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Senator Kristina Moore  
Chair, Corporate Services Scrutiny Panel  
Morier House  
St Helier  
Jersey  
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28<sup>th</sup> of October 2021

Dear Senator,

**Corporate Services Scrutiny Panel**  
**Government Plan 2022-25 Review Hearing Follow-up**

**Financial forecasting**

- 1. The Comptroller has indicated that there are a number of missing tax returns for 2021, please could further information be provided? We would particularly like to understand any demographic indicators in order to understand the Comptroller's description of an "exodus" taking place.**

The Comptroller indicated that a higher-than-usual expected level of taxpayers had not filed and that the reasons for that were being investigated. Data-validation has now been performed and it has been established that around 1,300 fewer returns have been filed at 15 October than would have been normally expected at that date. That number broadly corresponds with a similar drop in Class 1 contributions. This is likely – as the Comptroller intimated – largely to be due to a reduction in seasonal employees.

The Labour Market June 2021 report suggests that there has been a rapid return to normality in the labour market which has seen an increase in jobs. To the extent that there was an "exodus" (of around 1,300 taxpayers) it appears to have largely related to lower-income workers and the Treasury does not expect a material variation to the assumptions already applied to the income forecast by the Income Forecasting Group.

As the so-called "tax deciles" (i.e. what tax is paid by people in which income bracket) indicate, the 20% of taxpayers (i.e. who do pay tax) who have the highest incomes, pay around two thirds of total income-tax receipts; the 20% of taxpayers who have the lowest incomes (who do pay tax), pay around 2% of income-tax receipts

- a) Why has data, indicated to be included in tax digests previously, such as tax revenue by age etc. not been included in the Government Plan to allow for better understanding of Government income?**

The tax deciles have never been included in the Government Plan nor its predecessors – the draft Budget Statements. The Government Plan aims to provide sufficient information to assist the Assembly and public in understanding the plan, but is not intended to collate all information on government activities, especially where this information is already available. The inclusion of excessive amounts of information would actually be more likely to impair understanding than improve it.

As the Comptroller indicated, such information is normally available in the public domain (through answers to FOI requests and Written Questions) and is now included in the Tax Statistical Digest, the next version of which will be published in spring 2022.

**b) Please could you provide the forecasting models which identify estimated revenue included in the Government Plan**

The personal Income tax and GST models are econometric. All models are subject to regular review. The forecasting models are prepared by the Government's economists for the Income Forecasting Group. "Report on the revised forecast of States income from taxation and duties for Spring 2021" [r.151-2021.pdf \(gov.ie\)](#) and addendum [r.151-2021 add.pdf \(gov.ie\)](#) can be reviewed using the links provided.

Should the panel's advisor wish for a more in depth briefing on the models we would be happy to provide one.

## Reviews

**2. The Government Plan (P.152) details reviews taking place concerning Tax measures and long-term climate action, would you like to outline the purpose of these Minister?**

As referenced in the Government Plan (p.151) the purpose of conducting reviews concerning tax measures and long-term climate action is to align with the Carbon Neutral Strategy (P.127/2019). There are significant macro-economic challenges to achieving carbon neutrality which will involve a combination of fiscal levers. Without undertaking substantive reviews, the policy outcomes would not align with the overall aims of decarbonising the Island. These reviews will take place from 2022, subject to the approval of the Government Plan. Ultimately, the introduction of new tax measures including impôt duties will be a decision for the States Assembly.

**a) What would Road user charging entail?**

As petrol-fuelled cars become redundant, there will be an impact on the taxation revenues currently raised through duties. Road user charging is a rational fiscal instrument to replace these revenues. This ensures the continued funding the "external costs" of car ownership and usage including, for example, road congestion; maintenance of roads; the provision of "street furniture"; and meeting the costs of road-traffic incidents.

**b) Do you predict the introduction of a solid waste charge?**

The Government Plan outlines that there will be a re-investigation into commercial solid waste charges. As with road user charges, this continues to be one option under consideration. The precise basis for any charge is being explored and no decisions have yet been reached.

