



## **Corporate Services Scrutiny Panel**

### **Proposed Budget 2025-2028 Review**

#### **Witness: The Chief Minister**

Monday, 7th October 2024

**Panel:**

Deputy H.M. Miles of St. Brelade (Chair)

Deputy J. Renouf of St. Brelade

Deputy A.F. Curtis of St. Clement

Deputy M.B. Andrews of St. Helier North

Connétable D. Johnson of St. Mary

Deputy I. Gardiner of St. Helier North

**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 Chief Minister

Mr. R. Bell, Treasurer of the States

Mr. A. Hacquoil, Group Director, Strategic Finance

Mr. P. Wylie, Group Director, Policy

[13:01]

**Deputy H.M. Miles of St. Brelade (Chair):**

Thank you. Welcome to the public review hearing of the Corporate Services Scrutiny Panel. Today is 7th October 2024 and this is our Proposed Budget 2025-2028 Review hearing with the Chief Minister. I would just like to point out that Deputy Inna Gardiner is a co-opted member to this panel. Just some housekeeping, the usual stuff. I would like to draw everyone's attention to the following. This hearing is being filmed and streamed live. The recording and transcript will be published afterwards on the States Assembly website. All electronic devices, including mobile phones, should be switched to silent, please. I ask any members of the public who have joined us in the room today

to not interfere with the proceedings and as soon as the hearing is closed please leave quietly. For the purpose of the recording and the transcript, I would be grateful for everyone who speaks to ensure that you state your name and role. So if we can begin with introductions, I am Deputy Helen Miles, chair of the Corporate Services Scrutiny Panel.

**Deputy J. Renouf of St. Brelade:**

Deputy Jonathan Renouf, member of the Corporate Services Panel.

**Deputy A.F. Curtis of St. Clement:**

Deputy Alex Curtis, member of the same panel.

**Deputy I. Gardiner of St. Helier North:**

Deputy Inna Gardiner, chair of the Public Accounts Committee.

**Connétable D. Johnson of St. Mary:**

David Johnson, Constable of St. Mary, also a panel member.

**The Chief Minister:**

Deputy Lyndon Farnham, Chief Minister.

**Assistant Chief Minister:**

I am Ian Gorst. I think I am here as the Assistant Chief Minister today rather than Assistant Minister for Treasury.

**Group Director, Policy:**

Paul Wylie, Director of Policy.

**Treasurer of the States:**

Richard Bell, Treasurer.

**Group Director, Strategic Finance:**

Andrew Hacquoil, Group Director of Strategic Finance.

**Deputy H.M. Miles:**

Okay, thank you. We have got obviously a lot of people in the room today. I would like just to draw your attention to the fact we have got 2 hours allocated for this hearing and we do have a number of questions, so really if you could keep the answers as concise as possible. I will do my best to

hold everybody to time, not always successful but let us go. The first section of questioning I am going to hand over to Deputy Gardiner, please.

**Deputy I. Gardiner:**

Chief Minister, first question to yourself. Please can you confirm when the 2025 business plans or departmental plans will be published as indicated during the States sitting on 1st October in response to question 7?

**The Chief Minister:**

Since the States sitting I have been brought up to speed a little bit more with business planning. It is normal for the business plans to be published in January of each year, and that has been the norm for some time. The business plans were not published in January of this year because of the change of Government. The new Government's business plans were published in August and I did undertake to try to get some business plans published prior to the Budget. Since then I have looked at that and spoken to officials and we will try to do that but it might not be possible because just of the amount of work that needs to go into them. In previous years they have been published in January and so the new Government ... I have responded largely to questions about could we do it and then of course added to that ...

**Deputy I. Gardiner:**

Why did your Government decide not to publish ministerial plans in this case? How can we scrutinise the Budget when we have no departmental plans, no business plans, no ministerial plans from certain priorities? Why did you decide not to publish any plans to be able to understand the scale of what Ministers would be doing?

**The Chief Minister:**

I would say we do that in the way we have debated Budgets for many, many, many years. It was the previous government that introduced the ministerial plans. We had 2 years of ministerial plans and it was the previous government that did that and introduced these ministerial plans, which were quite a high level representation of what the Ministers planned to do. They were not detailed. They did not go into every aspect of the business of the Minister. I wish I had brought them with me. I took a chance to have a look at them. So that is something the previous government did. We had 2 years of ministerial plans. What I have asked officials to do is when we produce the business plans to include ministerial priorities within those, so that is what we are going to do. If we can, we will try to present some of them prior to the Budget.

**Deputy I. Gardiner:**

It would be very, very helpful because it is very difficult to scrutinise the Budget when we do not have clarity about specific projects that would be delivered within the Budget. We do have general revenue expenditures and maybe some odd projects, but I would go back to ...

**The Chief Minister:**

Can I respond to that, Deputy?

**Deputy I. Gardiner:**

Yes.

**The Chief Minister:**

What we have done with the Budget at the request of Scrutiny is publish it earlier so there was more time to scrutinise it. The information that is being asked for can be delivered as part of the extra time allocated to Scrutiny. As I said, the ministerial plans are something that has been introduced recently and I do not believe they will have a major impact on not being able to discuss the detail of the Budget. There has been ample time between lodging the Budget and the Budget debate at the end of November to answer any questions for queries that Scrutiny may have.

**Deputy I. Gardiner:**

I think it is not just answer to Scrutiny. It is also to the public to understand what each Minister committed to, but I will move on. There was a previous recommendation from the Corporate Services Panel, recommendation 3, to publish a mid-year progress report for the Government Plan 2024-27. This recommendation was rejected but alternative reporting methods were considered. What discussions have taken place about reporting in-year progress and what progress will we see?

**The Chief Minister:**

Paul, would you like to update?

**Group Director, Policy:**

Paul Wylie, Director of Policy. As you know, there was a decision not to agree with the recommendation and we will continue to publish information as available but we have no further plans for that.

**Deputy I. Gardiner:**

But it was a very clear response that the C.O.M. (Council of Ministers) will consider alternative ways of reporting progress in-year. What alternative ways were considered, Chief Minister, by yourself to report to the Assembly in-year?

**The Chief Minister:**

I think that sounds like it has fallen off the programme, unless I am missing something.

**Assistant Chief Minister:**

I think it is because of the change in government. You will recall when I was previously in Treasury that is when we did the first cut. The previous government did the first cut of the response to the Scrutiny Panel. When the new Government came in, the Chief Minister and the new Minister for Treasury had a look. I do not think they changed any of the recommendations that were going to be. I think there is an argument that can be made that because of that change in government the prioritisation through the C.S.P. (Common Strategic Policy), albeit high level, slightly changed, not a great deal but slightly changed. Then you have got the business plans that were published in August of this year for this year. We look at business plans. Most of that work is going to be ongoing.

**Deputy I. Gardiner:**

I will move on. Recommendation 4, to publish an annual progress report to improve transparency and accountability for budgeting projects, was also rejected. Has this idea been reconsidered and what has been agreed regarding the publication of progress information?

**The Chief Minister:**

I am sorry, could you repeat that question?

**Deputy I. Gardiner:**

Yes, absolutely. Recommendation 4 that was submitted by the panel, the Council of Ministers must publish within the public domain the annual progress reports provided to Scrutiny Panels by Ministers by the deadline of 31st December of each year to improve transparency and accountability of the Government. This has been rejected by your Government. Has this idea been reconsidered?

**Group Director, Policy:**

No, it has not been reconsidered. As the Chief Minister said, there are departmental plans published in this period and there are ongoing efforts to produce performance-related information for the indicators performance framework as well as the Assistant Chief Minister was describing, relatively recent information about what we intend to be producing.

**Deputy I. Gardiner:**

It is something that if we are talking about there is no ministerial plans that we move to departmental plans, we will have them in December. We do not have in-year progress and we also do not have progress reports provided so the deadlines cannot be taken up. Chief Minister, the recommendations that I read out were previously discussed and brought forward by the Corporate

Services Panel, of which you were a member. Can you outline the rationale for rejecting and implementing the recommendations that you signed as a report and submitted?

**The Chief Minister:**

The problem is I do not believe we have had notice of this. You have set us some question areas which are very high level. Previously we would get more detail about the questions you were asking, so I am afraid this is a bit of a ... this question on this.

**Deputy J. Renouf:**

Chief Minister, this is just about something that you agreed as part of a panel that you were a member of. You surely remember that. It is just what has changed your mind.

**The Chief Minister:**

Please do not patronise me across the table, Deputy.

**Deputy J. Renouf:**

What caused you to change your mind?

**The Chief Minister:**

Can you just repeat the question, please, because I am not ...

**Deputy I. Gardiner:**

I think the question is simple. Last year when you were a member of the Corporate Services Panel you, together with the panel, submitted these recommendations to the Government on this is what Government need to do to increase the transparency and accountability. Now, the Chief Minister and your Government submitted the response, so you basically submitted a response to your own recommendations. What I am trying to understand is what were the circumstances that you changed your position?

**The Chief Minister:**

It is something that Treasury did.

**Group Director, Policy:**

Performance reporting was a function of the then delivery unit and with the Chief Minister and the Council of Ministers there was a concerted effort to move our focus and our money towards the front line to areas to deliver on the Common Strategic Policy and to affect the issues that Islanders care most about. The delivery unit does no longer exist and these are choices that are made in order to make sure that we are focusing the money where Islanders would expect it.

**Deputy I. Gardiner:**

So the Scrutiny Panel submitted recommendations based on the delivery unit's performance, otherwise the Scrutiny Panel would not submit this recommendation.

**The Chief Minister:**

We just decided to reprioritise. When you sit in Scrutiny on the Back Benches and then when you get into Government you tend to see things from a different perspective. You probably realise that when we got into Government we did not realise that expenditure had grown so much, especially in the previous year, so we decided to look to curb growth and reprioritise and just focus resources on where we felt they were needed most. That is the explanation I will give you for the change.

**Deputy H.M. Miles:**

Okay, thank you for that answer. I am going to move us on now. Mr. Wylie has talked about the Jersey Performance Framework, Future Jersey vision, and I have a couple of questions around that really. How has the Jersey Performance Framework, including the outcome indicators and the service performance measures, been updated to reflect progress towards the Island Outcomes and sustainable wellbeing in particular? How has that influenced your proposed Budget?

**The Chief Minister:**

Well, the performance framework is used to report on the Government's performance and it includes the Island Outcome indicators and service performance measures and they are refreshed. They have been refreshed over 2023 and 2024 and are published on gov.je. Do you want to add any more detail?

**Group Director, Policy:**

Yes. As part of the lengthy discussions that the Council of Ministers had formulating this proposed Budget, the Island Outcome indicators, the performance framework and both types of risk register, the community risk register and the corporate risk register, were of course considered. There was detailed discussion around the effects, the extent to which the Budget could affect the 2 most concerning indicator areas, those being affordable living and inclusion.

