
STATES OF JERSEY



JERSEY PERFORMANCE FRAMEWORK (R.163/2024): EXECUTIVE RESPONSE (R.163/2024 RES) – COMMENTS

Presented to the States on 10th December 2024
by the Public Accounts Committee

STATES GREFFE

REPORT

The Public Accounts Committee (PAC) presented the [Executive Response](#) to the Comptroller and Auditor General's (C&AG) report '[Jersey Performance Framework](#)' (R.163/2024) on 21st November 2024. Noting the relevance of the response to the Proposed Budget 2025-2028 debate, it was agreed by the PAC that it would present the Executive Response without additional comments so that it could be made available to States Members ahead of that debate. This also allowed for the PAC to discuss the response further ahead of publishing its comments. Accordingly, the PAC will set out its comments on the Executive Response below.

Prioritising sustainable wellbeing

The PAC has reviewed the Executive Response provided for the C&AG's report and it is of the opinion that it is unclear in some respects. The Government of Jersey has not agreed a number of recommendations within the report with the rationale given that they are either not a priority at this time, the money and resources are not available to implement them or that they are disproportionate for an Island the size of Jersey. Whilst this is noted by the PAC, it would question if they were not currently a priority for Government, then when will these matters be prioritised? It is the view of the PAC that the recommendations do not require considerable spend to be implemented and many of them relate to existing practice which needs to be further embedded in processes. Noting some of the recommendations are seen as disproportionate, the PAC would highlight that they also relate to one of the agreed Government policies. Furthermore, the PAC would suggest that, as the recommendations have been made by the C&AG, they would not have been made had the C&AG deemed them to be disproportionate.

Status of the report and recommendations

The PAC notes that within the introduction of the Executive Response reference is made to the C&AG's report as a 'Thinkpiece' and, as such, the risk profile of not implementing the recommendations within the report is seen as low by Government. The report presented by the C&AG is not a 'Thinkpiece' but an actual audit of the implementation of the Jersey Performance Framework. The PAC would highlight this point at the outset of these comments as it appears there has been a misunderstanding on the part of Government as to the status of the report and the associated recommendations made by the C&AG. Whilst rationale is also provided as to why the risk of non-implementation is not included within the response template itself, the PAC would raise the point that the Executive Response template has been updated in 2024 by Government to better document and assess risk as part of the response process. Noting these changes have been championed by the Government itself in collaboration with the C&AG and PAC, the PAC would question the change in format which does not align with other responses.

Evidencing Sustainable Wellbeing

The PAC notes that the Government of Jersey has committed to ensuring sustainable wellbeing is considered as part of the Public Finances (Jersey) Law 2019. Article 9(9) of the law states:

- a) *In preparing the government plan, take into account the sustainable well-being (including the economic, social, environmental and cultural well-being) of the inhabitants of Jersey over successive generations; and*
- b) *set out in the government plan how the proposals in the plan take that sustainable well-being into account.¹*

This is widely seen as a positive step legislating for consideration of sustainable wellbeing in the budgeting and Government Plan process, and the PAC notes that this is an area which Jersey has moved forward with ahead of other jurisdictions. However, the overall response to the C&AG's report implies that many of the recommendations are not proportionate at this time. Whilst this rationale is recognised by the PAC, it would question why Government is not wanting to better evidence the work it is doing in relation to sustainable wellbeing in order to highlight to Islanders the improvements being made as a result. The PAC would also argue that the recommendations of the C&AG do not require increased governance arrangements and funding, but more so tweaks to various templates and structures in order to improve the practice that is already being done within Government.

The PAC would especially note this in relation to recommendations that have been rejected within the Executive Response. Recommendation One of the C&AG recommendations relates to bringing forward a legislative requirement for the Council of Ministers to consider sustainable wellbeing as part of the Common Strategic Policy (CSP) and set out how the CSP takes that into account.

RECOMMENDATION 1:

Introduce a legislative requirement for the Council of Ministers to:

- *Take into account the sustainable well-being (including the economic, social, environmental and cultural well-being) of the inhabitants of Jersey over successive generations in preparing the Common Strategic Policy and;*
- *Set out how the CSP takes that sustainable well-being into account.*

This recommendation has been rejected on the basis that this is already common practice, and other work is currently being prioritised. Furthermore, it was noted that there is already an existing legislative requirement to consider sustainable wellbeing when allocating financial resources and the last three CSP's have committed to sustainable wellbeing even without a legislative requirement. Legislative changes are also unable to be made prior to the 2026 election noting that the legislative timetable has been confirmed to that point. The PAC would question why there is a reluctance to implement a legislative requirement to document sustainable wellbeing within the CSP given that it is already common practice for it to be considered. This would only serve to strengthen practice that is currently taking place and further evidence the work that is being done in this area. It is, however, noted that this may have to be something for a future Council of Ministers to determine.

¹ Public Finances (Jersey) Law 2019 – Article 9(9)

The PAC would also state the same argument in relation to recommendations two and three of the C&AG's report which are as follows, and have also been rejected by Government in the response:

***R2** Introduce a statutory duty on the Principal Accountable Officer and Accountable Officers to take into account the sustainable wellbeing (including the economic, social, environmental and cultural wellbeing) of the inhabitants of Jersey over successive generations in providing advice to Ministers and in planning the provision of public services*

***R3** Require Accountable Officers to make a specific annual confirmation that they have considered sustainable wellbeing in discharging their responsibilities.*

The PAC is, however, pleased to note that a piece of work is due to be undertaken to document the interaction between the Island Outcomes Indicators and the UN Sustainable Development Goals. This is due to be completed by the end of quarter one 2025 and the PAC will follow up on this at its first quarterly hearing with the Chief Executive Officer in 2025.