**c) Will charges be introduced for private car parking?**

*Please refer to p.152 of the Government Plan.*

**d) Will a travel duty be introduced?**

*Please refer to p.152 of the Government Plan.*

**3. The Government Plan contains no estimate of any potential impact from the new OECD global tax framework, what predictions can you give to the potential impact of International Tax Reform? (P.153)**

As stated on p.153 of the Government Plan, technical discussions continue at the OECD in respect of the proposed International Tax Reforms, and it is not yet clear how these rules will be applied globally. The Government is therefore unable to predict the potential impacts of proposed reforms at this stage. This position will obviously be kept under review as the discussions within the OECD progress.

**4. How is the implementation of Taxation of Medicinal Cannabis Industry progressing?**

The Minister for Treasury and Resources lodged the Draft Income Tax (Amendment of Law – Taxation of Cannabis Companies) (Jersey) Regulations 202- on 11 October 2021. The Draft Regulations are scheduled to be debated at the States sitting commencing on 23 November 2021. If the States adopt the Regulations, affected companies would be subject to income tax at 20% on their profits from the year of assessment 2022.

**5. It is noted that reviewing the need to tax vaping products was delayed by Covid-19 related health work, when can this be expected?**

The medical and social benefits and disbenefits of vaping are yet fully to be understood. The first stage of review will necessitate a review of available medical and social research and its commencement clearly depends upon the other priority work facing Health officials. A different approach may be needed where vaping is actively helping smokers to quit as opposed to where younger people may be taking up vaping for the first time. Fiscal policy may prove too blunt an instrument to influence behaviour: but this is what a review would establish.

**6. Is the cost of the compensatory allowance for those moving to independent taxation, which it is understood is yet to be finalised, accounted for in this Government Plan?**

The Compensatory Allowance carries no cost to the Exchequer as it simply ensures that Government does not take materially more tax from existing married people when they move into Independent Taxation.

An Exchequer Cost (currently estimated at around £4 million) arises in 2024 or 2025 where some existing married couples and civil partners will find that they pay less tax as individuals than they did as a couple. The Treasurer addressed this question in his evidence to the Panel on 12 October. As he explained, this cost is currently not within the Income Forecast. See also the references to this issue on p.145 of the Plan.

**7. Please can you out line the progress of streamlining administration rules for establishing economic substance of partnerships.**

Revenue Jersey is currently consulting with industry stakeholders in respect of the streamlining of tax administration for partnerships.

**8. When can Regulations to allow Jersey banks to provide information on interest returns to Jersey residents be expected, to allow for insurance of Accurate Tax Filing?**

Regulations to allow Jersey banks to provide information, for example, bank interest, to Revenue Jersey are almost ready and it is expected that they will be lodged during 2022 and take effect for the 2023 year of account. The draft Regulations have already been consulted upon with the banks and further socialisation of the measure with islanders is being planned for the coming months.

- 9. A review of the Business Interest Rules is outlined, with legislation expected in this year's Finance Law, a second phase considering whether to introduce a redesigned scheme is expected, could you outline this Minister?**

The current plan for Phase 2 changes to the business interest rules is to introduce a special scheme for groups of companies. One model being considered for these groups is the UK Loan Relationship scheme which allows tax relief for debt costs to be surrendered to other group companies without significant restriction, though the different tax rates applicable to Jersey companies mean a modified scheme will need to be introduced otherwise there is a risk of lost tax revenue. Revenue Jersey is currently consulting with industry stakeholders on possible designs for a corporate scheme.

- 10. What modernising proposals are being explored as phase 2 of the Review of Tax Residency? Is there any background report that might assist our understanding of this work please?**

Officials would be happy to brief the Panel as this work progresses.

Current personal income-tax rules are unclear, extra-statutory (Comptroller's concessions) and in many respects no longer fit for purpose in a modern tax system. The provisions that will appear in the Draft Finance Law (2022), if approved, will largely put existing concessions and practices on a certain and statutory footing where that is appropriate. Phase 1 will also introduce "day counting" and set out what constitutes "a day" for certain tax residence purposes.