[13:15]

Those measures tend to be ... you can only report them over several years because a lot of them fall from the Jersey opinion and lifestyle survey but Ministers decided that the inclusion of the C.S.P. and the inclusion of the elements of the Budget would have a material effect on these.

**Deputy H.M. Miles:**

Thank you. How will the visualisations of the Island Outcomes indicators improve transparency and accountability of the Government's performance?

**Group Director, Policy:**

How will they?

**Deputy H.M. Miles:**

Yes.

**Group Director, Policy:**

Speaking as a layperson, I am a policy person not a statistician, I find them very useful in terms of their visual representation because it is very clear of those 10 areas which ones you should be focusing on more and the ability to click through and see what indicators are driving those headline figures is, in my view, very useful. The chief statistician could talk to you about that in more detail if you wish.

**Deputy H.M. Miles:**

What new and enhanced service performance measures have been introduced to align with the Island Outcomes since the new Government and how are they getting monitored?

**Group Director, Policy:**

New measures? None to my knowledge.

**Deputy H.M. Miles:**

Thank you. How has the Future Jersey vision been incorporated into the Budget to ensure that the long-term goals are achieved? Can you give us some specific examples of that, Chief Minister?

**The Chief Minister:**

The 13 priorities set out in the Common Strategic Policy are closely aligned to the long-term vision set out in the Future Jersey report and the 10 Island Outcomes arising from it. I do not have a copy of the report with me. If any of the officials can give examples of how we have aligned with some of those top priorities ...

**Group Director, Policy:**

Through the development of the Common Strategic Policy and on to the Budget we looked particularly at those amber and red areas, so unaffordable living. It is no coincidence that the Council of Ministers decided to do more on minimum wage, on G.P. (general practitioner) fees, on reducing



unnecessary fees and charges from government, on vibrant and inclusive. It is no coincidence that the Ministers have decided to agree all the recommendations of the Violence Against Women and Girls Taskforce. I could go on, if you wish.

**Deputy H.M. Miles:**

Thank you. I am going to hand you on to Deputy Renouf now.

**Deputy J. Renouf:**

To talk about sustainable wellbeing and the 2019 law, as you know, says that we must take into account sustainable wellbeing in the formulation of Budgets. The C. & A.G. (Comptroller and Auditor General) says that the consequence of that is sustainable wellbeing should be central to considerations underpinning the way in which Government plans, makes decisions and designs public services in Jersey. I wondered if you could say how have the Government, Council of Ministers ensured that sustainable wellbeing under the Public Finances (Jersey) Law is reflected in Budget allocations. Can you provide specific examples?

**The Chief Minister:**

You have quoted the law and the 2019 Public Finances (Jersey) Law requires the Council of Ministers to take into account sustainable wellbeing, including economic, social, environmental and cultural wellbeing. Those are the themes that link into what we were talking about in relation to the Future Jersey work. Our C.S.P. and our Budget, which is aligned from that, are largely based around those key subjects.

**Deputy J. Renouf:**

I guess what I am looking for is measurable indicators, monitoring. How do we understand whether or not we have achieved anything in sustainable wellbeing?

**The Chief Minister:**

Well, there are lots of different ways we measure success, financial, economic, social, environmental.

**Group Director, Policy:**

To be honest, it is difficult to elaborate more than what is already in the draft Budget at pages 17 and 18. It is referring back to those outcome indicators but, as I mentioned, some of them are 2 years apart in terms of those indicators, so it requires Ministers to take that judgment about where it is most likely to have the effect, even though you will not be able to prove until the next round of indicators come through.

**Deputy J. Renouf:**

Can I come at it from a slightly different angle then and ask how much time was spent in those extensive meetings that you talked about in the Council of Ministers talking about sustainable wellbeing?

**The Chief Minister:**

I think all of our deliberations are focused around sustainable wellbeing. That is at the very heart of the work as a Government and the work we do in budgeting. Our thoughts around the Council of Ministers table have been about prudent sustainability, careful budgeting, curbing growth, all for the very reasons that are mentioned aligned with our duties under the law. I cannot give you a list of specific examples but those are the guiding principles that we follow.

**Deputy J. Renouf:**

I think what I am trying to understand is the law came in in 2019. What has it changed? What has made it different? What it sounds like is the Government decide they are in favour of sustainable wellbeing and then everything that happens afterwards is justified as part of that. It is a retrofit, if you like. You decide what you want to do and then say: "It is fine, it is sustainable wellbeing. We are in favour of that." What are the specific things that sustainable wellbeing makes that law bite?

**Treasurer of the States:**

In respect of this particular Government Plan, this Government Plan in particular comes very hot on the heels of a new Government C.S.P. That C.S.P. by its very nature focuses on sustainable wellbeing. It brings sustainable wellbeing to life across the 13 priorities within it. The Budget, hot on the heels of that, has prioritised those matters. So for all the years that you might be looking at a Government Plan, this year on particular focuses heavily and you can see that quite clearly by the focuses on the outcomes of the C.S.P. approved by the Assembly, which focuses on nothing else but sustainable wellbeing.

**Assistant Chief Minister:**

It is a good question though because when the law was introduced in 2019 there were arguments that say: "Well, you will change the law but what will it change in practice?" There have not been that many plans since that law was introduced and Ministers do need to be mindful that it means something in practice but as the Treasurer has just said - I have got the C.S.P. priorities in front of me - they are very much focused on sustainability and that wellbeing. So there is a good link across but I think it is a challenge for all governments that you should make it mean something rather than it being a retrofit. I do not think this was a retrofit but it is always a danger and I think there has always been a danger with Government Plans that it could be that.

**Deputy J. Renouf:**

It will be interesting to see. I believe the Comptroller and Auditor General is bringing out a report on Government performance on this in the next week or so.

**Assistant Chief Minister:**

It will probably be quite challenging because of those very issues.

**Deputy J. Renouf:**

The only follow-up really is to say to what extent might you be monitoring the impact of the Budget on things like capital projects and revenue expenditure in terms of sustainable wellbeing? What monitoring is done to see whether the ambition matches up with the delivery?

**The Chief Minister:**

If we look at our C.S.P. priorities, if we look at extending nursery and childcare provision as one example, in relation to Future Jersey that sustainable wellbeing is in the subcategory of community wellbeing and under Island Outcomes it is children. We will analyse that through those categories and some of that analysis will come from Treasury, some will come from the departments that are involved. I think Stats Jersey will pick on some of the work we do and report on that. Those are the key areas. Every single priority is linked to Future Jersey and it links the sustainable wellbeing aspect and the Island Outcomes. So we are clearly guided. I think this is the first Budget - I could be wrong - since 2019 that has linked the C.S.P., which was a guiding principle for a lot of the Budget, to the Future Jersey work.

**Deputy H.M. Miles:**

Can I just ask a question about Stats Jersey and what you have just said about ongoing monitoring and performance? It is something that you mentioned, Mr. Wylie, the Jersey opinions and lifestyle survey for example, the business tendency survey. We heard at a previous hearing that those 2 things have been dropped by Stats Jersey as a result of the reduction in budget that they have received. How is that going to affect your ongoing planning and monitoring of what is happening on the ground and how is that going to contribute to you turning the curves on your outcomes?

**The Chief Minister:**

Can I just ask one of officials to remind me? What is the piece of work we do every 5 years, that Stats Jersey produce every 5 years?

**Group Director, Policy:**

You referred to the Jersey opinion and lifestyle survey. That has moved from annual to biennial, so there will be one in 2025, there will not be one in 2026. Stats Jersey has written to the Chief Minister

on the business tendency survey, which of course is going to feed into the Fiscal Policy Panel, so a response will be forthcoming on that, but fundamentally it comes from cutting our cloth and resizing of the Cabinet Office. We have to prioritise.

**Deputy H.M. Miles:**

I think this is where the contradiction is coming out here. On the one hand you are saying that you are keen on making sure that you are on top of things, that you are monitoring things, that you are moving forward, and yet 2 key pieces of data and information that feed into the Jersey Performance Framework, that contribute to understanding wellbeing, have been dropped as a result of a reduction in budget to the Cabinet Office. I am just trying to understand the rationale for that.

**The Chief Minister:**

Well, it was deemed that these pieces of work would provide the information we required on a biennial basis rather than an annual basis and we were looking to prioritise how we did that. Sometimes we do not do enough in some areas and we tend to perhaps over-report sometimes in other areas.

**Deputy H.M. Miles:**

Those are 2 critical areas. I am going to move on anyway.

**The Chief Minister:**

Okay. I am sorry, the 5-year report I forget, but that was delayed from 2025 to 2027 because of the delay in COVID when it came out in 2022. That is not relevant to the question you asked but that is an important piece of work.

**Deputy H.M. Miles:**

I just wanted to move on to talk about performance and accountability. How are the key performance indicators for each department being tracked and reported? Is the tracking system consistent across departments? How do you know what is going on?

**Group Director, Policy:**

Which performance indicators are you referring to, sorry?

**Deputy H.M. Miles:**

The key performance indicators for each department. How does that feed back up?

**Group Director, Policy:**

Both the Executive Leadership Team and the Council of Ministers regularly review performance and K.P.I.s (key performance indicators) are within that, as well as considering that along with the risk registers that are out already. These are key considerations for the Chief Executive and the key objectives for his chief officers and that is part of the quarterly appraisals that he has introduced.

**Deputy H.M. Miles:**

What mechanisms are in place to address discrepancies in those performance indicators and to deal with underperformance?

**Group Director, Policy:**

The underperformance of departments or in general?

**Deputy H.M. Miles:**

In general.

**Treasurer of the States:**

Not just through the new system in terms of connected performance. There is an increased focus by this Chief Executive on performance, so each chief officer has quarterly performance objectives, not just annual, in addition to delivering the priorities within the departmental plan. They are more focused on delivery against those objectives. That cascades down through the organisation with a much increased mid-year review, mid-year reviews being the performance review for each individual member of our teams. A big pick-up in the number of people who have their half-yearly reviews recorded on the system. So there is a greater focus on it, alongside prioritisation. Previously we used to have far many objectives which led to a good percentage of those not being delivered because they did not recognise the resources and the time it would take to do so. Now we have fewer but more homed-in objectives, more specific objectives, and they are done on a quarterly basis.

**Deputy H.M. Miles:**

You talked about the Chief Executive Officer and his regime of holding his chief officers to account for departmental performance. How does that work, for example, when the chief officer of Social Security is no longer and there is not a single point of contact for that department? How does the accountability sit along lines like that?

**Treasurer of the States:**

I am not aware that there is not a chief officer for Social Security.

**Deputy H.M. Miles:**

Sorry, Customer and Local Services.

