

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY S.Y. MÉZEC OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 8TH MARCH 2016**

Question

Could the Minister outline how pension contributions, potential benefits payments to those who are unable to find work and potential reduced tax take have been factored into the department's calculations when determining how to achieve the £60 million savings in staff costs set out in the Medium Term Financial Plan?

What alternative plans does the Minister have should targets fail to be met due to the pursuit of the £60 million savings in order to ensure that damage is not caused to essential frontline services?

Answer

The States need to find savings in every area of the public sector. Around half of States spending is on staff so we need to reduce those costs to contribute towards the redistribution of available funds to the agreed priority areas, in particular health and education.

The proposal to deliver the staff savings comprises many strands that include delivering a continued pay restraint, taking advantage of natural attrition supported through strict vacancy management, stronger performance management and the redesign of services.

Natural turnover and voluntary redundancies will be used to minimise the number of compulsory redundancies; neither of these occurrences are expected to affect contribution or benefit payments as they are taken in a planned manner by members of staff who will consider effects on their financial position.

Departments are currently working on service redesign options. As plans develop staff and unions are actively engaged to deliver services in a more modern efficient and affordable way. There will need to be consideration of any consequences of these plans but until they are developed further it would be impossible to assess other effects, including whether changes may result in changes to benefits costs or income from taxation.

The Council of Ministers is still agreeing the plan but the target of delivering a balanced position by 2019, as advised by the Fiscal Policy Panel, continues to drive the savings target.