is a lot there on buildings that children use that happens, but you will also see that you are responding to events like fire and safety which might take you away from some other form of routine maintenance you were planning. That is part of the story at Highlands College. So I think we all regard the current situation as very unsatisfactory and the Minister is working closely with officials to see if there is a more strategic or structural solution to that to break out of this pattern where Government finds it very difficult to fund the maintenance of its own buildings. Even when it is well intentioned, it finds itself at the mercy of events. So I think every elected Member who looks at this area finds it unsatisfactory and the Minister is working hard on structural options, which he has probably alluded to at your panel.

Deputy I. Gardiner:

Thank you. So we will move now to the funding area.

Deputy L.M.C. Doublet:

Thank you. Okay. So, Chief Minister, how do you maintain oversight of spending where it crosses over 2 departments; for example, where a policy around children in C.Y.P.E.S. (Children, Young People, Education and Skills) might result in more spending in health services for children?

The Chief Minister:

Treasurer?

Treasurer of the States:

Have you got a specific issue in mind?

Deputy L.M.C. Doublet:

I just gave one there, a policy around children that might impact on the health budget, but it is more about the ways of working. How do you maintain that oversight across all your Ministers, given that there are so many issues that overlap?

The Chief Minister:

Across the budgetary management?

Deputy L.M.C. Doublet:

Yes.

Treasurer of the States:

That work starts at policy development and it invariably does in terms of when we are bringing forward policies to identify the cost implications in differing departments arising from that. It is fair to say we would like to strengthen that because often we might see in the past where legislation comes forward and we have not properly costed out what the implications of that are into future years and across different departments. That is something that we have been looking to improve in the last year, and moving into this legislation programme in particular the Council of Ministers is keen that the likely financial implications once regulations are subsequently lodged with the Assembly are identified up front when you are preparing the legislation.

Deputy L.M.C. Doublet:

How far ahead do you do that work?

Treasurer of the States:

So we have pieces of legislation that are coming through E.L.T. (Executive Leadership Team) ...

Deputy L.M.C. Doublet:

What I mean is how far into the future do you look when you are planning the budgets?

Treasurer of the States:

Well, the legislation programme would be the far end of the table, but then as the legislation comes through and goes to the Council of Ministers ... so we have a legislation programme for the 3 years, more concrete in terms of what is coming in the coming year or 2. As those come through, we would like to cost those so that we can identify into the future what the likely financial implications will be. So the intent would be that you are looking across the period of the Government Plan. So if we know we have legislation that came last year, we would want to plan in those increases and spend going forward. Equally so with items in the upcoming legislation. I have had conversations, for

example, with the Minister for Home Affairs related to the legislation coming through in respect of violence against women and girls that says what are the likely financial implications going to be once that legislation comes in. So it is through that implementation period that we are doing that.

Deputy L.M.C. Doublet:

Yes. Chief Minister, going back to your vision, how do you juggle all of this to make sure that the output is aligned with your vision as Chief Minister?

The Chief Minister:

I think we do that just through constant discussion and management of our policies, the expectations. We have to balance that in line with resources, in line with processes. So it is an ongoing, evolving ... it is something you do not do and then you sit back. It is something that is always evolving because we get new challenges every week. Every month new budgetary challenges, unexpected circumstances, propositions, budget amendments, that can suddenly change the picture. While we are getting a momentum forward we want to ...

Group Director of Policy:

Just expanding on that legislative programme that the Chief Minister was describing, I think this year has seen the most concerted attempt to balance that and match the demand to capacity. To the previous Corporate Services Scrutiny Panel we described that on average there is a capacity ceiling of about 50 or 60 pieces of law or regulations. Actually, there was 129 pieces that were bidding for attention in this Council of Ministers. It requires rigorous prioritisation by the Council of Ministers to determine what and which are the ones that are matched to their Common Strategic Policy first of all, and then matched against those other tier 1 risks, and that is what you end up with.

