

19-21 Broad Street | St Helier
Jersey | JE2 3RR

Deputy Geoff Southern
Chair, Efficiencies Review Panel
Scrutiny Office
States Greffe
Morier House
St Helier
JE1 1DD

12th October 2020

Dear Deputy Southern,

Thank you for writing to me on 14th September 2020, and apologies for the delay in submitting the response. Please see the below answers to your questions:

“Now that Ministers have had time to digest the 6-month progress report on the Government Plan, the Efficiencies Review Panel is seeking comments on how the departments under your remit have fared with the efficiencies ‘savings’ made on their budgets. The Efficiencies Programme commenced in December 2019 but was paused in March 2021, so that resources could be reallocated to respond to the Covid-19 outbreak. £21.5 million had already been removed from the departmental budgets in line with the Programme. Departments were told if they couldn’t find the efficiency savings in the way envisaged, to find the money elsewhere.”

1. Can you explain what impact that has had?

CYPES has already identified £1.1m of efficiency saving from 2020 onwards. The redirection of officials’ time to the CV-19 response has impacted delivery and there is still a requirement to deliver a further £2.4m. The shortfall in delivering the efficiency target set for 2020 will be met from underspending against growth projects that has occurred as a result of the lockdown period.

Work is underway to deliver recurring efficiencies; however, this is just later than planned. All unmet efficiencies will be rolled forward to 2021 as part of the CYPES commitment to rebalancing the Government’s finances.

2. Have you been able to meaningfully separate the effect of Covid-19 on budgets from the impact of efficiencies? – if so, how?

It has been possible to identify the efficiencies delivered during 2020 and those efficiencies not delivered. It has also been possible to identify the impact of COVID-19 on CYPES budgets, both in terms of costs and underspends in projects resulting from the pandemic. This has been achieved through a process of identifying underspends, particularly resulting from new growth areas (as part of the 2020 Government Plan) and identify costs relating to COVID and coding accordingly. The Department’s Finance Business Partner has been working with Directors and the Director General throughout the pandemic to ensure that a consistent approach is taken, as is the case across Government.

“The Review Panel will be asking the Chief Minister about the restructured programme for 2021, that will concentrate on cross cutting measures and be run by the Executive Leadership Team, made up of the Directors General. He previously told the Review Panel that the Team would concentrate on five key areas: • modern and efficient workforce

- organisational structures*
- shaping demand (volume and methods of customers accessing services)*
- processes and systems*
- commercial operations (including cost recovery and working with Arms’-Length Organisations (ALOs))”*

3. Can you advise what work you have done with your departments to prioritise these areas and how much in efficiencies are you going to make?

These 'key areas' offer lenses through which to look at the organisation to identify efficiencies and other re-balancing measures. They have neither been prioritised at a Government of Jersey nor CYPES level. I currently have three efficiency areas which have been identified to be prioritised in 2021. These will be proposed in the 2021 – 24 Government Plan.

4. Have you dovetailed zero-based budgeting exercise to transform services?

The zero-based budgeting programme (ZBB) has already initiated work with both the Treasury & Exchequer and Health & Community Services departments in 2020. CYPES is expected to initiate its ZBB work during the latter part of 2020 and into 2021.

Opportunities for efficiencies and other re-balancing measures, alongside opportunities for service transformation, will be identified through that exercise and will inform future service and financial commitments. This will include further work to transform the Children’s Service.

5. What impact has the efficiencies programme had on departmental workforce - for example, is the decrease in expenditure derived from an inability to recruit offset by an increase in overtime and/or the requirement to retain agency and/or fixed term contract staff?

Directors have reported no adverse impact on the workforce from the delivery of c£1.1m of efficiencies in 2020. As stated above, the remaining shortfall in efficiencies has largely been managed by underspending on growth which is a direct consequence of COVID.

6. Have you been able to measure the impact that the efficiencies are having on the workforce, both qualitatively (such as health issues, time off, staff morale) and quantitatively (job cuts/reduction in hours)?

By year end it is expected the impact of the 2020 efficiencies programme will have had minimal impact on the workforce. The efficiencies which have been achieved have been straightforward to implement and budget reductions have been made without impacting staff.

An assessment of staff morale and wellbeing will be made once the department receives its output from the 'Be Heard' survey. This will be considered alongside plans to deliver any efficiencies rolled over from 2020 and those approved for 2021.

7. What progress have you made in identifying new efficiencies for the Recovery Plan/new Government Plan?

We continue to engage fully with the Government's budget re-balancing work and detailed proposals for efficiencies and other re-balancing measures will form part of the Government Plan 21 - 24.

In 2021 I have proposed a number of efficiencies and other rebalancing measures totalling £555,000. These cover five separate items and include reviewing budgets to better align with service demand, transformation to deliver enhanced services at a lower cost and the short term deferral of some policy development. More detail is contained in the draft Government Plan 2021-24 shared with Scrutiny recently.

Yours sincerely



Senator Sam Mézec
Minister for Children and Housing
D +44 (0)1534 440624
Email s.mezec@gov.je