**Assistant Chief Minister:**

There is an interim chief officer for C.L.S. (Customer and Local Services) but although there has been a prioritisation or a slimming down of priorities for chief officers, there is still the quarterly reporting that Ministers see about all of the K.P.I.s and the monies and they are split up per Minister, so you come back to how the Government Plan is split up on responsibilities. The Chief Minister will see the things for his and I will see the things for mine, so it is still in place.

[13:30]

**Deputy H.M. Miles:**

Okay, thank you. What systems are in place to monitor the effectiveness and efficiency of departmental spending in particular? How are public services performance evaluated within that?

**Treasurer of the States:**

If we are talking about the Government Plan as opposed to a discussion about annual reporting, which is something else again, in terms of this Government Plan in terms of the savings programme, the change in the way that we have done it this year is to be more targeted and more focused on the back-office functions as opposed to front-line functions. We have also looked across and have committed to savings arriving from the office, so that is included within the savings profile in a way that it had been at this point. The elements of delivery in terms of savings focus on vacancies to reduce the level of consultancy spend that government incurs and overall are to be clear on what the priorities are and to deliver against those priorities, be very clear about the performance that is expected against those priorities.

**Deputy H.M. Miles:**

Could you give an example of a metric that would show that you have succeeded?

**Treasurer of the States:**

In terms of towards the end of 2025 for example for Treasury, specifically on the Treasury one, we are rebalancing what is expected of departments and what is expected of certain core functions. At the end, part and parcel of that will be to have a very clear S.L.A. (service level agreement) or M.O.U. (memorandum of understanding) between the Treasury and those departments and we will be able to monitor and report back to the Minister and senior management regarding how we have adhered to the S.L.A. and the M.O.U. At the moment it is far more fluid than that, not as specific as to whose responsibility is what to be clear on what we deliver.

**Deputy H.M. Miles:**

Thank you. That is really helpful. I am going to hand you over to Connétable Johnson.

**The Connétable of St. Mary:**

Following on the theme, can I address the question of accessibility and transparency? How has transparency around the use of taxpayers' money for delivering services and projects been improved? Further, how effective has communication of the proposed Budget been?

**The Chief Minister:**

Sorry, could you just repeat the question?

**The Connétable of St. Mary:**

Yes. How has transparency around the use of taxpayers' money for delivering services and projects been improved? Further, how effective has communication of the proposed Budget been?

**The Chief Minister:**

Transparency of spending?

**The Connétable of St. Mary:**

Of making the public aware of what is intended.

**Deputy J. Renouf:**

Public communications. How effective have your public communications been around the Budget? I think that is what we are getting at, is it not?

**Deputy H.M. Miles:**

Yes.

**The Chief Minister:**

I do not know really. I think one advantage is that the full Budget was published much earlier, which gives the public a lot more time to look at it and scrutinise it. The Budget documents and the accompanying papers are all available to the public, publicly available online.

**Group Director, Policy:**

There was a youth version produced and that is alongside the other material.

**The Connétable of St. Mary:**

If it helps, the recommendation the panel made was the Council of Ministers must consider how the accessibility of future Government Plans can be further enhanced for members of the public and consideration should be given to the terminology used, et cetera. That recommendation was accepted, with C.O.M. saying it would consider how the accessibility of future Government Plans can be further enhanced. Has further consideration been given as to that?

**The Chief Minister:**

One of the things that helped a lot was on the previous panel we spent a ... sorry, this is when I sat previously on the Corporate Services Scrutiny Panel we spent some time in foyers of busy supermarkets talking to members of the public and of course when we asked them if they wanted to comment on the Government Plan, not many of them knew that. When we said it is the Budget, they became a bit more engaged. I think one of the simple things we did there was we changed the name to the Budget and I think more Islanders understand what that is, but we have not had a huge amount of feedback from the public following its publication.

**Assistant Chief Minister:**

We have also got the more accessible online version, which is presented in a different way, which I understand from officials is making it more accessible as well. It is not a new problem, is it?

**Group Director, Policy:**

No, it is an old format which our disability officer recommended is the better method, so that now exists in that format rather than PDF.

**Assistant Chief Minister:**

What one tends to find is Budgets or Government Plans only really get traction once you are getting towards the debate and oddly enough Back-Benchers or Scrutiny Panels put amendments in and you have a conversation about which is the right way to go.

**Deputy I. Gardiner:**

I think I can find here a very similar theme that we questioned during the Public Accounts Committee when you published the annual report and accounts about how you communicate with the public. I think that the Budget and annual report and accounts are 2 sides of the same coin. When at the supermarket people do understand what is the Budget and they do have comments but on the question have you seen the Budget, do you know where to find the Budget, most of the answers that we received were: "No, but I will comment" when we started to ask the question specifically about the Budget. So the question is: what has been done differently based on the recommendation of the Scrutiny Panel this year to communicate to the public? What was the communication plan developed by the Council of Ministers to bring public attention to the proposed Budget?



**Group Director, Policy:**

More generally, there is a concerted effort to make sure that we are being more financially prudent when it comes to communications on headcount and spend and blowouts. This is part of a wider ambition to make sure that we have an appropriate amount of communications headcount resource and that has been part of discussions that were had at the normal panel. To answer the question, we have described the disability changes, we have described the HTML but we have also through youth engagement officers in C.Y.P.E.S. (Children, Young People, Education and Skills) been pushing it out in that way. As the Assistant Chief Minister said, a lot of this will come about in terms of Islander discussion when it becomes more real in the debate.

**The Chief Minister:**

If I can just encapsulate the answer: it was published early; we changed the name to the Budget; we have made it more accessible online; we have done a youth version and other types of version. I would have to look at the comms brief for the remainder between now and when the Budget comes out about what the communications plan is for the remainder of that time, which we are happy to share with you.

**Deputy H.M. Miles:**

Thank you.

**The Connétable of St. Mary:**

Leading on from my general question about access to the public, can I ask what steps have been taken particularly in regard to children and young people to inform them?

**The Chief Minister:**

The youth friendly version has been published.

**The Connétable of St. Mary:**

Okay. So that is it then? All right.

**The Chief Minister:**

I would dearly love the public to be more engaged in the Budget. Friends and family's eyes tend to glaze over when I want to speak to them about it.

**The Connétable of St. Mary:**

The question I have here is apparently there are such things called participation standards. How are the Government engaging with children and young people in line with such participation standards? Can you provide any update as to the result of your efforts?

**The Chief Minister:**

I would need to know the context of participation standards.

**Group Director, Policy:**

The C.Y.P.E.S. officer, who I mentioned earlier who ensured we had a youth version and is part of that engagement, leads on the participation standards for young people and supplied them in doing so in this Budget.

**The Connétable of St. Mary:**

Is there liaison between that person and yourselves as to the effect afterwards?

**Group Director, Policy:**

Yes.

**Deputy A.F. Curtis:**

Moving on to the Common Strategic Policy perhaps and, Chief Minister, you have referenced the link to the Budget. How did you balance the prioritisation of the 13 Common Strategic Policy areas with the priorities of other Ministers and what concerns or risks have been identified in this regard?

**The Chief Minister:**

In the early part of our deliberations about how we would put the Budget ... sorry, were you talking about how we put the C.S.P. together or the Budget?

**Deputy A.F. Curtis:**

How you are balancing the delivery against them, the prioritisation of each area, given the fact that the Budget for next year is how you will fund most action and most work towards the C.S.P. priorities?

**The Chief Minister:**

We wanted to focus on the key areas that were affecting the public when we took office, which are largely unchanged. That includes cost of living, healthcare and hospital facilities, affordable housing, just to mention a few. We also wanted to ensure that our Budget and 4-year plan, if you want to call it that, remained relative to the Island's future vision and that is when we decided we would link it in to the future vision programme because then hopefully future Budgets and future governments will

maintain that because it keeps the momentum going. If you look at the Budget itself, it breaks down how that is aligned.

**Deputy A.F. Curtis:**

Okay. Chief Minister, apologies if I am putting words in your mouth. It has been described as the Budget is required to cut cloth accordingly and in doing so comprised I think prioritisation has been the word. So really what we are asking is to work out where in deciding Budget allocation have tensions arisen and have concerns or risks been identified that the Budget as for 2025 will cause a challenge in delivering against the priorities? No matter how much one balances and juggles, it feels like it must have been a balancing act and where did risk appear?

**The Chief Minister:**

Well, I think the public sector had become oversized. I do not think we were spending all of our money wisely. We had gone off on a lot of tangents, departments had grown and the payroll had grown significantly. We found that the Government were trying to do hundreds of things and not really achieving that many. There were lots of projects that had been stalled and were just continuing and that had become almost aspirational as opposed to being focused on delivering for the immediate needs of Islanders. We just tried to reset it and bring it back to that way of thinking. No risks or concerns as far as I am aware have been identified and we had a healthy debate around the Council of Ministers table and we came to these outcomes after that healthy debate. We all ultimately agreed at the end of the day, we had some robust discussions. However, we all agreed that the Budget had the unanimous support of Ministers and Assistant Ministers and we found a balance that we thought was appropriate. That is not to say some Ministers did not want ... every Minister wants to have more for their budgets and things like that but I think we came to a good balance. Like I said, there have been no serious financial concerns or risks that I am aware of it, just the opposite. I think we have produced ...

**Assistant Chief Minister:**

I wonder if the Deputy was asking about whether we have prioritised the C.S.P. priorities in the Budget process. The answer to that is, yes, we have.

**The Chief Minister:**

I thought I had answered that.

**Assistant Chief Minister:**

What that has meant is in prioritising those is that bits of the Budget have needed to be squeezed or, more correctly, the growth that other budgets had through the course of the year have been reduced.

**Deputy I. Gardiner:**

We are asking about the savings and I think it is completely right when you prioritise. If I am looking at your savings proposal where the growth reductions happened, if I pick up C.L.S., there is growth reduction of 277. What does it mean in practice? I can go to Treasury and Exchequer. You have substantial growth reduction. What does it mean in practice for the delivery? If you can address numbers for growth reduction, what does it mean in practice, what will not be delivered, it would probably help us to understand.

[13:45]

**Assistant Chief Minister:**

Overall the Budget ...

**Deputy I. Gardiner:**

Savings 3.2, 3.1.

**Deputy H.M. Miles:**

That is a specific example there.

**The Chief Minister:**

Like I said, if we had notice of the question, we could have brought the details with us.

**Assistant Chief Minister:**

Point me to the page in the plan.

**Deputy I. Gardiner:**

I did not pick up the page.

**The Chief Minister:**

That is a table but we have got a separate report. Have you got a specific ... I had that report on my desk this morning but I did not bring it with me. This is the 20 per cent reduction in the growth bids that were approved for 2024, the £45 million?

**Deputy I. Gardiner:**

Yes, 20 per cent.

**The Chief Minister:**

It was a £3 million cut on the £45 million?

**Deputy I. Gardiner:**

Yes, that one.

**The Chief Minister:**

Have you got a specific ...