Deputy I. Gardiner:

Now I would like to move to bring our attention and maybe to expand on Deputy Doublet's question. When we talk about the balance, and you mentioned yourself, we all know that most of the requirements and the most heavy budget we have is within Health. We can see £76 million gross over the 4 years. I remember last year it was ... for this year we had an increase of £50 million when other departments needed to make savings, and they overspent 30. I do not know what is the latest number, maybe even more this year. Recently, we know that you increased the budget and we did have a conversation around the Public Accounts Committee - it was a public hearing - when we tried to understand if it is structural deficit or it is how the service is run and what efficiency needs to be put in place. Why I am asking this, and this is why it is important, because while I understand when this budget was prepared Health demand was very high when other departments needed to make savings/cuts up to different numbers, but it is up to 20 per cent at the most. Now, how we are ... for example, a further £5.5 million - and I am looking at the Treasurer - on top of the sum already

provided for the proposed budget is likely to put even further strain on other public finance. What is the plan to address this, given the recent statement made by the Minister for Health and Social Services that he might need to ask Treasury even for more assistance? So what are you doing to make sure that the Health budget is sufficient but at the same time is managed?

Chief Executive Officer:

I think the question is specifically about Health. As we said in another place, across all these things, as Paul alluded to, I think for the first time this year we have definitely been guided by and evaluated the Government's programme against Island-wide indicators and the risk registers as one part of the process. We then had very detailed workshops around money, people, I.T. resource, project resource, legislative time, to make sure that you could actually do the things you said you were going to do. Because as I have said before, Governments in Jersey have a reputation for not doing the things they said they were going to do because it turns out the resources cannot be deployed. Even when you have the money, you cannot get the work done. So we have tried to bring all of those things to bear. Specifically in Health, the ministerial team are still well advanced now with the period of consultation with all the groups in health about the structure of the health service, about how it can be best set up for the future. There has been specific issues in Health which I think are ... we are observing the same trends in other jurisdictions, large and small, around drug price inflation, around the availability of essential workers. We are at the mercy of what is a global healthcare market for workers. If you look at the inflation and the costs in our health service, they are driven by the 2 things I have just mentioned there, the availability of workers, many of whom are locums or on contract in some way. The drug price inflation, again a global phenomenon driven by events beyond our control, is another factor. The third thing that we are facing, which again I think you will understand, is that the health service in Jersey has historically developed relationships with a large number of providers off-Island, typically other hospital trusts or hospitals for specialist services. All of those hospital trusts in England are under enormous financial pressure and they are increasing their charges for services they provide to other places. So what we are facing, particularly post COVID, is a very significant and sustained increase in all the input costs of running a health service. What we are trying to evaluate, and it is difficult because we are still in the middle of it, is the extent to which this is a temporary phenomenon in the immediate aftermath of COVID and given the things that are happening in the world that are driving up prices of drugs, or whether it is something that is a permanent change in the price level and that requires a response from us. So it is a very dynamic situation.

Deputy I. Gardiner:

Chief Officer, when would we know how much sufficient funding is required to run Jersey's health service? Because it feels like nobody knows what is the number.

[15:00]

Chief Executive Officer:

How long is a piece of string? It is the same question. Health spending, health needs, the things you can spend money on in health are almost infinite. I think the F.P.P. (Fiscal Policy Panel) when it came to Jersey made the point to all of you that you can never spend enough on health so you have to be rationed by your budget and what you think you can afford. That is what we are trying to do is get those 2 numbers in line. For our health service and all health services the past 3 or 4 years have been extremely difficult because those 3 big input costs I mentioned have skyrocketed in terms of inflation. So I think it is important that everyone recognises that in health, which is a global market, we are a small jurisdiction to a large extent at the mercy of events. We do not have any control over most of those prices and we are already operating with a significant disadvantage in that we do not have any economy of scale. We are not big enough to have an economy of scale in purchasing. We are not big enough to sustain broad clinical practices. We have to form partnerships with other places. So all of these things make it quite difficult to be terribly precise about the costs of providing healthcare in Jersey, and that is what the ministerial team are working through. We want it to be better but I think you should recognise the context in which they are operating.

Deputy L.M.C. Doublet:

Yes, and the health panel and I believe all of S.L.C. understand those challenges. I think what the President asked was is the funding sufficient and she also asked is it being well managed to achieve those positive outcomes. So, Chief Minister, how are you ensuring that, okay, maybe we cannot say what the sufficient funding is, but how do we ensure that the funding going in is well managed to achieve those positive health outcomes?