We expect Phase 2 to include a public consultation on some of the remaining principles that currently exist in practice but are not set out clearly, or at all, in legislation. Options range from relatively modest amendments to the current legislation to the adoption of a comprehensive test of statutory tax residence. The right answer is somewhere between the two.

## **Revenue Programmes**

### ***Revenue Jersey Resources (OI3-26)***

- 11. The Panel notes that additional resources have been allocated to Revenue Jersey (OI3- 26) It would appear from the summary business case, that this is to improve the customer experience following additional pressure caused by COVID-19, how does this relate to the Target Operating Model of Revenue Jersey, including creating an efficient team and "one front door"?1 Does this replace or add to existing resource allocation such as Building Revenue Jersey Team (GP20-013-01)?**

The majority of this additional resource is the resourcing which the Minister decided to invest to help Revenue Jersey eliminate backlogs arising from its own transformation work and from the Lockdown. This was supported by the CSSP.

The Target Operating Model of Revenue Jersey is largely completed. As the Comptroller explained at the hearing on 12 October, Revenue Officers participate fully in the "one front

door” approach. All tax enquiries involving access to taxpayer’s confidential information largely remain handled by Revenue Officers working under the direction of the Comptroller.

**12. Are the previously estimated costs of £200,000 for the implementation of the Prior Year Basis tax reforms included in this programme?**

The full costs of changing systems and employing officers to manage the management of the frozen 2019 PYB liability remain estimated but will certainly exceed £200,000. Existing business cases reflect initial set-up costs.

The initial (unforeseen) set-up costs of circa £200k (funded from the Revenue Jersey Programme) in 2020 are recouped through this business case to be available for their original purposes. A sum of £350k was budgeted to reimburse the Building Revenue Jersey Programme of which circa £200k was allocated for the costs of PYB and an additional circa £150k for programme team costs diverted from programme work.

***Import GST Resource Requirement (O14 -03) and Import GST resources (O14 -04)***

**13. Why are there two separate programmes but only one business case for Import GST Resource, O14-03 and O14-04?**

Revenue Jersey is leading on the joint project with Jersey Customs & Immigration Service (in accordance with the Terms of Reference which the Panel has seen) and is responsible for advising the Minister for Treasury & Resources on GST Law. The two lines reflect amount in each department.

The extension of GST Registration to large offshore retailers is deemed cost-negligible for Revenue Jersey but increases the operating costs of Jersey Customs & Immigration Service. Those costs relate to an additional need for officers to manage a reduced de-minimis level; and also to make improvements to the customer portal in the CAESAR system. That Business Case is made by the Agent of the Impôts and is included in the Plan.

**14. The business case outlines that the reduction in de-minimis is estimated to raise c.£1 million in additional GST receipts, these programmes will cost around £350,000 per annum. Is this return reasonable?**

The Government Plan includes a prudent estimate of future revenues at £1.1 million from 2023 (against £300,000 costs in 2023). The actual return may be higher, for example the Report of the Review estimates future revenues above £1.5 million. That return – at the margin of GST collection on lower-value importations – is considered reasonable and an important safeguard given the trend towards increasing popularity of online retail. This matter is addressed in greater detail in the report of the Review which has been provided to the Panel.

**Insurance Premiums Increase and Inflation (O14-05)**

**15. £2.6 million is allocated to insurance premiums through a continuing programme (GP21- O14-02), why has a new revenue programme Insurance Premiums Increase and Inflation (O14-05), requesting around an additional £1 million, been put forward?**

a) **Why did the previous programme not include sufficient funding when they are based upon similar, if not the same, requirements?**

On renewal on 1 October 2021, the General Insurance portfolio increased by 6.5% due to reinsurance costs across the Property and Business Interruption (BI) sectors. There are a number of explanations to the above. This is primarily due to the hardening of the insurance market and some substantial claim resulting from the pandemic.