**Assistant Chief Minister:**

Obviously we do not have a ... it is a memory test, so whichever ... you are talking about the 20 per cent cuts to the growth?

**Deputy I. Gardiner:**

Yes.

**Assistant Chief Minister:**

Basically, all departments will be seeking to do make some changes and deliver some of that growth without having the full amount. So for Treasury and Exchequer most of the growth ...

**The Chief Minister:**

Can you give an example from your department of 20 per cent cuts on growth?

**Assistant Chief Minister:**

It was about insurance premiums, was it not?

**Treasurer of the States:**

No, that particular cut related to Revenue Jersey. The important thing to say is that the growth is less rather than it being seen as a ...

**Deputy H.M. Miles:**

The question is not so much about the growth. Returning to Deputy Curtis's question, it is about the risk and the concern. Chief Minister, you clearly said that no risks had been identified.

**Treasurer of the States:**

Just to clarify here, risks were taken into consideration. An example is clearly in the capital programme. I.T. (information technology) spend has been redirected towards, if you like, the foundations reduced in various services. We had a new C.I.O. (chief information officer) come in. He has identified that we need to be working on the service, the network, et cetera, rather than that.

That comes about from a high risk scoring within the risk register. It is a risk that has been addressed. Another would be redirecting capital towards property risks within the school estate, so that happened.

**Deputy H.M. Miles:**

So we can be assured that risks have been identified. I am going to hand you back to Deputy Curtis.

**Deputy A.F. Curtis:**

To be a bit more specific, to take one example, the C.S.P.s include: "Meet the Island's commitment to address a climate emergency through the implementation of the carbon neutral road map" but at the same time the C.S.P. also has: "Keep Government fees, duties and charges as low as possible." The decision was made within your Budget not increase the emissions duty and not to create greater funding for one of your commitments. These are specific examples of where tensions arose from the commitments the Government have signed up to, in this case 13 priorities in defining the Budget. I know the Chief Minister said there is no risk. I presume there is risk and it is just how has this been mitigated. So that would be one specific example.

**The Chief Minister:**

To be clear, when I said risk, I am not aware of any risk insofar as risks that are unacceptable. Of course, as the Treasurer said, risks were considered and in many circumstances by redirecting and focusing on core infrastructure, shoring up the foundations of our I.T. network is reducing risk. I am not aware of any serious concerns that would ...

**Deputy H.M. Miles:**

Can I just raise another example?

**Assistant Chief Minister:**

Can I just say V.E.D.(vehicle emissions duty) is increasing. Maybe it is not increasing as much as members of the public might like but it is increasing at the upper end.

**The Chief Minister:**

We deemed it more important for this year, for 2025, to freeze fuel duties simply because we felt it more important at this moment in time to bear down on the cost of living and do our bit.

**Deputy A.F. Curtis:**

We will just ask a couple more questions in this area. Looking forward again to 2025 and how this Budget will play with the C.S.P., what strategies and processes are in place to facilitate cross-

departmental collaboration on delivering C.S.P. priorities and how will progress, their success and risks be monitored and reported?

**The Chief Minister:**

I think you probably need the Chief Executive for that question. That is operational, the detail of it. Richard, can you help with that?

**Treasurer of the States:**

C.S.P. progress is reported. I think you have reports quarterly from Ministers in respect of that, so it is on the Chief Minister's agenda in terms of Council of Ministers agenda. We are now mirroring that in the E.L.T. (Executive Leadership Team) so that we are collectively on top of delivering against those. That would identify where we are coming up short and where we need to play in from the different departments to reverse those shortcomings. Those are being monitored at the C.O.M. level and E.L.T. level going forward.

**Deputy A.F. Curtis:**

Will you be aligning C.S.P. priorities with the departmental business plans that we hope to receive?

**The Chief Minister:**

I think a bit of both. I think more likely the departmental business plans and ministerial plans will be aligning primarily with our key priorities.

**Deputy A.F. Curtis:**

Sorry, I have just gone blank a moment. Chief Minister, did you say there will be ministerial plans and departmental business plans this year?

**The Chief Minister:**

We are combining them.

**Deputy A.F. Curtis:**

That is my question. As a combined departmental business plan, how will you or will you be aligning the C.S.P. with each departmental business plan for 2025?

**The Chief Minister:**

I think we are talking semantics here.

**Assistant Chief Minister:**

It is the other way round.

**The Chief Minister:**

It is goes the other way round, yes.

**Assistant Chief Minister:**

Departments will have to show where they have a priority in the C.S.P. that would be their priority in their business plan but we remind ourselves that the majority of spend still will just be on business as usual across most departments.

**Deputy H.M. Miles:**

Now for something completely different. I think probably for the first time when we did the terms of reference and we were scoping this Budget with you we introduced an element around gender responsive budgeting and I appreciate that that is new. It is not something that previous governments have done but because we are focusing on it in the Budget review, I wanted to mention it in this public hearing. My question was: what is the Council of Ministers stance on gender responsive budgeting? Indeed, is it something that has been discussed or considered for a future agenda? I do not have any hidden agenda. I am just asking the question around that.

**The Chief Minister:**

Sure, understood. Gender responsive budgeting has not been adopted by the Assembly and neither has the use of equality impact assessments. However, all policy decisions do include a consideration of the effect on the different sexes along with the other protected characteristics under the Discrimination (Jersey) Law. Policy officers across the government - come in, Paul, at any time if you need to - use the same policy submission template, which includes advice on how we consider the guidance on equality impact. This includes a section within the guidance that talks about how policy can indirectly discriminate: "The policy must not directly discriminate against someone but there are circumstances where may it be appropriate to indirectly discriminate. Indirect discrimination is if the provision, creation or practice of it is a justifiably proportionate means of achieving a legitimate aim." Basically, while we have not adopted it, and only 6 or 7 countries so far around the world have adopted full gender responsive budgeting, it is something that we are mindful of but I think it is a debate for the Assembly to have in due course. Do you want to just talk about the template?

**Group Director, Policy:**

One of my hats is head of profession for policy across government and we have introduced a standardised submissions template, which includes a requirement to have a consideration on all protected characteristics and we have created our own governance document that helps officers, both policy officers and anyone else who is advising Ministers, to consider the issues, sex being one



of those protected characteristics. As the Chief Minister described, just because we do not have gender responsive budgeting formally adopted, just because we do not have equality impact assessment does not mean it was not considered throughout this and you have got some good examples here.

**Deputy H.M. Miles:**

I take all those examples but they are very much at policy level. The idea of a gender responsive budget is to look at it from the top down and see where budgets are being allocated proportionately to support and it is not just about women. It is about all vulnerable groups.

**The Chief Minister:**

The U.N. (United Nations) described it as a budget that works for everyone.

**Deputy H.M. Miles:**

Yes, a budget that works for everyone. One of the reasons that we found it quite interesting is because, of course, the previous government and this Government have been more responsive to gender. In Columbia, for example, when they applied that gender responsive lens they realised they were not focusing enough money on women's sexual and reproductive health, so it is a mechanism of highlighting where governments are perhaps not balancing their spending. On the basis of that, obviously we will be looking at it from a Scrutiny perspective, trying to make an assessment of how gender responsive our Budget is but generally from the work that you have done and the policy team have done, is it something that you would consider for next year's Budget?

**The Chief Minister:**

I think probably next year's Budget is too soon. I think it is something we need to perhaps debate in the Assembly during this term of office because there are ...

**Deputy H.M. Miles:**

Is that something that you would win as Government or would you expect the Back-Benchers to ...

**The Chief Minister:**

I am quite happy to discuss it around the Council of Ministers table in the near future but I think there are challenges. For example, insufficient data is one of our weaknesses. If you look at the gender pay gap and our move to encourage the private sector, we need to ... if we implement a policy of responsive budgeting then we are going to need data to back it up so we can make the right decisions and we are still ...

**Deputy H.M. Miles:**

We know we have had propositions to introduce gender pay reporting, so it is all part of the same thing.

**The Chief Minister:**

I think we are moving in that direction.

**Assistant Chief Minister:**

It is interesting, when you look at some of the C.S.P.s and look at new growth money in the Government Plan, you have got the violence against women and girls, you have got the childcare extension funding, you have got the school meals, so that is happening. The question really is a wider question of do we put some more structure around it or legislation around it. Sitting here at this point, I think it is worth looking at that but I would be worried ... Deputy Renouf's question about sustainable wellbeing. It is in the law but what are we doing practically, although we can point at things that we are doing, and we would not want to create another overlay that was ... maybe we could argue that this one is currently bedded in about wellbeing but it is interesting too that some of the priorities are already achieving that. We will no doubt be interested in your work if you look at the current Budget through that lens and see what it shows.

**Deputy H.M. Miles:**

Okay, thank you. I am going to move on public spending.

**Deputy I. Gardiner:**

I will try again to get a bit more clarity for us and for the public about prioritisation and spending. You are absolutely right, Chief Minister, that it was a big jump in the public spend recently. Saying this, we all know that 2022-23 was a high jump in inflation and we were talking about 12 per cent, 13 per cent, and slowly it is going down. Saying this, when I am comparing public spending that we plan for 2024-27, an estimate for 2025 is just about £1,050,000,000 and it included already inflation because when this plan was written it was clear that inflation was around 10 per cent. Looking into departments on that expenditure that has been requested for 2025, it is just above £1,147,000,000. It is page 49 in the Government Plan 2024-27 and at page 41 in the current Budget. Now, the question is can you explain the rationale for the increase on what was estimated last year for 2025 by almost £100 million, considering that your goal is to reduce spending through the proposed Budget?

**The Chief Minister:**

We have been doing some work on this following your question in the States. Can I ask Andrew to provide the answers to that?

[14:00]

**Group Director, Strategic Finance:**

Absolutely, Chief Minister. Deputy, just to be clear, I think the number you quoted for the 2024 plan ... sorry, can you just confirm which number it is you are looking at?

**Deputy I. Gardiner:**

It is the departmental net revenue expenditure. Expenditure of the departments, this is 2025.

**Group Director, Strategic Finance:**

In either year. The departmental net revenue expenditure line, which is before a non-ministerial department and it is before the reserves, that does not include inflation for future years because that is held in the central reserve until the year before the plan. For example, 2024, we would allocate it in 2024 but not 2025. Similarly, 2025 will be allocated in 2025 but not in 2026. So you are looking at in effect 2024 prices for departmental spend whereas in the 2025 plan you will be looking at 2025 using 2025 prices.

**Deputy I. Gardiner:**

What was the inflation?

**Group Director, Strategic Finance:**

Inflation is held in the central reserve, which is several lines down.

**Deputy I. Gardiner:**

No, what I am saying is was it inflation between this year ... you are saying that in 2024 it does include inflation and 2025 does not, so what was the inflation for this year?

**Group Director, Strategic Finance:**

For 2025?