The Chief Minister:

Well, I rely on the reassurance of my officials who I engage with regularly and the Ministers. I think the Chief Executive has described the challenges really well. I am also reassured recently with various changes that we are getting on top of the management. It is becoming much more productive, much more efficient, given the challenging circumstances. Andrew, I do not know if you just wanted to add briefly to that.

Chief Executive Officer:

Yes. I think ...

Deputy I. Gardiner:

No, no, no ...

Deputy L.M.C. Doublet:

No, can I just stay with the Chief Minister?

Deputy I. Gardiner:

Just a minute.

Deputy L.M.C. Doublet:

Chief Minister, in terms of clinical standards and the high ... do you have high expectations for the health services in Jersey?

The Chief Minister:

Sorry, what was ... do I have high ... of course we do have ... we have the highest health expectations. Of course we do.

Deputy L.M.C. Doublet:

Okay. In a public hearing with the Minister for Health and Social Services, in order to meet those high expectations and the increased need that the Chief Executive has described the Minister for Health and Social Services noted that difficult decisions will need to be made around raising funds for health. He said that it had not been identified where that increased funding is going to come from in the future. Can you comment on where you think it could or should come from?

The Chief Minister:

I believe it should come from general taxation.

Deputy I. Gardiner:

Okay. How are you satisfied with the health financial recovery for the proposed budget plan? Have you seen the financial recovery plan?

The Chief Minister:

Well ...

Deputy I. Gardiner:

Have you discussed the financial recovery plan around the Council of Ministers?

The Chief Minister:

We have discussed it, regularly discussed it. We discuss health funding regularly at Council of Ministers. I am as satisfied as I can be at this moment in time.

Deputy I. Gardiner:

Are you confident it will work?

The Chief Minister:

I am relatively confident, but I am also a realist in line with some of the challenges. Those challenges are still there. They are not going away.

Deputy I. Gardiner:

I understand.

The Chief Minister:

It is not helped by the fact that we are operating in a substandard hospital and all the facilities are ... they are adding to the problem. The sooner we can get on and build ...

Deputy I. Gardiner:

If you already mentioned the hospital, just I would rely on the Hospital Scrutiny Panel amendment calling for separate heads of expenditure to be created for Overdale, Kensington Place and the St. Saviour Health Village. Do you support the principle of creating separate heads of expenditure out of the interests of openness and transparency?

The Chief Minister:

Of course I support the principle. You might remember when I fought hard to try and get the previous Government to give out the same information. The previous Government came up with the argument that they were not going to put out figures that could compromise our negotiating position. I support the principle but I also want to make sure I align with the Minister for Health and Social Services when we talk about the timing of that information. That information needs to be made available at the right time.

Deputy I. Gardiner:

No, I think the question here is: do we need different heads of expenditure for 3 actual sites that would be delivered?

The Chief Minister:

I am not ...

Deputy I. Gardiner:

Or maybe not, Overdale part needs to be separated from £710 million. Whatever is Overdale is Overdale, we do not need to go into the details what goes into Overdale.

The Chief Minister:

When we have our completed health estate we need to find the most efficient and productive way of managing that expenditure, whatever that will look like and probably not ... yes, Ian.

Assistant Minister for Treasury and Resources:

Yes, I would even be more robust than the Chief Minister. The previous Government, for all of the reasons we understood, kept one head of expenditure. If we move away from more than one head of expenditure now we give away ...

Deputy I. Gardiner:

Did you discuss this ...

Assistant Minister for Treasury and Resources:

Yes, of course we did, yes.

Deputy I. Gardiner:

It was only one side. We never discussed the St. Saviour Health Village. The St. Saviour Health Village was not on the plans.

Assistant Minister for Treasury and Resources:

No, no, no, no, come on, it was. There was one head of expenditure to do more than one side and the rationale for that was that what happens in government is you get bids up to the maximum amount. If we ask to seek to get the most competitive price for all of those works, we keep the one head of expenditure. I can understand the Chief Minister saying there will be a time when that can go into the public domain and I will leave it to others to decide when that time should be. But I would, for all of those reasons, robustly defend sticking where we are with one head of expenditure.

Deputy I. Gardiner:

Would we have the workforce plan for all these facilities in place? Because it has not been, I do not know, shared I would probably say. Because it is a different workforce plan for 3 sites.