The insurance market was in a significant cycle of hardening prior to Covid-19. The global pandemic has compounded this. In previous years during a “soft cycle” in the insurance market it was much easier to insure risks and predict rate increases to premiums. It is also fair to say that the decades of a softer market led to relative lighter touch from insurers in securing accurate renewal information. Data is now recognised as much more valuable to insurers and this is reflected in the questions asked of clients during renewals. To illustrate this, Government had to produce answers to over 100 pages of questions from our brokerage and insurers in 2021. The data provided by the Government to the insurers has also been subject to additional challenge in 2022

Going forward there is a clear onus on good asset and data management as an integral part of Government’s robust governance and modernising programmes such as ITS will help to provide underpinning tool to support good-practice process. However this is not likely to be fully realised until at least 2023/24.

The insurance market remains challenging, volatile and hard to predict, with many insurers increasing deductibles, exclusions and withdrawing cover, including in respect of high areas of risk such as Cyber insurance. Government will continue to review its insurance approach in this changing environment, including considering where self-insurance is a better approach.

- 16. The business case identifies “One major claim arising as a result of Covid-19 during 2020 has eliminated this rebate and is forecast to adversely impact future premium renewals.”, is there risk that a similar claim arise again?**

The major claim in question is Covid-19 related and relates to business interruption. It is unlikely that a similar claim will arise again due to the fact the insurance market has introduced exclusions around infectious diseases to policies going forward, further to the recent UK Supreme Court case in the UK around BI cover relating to the pandemic.

- 17. The Panel was specifically told last year that if there were further unexpected increases in insurance requirement, departments would be expected to do their best to manage costs internally and, if this proved impossible, the General Reserve would be used, was this the case?**

The department is looking at its recharging structure for 2021-2022 based on previous years and taking into account claims made by the insured entities within the portfolio and total insured value. If internal insured entities find it impossible to absorb the costs on this basis, then further consideration will be made in terms of using the General Reserve.

- 18. The six-monthly report in 2020 identified that the Tax Policy and International team investment was complete, in the 2021 mid-year report it was identified as on track and due to be completed by 31 December 2024, could you please explain the status of this project?**

This business case related to increased staffing for the tax policy and international team to cope with increased workloads arising, for example, from the extended scope of the Common Reporting Standard. It ratified a baseline authorised by the last Government and funded at that time from Contingency. In that sense, the project to consolidate an increased

staffing complement and to staff it up has really been achieved although retention of people remains a key issue to manage

19. **The Panel was informed last year, by letter on 24 November 2020, that the Comptroller and the Treasurer would keep proposed reduction of funding of this programme under close review, with policy implementation costs of independent taxation and current year basis taxation, why has this funding not been increased?**

The Comptroller has made business cases relating to additional resources both for the projects to implement Independent Taxation and to manage the frozen 2019 PYB liabilities. These have been supported by the Treasurer and Ministers and are included within the draft Government Plan.

#### **Building Revenue Jersey Team (GP20-OI3-01)**

20. **The Panel notes that this Government Plan does not appear to allocate any funding to the previous programme “Building Revenue Jersey Team” (GP20-OI3-01), why is this? a. This removes an allocation of £1.5 million, how will Revenue Jersey be able to continue building its Team as the programme was due to be funded to at least 2024?**

The ‘Building Revenue Jersey Team’ reference had been reclassified to ‘Revenue Transformation Programme (Phase 3)’ and therefore the £1.5m allocation remains but under a separate programme title. Funding continues to be provided via GP22-IT-004 (Revenue Transformation Programme Phase 3). This is outlined on pg. 82 of the Government Plan.

21. **Last year the Panel expressed concern over the potential “phasing” of Revenue Jersey’s aspirations, is this evidence of tapering aspirations?**

Phasing – both of transformational change and revenue-policy-development - remains a key principle of our approach. This ensures that change is delivered in a way that does not overload our officers or the public.

- a) **Despite previously being delayed, is the programme now on track and seen as a business as usual activity?**

Transformation activities essentially become “business as usual” when they have been fully implemented (transformed); have been accepted into “business as usual” operations and become part of normal business operating procedures. For example, universal Current Year Basis (CYB) of paying taxes is now deemed to be “business as usual”.