**Deputy I. Gardiner:**

Yes.

**Group Director, Strategic Finance:**

Let me find that number. So if you look in the changes to revenue expenditure - it is on page 42 of the Budget document - it has a breakdown of how you get from a base budget in 2020 to the end of 2024 up to 2025 and then shows how that has changed. There are multiple lines so inflation shown there at 30 million; that will be a combination of both staff, and more staff amounts. There are also

changes in formula driven growth which is something that the Council Ministers have used for a number of years. That is, for example, changes in the States grant formula but also 2 per cent allocations to Health over and above inflation. It also includes any changes to other formula-driven things. Jersey overseas aid, for example, is linked to a proportion of G.V.A. (gross value added).

**Deputy I. Gardiner:**

Formula-driven ones, okay.

**Group Director, Strategic Finance:**

So, there are all those formula-driven ones. There are 23 there. It also then breaks down into the growth ... we split it out into the 5.9 million that was relating to C.S.P. strategies and then other revenue growth, which was addressing deficits in health, which is also highlighted as a priority, and growth in non-ministerial departments, which under the Public Finances (Jersey) Law must be presented as requested by those bodies.

**The Chief Minister:**

I think we have articulated that in an email we are going to send you later today or tomorrow because we have been doing all that work.

**Deputy I. Gardiner:**

I think this will be also helpful to explain how we are ... because when we are looking, we are having less staff but we do have substantial increase in expenditure and I think that what the public is looking for the expenditure, not necessarily staff but can you provide 3 examples where projects have been deprioritised of the Government Reprioritisation Programme? So going back, what are the projects that were deprioritised, tangible examples?

**Group Director, Strategic Finance:**

Do you mean revenue projects or capital projects?

**Deputy I. Gardiner:**

Revenue projects. You can give a couple of examples from revenue, couple from capital and we can discuss.

**Group Director, Strategic Finance:**

So, if I go to the capital ones first. Excuse me, let me get the correct ones. So the capital programme included ... I think it was previously mentioned in an answer around the reprioritisation of I.T. spending, for example, so focusing on those foundational projects, so getting the stuff that is already

there working the way it should do before doing new things. That is one example which I think led to a reduction in the Digital Services Department.

**Deputy I. Gardiner:**

Can I stop for a minute at I.T. and around the I.T. project? A response to C. & A.G. report and to P.A.C. this year that by September - and we are beyond September - we will see the list of prioritisation for the I.T. projects because it was very clear that we have very big projects. We have a very wide programme. We do not have enough resources and what was clear as a first step is to have this prioritisation list of what is coming first, what is coming second and why. So, I still have not seen this. Has this been done, the prioritisation list for response to C. & A.G. and P.A.C. report?

**Treasurer of the States:**

Yes, it has been done. C.E.O. asked the E.L.T. to go through all the projects and asked each departmental S.L.T. (senior leadership team) to be prioritising the projects that they want the now Digital Services Team to be pointing their resources towards, so that piece of work has been done.

**Deputy I. Gardiner:**

On departmental level or corporate level?

**Treasurer of the States:**

Both.

**Deputy I. Gardiner:**

Both. Okay, we did not receive it yet so we would welcome this to come to us.

**Treasurer of the States:**

The work has been done. I know it has been received at E.L.T. level. I am not too sure if it is at the C.O.M. level or to be reported into P.A.C. So, it is a prioritisation. It is a forward-looking ...

**Deputy I. Gardiner:**

So, has this Budget been done before you finalised the prioritisation list for the I.T. programme?

**Treasurer of the States:**

Lots of these priorities ... the work that the new C.I.O. revealed, lots of these projects will not be managed as projects. They were being managed through a B.A.U. (business as usual) activity. They do not necessarily lead to increased spending within the customer departments but they are a burden upon the resources or a call upon the resources within Digital Services. We needed a fuller

record of what all that activity was so that departments could choose to prioritise where they would want Digital Services resources pointed towards.

**Group Director, Policy:**

If I may add some detail to that. As the Chief Executive described to the panel about a week and a half ago, that totalled a long list with about 333 different projects and, as the Treasurer has described, the Chief Information Officer has worked with departments to identify what are the top 30 per cent priority areas that each department needs and at the moment that total number is down to about 102.

**Group Director, Strategic Finance:**

To come back to the question around prioritisation within the capital programme, a lot of ... and this is the nature of the capital programme is it is not so much around stopping projects or cancelling them, so the Digital Services one is the one I referred. Most other projects it is more around a matter of timing, so when they occur. Most projects have not been removed completely from the plan, but they may be moved backwards to a more realistic timescale. So, while something might have been planned to start in 2026, it may now be 2027. It is not really a delay because in reality the work would not start until 2027 anyway due to the capacity and this is a conversation we have had a number of times and the F.P.P. have commented on it as well around us being ambitious, putting a lot of money into a capital programme, raising expectations of a level of spend which cannot be sustained either through our own internal resource to deliver them or indeed external resource to be able to do it. You also have to obviously go through that planning process or find a site potentially for these projects, so it has to be and every year we look at it and try and come back with that more realistic programme.

**Deputy H.M. Miles:**

We have heard through a number of hearings about the prioritisation process and coming down from 300-odd to 100-odd, but I guess what we are trying to get at is the impact of the delay on other departments. So, if I give a concrete example which might be helpful, Mont à L'Abbé for example. Mont à L'Abbé School is full. We also know that we are not going ahead now with the Gas Place School which would have fulfilled and addressed a lot of issues around inclusion. From a bricks and mortar perspective, on the one hand you are saying: "Well, infrastructure, we have not got the capacity to build that." But where has the impact of children and families been taken into account when you are making the decision about physically not building Mont à L'Abbé, physically not extending Mont à L'Abbé School?

**Group Director, Strategic Finance:**

So, on that specific example - and we can provide further information afterwards - my understanding is that Mont à L'Abbé School, based on where it is in the planning process, the work would not start until 2026 anyway, or the majority of it is, so it is more changing the Budget to reflect what would happen. So, yes, you are absolutely right, if a conscious decision was taken to put tools down and delay something for a year then potentially there could be an impact on children but in reality, this one, moving the money back should not impact that. It would still be delivered in the same timescale regardless. So, this is around making it ... what I mean by more realistic.

**Deputy H.M. Miles:**

But I think there are conceptual issues there as well. One of your strategic priorities is children and community and we say that we are putting children first, so I am seeking to understand whereabouts in the priority ... why Mont à L'Abbé has not been prioritised because of the advantage and the benefit that it is going to give to a much broader chunk of our population then, for example - I do not know - another building.

**The Chief Minister:**

Okay. So, Mont à L'Abbé has been prioritised. It was in the plan in a slot where it could not be achieved. I mean there is not even planning in place for that. So, what we have done is repositioned it, as I understand it, to allow for the planning process and everything to be ... this is high priority for the Minister for Education and Lifelong Learning. It is the same with Gas Place School. There was uncertainty about that. We have removed that uncertainty and said: "We are going to build the Gas Place School." What we have to do is we have to acquire the site from Andium. We have to get planning permission. That is going to take time, so we have reprofiled it in the capital plan at a realistic timescale. There is no point us ...

**Deputy I. Gardiner:**

Just a question, have you submitted planning application or are going to submit planning application for Mont à L'Abbé this year?

**The Chief Minister:**

I would have to check with the Minister for Education and Lifelong Learning. I am not sure ...

**Deputy I. Gardiner:**

Would the planning application be submitted by the end of this year or during 2025 to be able to build in 2026?

**Group Director, Strategic Finance:**

I am sorry I do not have that information. That is something we would have to come back to you on. If I can make a point in terms of prioritisation, as the Chief Minister said, it is a priority and, in the plan, if we look at page 63, you can see that the total amount for the project has been increased. So, previously the total for that project was £23 million. The Council of Ministers have reaffirmed their commitment to it by increasing that total project approval to 41, so while they might not be at the same timescale, there is enough money going in to make sure the school can be delivered. So, that has been done in the plan. So, I think it is fair to say that it is really being prioritised and there is evidence of that being shown in the Budget.

**Deputy H.M. Miles:**

Okay. I think we are going to move on, sorry.

**Deputy J. Renouf:**

Can I comment? The prioritisation from the other end, which is the things you have prioritised and given extra money to, and pre-eminently among those is Health which has accounted for most of the growth in spending, the F.P.P. have said that it is an unsustainable growth in spending. I think it has gone up £100 million in 4 years, £225 million in the 2022 Budget, £322 million in this Budget. Can I check first of all on a technical point, does that 322 million on page 41 include the extra £30 million in revenue growth funding? Does it include that revenue growth funding or is the revenue growth funding an additional £30 million?

**The Chief Minister:**

Sorry, Jonathan, what page is that?

**Group Director, Strategic Finance:**

That number will include the 30 ...

**Deputy J. Renouf:**

It includes the growth funding.

**Group Director, Strategic Finance:**

That should be after all growth and indeed savings ...

**Deputy J. Renouf:**

Okay. So, page 41, £322 million includes the £30 million in growth funding which is mentioned on page 44.

**Group Director, Strategic Finance:**



Yes, so if I refer ... sorry, going back to the appendices, which I know is everyone's ... if you got to page 107 of the document, you have done quite well but there is a sort of reconciliation which shows how you get from the 24 through, so that shows the 30 million going in.

**Deputy J. Renouf:**

Okay. Understood. I just wanted to clarify ... so we are talking about £100 million of growth in 4 years in health funding, which is almost 50 per cent and the F.P.P. says it is unsustainable. You said in the Assembly last week in answer to an oral question that you were not worried: "It does not worry me" was your exact words that health expenditure is now the highest in the O.E.C.D. (Organisation for Economic Co-operation and Development) as a percentage of Government spending. When would you start to be worried, do you think?

**The Chief Minister:**

Sorry, you will have to send me that because I do not recall answering that in relation to O.E.C.D. spending but please feel free ... I might have done but I cannot remember saying that.

**Deputy J. Renouf:**

I asked the question, so I remember it quite well.

**The Chief Minister:**

Okay, we will have a look at that.

**Deputy J. Renouf:**

It was about the F.P.P. saying that expenditure was higher than any other O.E.C.D. country and were you worried, and you replied: "It does not worry me." I think you went on to talk about the fact that it was what the public wanted. I guess what I am trying to get at is we have had this massive increase in health spending. It has accelerated over the last 2 years rather than reduced. At what point are you worried about that, do you think?

