

Chief Minister

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Senator Kristina Moore  
Chair, Corporate Services Scrutiny Panel

BY EMAIL

24 November 2021

Dear Chair,

Thank you for your letter of Wednesday, 27 October. Owing to the volume and nature of the questions, it has unfortunately taken longer than anticipated to provide the Panel with the answers required. I received the first full draft of this response on Wednesday, 17 November and did wish to ensure that Scrutiny was provided with the most appropriate answers to the questions posed. As you will be aware, I have also been in London for several engagements including for Remembrance Sunday and a meeting with the Prime Minister, and latterly to attend the Summit of the British Irish Council in Wales last Thursday and Friday.

- 1. In the public hearing you outlined the establishment of a new Health and Social Recovery Fund, could you please provide the Terms of Reference for the associated Political Oversight Group?**

The Terms of Reference is attached.

2. Please could you provide a breakdown by department of Government of Jersey employees numbers, vacant positions and departures in the years 2019, 2020 and 2021 to date.

Department	2018		2019		2020		Jan - Oct 2021		2018	2019	2020	Jan - Oct 2021
	Av. Headcount	Leavers	Av. Headcount	Leavers	Av. Headcount	Leavers	Av. Headcount	Leavers	Leavers	Leavers	Leavers	Leavers
Chief Operating Office	175.5	35	179.4	23	184.6	12	255.9	20	19.9%	12.8%	6.5%	7.8%
Children, Young People, Edu & Skills	2,018.4	162	2,173.4	137	2,291.7	147	2,347.8	156	8.0%	6.3%	6.4%	6.6%
Customer and Local Services	247.8	20	248.8	24	267.4	22	312.1	20	8.1%	9.6%	8.2%	6.4%
Health and Community Services	2,437.8	188	2,318.7	143	2,388.4	235	2,461.9	170	7.7%	6.2%	9.8%	6.9%
Infrastructure, Housing and	587.7	37	578.9	61	580.3	28	581.5	36	6.3%	10.5%	4.8%	6.2%

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Environm ent												
Justice and Home Affairs	712.6	65	713.2	53	771.8	56	832.2	89	9.1%	7.4%	7.3%	10.7 %
Non- executive s and legislatur e	247.0	25	255.2	23	258.5	17	262.4	14	10.1 %	9.0%	6.6%	5.3%
Office of the Chief Executiv e	66.3	17	88.5	12	98.3	9	110.3	9	25.6 %	13.6 %	9.2%	8.2%
Strategic Policy, Planning and Performa nce	80.9	4	80.5	9	91.3	7	95.7	6	4.9%	11.2 %	7.7%	6.3%
Treasury and Exchequer	236.3	31	222.4	32	258.3	21	294.1	24	13.1 %	14.4 %	8.1%	8.2%
<b>Total</b>	<b>6,798.5</b>	<b>584</b>	<b>6,843.8</b>	<b>517</b>	<b>7,167.2</b>	<b>554</b>	<b>7,533.0</b>	<b>544</b>	<b>8.6%</b>	<b>7.6%</b>	<b>7.7%</b>	<b>7.2%</b>

The provision of vacancy data would be inaccurate as the systems maintenance and configuration over the years has changed. Poor maintenance between 2018 and 2020 has meant the vacancy numbers are not reliable. We are completing vacancy reconciliations at present and can provide more accurate data for current vacancies in December.

## Revenue Programmes

### Migration Policy (GP20-CSP3-2-09) and Migration Policy Implementation (GP20-CSP3-4-02)

#### **3. There is no change in the Migration Policy allocation, has the delay in its production not impacted revenue requirement?**

The migration control project remains on budget. The budget includes operational staff costs for 2022 onwards. Some of the 2022 allocation may be used to support project staff costs, as needed, prior to the recruitment of operational staff.