#### **Government of Jersey bank charges (GP20-OI3-05)**

22. **The Panel notes no change in the allocation to Government of Jersey bank charges, it is understood that this could vary due to the changes in electronic payments made due to the reopening of sports facilities and charging of items such as parking fines, has this not been the case?**

The Covid-19 pandemic has accelerated the shift to digital payments as the payment channels of choice for many of our customers. Whilst the move to cashless payments in sports facilities has resulted in an increase in bank charges this has enabled efficiency savings to be realised in staff time for cash ups and banking. The bank charges budget is monitored closely and fee levels reviewed to ensure they remain competitive. The increase

in on-line and other digital payments is an enabler for the delivery of efficiency savings in service departments.

**23. Are the costs to the reduction in de-minimis fully covered by the new revenue allocations, and if so why is the original programme, GP20-OI3-06, still required?**

Funding is needed to cover staffing costs both of the existing de minimis level of £135 (from October 2020) and in future when the level is expected to reduce to £60. The business case in the draft Government Plan also includes funds to improve the customer portal in Caesar.

**24. It was highlighted in your letter of the 24 November 2020 that as financial management continues to improve and the investment in systems is delivered, there will be opportunities to improve the efficiency of external audit. When can these reduced costs be expected?**

Significant progress has already been made in the process for producing the States of Jersey Annual Report and Accounts (“AR&A”) as part of the ‘Faster Close’ project. While the headline focussed on the timing of producing the AR&A, this improvement in pace was delivered through an enhanced process that delivered higher quality and consistent supporting information to assist external auditors in their work. The new external Auditors Mazars provided positive feedback on the 2020 process.

The implementation of a modern and efficient financial system as part of the Integrated Technology Solution project will provide greater opportunity for a change in audit approach that should yield efficiency. Primarily, this will be through increased reliance on system-based controls that reduces the more labour-intensive substantive testing approach.

The new financial system is scheduled to ‘go-live’ in 2022 with the AR&A 2022 the first to be produced using the new system. The year of implementation is likely to involve additional audit work to provide assurance over the transition. The expected efficiencies in the external audit should be seen in subsequent years.

**25. The Panel notes that there has been a lower than forecast use of the Revolving Credit Facility, why has the allocation to the programme GP21-OI4-C-1, not been proportionally reduced?**

The financing costs detailed under “GP21-OI4-C-1” reflect the Government’s total anticipated borrowing costs for over the Government Plan period. At the time of Plan publication the Government’s only available avenue for borrowing was the Revolving Credit Facility, whilst it is recognised that other instruments may be put in place in due course, for example the refinancing of COVID debt. The costs of these instruments may vary, and a prudent approach to estimating both interest and other costs has been used. The costs are included on the Covid head of expenditure, and any unspent amounts would reduce the level of borrowing required for Covid. The budget is not available for general departmental expenditure.

**26. Last year the panel was informed that the Government is developing a more strategic approach to increase value for money when meeting insurance needs, why has this not resulted in a reduction in allocation?**

The department has developed an insurance strategy which is being implemented following the C&AG report. However, this is due to be revised and is awaiting the appointment of a Head of Insurance. The previous answers also highlight the difficulties in terms of the hard market and other factors in being able to reduce the allocation.



**Domestic compliance (Spend to raise) (GP20-OI3-03)**

27. **Despite uncertainty of the return from the Domestic Compliance programme, it appears that a larger than anticipated amount, some £10 million compared to £7 million has been documented. How is revenue return attributed to this programme recorded?**

Additional tax revenues arising from revenue-compliance work are reported separately by Revenue Jersey to the Treasury and forecasts of future revenues are separately considered by the Income Forecasting Group.