**The Chief Minister:**

So, it is a concern. Any expenditure that is growing exponentially is going to ultimately have to be checked at some time. I think there are special circumstances relating to health. The first one is our failure to properly look after our health care facilities and the delay in the hospital, the change of plan in the hospital and when the new hospital is delivered, which if all goes to plan will be complete and operational by the end of 2028. That will present significant opportunity to curb the growth in health expenditure not least because we will not be spending many millions every year on retaining and patching up a falling down health system. Many, many millions of pounds are having to be invested to that. On top of that, we have had the challenges from Brexit. The fact that we have a

shortage in qualified labour means we are having to use agency staff, which is very, very expensive and I think a lot of the increase in the Budget is based around the cost of staffing, which is not unique to Jersey. It is happening in health systems all over the world. It is something that we are going to have to reign in and make sure it is right sized, and I do have confidence that the Minister for Health and Social Services and his team are working towards that.

**Deputy J. Renouf:**

The way you describe it, it sounds like it is essentially self-correcting at the moment and that we will be able to reduce agency spend and the new hospital will take care of this, so do you anticipate then that that period of growth is over now?

[14:15]

**The Chief Minister:**

So, first and foremost, we have to put the health of Islanders first and that has been compromised by the fact that we are operating out of facilities that you could argue some of which are no longer fit for purpose. The shortages and the challenges in the care sector means people are having to stay - Islanders are having to stay - in the general hospital blocking beds which in turn is preventing Islanders from being admitted. The new hospital facilities and the increase from something like 180 to 260 beds will provide a solution to that. Once we start to ease up those problems, then we can start to readdress the staff structures and make sure those are right sized. That is just an example. We cannot take anything for granted and it is going to need very, very careful managing but outside of that, there has also been what can be described as, I guess, hyperinflation in medical equipment costs, prescription costs, drug costs as well, just to add to the challenge.

**Assistant Chief Minister:**

It is not a unique Jersey question. It is brought into stark relief with the numbers that the F.P.P. have highlighted and I think it is a good question that politicians and Islanders should be asking themselves. There is the safety of the healthcare, which the Chief Minister just talked a lot about then, but there is then the overall cost of it and it is quite clear that unless we have a growing economy ... and we are pleased to see that we have had growth over the course of the last year, unless we have that growing economy, we will not be able to afford going forward on the same model that we have currently got. Focusing on growing so that we have got income coming to provide that safe healthcare into the future but they are big questions that there is no straightforward easy answer to, but we should not ignore them. We have got to think carefully about them.

**Deputy J. Renouf:**

What I would finally ask, if I may, is just what steps are you taking to address those? The F.P.P. have raised it as a very serious challenge for the Island. What is the Government going to do to respond to that F.P.P. challenge?

**The Chief Minister:**

On health funding?

**Deputy J. Renouf:**

On health funding.

**The Chief Minister:**

The Minister for Health and Social Services and his team are acutely aware of those challenges and are working towards addressing them and you would have to scrutinise the Minister for Health and Social Services for the detail on that, but they are broadly aligned with the high-level answers I have just provided.

**Deputy H.M. Miles:**

Thank you. Back to you, Deputy Curtis.

**Deputy A.F. Curtis:**

Right. Chief Minister, looking to how long-term financial planning is part of the Budget, what scenarios are considered in the Government's long-term financial planning and how do they influence resource allocation and risk management?

**The Chief Minister:**

Long-term financial ... I am not sure I fully understand the question, I am sorry, Deputy.

**Deputy A.F. Curtis:**

In essence, what risks ... what in the long term has been taken into account that could happen that influenced how financial planning in the Budget, whether that be for the capital estate, for revenue or for the longer term, how is that being taken into account? That could be population decline. It could be another pandemic. It could be any scenario that would require us to be planning and addressing risks. Which scenarios were considered?

**The Chief Minister:**

It is believed, and I think acknowledged by our economic advisers or presented almost by economic advisers, that our biggest medium to long-term challenge is the working age population and how that impacts upon our economy and our revenues. Our Budget has been put together with that in

mind in relation to curbing growth in expenditure, right sizing the public sector, starting to reign in on some of the costs of running the Island, notwithstanding all the very valid questions you are raising today about how we prioritise. We can present 100 different plans and all of them would work but it is the Government thinking that leads the current plan. So, that is why we have produced a Budget that, I believe, is prudent. It is balanced. It commits to putting money ... replenishing the Strategic Reserve and Consolidated Fund and I think coincidentally - or not quite co-incidentally - we started to move in the direction of which the latest F.P.P. report suggests we move further in. So, that is at the heart of our thinking, and I can refer to Deputy Gorst who has been Minister for Treasury and Resources.

**Assistant Chief Minister:**

As the Chief Minister knows, there is a very good Corporate and Island Risk Register and that is the start, back to the point that the Treasurer made earlier, thinking about risks. Thinking about risk helps you prioritise where you are spending your money. Thinking about Island risk also helps you think about those issues but equally, we have to be absolutely clear that those who might think it is an easy hit to spend from the Strategic Reserve, if you do that you mean that we are no longer resilient for the medium and long term and therefore that is why the F.P.P. keep challenging successive governments. It is not new, Chief Minister, is it? They have been doing it for a long time to make sure there is money in the Strategic Reserve, that you replenish that Strategic Reserve which is partly what we are proposing to do from Pillar 2, and they say that you should keep doing that. Of course, we do not think you should raise new taxes just to put money in the Strategic Reserve, but it is really important that you have that Strategic Reserve in place because without that then we could not meet those risks confidently.

**Deputy A.F. Curtis:**

Thank you, Assistant Chief Minister. You pre-empted well. I was going to ask, of all things, about what fiscal measures and fiscal policy you are looking at in the medium to long term and you have mentioned the position so far. Do you feel you have had to ... have you seen risk in the balance in creating financial resilience for the future versus funding for today?

**Assistant Chief Minister:**

I mean from Treasury's perspective, but you can ...

**Deputy A.F. Curtis:**

Or from the Chief Minister's perspective.

**The Chief Minister:**

Well, I think we have found a good balance, and I know that the Treasury team are always mindful of the pressures on our cash flows and available cash, so we have tried to provide a balance. I mean we have perhaps ... had we not been facing such broad economic challenges in relation to affordable housing, cost of living, population pressures, you could have argued that we could have curtailed more growth, reigned it in a bit more and let the economy move forward but of course we are not in that position yet and perhaps the Treasurer would ... we have had many conversations about the importance of making sure that we retain a strong cash position.

**Treasurer of the States:**

Yes, so there is alongside sustainable wellbeing a requirement for the consideration of the Council of Ministers and being at the workshops that set it up, that legal requirement sits alongside long-term sustainability of public finances so those 2 are born in mind, side by side, and the Council of Ministers are just thinking through its options for the short to medium term. Treasury is starting work on longer-term capital requirements and capital plans, starting with 10 and then moving to 25 years. The further up you go the more variability there will be in those plans but that will start to inform the next Government Plan.

**Deputy J. Renouf:**

Was there a challenge from officers to Ministers to put more money into the Stabilisation Fund, for example, given that consistent recommendation around the need for money in the Stabilisation Fund in order to be able to weather short downturns in the economic cycle?

**Treasurer of the States:**

Yes, there was, alongside all the other risks and all the other pressures and all the other funding requirements for the priorities of Government so they are in the round, they are not forgotten. The recommendations from previous F.P.P. reports have brought to the fore, as they have with previous governments, but as the F.P.P. recognises, there are difficult choices to be made for not only this Government but previous governments as well between day-to-day spending and other longer term and we tried to get that balance right in what we presented to Ministers acknowledging those pressures on spending.

**Assistant Chief Minister:**

I mean it is a good question because, as you know, the previous Government Plan Budget proposed to put up to £25 million into the Stabilisation Fund had it been available at the year-end and the reason it was not available at the year-end is connected with your previous question because of giving money to health and therefore the F.P.P. is right to raise both of those issues that should be given careful due consideration as we move forward.

**Deputy A.F. Curtis:**

Just touching on where the Treasurer was on the recommendations from officers to Ministers regarding risk and how does the business planning process around areas of high-risk work and how will that work as risks emerge in 2025 with such prioritisation already focused in on money, how are you prioritising funding of key risks and are you already making reallocations based on emerging risks?

**Treasurer of the States:**

Other than emergency or crisis situations, there is a more gradual process than you indicate. The opportunity, however, for the successive government they have to be doing that in the annual budgeting cycle. I will give an example particularly through the project side where we are addressing risk alongside government priorities whether that is all the same category. That will continue into the next year because what will often happen is that capital programme will get prioritised during the year or external factors relating to planning or supply chain, for example. There are opportunities within the capital programme should there be any sort of crisis or emergency, so to change plans during the year and move monies between capital projects, for example.

**The Chief Minister:**

Can I just reiterate? I think it is important to know from practical terms when we start work on the C.S.P. and the Budget, we get constant advice from officials and Treasury officials on the risks and the consequences of certain decision. That advice always guides our direction. So, that is just an ongoing modus operandi. You all know because you have worked in government, and it is no different this time.

**Deputy H.M. Miles:**

I am going to hand you over now to Deputy Andrews who is going to ask some questions on monitoring spending.

**Deputy M.B. Andrews:**

Chief Minister, you quote that the public sector has become oversized, so why has net revenue expenditure increased to 67 million in this forthcoming Government Plan?

**The Chief Minister:**

Well, if you take out the inflationary pay increases, the increase to health and one or 2 other things, you would probably find it is ... if you strip that out we are coming in in real terms, we are probably below the previous year's Budget. I am looking to Andy here to confirm that.

**Group Director, Strategic Finance:**

Yes, so I guess if we refer back to one of my favourites, page 42 of the Budget, which has the changes in revenue expenditure, you can go through and you can see the increases are all explained. So, as the Chief Minister has pointed out, there are some increases for inflation, and we have talked about formula driven growth. In terms of revenue growth, the total of 32 and a bit plus the 6 for the C.S.P. is partly offset by savings which have been proposed in the plan as well. Some of that is funded and indeed those savings continue into future years so by the time you get to the end of the plan, taking out inflation, you end up almost back where you started, I think. I would have to add up the numbers quickly on my fingers, but that is how it worked.

**Deputy M.B. Andrews:**

Thank you very much. Chief Minister, obviously you have mentioned publicly about your desire to see a more effective and potentially a smaller public sector. So, how are you going to go about this for future years?

**The Chief Minister:**

Again, that is a piece of work being led by the Chief Executive Officer working closely with the Executive Leadership Team. We have asked the Chief Executive to look closely at all aspects of the public sector while the current recruitment ban and use of consultants are in place. Of course, the recruitment ban does not extend to front-line services and of course it is not a complete ban because if there is an urgent requirement for a member of staff in any department, they can make a case with the Chief Executive Officer. So, we have asked that we have a structure in place that is right sized. I am not quite sure what that looks like at the moment, but we need to become more efficient. Perhaps we need to make better use of technology. We want to look at more collaborative working between departments, sharing of resources, combining of perhaps resources in certain areas where we can flex those resources according to the needs in different parts of organisation. Those are just some examples of where we want to have a lean and efficient public sector, especially at the senior management levels.