Policy Development Process

Within the Executive Response action plan, the following actions have been agreed by Government in relation to the action theme of 'Policy development process'

- *A short guidance note on Jersey's approach to sustainable wellbeing will be developed to support the policy development process. This will include:*
 - *Guidance on determining periods (e.g. long term) when developing strategies and policies*
 - *Best practice examples*
- *Ministerial submission template to include explicit consideration of impact on community, economy and environment.*

This response relates to recommendations five, seven and eight of the C&AG's report which are as follows:

***R5** Develop further practical tools and guidance to support Accountable Officers in discharging their sustainable wellbeing responsibilities under the PFM and in developing policy and advice to Ministers.*

***R7** Develop guidance on how to determine suitable periods (including long-term periods) to be considered in strategy and policy development.*

***R8** Develop and share best practice on how to document consideration of the three domains of the Jersey Performance Framework in strategy, policy, business cases and decision documents.*

The PAC notes that all three of these recommendations have been agreed, however, only agreed in part. Whilst some rationale has been provided in relation to recommendation five being agreed in part, mainly that Government will produce a short guidance note

for use by officers, the PAC sees the response to all three of these recommendations as being ultimately in the spirit of what has been suggested by the C&AG. Therefore, the PAC would question why the Government has simply not agreed to the recommendations and provided the same rationale in relation to what they intend to implement. To say the recommendations are accepted in part is implying there is part that is not agreed, and the PAC is not clear exactly what Government is not agreeing to within its response. It shall be seeking further clarity on this in due course.

Recommendation Six

R6 Develop and implement appropriate training programmes for Ministers and officers to support them in implementing best practice in embedding sustainable wellbeing into policy development and decision making.

The PAC notes that Government has rejected recommendation six on the basis that other work is being prioritised and the guidance being developed in response to the C&AG's recommendations (as noted in the previous section) will provide sufficient information to Ministers and Officers to be able to understand sustainable wellbeing. Whilst this is noted by the PAC, it would suggest that an appropriate training programme could be considered a way of working rather than an additional cost to Government. Ultimately, training would assist both Ministers and Officers in making better processes and decision making which turn would improve value for money and therefore be beneficial to Islanders. The PAC will consider the guidance that is being developed in the first instance and then identify whether further training should be suggested moving forward in this area.

Recommendation Nine

R9 All key Government strategy, framework, policy, planning or guidance documents that have financial consequences, should include a financial section that provides the reader with the high-level financial impact of the likely implementation. This is not to be viewed as a business case, but rather a financial context in which future business cases can be framed.

The PAC notes that recommendation nine of the report has been agreed by Government and it is intended to update the Public Finances Manual and expand on existing requirements regarding documenting financial implications of policy and legislation proposals.

The PAC is pleased to note that this has been agreed and will be implemented by the end of quarter one 2025 as per the action plan accompanying the Executive Response. The PAC will be requesting evidence of this in practice when it holds its first quarterly hearing with the Chief Executive in 2025.

Recommendation Ten

R10 All key Government documents, including, as a minimum, Ministerial Decision cover sheets, should set out an explicit accountability statement of how the document will positively impact on the three domains of sustainable wellbeing (economy,

community and environment) and how the delivery of the actions that lead to these outcomes will be assured.

The PAC notes that recommendation ten of the report has not been agreed by Government on the basis that it would not be proportionate to update cover sheets on all key Government documents. However, a commitment has been made within the response to update the ministerial submission template to include explicit consideration of community and environment, building on the existing section on economic impact. This is included within the action plan accompanying the response. The PAC notes that action is, therefore, intended to be taken on a recommendation which is not agreed. There appears to be an inconsistency in the response to this recommendation compared to the other recommendations that have been agreed in part. Furthermore, the recommendation of the C&AG states that Ministerial Decision cover sheets ‘as a minimum’ should be updated. Whilst Government has not agreed to the full scope of the recommendation, it has agreed in part to update the cover sheets to include this consideration of community and environment. The PAC would, therefore, question why this recommendation has been not agreed when it has in fact been in agreed in part and the action to be undertaken as a result meets the criteria stated in the recommendation. The PAC would suggest that the government revisits its response to this recommendation to make it more explicit that it is only agreeing part of it rather than rejecting it.

Conclusion

As stated previously, the PAC is concerned that this report has been characterised as a ‘Thinkpiece’ by government when it is in fact a full audit that has been undertaken by the C&AG. Whilst a ‘Thinkpiece’ is designed to put forward areas for consideration, an audit is based on sampled information and testing and recommendations are formed as a result. The PAC would therefore question whether the government has misunderstood the context of this report within its response. This point should be noted and checked by government when responding to future C&AG reports. The template that government has brought forward for Executive Responses has also been changed for the purposes of this report and the section on the risk of non-implementation has been removed. Whilst this is acknowledged in the introduction of the response due to the low risk profile of not implementing the recommendations, the PAC would suggest this practice of changing the response template is not continued in further responses, even if the risk profile is considered low.

Finally, the PAC would reiterate that Jersey has taken steps to consider sustainable wellbeing in legislation and this is given consideration across numerous activities that government undertakes. Ultimately, this should be welcomed, and the PAC is concerned that the overall response to this report appears to be resisting recommendations that would assist in evidencing that government is tracking the implementation and success of the Public Finances (Jersey) Law 2019.

The PAC shall monitor the implementation of the action plan to this report and will be following up on the points it has raised during the first quarterly hearing with the Chief Executive Officer in 2025.