The Chief Minister:

We were quite advanced with the workforce plan at the end of the last project, so that will have been adapted and I am sure it is ...

Deputy I. Gardiner:

But it is different to operate on one site and 3 sites.

The Chief Minister:

Yes, yes, we are, yes.

Deputy I. Gardiner:

Okay, so let us move on to the different ...

The Chief Minister:

By the way, the offer is there to keep Scrutiny on a commercially confidential basis completely updated of all the costs.

Deputy I. Gardiner:

No, it is appreciated.

Deputy T.A. Coles:

I am asking this more from the E.I.A. (Economic and International Affairs) Panel's perspective. Their panel has been informed that an agreement as to the size of the reduction in grants and the amount to be granted in 2025 between the A.L.O.s (arm's-length organisations) and the Government of Jersey has not yet been finalised. Given the proximity to 2025, what impact does this lack of agreement have upon these organisations?

The Chief Minister:

Again, I am going to hand over to the Chief Exec in a minute. I think we have agreed the principle almost and I think there are still some slightly different ministerial thinking on this to be ironed out. But we have had a model of A.L.O.s for the last 10 years, so it has worked, I think, generally reasonably well, but it is certainly time to revisit that to make sure we are getting the best value for money. That is the policy of this Government; we are going to do that. We are going to revisit that if necessary, restructure some of the A.L.O.s. We might see some merger of A.L.O.s, we might see closer working, sharing of resources, so that is the principle. But, Andrew, can I ...

Chief Executive Officer:

Just repeat the question, sorry, what is the ...

Deputy T.A. Coles:

Sorry, bear with me. The panel had been informed that an agreement as to the size of the reductions of grants and the amounts to be granted in 2025 between these A.L.O.s and Government of Jersey has not yet been finalised. Given the proximity to 2025, what impact does this lack of agreement have upon those organisations?

Chief Executive Officer:

Yes, again, going back to where we started, I think it is important to say that what we are trying to do is curb the growth in public spending, not cut public spending; 2 very different things. I think we can sometimes get our language mixed up. Budget is growing; we are trying to curb its growth. We went through a few years with the growth, as the Chief Minister said, I think £505 million since 2017. The growth of the public sector outgrew the growth of the economy in many years, which is not obviously a sustainable thing to be happening. Unless the Council of Ministers wanted to try and curb some of that growth, at least bring the 2 things closer into line, we thought it was sensible when we were going through that process and working out how to put that in place, primarily to fund the priorities of the Government, that if we are visiting a curbing of growth on the public service in only departments, we obviously ring-fenced some departments, Health in particular, that we should visit that on the very large - and one might say complex - estate of A.L.O.s that we have created over the past 15 or 20 years in Jersey. That has been shared out by Ministers. If Ministers are saying that they are still in individual discussions about the numbers, then that is probably a matter for them. What they are not in is an individual discussion with me about the number that they need to deliver. I cannot comment in A.L.O. by A.L.O. but if there is still some arm-wrestling going on then so be it.

Deputy T.A. Coles:

Yes. From the Machinery of Government Panel which I chair there was a letter sent to you, as the Chief Minister, about the oversight and restructure of arm's-length organisations. Is that something that is going to be motivated in next year to maybe consolidate things down and reduce costs and provide better oversight?

The Chief Minister:

We are working on that now and I think we are agreed in the principle at ministerial level but it is just about how any restructure or reorganisation might look like. Of course, we need to talk to the A.L.O.s. I think we have given some indication but we have not had proper discussions with them yet and that is something that is quite high on the agenda following the budget.

Deputy I. Gardiner:

Yes, P.A.C. (Public Accounts Committee) just yesterday published A.L.B.s (arm's-length bodies), your executive response for the C. & A.G. (Comptroller and Auditor General) report, which was helpful with our comments. We also would look at the P.A.C. to have a review.

The Chief Minister:

Absolutely, yes.

Assistant Minister for Treasury and Resources:

Can I just be clear because one of them falls within my department? They are aware of their budget and it is quite clear from the budget here what their budget cut is.

Deputy I. Gardiner:

Okay, thank you. We are moving to risks, to Deputy Miles.

