

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY M.R. SCOTT OF ST. BRELADE
QUESTION SUBMITTED ON MONDAY 4th DECEMBER 2023
ANSWER TO BE TABLED ON MONDAY 11th DECEMBER 2023**

Question

“Will the Minister advise whether the list of revenue expenditure growth bids provided in his response to [Written Question 371/2023](#) includes bids relating solely to inflation costs of Government departments and Arm's Length Organisations, and if it does not, will he provide a list of these bids and the outcome of their consideration by the Council of Ministers?”

Answer

Inflation costs are addressed centrally as part of the process to develop the Government Plan. A provision is established in the Reserve for Centrally Held Items to fund pay awards for public employees and the Council of Ministers agrees the amount to be assigned equally to all Government departments to meet non-pay inflation.

The list provided in Written Question 371/2023 relates to all requests for additional revenue funding submitted by departments as part of the Government Plan process. It includes two that related purely to inflation. These are Process Chemicals submitted by the Department for Infrastructure and Environment, and Extraordinary Inflation submitted by the Department for Children, Young People, Education and Skills. Neither of these requests was progressed. The former was already provided for in the Reserve and the latter was addressed in line with the process outlined above to provide additional budgets for inflation to all departments.

As part of the Government Plan 2023-26, funds for ‘excess inflation’ were provided to be held in the Reserve. This was to meet costs where the rate of inflation for products or services materially exceeds the general rate implied by the Retail Prices Index and a department’s exposure to such costs would have a significant impact on their budgets. Where relevant, those provisions have been transferred into departmental base budgets. In the case of inflation related to hydrocarbons, funds remain in a central provision as there may be deflation as international wholesale prices return to levels prior to key events such as the outbreak of war in Ukraine that sparked inflationary pressures.