#### **4. The summary business case for Migration Policy Implementation (GP20-CSP3-4-02)<sup>1</sup> indicated that “a savings proposal in the 2021 Government plan seeks to increase the fees collected under the Control of Housing and Work Law to provide an additional £600,000 of annual income”. Could you provide a breakdown on how this will be achieved?**

The details included in the business case were prepared before the final version of the GP was confirmed and this initiative was not carried through to the final version of the GP.

### Census 2021 (GP20-OI1-01)

#### **5. Could you please confirm that no further funding for the Census is required in 2022?**

GP20-OI1-01 allocated £250,000 in 2020 and £450,000 in 2021 for the census (£700,000 in total). The publication of the 2021 census results will (as for the 2011 Census) run into the early part of the year following the census (2022 for the 2021 Census). The key census results will be published in Q1 and Q2 2022, as already included in Statistics Jersey’s release schedule.

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<sup>1</sup> [Government Plan 2021-24 Annex, P.71](#)

In practice the spend on the census will be:

2020 - £106,656 actual spend

2021 - £506,000 forecast spend

2022 – £50,000 estimated

The total cost of the census is estimated to be £662,656 - around £37,000 less than the total budget allowed within the 2020 Government Plan. However, the spend profile by year has turned out differently from the profile in the original business case.

This profiling issue has been managed by allowing underspends in 2020 and overspends in 2021 and 2022, which were offset by underspends elsewhere within SPPP.

### **Commercial services - enhanced capabilities (GP20-OI3-02) and Commercial services – restructure (GP21-OI3-15)**

#### **6. It appears funding requirement for commercial service revenue programmes have stabilised, will these be ongoing costs moving forward**

Yes, these costs are ongoing.

GP20-OI3-02 was to stabilise the service, with GP21-OI3-015 supporting the implementation of the new target operating model, the budget included additional funds over and above the ongoing costs over

21/22 to support additional resource to support the implementation of the TOM.

#### **7. Are these programmes on track?**

The programme has been impacted by recruitment challenges and significant activity relating to the COVID-19 response.

The Target Operating Model design was completed, but the core programme has been re-baselined for the aforementioned reasons and is progressing at pace with a significant amount of work in design and development to both improve commercial capability and implement enhanced processes and governance to enable and protect colleagues across the organisation. This forms part of the 4-year transformation plan.

It should be noted that in relation to the restructure – the first phase has been implemented but resourcing of positions is ongoing, and unfortunately procurement and commercial skills are in high demand across sectors and jurisdictions at the moment.

Whilst it was recognised that this would require specialist interim skills at the start, we had hoped to have been in a more resilient position from a permanent recruitment by now and are looking at ways in which we can turn this position around.

### **Enabling policy excellence (GP20-OI3-04)**

#### **8. Will £80,000 be the ongoing cost of the programme enabling policy excellence?**

Enabling policy excellence (GP20-OI3-04) was provided with £80,000 to support the Government of Jersey's ambition to provide world class policy development. This funding is required on an annual basis, so it is correct that it will be an ongoing investment in the policy function. The distribution was £20k in 2021, £60k in 2022, and £80k in each of the years 2023, 2024 and 2025.

The Government's Head of Profession for policy is Paul Wylie, Group Director for Policy in SPPP. During 2021, this fund has supported the introduction of a new set of policy standards for each grade of policy staff, a new policy graduate scheme for Islanders commencing in Quarter 2 2022, and new training opportunities. A monthly Senior Leaders Group provides guidance for the work and encompasses associated departments such as the Ministerial Support Unit and the States Greffe.

### **Modernisation and Digital - enhanced capabilities (GP20-OI3-09)**

#### **9. Funding for Modernisation and Digital - enhanced capabilities (GP20-OI3-09) has been redistributed, taking £600,000 estimated spend in 2024 and splitting it between 2022 and 2023, why has this occurred?**

Based on the recruitment plan for the Target Operating Model and the need to fill in vacancies, the M&D Department needed an appropriate funding year on year. The per annum growth allocated has been reviewed by the Head of Transformation to:

- ensure feasibility,
- attract necessary staff, and
- meet skills and salary expectations.