28. **The Minister indicated in her response to the Panel's previous report that Performance Measures to highlight the benefits of the programme "delivering effective financial management" would be included in the Business Plan for 2021, can the Minister highlight what benefits are being measured?**

The programme 'delivering effective financial management' builds on ongoing work as part of a three-to-five-year programme to support the substantial change needed to deliver the vision for Treasury and Exchequer, and enable it to fulfil its critical role in the Government, efficiently and effectively. It aims to increase levels of transparency and accountability which are critical to achieving this. This programme has included several projects in the 2021 Treasury and Exchequer Operational Business Plan:

- zero-based budgeting
- better business case training
- corporate governance framework
- integrated financial and performance reporting
- embedding finance business partnering
- improve financial management skills
- invest in our people – departmental
- financial maturity framework

Service measures that were included to examine the ongoing benefits of the programme included:

- % of financial monitoring reports delivered on time – departmental reports and corporate report (ELT and COM)
- % of reports/ papers assessed as high quality
- Average hours taken to produce month end report templates from ledger close
- % of departmental forecasts with underpinning data models
- % budget holders accessing standardised reporting packs

Other measures of benefits of this programme have been collated internally such as number of budget holders training in better business cases, hours of CPD offered to colleagues and uptake of Virtual College budget holder training.

- a) **What relation to zero based budgeting is included in delivering effective financial management?**

Zero based budgeting is a project that is part of the wider programme of delivering effective financial management. During 2021 budget was included for 3 members of staff to work on the ZBB project from quarter 2, totalling £186k. In 2022, the full year effect of this is a budget allocation of £265k.

**b) Does the project delivering effective financial management allow prioritisation of projects based on their ability to meet Common Strategic Policy Priorities?**

Projects that are part of the T&E Business Plan are prioritised for inclusion in part based on their ability to meet Common Strategic Policy priorities. There are also competing requirements for projects based on legal requirements (e.g. changes in laws / accounting standards) and C&AG, PAC, Scrutiny and audit recommendations.

The Government's investment framework requires that business cases for projects clearly set out a strategic case that includes explicit consideration of the alignment between the project's objectives and the Common Strategic Policy (CSP) Priorities. This allows for prioritisation on the basis of the extent to which projects will contribute to the delivery of CSP priorities alongside other key prioritisation criteria including value for money and risk.

**Expenditure**

**29. Following our previous Quarterly Hearing, has the Minister been made aware of the total allocation to Information Technology projects in the Government Plan, a figure was stated as £55 million across programmes?**

Yes, we are aware. The projects section of the Government Plan outlines total spending on information technology projects (including Major Projects) of approximately £55 million (the precise amount being £54.319 million).

**a) Has there been identification of the difference as previously proposed?**

The updated programme in the Government Plan 2022-2025 reflects:

- The incorporation of amounts previously included in the Technology Transformation programme and other revenue investments that relate to the projects (~£11m)
- The updated budget requirement for ITS
- A general reprioritisation and rephasing of IT projects

**The Panel has calculated that all Information Technology projects and programmes to be potentially allocated £70.9 million in 2022, and £165.2 million over the course of this plan. Is this an acceptable figure?**

We do not recognise the analysis of projects provided by the Panel. Notwithstanding, there is significant investment in IT in this Government Plan (and over the previous two plans) in order to address historic under-investment in this area. The total amount of investment has been determined through the planning process with reference to both the pressing need for investment, the available funding and the organisation's capacity to deliver.

**b) Could the Minister commit to providing this data and comparison to evidence to the Panel calculations?**

Information on IT spending is set out in the Government Plan (for example, the Projects section in Part 5). If the Panel can clarify the additional information it is seeking, we will look into what else can be provided.

**c) The Panel notes the request for additional expenditure on the Integrated Technology Solution, for an additional £22.4 million for 2022 and 2023 bringing**

**the total allocation to £35.2 million over that period. What are you doing to ensure this project is providing value for money?**

The Government Plan (page 132) sets out in some detail the rationale for spending on the Integrated Technology Solution. The Full Business Case revalidated the need for the programme, along with the relevant costs and benefits, and has been subject to a review by the C&AG. Robust programme governance is in place to ensure that all spending on the programme delivers value for money.

- 30. Could you please clarify the drop in spend concerning the CSP “reducing inequality”, does the removal of COVID items, such as the Co-Funded Payroll Scheme account for all of the reduction?**

Reduced temporary spending on the Co-Funded Payroll Scheme and Covid Income Support costs represents part of the reduction in spending on CSP4 (£18m). However, this is offset by additional investment and inflationary increases to benefits totalling £4.3m. In addition, we have improved the mapping of expenditure to CSPs to better reflect the relative contributions to individual CSPs. Restating Table 3 of last year’s Government Plan Annex would show total spending on CSP4 as £111.5m and not £161.5m.