**Deputy M.B. Andrews:**

As you mentioned, Chief Minister, you want a lean-looking public sector. So, I just want to ask you, Chief Minister, since you have come into office, how many redundancies have taken place? I know obviously in the States Assembly the Vice Chair of the States Employment Board said 8 individuals had been made redundant. However, is there any further news on redundancies in the public sector since that question was answered?

[14:30]

**The Chief Minister:**

It is an ongoing programme of works being led by the Chief Executive and we will provide regular updates to the Assembly.

**Treasurer of the States:**

But the focus firstly is on stripping out unnecessary vacancies rather than the redundancy programme. The redundancy programmes will be lower key than has previously been the case.

**Deputy J. Renouf:**

Can I just clarify, you talked about the longer-term piece of work. Is the aim of the longer-term piece of work over 3 or 4 years' time to shrink the number of employees or the States payroll, whichever measure you want to take, over that time period?

**The Chief Minister:**

The key priority was to curb the growth because we were seeing exponential growth and I think what we are trying to do now is stop it, just stop it growing, just hold the line and then that is what we have charged the Chief Executive and Executive Leadership Team to come back with options that make sure we are delivering appropriately. That might be the same size, it might mean it is a little bit bigger, it might mean we can do it full. Moving to the new headquarters at the new Cyril Le Marquand House will, I think, provide a good opportunity to start that.

**Deputy H.M. Miles:**

I think we are starting to stray away from questions that need to be directly addressed to the Budget, Deputy, so please if you could ask your questions. Thank you.

**Deputy M.B. Andrews:**

Yes. What is the expected impact of the £1.2 billion Budget that has been allocated for spending in 2025 on delivering essential public services?

**The Chief Minister:**

The impact is that it would enable us to continue to deliver all the potential public services that we require.

**Deputy M.B. Andrews:**

Yes. There is a Central Reserve as well, but that Central Reserve is reduced compared to the previous year and I want to know why that is.

**Treasurer of the States:**



Some of that will relate to the reducing inflation rate in particular, so the allocation alongside that inflation rate comes down as the inflation rate comes down.

**Deputy M.B. Andrews:**

Thank you.

**Deputy H.M. Miles:**

I will hand you back to Connétable Johnson, please.

**The Connétable of St. Mary:**

Yes. Perhaps I can begin by correcting an oversight previously on the presentation of the Budget that relates to children's rights impact assessments. I do appreciate that the Budget plan as a whole is exempt from having to make an overall statement, but on the basis that individual projects were looked at in that light, could you give examples of situations where the impact on children was considered, even though there was no reference to that in the Budget statement itself?

**Group Director, Policy:**

You are absolutely right that children's rights impacts needs to be assessed in all policy, but it does not necessarily apply to the whole Government Plan or Budget's process.

**The Connétable of St. Mary:**

I take the point, yes.

**Group Director, Policy:**

Where it specifically has an effect, some of the children's measures were in there and there were children's rights impact assessments that were produced and they have been published. If you have not seen those, we will happily make sure that you are provided with them.

**The Connétable of St. Mary:**

My fault then, okay, all right. I am just wondering, in future Budget statements, would it be appropriate to concentrate on that and give a statement that the following projects were considered in that light? Would that be helpful?

**Group Director, Policy:**

I will check what happened in those circumstances, but, yes, we should be always ...

**The Chief Minister:**

That is sort of linked to the previous question on gender responsive budgeting and a budget for all type thing, so perhaps if we move forward on that thinking.

**Treasurer of the States:**

We have undertaken a screener required for the ... that we do for the overall Budget and is being prepared with the Minister for Treasury and Resources.

**The Connétable of St. Mary:**

Going back to my script now, if I may.

**The Chief Minister:**

I can go back to mine then.

**The Connétable of St. Mary:**

On efficiency and savings, how was the £20.3 million allocated in savings for 2025 identified among departments as being the most appropriate? Leading on from that, what are the expected impacts on service delivery?

**Treasurer of the States:**

The last Government Plan for 2025 included £20 million in savings, if you include the Health and Community Services savings target. The current plan for 2025 includes that as well, so the target now is £20.3 million compared to the £20 million that is in the previous Government Plan. There is a difference in the split between Health and other departments, which in the Health one ... trajectory of delivery. We have changed the approach with this plan, applying some analysis for departments, looking through the services they provide and looking to see whether they have to be provided. That might be on a statutory basis, although they should be provided where they could or whether they would not be provided in the future. The approach taken in respect of departmental savings has been to target the savings at the back office, so instead of doing a broad allocation across the departments, percentage of spend in each department in percentage. The savings are directed away from the front line. That is not to say that some departments that have front line do not have savings targets. We came up with the target by looking at the proportion of civil service grade 11 and above across the departments in determining those targets, which is why, for example, Treasury and Cabinet Office across People Services, SP3 and Digital Services are predominantly higher targets to achieve than in previous plans compared to other departments. We have also looked to come good on the benefits promised, or the majority of those benefits promised from moving into a single office. There is relocation. Office relocation allows us to reduce the footprint of our services across different buildings. Those savings have been allocated where they currently exist. They are costs that were incurred by those departments. In the future, there are savings being targeted

towards the arm's-length organisation estates, in particular firstly that relates to services across the many economic development agencies. That would be the Minister for Sustainable Economic Development and the Minister for Health and Social Services portfolios. The financial recovery plan at Health, the profile that we have in place now is a more realistic profile, based upon what we see happening in Health. That £25 million will now be over the 4 years rather than 3 years it was originally intended to be delivered. I think I have covered every line but I have not got to the right page yet.

**The Connétable of St. Mary:**

Thank you for that. You have explained already some of what I was going to ask, but in respect of the savings that are achieved, what measures are in place to ensure that ... and what audit is conducted on how those savings have affected the public services they were originally aimed for? How do you measure the negative effect on the withdrawal of the funds, effectively.

**Treasurer of the States:**

They predominantly relate to savings in the back office or for the support functions. We are looking at stripping out our reliance upon consultants. That is drawing back. We are also looking, as referred to in earlier answers, at focusing our attention by prioritising on things we can deliver. That helps us reduce the size of the public sector in the back office that we need. It also helps us reduce the level of dependence on consultants to deliver those projects.

**The Connétable of St. Mary:**

Thank you.

**Assistant Chief Minister:**

It is not as straightforward if you are making reductions in one department, it is a negative. As you have been pointing out in all your questions, the overall budget is not reducing. The overall budget will continue to grow. Where you were spending here, you are now taking that money and spending it over here, back to Deputy Renouf's point about the majority of it is now going into Health, into C.S.P. priorities and into investing in people through the payroll. It is a question of: do you think on balance that that prioritisation is the right way to go? Ministers have come to the clear view that it is.

**The Connétable of St. Mary:**

Thank you.

**Deputy H.M. Miles:**

Therein lies the question. You are focusing your money on the front line, but the front line cannot function as efficiently as it might do if you are starting to decimate the back office.

**The Chief Minister:**

Yes, but we will not decimate the back office. We are doing some fine tuning to make sure we are not wasting money. That is the plan. What we are trying to do is to make sure we spend every pound carefully, without compromising ...

**Deputy H.M. Miles:**

I understand that, but hence the questions about risk and prioritisation that were fed through this.

**Treasurer of the States:**

The £6 million highlighted as reduction in roles and pointed towards the back office, when you look at the proportion of the budgets for the departments, currently that is less than 1 per cent for each of those departments. It is a higher percentage in the central departments, but they have also seen quite a degree of growth from 2018 and 2019.

**Deputy H.M. Miles:**

I was interested in your description of prioritising those that had the majority of grade 11 and above, because your grade 11 and above will be where you get your technical expertise to support evidence base, to support policy, which means that the front line are not just doing things right they are doing the right things. Our concern is there needs to be a very careful balance in prioritisation between the 2 and we are not confident at this point that we are seeing that. I am sure we will in the fullness of time. We will stop that there. We are nearly there. I am going to hand you over to Deputy Renouf to ask some questions about the capital programme.

**Deputy J. Renouf:**

The capital programme, you have talked already about the fact that it has been slimmed down to try and match what is deliverable against what you are allocating. Are you confident that you are able to deliver everything that is in that capital programme now you have right-sized, as you probably call it?

**The Chief Minister:**

We are a lot more confident than we have been. We believe what we have put into the plan is deliverable. We have the resources to deliver it internally and externally the resources are there to build or produce it, where that is the case.

**Assistant Chief Minister:**

I would not use the word “slim down”. We have right-sized this bit of the capital programme so that it can be delivered in line with what the Chief Minister has just said, but we have not slimmed it down, because we have £700 million or more that we are proposing to spend on the biggest capital programme the Island has ever seen. There is a narrative happening somewhere that everybody seems to be forgetting that we are spending all this money on the hospital. That will put the biggest risk on the deliverability of the other bit of the capital programme, in my view.

**Deputy J. Renouf:**

I am trying to get at this “we have got to slim down” amount per year being spent. Is there confidence that that is now deliverable, given that it is an attempt to align delivery with actual resource?

**Treasurer of the States:**

So those budgets have been put in place by reference to previous years delivery. So that is laying out to successive governments through plans that have been more optimistic about delivery of projects and put that into the front end of the plan. That is what we have been working towards in the recent weeks and months to put together this Government Plan. It needs to try to be more realistic, basing that upon delivery from previous years.

**Deputy J. Renouf:**

Do you still identify or have you identified any further risks that might sit around this, sourcing material availability, companies going out of business in the construction area? What risks sit around the delivery of that project, if any? Sorry, that delivery stream of capital projects, if any?

**Treasurer of the States:**

There are the usual risks that face any project and that is obtaining planning permission. That is not criticising the planning process at all. Let us just say every project has to go through the various stages.

**The Chief Minister:**

Political interference remains a high risk as well. That is not aimed at anything here, but we have seen what happens if we get caught up in lots of different political views, projects gets delayed, but that is high risk.

**Treasurer of the States:**

We go out to tender for each of those projects with the appetite for those projects and there is a cost of delivering against those projects. What we are happier with is we have got a capacity to control those projects and progress those projects better than we have had in the past where we have been spread too far across many different projects.

[14:45]

**Deputy J. Renouf:**

You are confident there is sufficient funding for those projects that have been identified?

**Treasurer of the States:**

We have the funding in place based upon the current estimates required. We have feasibility studies in place that will allow us to alter the sums of money required in future Government Plans.

**Deputy J. Renouf:**

Is that how you would address potential cost overruns that might arise? What is the mechanism for adjusting cost overruns?

**Treasurer of the States:**

At our current level, we will be able to carry forward a capital risk reserve that we have put in place for the current year, for capital underspends we are expecting in 2024. In respect of that largest capital programme, déjà vu from the hearing here on Friday, we are carrying contingencies for that budget within the capital programme.