The growth reaches its full BAU cost at £6m in 2025 rather than the original 2024 plan based on the recruitment plan, increment and grades. The department needed the flexibility to add additional roles as gaps as shortages are identified with the new requirements coming from the TOM.

				2021 Revised Allocation	2022 Revised Allocation	2023 Revised Allocation	2024 Revised Allocation	2025 Allocation
2021 - 2024 GP	GP20-OI3-09	Modernisation and Digital - enhanced capabilities	Modernisation & Digital - Target Operating Model	5,000	4,950	5,050	6,000	6,000
Re-profiled	GP20-OI3-09	Modernisation and Digital - enhanced capabilities	Modernisation & Digital - Target Operating Model	5,000	5,200	5,400	5,400	6,000

### People and Corporate Services - enhanced capabilities (GP20-OI3-10)

**10. There is a reduction in budget allocations for the programme People and Corporate Services - enhanced capabilities (GP20-OI3-10), equating to £1.5 million over 2022- 24, what has allowed this?**

The People and Corporate Services Target Operating Model set out transition phases including 'stabilise', 'sustain' and 'strategy'. These phases support the department in being able to develop following from years of under investment. During the 'stabilise' and 'sustain' phases People and Corporate Services appointed a number of interim resources, as the department develops, and as succession planning takes place these interim appointments will no longer be required.

**a. Reduction in budget requirement also took place in the previous Government Plan, are there continuing issues in recruiting to the Target Operating Model?**

People and Corporate Services experienced delays in recruitment during 2020 due to the reallocation of resourcing during the Pandemic, this is no longer an issue and recruitment to the remaining roles within the Target Operating Model is steadily progressing.

**11. The Panel has made a number of recommendations as part of its People and Culture Review, such as enhancing the People Dashboard which has been accepted, is there sufficient funding allocation in programmes to meet these?**

**a. How will they be prioritised?**

Prioritisation for accepted recommendations has been outlined in Appendix 1 of S.R.12/2021.

Additionally, the People Strategy Plan for 2022 has now been published and sets out the direction of travel for the key activities, many of which address the recommendations and observations within the Review.

### **Supply Jersey (GP20-OI3-12)**

**12. Is it still the intention that the release schedule for ITS would see the Supply Jersey system fully decommissioned by the end of 2023?<sup>2</sup>**

The operational use of Supply Jersey is expected to cease in 2022 as part of Release 1 of the ITS Programme. Read-only access will need to be retained post go-live of Release 1 to deal with queries and to support the 2022 year-end audit. We still expect that the system will be fully decommissioned by the end of 2023.

### **Supporting OneGov (GP20-OI3-13)**

**13. The Panel notes that no further funding has been proposed for “Supporting OneGov” (GP20-OI3-13), it was believed that the TDP contract would be extended to run until 31/03/2022. Where are these costs shown in the Government Plan 2022-25?**

**a. Could you please confirm that the Team Jersey programme is now being run in house?**

The TDP contract was extended to run until 31/03/2022 but with no additional budget allocated to fund the extension. The People and Corporate Services budget has absorbed this cost from within its existing budget provision. Work is in train to transfer the Team Jersey programme back in-house and into People and Corporate Services by the end of the calendar year. It is intended that the suite of Team Jersey Leader and Colleague Workshops will form part of an ongoing and ever developing wider curriculum of learning interventions that are available for staff to attend based on a demand / learner-led approach. There is now in-house capability in place to deliver these workshops.

### **Technology Transformation Programme (GP20-OI3-14)**

**14. Funding requirement for the Technology Transformation Programme has reduced considerably for the 2022-23 period, why is this?**

Funding previously included in the TTP for a number of IT projects has been moved into GP22 and is now held in the Projects section of the Plan. The overall reduction in 2022 is £9.846m. Of this amount, £8.596m has been transferred to Projects. The balance of £1.25m represents a reduction in the cost of the TTP in relation to CRM. The transfer of funding to the Projects section of the Plan explains the increases referred to in some of the questions below.