- e) What is being done to ensure that inequality does not increase in the coming four years?**

The actions and initiatives that the Council of Ministers is taking to reduce income inequality are set out in Part 2 of the Government Plan (CSP4, pages 62 – 65).

- 31. The modernising government spend is set to fall, to what extent does that represent the completion of a programme of work against a reduction in programme spending?**

Table 3 of the Government Plan Annex outlines that total forecast spending on modernising government over the period 2022-2025 is due to reduce from £89.2m in 2022 to £49.6m in 2025. This is mostly driven by the profile of planned spending in the Projects section of the Plan, which moves from £51m in 2022 to £3.8m in 2025. This reflects the completion of programmes such as MS Foundation and Integrated Technology Solution over the period.

- 32. A number of programmes such as the Covid-19 helpline or Disposal of Recycling Materials are not costed and the Government Plan merely states that these will be “funded as required”. Could you please clarify where funding for these projects will be drawn from?**

Estimated costings for Covid projects held centrally are set out in Table 9 on page 122 of the Government Plan. This includes £500k for the Covid Helpline.

For non-Covid investments in 2022-2025 with costings which are subject to uncertainty funding has been allocated in the General Reserve rather than departmental heads of expenditure. This is explained on page 124 of the Government Plan, which includes a list of the initiatives that this will apply to. The total amount held in the Reserve is detailed in table 12 on page 125 of the Government Plan. This ensures that the current estimates of costs are included in calculating surplus/deficits, borrowing requirements and the consolidated Fund balance. These can be reallocated into departments in future government plans as required.

- f) Why have business cases not been included?**

Business cases were prepared as part of the process for developing the government plan and form the basis of the provision in the reserve. However, the uncertain nature of the initiatives or the amount of funding likely to be required means that a grouped amount has been used.

**g) Are there any estimates of the potential cost of each project?**

Estimates of the potential cost of the initiatives are included in the supporting business cases, but remain uncertain. The amounts included in the General reserve are shown below:

	Type	2022 (€000)	2023 (€000)	2024 (€000)	2025 (€000)
AME Contingency	AME	2,000	2,000	2,000	2,000
Demographics SEN	AME	2,000	2,238	2,476	2,730
PECRS pre-87 debt	DEL	966	1,445	1,950	2,480
DEL Contingency	DEL	5,026	5,043	5,384	5,367
Disposal of Recycling Materials 2023-2025	DEL	0	200	200	200
Hazardous Waste Disposal 2023-2025	DEL	0	1,250	1,250	1,250
Glass Contract 2023-2025	DEL	0	468	260	260
Future Fisheries & Marine Resources Management	BREXIT (DEL)	263	253	238	238
UK/EU TCA Biosecurity Border Controls	BREXIT (DEL)	1,539	1,532	1,378	1,394
Brexit Transition - JCIS Legal & Policy Principal Post	BREXIT (DEL)	172	172	0	0
<b>General Reserve Contingency</b>		<b>11,966</b>	<b>14,601</b>	<b>15,136</b>	<b>15,919</b>

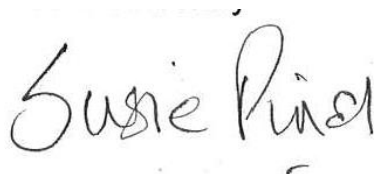
**h) Will this funding not impact upon the balance of revenue and expenditure?**

The funding for these initiatives is provided for in the Reserve, which is included in total expenditure and will therefore not impact on the overall balance.

**33. In response to recommendation 1 of last year’s report by the Panel it was suggested “Additional performance metrics will be set and published once general-administration modules implementing later phases of the new Revenue Management System are implemented, over the next year or so. [by 30/5/2022]” is this on track to be in place?**

Yes it is. More metrics will be provided in the T&E Departmental Plan for 2022.

Yours sincerely



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