Deputy H.M. Miles:

Okay, thank you. There seems to be some contradiction between the Government's priorities for monitoring and future planning and the decision to reduce funding to Statistics Jersey in 2025, and we have discussed this at Corporate Services Scrutiny Panel. I think through the hearings that we have had and through the submissions from stakeholders we have seen where reduced statistical outputs would affect the decision-making policy; against the outcome indicators for Future Jersey, the gender pay gap reporting is something that you raised yourself, economic and fiscal forecasting for Chief Minister, et cetera, et cetera. Were any of these areas identified when deciding to reduce the budget funding for Statistics Jersey?

The Chief Minister:

I can probably take some responsibility for that. They were discussed as such but one or 2 of the proposals by the Chief Statistician ... because we are basing this on the professional advice of the Chief Statistician. It is not Ministers who have said cut this, cut that and cut that ...

Deputy H.M. Miles:

No, but it is Ministers who have said to Statistics Jersey, the Chief Statistician, that there is going to be a budget reduction. Really you have put him in the position of having to make a choice.

The Chief Minister:

Yes. Since 2020 the Stats Department has had a 25 per cent increase in their staffing levels. Again, we have to respect the independence of the Statistics Unit and we have a good working rapport with them. The new law changes that and gives them more autonomy, more independence. Again, I would like to see more co-operation between Economy and the Statistics Unit to make sure they are aligned and they know what they need. The Economy Department, I think that is key; we need to know what we need for the economy. Because we do a lot of the reports here that are quite nice to have but we do not need them every 3 months. I agree we found the money to put back the business tendency survey because there was a gap. The F.P.P. advice and other advice is that we go to a more G.V.A. (gross value added) approach on monitoring our economy, which would take over from the B.T.S. (business tendency survey), but of course that is probably due to start in 2026 so we had a gap. Yes, we have provided additional funding to put that back.

Deputy H.M. Miles:

It is interesting what you say there. You said that the Statistics Unit have had significant growth and is one of the reasons that you are giving for taking the money off them because they have had growth in the past.

Chief Executive Officer:

It is probably important to clarify here, as I have said already here now and other places, this Council of Ministers inherited growth bids from the previous Council of Ministers and took a 20 per cent reduction across the board in those growth bids. Just to be clear, so if you were getting 100 you are now getting 80.

Deputy I. Gardiner:

But the money is still within the budget.

Chief Executive Officer:

The Chief Statistician was one of a number of places which had a growth bid that was cut.

Deputy H.M. Miles:

But the issue that I am raising here is about the risk assessment and the risk analysis.

[15:15]

One of the reasons that the Statistics Unit had an increased budget over the past few years was because it was acknowledged - I say the same comment again - if you are going on a journey you do not shred your map and stamp on your compass. Statistics Jersey is a very important function of the Cabinet Office to be able to provide evidence which guides policy, not only for States of Jersey but also for our commercial businesses, for the finance industry. We have seen what the F.P.P. have said about it. What I think we are trying to get at was were any of those things taken into account, other than we will lose 20 per cent from Cabinet Office and you decide how to do it?

Chief Executive Officer:

Yes. The answer to your question is yes, 100 per cent, yes.

Deputy H.M. Miles:

Okay. What were the discussions around that then, please?

Chief Executive Officer:

The discussions around that were discussions around all the changes in the Cabinet Office. If you take the Cabinet Office in particular, we had a lot of discussion around that and how they met their share of that curbing of the growth of spending. The Chief Statistician, as the Chief Minister mentioned, is independent, so it is not a case of going and saying we think you should do this or do that. The Chief Statistician came to the E.L.T. with recommendations of where they felt that they could economise, whether that was taking an annual survey and doing it biannually, for example. They came with the recommendations; we debated and we decided, just as we did with lots of other areas as well. They were in the same process as everyone else.

Deputy H.M. Miles:

I understand how they are in the same process, but the implications of reducing the size of the Statistics Unit are not just for within government, it is for outside of government. Therefore, is the risk not higher of cutting their budget?

Chief Executive Officer:

Well it's a matter of opinion..

The Chief Minister:

Paul can correct me if I am wrong. So 15 staff in 2020, peaked at 22 staff and that is reduced to 19.

Group Director of Policy:

Yes, yes.

The Chief Minister:

Those staff, I believe, were increased to 22 ...