**Deputy J. Renouf:**

One of the things that marks capital projects out is they are one-off projects and they might well have consultants attached to them in order to deliver the preparatory work and so on. How are you ensuring that the reductions in headcounts that you are doing in senior levels and on consultants are not affecting the ability to deliver capital projects?

**The Chief Minister:**

We have agreed to ensure that the capital projects are properly resourced. That has been incorporated in our capital budgeting. You are right, a lot of consultancy expense comes through management of projects.

**Deputy J. Renouf:**

You are saying that where those consultants were employed on projects in the capital programme they would not be affected?

**The Chief Minister:**

They would not be affected. The ban on consultancy would not apply to the new hospital build, for example. However, having said that, the new Chief Executive and the team are focused on ensuring that when we do employ consultants we get what we need and not more than what we need.

**Deputy J. Renouf:**

It seems that consultants are the obvious way to deal with the surge of demand for capital projects. If we look at the wind farms and future projects and so on, you would not want to employ people to work on a wind farm on the staff, because we are only going to do one of them in all likelihood.

**The Chief Minister:**

Yes, you are absolutely right. This is an opportunity for me to make clear that consultants are necessary and valuable on certain projects at certain times, but not where they become permanent and fixed. We have had some consultants being in place for 2, 3, 4, 5 years. We are making sure that when we do employ consultants, where it is necessary, it is done appropriately with that in mind.

**Deputy A.F. Curtis:**

Quickly, to understand, you are confident that the policies you have in place will not hinder the delivery of capital programmes across the spectrum of projects, from I.T. through to the estate, through to infrastructure?

**The Chief Minister:**

Yes.

**Deputy A.F. Curtis:**

You are confident that where a project is allocated money it will be able to procure and deliver?

**The Chief Minister:**

In actual fact, I am more confident than I have been in the past, because we have presented a capital Budget that is more realistic. We are doing a bit less. We are spreading out the timescale into a more realistic budget, which means we should be able to get it done, rather than having things sitting on the capital programme that get carried forward and carried forward.

**Deputy J. Renouf:**

In respect of things such as the drainage programme, infrastructure, estates management and so on, which we have consistently underfunded over decades, are you worried that there is risk sitting around the delivery of those kind of things?

**The Chief Minister:**

We are going to have to revisit that in next year's Budget. I am not sure if I have mentioned that yet to the Treasury. I probably have. Word has reached the Treasurer that we need to consider that because you are right, we have underinvested in our infrastructure, especially in drainage. That has become more apparent now in our quest for building more affordable homes. I am pleased to learn recently the Minister for Infrastructure has allocated funding to St. Peter and the Maufant area, which he has been able to reprioritise, which will free up potentially sites for hundreds of new homes. That is work that is starting pretty soon.

**Deputy J. Renouf:**

Estate management, running repairs on the government estate?

**The Chief Minister:**

That is an area where I am meeting the Minister for Infrastructure this week, with Treasury officials present, to discuss their concerns about the shortfall in funding they have to properly maintain our estate.

**Deputy J. Renouf:**

Do you think that might lead potentially to more money than you have allocated in the Budget?

**The Chief Minister:**

It will probably need a rethink of how we manage our property. I would like to see our property that is lying dormant or not being properly utilised put to work. We need to have a policy that puts it to work so that it starts earning, starts being valuable for the taxpayer, rather than being neglected in a state of under repair.

**Deputy J. Renouf:**

Would that be delivered by a government department or might that be outside of government?

**The Chief Minister:**

We can look at the work that Property Holdings are doing in comparison to S.o.J.D.C. (States of Jersey Development Company), Ports of Jersey and the private sector and reanalyse and revisit the best way to manage our vast property portfolio in the most effective way that delivers and put it to work for the people.

**Deputy J. Renouf:**

I am hearing mood music around the idea that we might be shrinking the property portfolio or inviting partners to take over the running of parts of it. Have you got thoughts on how you will manage that?



**The Chief Minister:**

I do not what I have just said that created mood music. I said we have to get a grip of our vast property portfolio and get it working for Islanders, get it delivering. That is not mood music for disposals. Having said that, we could look at some of it. We might dispose of some of it. That could be the best move, rather than sitting on a property that is under-utilised and very expensive to maintain. We might decide to sell and invest that money in refurbishment or commercial opportunities with part of our estate that is not currently working for us and is not giving us the return we need.

**Deputy J. Renouf:**

You are telling us that there is a new piece of work beginning in government to look at management of estates?

**The Chief Minister:**

No, that is mood music. I am not saying that. What we are saying is we have recognised that we need to do some work to put our vast property estate to work for us properly. I hope that is clear.

**Deputy H.M. Miles:**

I am conscious of the time. We have come to the end of our formal questions. I was going to ask if the panel had anything that they would like to add or ask while we have the benefit of both the Chief Minister and the Assistant Chief Minister.

**The Chief Minister:**

Time flies. It has gone by so quickly.

**Deputy I. Gardiner:**

I will continue with the property portfolio and the maintenance. As you indicated, there will be further conversation with the Minister for Infrastructure about funding for maintenance. Are there particular properties that you have in mind or on your radar that you are worried about their maintenance over the next couple of years? Apart from the hospital. We have heard about the hospital. We will put the hospital aside. Are there other properties in our portfolio that may not be budgeted for?

**Treasurer of the States:**

This plan has put more money in place for the schools estates, for example. That is a very live example. As the Chief Minister said, the vastness of that estate needs to not necessarily be rationalised, but rather than just investing in new, making sure that we are balancing that against having maintenance budgets in place to look after what is already there. That is often a trade-off

that is difficult to achieve. We have the hospital and we have the schools estate. They are 2 big elements of our wider estate.

**The Chief Minister:**

Over and above that, I do not personally have any properties or bits or land in mind, but I know the property team and the Minister for Infrastructure are looking at that more closely. The principle is we understand that we have to take some action there, because we are not getting the best returns.

**The Connétable of St. Mary:**

As you raised the question of property and that that is often held through A.L.O.s (arm's-length organisations) et cetera, do you consider that the Treasury function of A.L.O.s needs to be revisited in the sense that they have a shareholder function and look after the Assembly's interest in those companies? It seems to me that the portfolio is getting so large, and we are going to have Fort Regent added to it ... Jersey Property Holdings are meant to be leading it. There is concern that there are so many individual entities involved. Should there not be an overriding policy group, ministerial group? Maybe there is, but some body accountable for the overall plan, which maybe there is not at the moment.

**The Chief Minister:**

There is a distinct difference, I am sure you know, between the arm's-length organisations and the States-owned entities. The Treasury have the shareholder function for the States-owned entities, but for the A.L.O.s often sits with the relevant Minister for which the M.O.U. or the partnership agreement is with. We think there is an opportunity for some rationalisation now between the A.L.O.s, especially the business-facing ones. That is something the Chief Executive is going to work on with relevant Ministers and the A.L.O.s to see if we can deliver better value without compromising the very good work that they do. In relation to Fort Regent, we have our own property company which has good expertise, so it made sense to consult with them and involve them in a big project like Fort Regent. That is working well so far.

**Deputy A.F. Curtis:**

To touch on that with specific regard to the Budget, we have heard, and the Connétable and I sit on the Infrastructure, Housing and Environment Panel, about the potential for S.o.J.D.C. to do some of the work. How does that in some ways square with the Budget? There is not a head of expenditure for that work within the Budget, yet we are tasking an agency, a States-owned entity, that does not own an asset, to spend on a project, yet the expenditure for 2025 is not accountable to Members here on an asset we own?

**The Chief Minister:**

That is a good question. That leads back to the rationale behind incorporating privatisation of Jersey Electricity, Jersey Water, and Ports of Jersey. Incorporating Ports of Jersey gave them the commercial freedom which took away all of the capital liability from the airport. J.E. (Jersey Electricity) now have all the capital liability for their infrastructure. If we do it properly and work with our partnership organisations and give it to organisations that are more commercially minded, we take away the liability of the cost of that on the public.

**Assistant Chief Minister:**

Going back to the Constable's question, it is not just the shareholder function that deals with the shareholder issues which may indeed be intention sometimes with the policy. If you take Ports, there is a Ports Policy Group, which is chaired by Ministers. When it comes to S.o.J.D.C. and Andium, the Chief Minister chairs a Regeneration Steering Group, which drives forward the policy. If Fort Regent is to be transferred, and I have no idea, I am ...

**The Chief Minister:**

We are not talking about a transfer of Fort Regent. We are talking about using our own property company to help us redevelop it.

**Assistant Chief Minister:**

Yes.

**Deputy J. Renouf:**

I have one very quick question relating to the F.P.P. again. The F.P.P. sounded the slight alarm around the identification of a savings programme of £47 million I think, off the top of my, savings allocated but not identified. They said that it was bad practice not to say where those savings were. When will we have clarity on the savings and what savings are going to deliver into that £47 million or whatever that figure is?

**Treasurer of the States:**

A large slug of that is the H.C.S. (Health and Community Services) financial recovery plan, the 47 is 22. There is a lot of work that has been undertaken to put that plan in place in the first place, nearly half of that number. I think the like-for-like numbers is something like £42 million in the last plan and £47 million in this year, but there is an extra year in this plan. We have laid out in more specific detail than previously where the role savings are coming from, where the office savings are coming from, where the arm's-length organisations ... the first draft of those savings that the Chief Minister referred to will be coming from. There is a fair amount of detail in respect of the first year. It is not quite the same, but pointing to where those savings will come in the second year. That contributes to the majority of that £47 million saving. The unallocated sum is quite a small amount.

**Deputy H.M. Miles:**

Max, did you have a final question?

**Deputy M.B. Andrews:**

Yes. To touch on gender pay, I know, Chief Minister, you mentioned about there being a step towards engaging non-public sector entities. I wanted to know whether you would be potentially launching a consultation with the non-public sector.

**Deputy H.M. Miles:**

We need to make sure that the questions are focused on the Budget.

**Deputy M.B. Andrews:**

Yes.

**The Chief Minister:**

I am happy to speak to you after about that, Max.

**Deputy M.B. Andrews:**

Yes.

**Deputy H.M. Miles:**

Okay. Alex, did you have a final question?

**Deputy A.F. Curtis:**

The Chief Minister clarified that there is not an intention to transfer ownership of Fort Regent at any point in time. The question remains that we may seek information, or another panel would, about how the proposed redevelopment of the fort with a partner going to be managed against an estates plan where no funding is allocated or provided for in the next 4 years?

**The Chief Minister:**

Yes. That is the work we are doing in the Regeneration Steering Group in partnership with S.o.J.D.C. and Treasury on funding options. As soon as we have got it in a position, we can share that with relevant Scrutiny Panels.

**Deputy H.M. Miles:**

Lovely. Okay, thank you. Look at that, 3 o'clock on the dot. Thank you, Chief Minister, Assistant Chief Minister, officials and everybody.

[15:00]