

# STATES OF JERSEY



## PROPOSED GOVERNMENT PLAN 2024- 2027 (P.72/2023): TENTH AMENDMENT

### REDUCTION OF PAYROLL EXPENDITURE

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Lodged au Greffe on 23rd November 2023  
by Deputy M.B. Andrews of St Helier North

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STATES GREFFE

PROPOSED GOVERNMENT PLAN 2024-2027 (P.72/2023): TENTH  
AMENDMENT

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**1 PAGE 3, PARAGRAPH (I) –**

After the words “as set out at Appendix 3 of the Report” insert the words –

“, except that, on page 57, after the section entitled ‘Thematic reviews and Best Value Reviews’ should be inserted a new Section as follows –

**“Payroll Expenditure Savings**

During 2024 the Government will implement a scheme to reduce payroll expenditure by £40million in non-frontline roles, such savings to be transferred to the Stabilisation Fund and Strategic Reserve Fund. Whilst it is not anticipated that the full £40 million savings will be realised during 2024 it is expected that the process to effect the reduction in staffing will be underway and this will be reported in the Government Plan 2025-2027.”

DEPUTY M.B. ANDREWS OF ST. HELIER NORTH

**Note:** After this amendment, the proposition would read as follows –

**THE STATES are asked to decide whether they are of opinion –**

to receive the Government Plan 2024 – 2027 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2024 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to refer to their Act dated 30th September 2016 and to approve the application of existing resources for work on the development of ‘user pays’ charges in relation to all aspects of waste, including commercial and domestic liquid and solid waste;
- (c) to approve the proposed Changes to Approval for financing/borrowing for 2024, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (d) to approve the extension of the use of the existing Revolving Credit Facility to include the provision of funds that would otherwise be implemented through bank overdraft or bank overdraft facilities under Article 26 (1)(a) of the Law, should they be needed, subject to the limits outlined in that article;

- (e) to approve the transfers from one States fund to another for 2024 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (f) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2024 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31 December 2023 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31 December 2024;
- (g) to approve each major project that is to be started or continued in 2024 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (h) to approve the proposed amount to be appropriated from the Consolidated Fund for 2024, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report;
- (i) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2024 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (j) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2024 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (k) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2024 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (l) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2024-2027, as set out at Appendix 3 to the Report, except that, on page 57, after the section entitled ‘Thematic reviews and Best Value Reviews’ should be inserted a new Section as follows –

**“Payroll Expenditure Savings**

During 2024 the Government will implement a scheme to reduce payroll expenditure by £40million in non-frontline roles, such savings to be transferred to the Stabilisation Fund and Strategic Reserve Fund. Whilst it is not anticipated that the full £40 million savings will be realised during 2024 it is expected that the process to effect the reduction in staffing will be underway and this will be reported in the Government Plan 2025-2027.”

## **REPORT**

The purpose of this amendment is to ensure the implementation of a substantial reduction in payroll expenditure in non-frontline service roles.

The proposed payroll expenditure reductions of £40,000,000 will ultimately serve to increase the Stabilisation Fund and the Strategic Reserve Fund.

It has been proposed in the Government Plan 2024-27 that £25,000,000 could be transferred from the Consolidated Fund to the Stabilisation Fund at the end of 2024 pending on additional income received or underspends made available. The Council of Ministers should secure funds in the first instance to be transferred to the reserves. As the Stabilisation Fund value is below £1,000,000, it is essential the fund is replenished. What is even more disconcerting to see is the Strategic Reserve Fund is forecast at 17 percent (£1,206,000,000) of Gross Value Added in 2027 when the percentage ought to be between 30 to 60 percent (£2,900,000,000 and £4,300,000,000) pursuant to the Fiscal Policy Panel recommendation.

We need to see the Council of Ministers take tough decisions to improve the structure and organisation of the executive branch of government. The Government will be unable to increase reserves unless Government revenues increase. The alternative exists that new tax measures could be introduced - or expenditure could be reduced, with allotted funds transferred to the reserves. This Amendment seeks a savings scheme to be implemented over the course of 2024, reporting back in the Government Plan 2025-2028, and continuing until the full savings are achieved.

Payroll expenditure stood at £368,872,000 in 2018. This has since increased to £489,605,000 in 2022.

It is evident this trend in headcount growth cannot be sustained, and neither can the reserves continue to be neglected.

### **Financial and staffing implications**

Financial and staffing implications will be varied, depending on requirements as roles are identified and removed. There will be staffing implications for those involved in identifying roles that can be removed, though this should be part of business as usual efficiency targets.