Chief Executive Officer:

Based on temporary funding.

The Chief Minister:

Temporary funding for one-off or temporary ...

Chief Executive Officer:

Yes.

The Chief Minister:

That came to an end. By the time that came to an end it had almost become baked into the budget.

Deputy H.M. Miles:

I am sure it was temporary funding, rather than an interim but I am going to move on ...

The Chief Minister:

Okay. Well, interim or temporary, yes.

Deputy H.M. Miles:

... because I am conscious of time. But, again, there seems to be a contradiction because a couple of sittings ago we all agreed to adopt P.29, which is the Draft Statistics and Census Law, which puts duties on to the Chief Statistician and it basically ensures that the Government provide him with the right funding in order to discharge his functions. Again, there just seems to be the contradiction about withdrawing their funding, which does not help Statistics Jersey deliver their statutory functions.

The Chief Minister:

Yes, I cannot disagree with all of that, but there again it was the Chief Statistician that made those recommendations. I look forward to the next discussion because the Government have a duty to make sure that they are appropriately funded and we are going to work closely ...

Deputy H.M. Miles:

As you know, C.S.S.P. (Corporate Services Scrutiny Panel) have an amendment lodged to restore the funding and that is supported by the Statistics User Group and that is the way that that will move forward.

The Chief Minister:

Yes, understood.

Deputy H.M. Miles:

But just as another area about Cabinet Office, you have also dissolved the Delivery Unit and the Delivery Unit was put in place by the previous Government to do just that, to deliver the ministerial priorities. What are you using as an alternative mechanism to deliver the functions?

The Chief Minister:

Okay, Andrew.

Chief Executive Officer:

Yes. The Delivery Unit, I think, was moved last summer.

Group Director of Policy:

Yes.

Chief Executive Officer:

Yes, last summer. Yes, we are placing an obligation on Ministers and their departments to deliver, rather than having someone try to deliver on behalf of them.

Deputy H.M. Miles:

Okay, thank you. At the same time I understand that the responsibility for performance measurement has been devolved down into departments, together with associated data collection.

Group Director of Policy:

Yes, although it is still brought together for the purposes of the Council of Ministers' top-down grip.

Deputy H.M. Miles:

Does the Cabinet Office still have a strategic planning and performance function?

Group Director of Policy:

Yes, but for the reasons that we have described it is reduced because this is more about ministerial grip and delivery.

Deputy H.M. Miles:

Okay. Do you think there is a risk with devolving that very important information down to departments who are already stretched due to the reductions in funding that they have had?

Group Director of Policy:

I will go back to it. It is beholden on Ministers to grip with their departments and Chief Officers to be held to account for that to be ...

The Chief Minister:

Andrew, are you concerned about any additional risk? I am hoping we might see some improvements but ...

Chief Executive Officer:

No, I think it is always better to allocate the work or the risk to the party best able to manage it, and I do not see how the Delivery Unit was best at ... set up to manage the risk that individual departments might not perform. I think that rests with individual departments.

Deputy H.M. Miles:

But you acknowledge that there is a risk of devolving that down to departments.

Chief Executive Officer:

There is a risk in every decision that you take, especially when you are dealing with very tight public finances, as we are.

Deputy H.M. Miles:

Thank you. As the Chief Minister, you have responsibility to ensure that your Government respects and implements the decisions taken by the States Assembly. Do you think that your budget ensures that all existing decisions can be taken forward within the current Government term?

The Chief Minister:

What, the existing outstanding decisions of the States Assembly?

Deputy H.M. Miles:

Yes.

The Chief Minister:

I would need to have the list in front of me. One that springs to mind is the Ombudsperson, the work on that. But what I have undertaken as Chief Minister in the Assembly on more than one occasion is to bring back any decision that the Government decides it is not minded to proceed with to the Assembly for debate.

Deputy H.M. Miles:

That is your undertaking, that you would bring a rescindment?

The Chief Minister:

That we would bring it back, yes, and that has always been the case in the past.

Deputy H.M. Miles:

Yes, thank you.

Deputy I. Gardiner:

Yes. We have several minutes left. We will go around the table and it is like last questions to wrap up.

Deputy L.M.C. Doublet:

Can I just build on this one?

Deputy I. Gardiner:

Yes, sure, absolutely.

Deputy L.M.C. Doublet:

You mentioned the legislative programme and that it had been slimmed down. In terms of States Assembly decisions, does your legislative programme allow space for Back-Benchers, non-Executive Members, to bring forward propositions to the Assembly and have those accepted?

The Chief Minister:

Paul is trying to answer this, about that one. The legislative programme is based upon resources and a realistic programme of getting done what we put in. Of course, there is an element of making sure that what we put into the programme receives relevant instructions. There is flex in that for Ministers to be able to bring things back and put other priorities in. I think the short answer to that is yes. Paul, do you want to add anything?

Deputy L.M.C. Doublet:

Okay, good. I think that is all I need to hear really. I think the person answered, yes.

Deputy I. Gardiner:

Yes, it is about the flexibility that ...

Deputy H.M. Miles:

My final question on the risk really was, again, just to have some undertaking from yourself that you will provide progress reporting mechanism for updating the progress of this budget as we move through next year to improve transparency for the public.

The Chief Minister:

I would very much like to do that. Can I look to the Treasurer? What do we have in place for that internally? The monthly monitoring and the spending of that financial management, is that in hand?

Treasurer of the States:

Yes, E.L.T. regularly monitors financial performances or lift performance against each department's objectives quarterly. That is considered by Ministers. I know that the Chief Minister discusses regularly progress against the 13 C.S.P.s. We will obviously in the year-end accounts report performance against what was intended in the budget or Government Plan documentation and against those C.S.P.s.

Deputy H.M. Miles:

Thank you.

Deputy I. Gardiner:

Okay, let us go around then. Deputy Coles, would you have another to ask before we wrap up?

Deputy T.A. Coles:

Yes. You lodged this budget early compared to others. Do you think that your reasons for lodging early have been achieved, while allowing Scrutiny and other Members enough time to scrutinise the budget themselves?

The Chief Minister:

We lodged the budget earlier at the request of Scrutiny. I hope it has helped. I think we can always learn and I look forward to post-budget we can sit down and talk about what went well, what did not go so well, so we can make further improvements for next year. But I think it was a step in the right direction. I hope the extra time has been helpful.

Deputy C.D. Curtis:

There seems to be quite a focus on devolvement to departments. Does the Chief Minister think there is sufficient consultation of stakeholders on department policy? As an example, the C.E.H.A. (Children, Education and Home Affairs) Panel has received quite a few submissions from different groups who are concerned that the new early years policy will cause them difficulties and even put them out of business. Just this does not seem to ...

The Chief Minister:

Sorry, what is the C.E.H.A.?

Deputy C.D. Curtis:

Children, Education and Home Affairs.

The Chief Minister:

Okay, fine, sorry.

Deputy C.D. Curtis:

Just that when departments are making their policies, is there enough consultation going on with the stakeholders?

The Chief Minister:

But the first part of your question, devolve, what did you say? What is the first part of the question, please?

Deputy C.D. Curtis:

Devolvement or the responsibilities of each department, so in each department, as indeed policy is made, is there sufficient consultation with stakeholders? Because we are getting feedback that there is not.

The Chief Minister:

I would like to think there is. I suspect, being honest, that is not always the case. I cannot think of any circumstance. We are always mindful to try and engage wherever possible and make it a priority for Ministers to consult and engage, but I know sometimes some things slip through. I say to Scrutiny: "Please scrutinise us hard on that or let us know if we do let something go below the radar." Certainly not intentionally if we do.

Deputy L.M.C. Doublet:

Chief Minister, you spoke about general taxation needing to be increased and is it fair to say you are not shying away from that?

The Chief Minister:

I did not say it needed to be increased, no. No, you said how should health be paid for; through general taxation.

Deputy L.M.C. Doublet:

Okay. I might ask that question again then because the Minister for Health and Social Services said that there needed to be increased funding for health. Given that the funds have already been cut in other areas, how will that increase in funds be obtained in order to meet all of the challenges that your Chief Executive ...

The Chief Minister:

Okay. To be clear, I am not currently at this moment in time in favour of increasing taxation in any way, shape or form. I think our tax rates are adequate. We need to work on growing our economy and increasing our revenues. I believe that it is about prioritisation. Out of the £1.2 billion, £1.3 billion, £1.4 billion of income we get every year, we have got to make sure we prioritise that correctly across our ministerial departmental jurisdictions, and Health comes right up there. That is how I believe at this moment in time we should be prioritising for it. We see other jurisdictions temporarily increase income tax. When you bring in health taxes I am not in favour. I do not think we are at

that stage yet and I am not supportive of that. I think the Minister for Health and Social Services has mentioned that we could turn to that in the future. I am not saying the States might not decide to do that, but right now I do not think we are in that place.

Deputy L.M.C. Doublet:

Are you confident that economic growth is going to be enough to fund the increased health needs?

The Chief Minister:

For now I am and I am not saying we are going to see exponential economic growth. We are in challenging times. Interest rates are still high. They are now forecast to come down a little bit slower than we thought they would. We are still recovering from the pandemic. We have lots of challenges; that is why we need to balance the books, curb our expenditure and work together. But I think right now we can manage on the tax rates we have got and we do not have to ...

Deputy L.M.C. Doublet:

You quoted some stats there. Do you agree that it is really important to have robust statistical evidence behind so you can make these decisions?

The Chief Minister:

Absolutely.

Chief Executive Officer:

Which we have got and which is not in danger.

The Chief Minister:

We have a well-resourced Stats Department. We have just got to agree what stats they produce and I am quite happy to work with people on that.

Deputy I. Gardiner:

As you heard that it is now more delegated to the departments' performance management delivery because we do not have the Delivery Unit, there is lots of things happening on the departmental level with it coming together. Can you please let the panel know that we will follow through the year what are the ministerial groups you have in place to ensure that the cross-cutting work is happening? If I am thinking about cross-cutting, if I am thinking about education with the infrastructure, with children, thinking about the digital, it is economy, plus finance, plus economy, there is lots of things happening across department level. What are the ministerial groups that you have to work through this cross-cutting, if you have any?

The Chief Minister:

We do not have a specific ministerial cross-cutting, governmental cross-cutting, and I do not believe ...

Deputy C.D. Curtis:

There is a cost of living group, is there not?

Deputy I. Gardiner:

Cost of living group do you still have?

Chief Executive Officer:

Like regeneration, we have cost of living.

The Chief Minister:

Okay, we have Housing and Work Advisory Group, we have Regeneration Steering Group ...

Deputy I. Gardiner:

Housing and Work Advisory Group, are they responsible for ...

The Chief Minister:

Housing and Work Advisory Group, so hardship applications, 2(1)(e) applications, population policy led by ...

Deputy I. Gardiner:

Population policy.

The Chief Minister:

... and licensed ... what we used to call (j) cat, lan.

[15:30]

Assistant Minister for Treasury and Resources:

Yes, and skills, as we have said, where you have those areas that are cross-cutting and you need to ... so currently looking at are there enough unqualified housing accommodation? Do we need to think about that supply? That affects back to your vulnerable Islanders' questions. So there are lots of groups doing that.

The Chief Minister:

I have just signed a ministerial order in the last couple of days to establish the cost of living support group.

Deputy I. Gardiner:

Cost of living group coming back to be established. We have cost ...

Group Director of Policy:

It has been running throughout but just to clarify.

The Chief Minister:

It has been running. It was running on a sort of ... we have had a couple of meetings and we have decided to formalise that now.

Deputy H.M. Miles:

Is there a future places group?

Chief Executive Officer:

That is the Regeneration Steering Group; it has been renamed.

Deputy I. Gardiner:

We have cost of living, regeneration and work and housing group is ...

The Chief Minister:

Housing and Work Advisory Group ...

Deputy I. Gardiner:

No, we do not need more, we just need to understand. We are just asking it. I am not trying to say you need to have more, just establish the facts.

The Chief Minister:

I might have a brief block at the moment.

Chief Executive Officer:

It is much different from what it was before.

Deputy I. Gardiner:

Okay, thank you. If there are no more questions, I really thank you for your answers.

The Chief Minister:

Thank you.

Deputy I. Gardiner:

I thank the officers who were supporting and thank you for the public attending, and this public hearing is closed. Thank you very much.

The Chief Minister:

Thank you very much. Thank you all.

Chief Executive Officer:

Thank you.

[15:31]