The Business Case for TTP was originally drafted in 2019 with multiple estimates based on pre-discovery. The discovery stage commenced in 2020 and 2021, taking into consideration delay due to the demand of support for COVID-19. The initial Outline Business Case was reduced to meet the needs of other Government of Jersey activities, including COVID-19 expenditure. As the discovery continued, budget was transferred from TTP to specific project requirements.

Whilst projects are in progress, all project costs are now accounted for in the project Head of Expenditure (HoE). A shortfall has been recognised from 2023 onward and a business case will be drafted in due course in order to request additional funding.

Proposed Gov Plan 2022-2025	2020	2021	2022	2023	2024	2025	Total	Total GP 2022-25
MS Foundations	1.06	3.30	-	4.87	5.84	5.84	25.37	16.56
Shortfall MS Foundation	0.00	(0.05)	-	(1.14)	(3.54)	(2.69)	(4.90)	(7.37)
Total MS Foundation	1.06	3.25	-	3.73	2.30	3.15	20.47	9.19
Cyber Security	-	0.50	-	1.60	2.22	2.22	7.71	6.04
CRM	-	-	-	-	-	-	-	-
Health (EPR)	-	0.82	3.80	4.55	4.43	4.03	17.63	16.81
Benefits Administration & Payments System	-	-	-	-	-	-	-	-
Service Digitisation	-	-	-	0.75	0.75	0.75	3.00	2.25
Integrated Technology Solution	-	-	-	-	1.92	1.47	6.99	3.39
Electronic Document & Record Management	-	-	-	-	0.70	0.70	2.80	1.40
Contingency	-	-	0.99	-	-	-	-	0.99
<b>Total</b>	<b>1.06</b>	<b>4.57</b>	<b>4.79</b>	<b>10.63</b>	<b>12.32</b>	<b>12.32</b>	<b>58.60</b>	<b>40.07</b>

**a. Could you please outline what the annual budget of £12.3 million from 2024 will be used for, and if this will be a stable cost?**

The £12.3m budget, was originally identified to cover several projects within the Technology Transformation Programme: MS Foundations (£2.3m); Cyber (£2.22m); Health (£4.43m); Service Digitisation (£0.75m); ITS (£1.92m); EDMS (£0.7m).

MS Foundations will require additional revenue spending from 2024. This is the result of decisions made during discovery and early delivery.

- The original plan included 4,000 employees as there were different IT budgets for Health and Police employees, We have since incorporated these organisations into the central plan including specific security compliance required to work seamlessly with UK National Policing standards.
- The addition of the 'evergreen' Microsoft Managed Desktop, that supports the Cyber Security programme.
- Additional spending to support Microsoft Cloud Storage and Computing.

In summary, there will be annual spending of £3.5m above the original £12.5m from 2024 onwards to take into account the additional scope of people and service. This is required to deliver and maintain business services and to address the significant technical debt that was found during the discovery work in 2019 and 2020.

**b. When will monetary benefit of the TTP be identified and how will they be reflected in the Government Plan?**

The TTP was developed to address the technical debt that gave significant risk to the Government of Jersey. The TTP is targeted at reducing risk to the Government of Jersey by putting in place modern infrastructure and applications to support key citizen and employee services.

**Re-organisation Ministerial Support Unit (GP21-O13-17)**

**15. The Ministerial Office has a vacancy of 0.5 FTE at this time, as part of managing its vacancies and overall budget. This vacancy will be filled in the next few months.**

**a. Is there still the requirement for the full funding allocation?**

No additional funding is being sought for the Ministerial Office in the 2022 Government Plan, given the general need for financial restraint in public spending. However, the full funding allocation is still required as the work involved in supporting Ministers remains considerable, as the Ministerial Office perform a crucial function in bringing together the range of issues for Ministers and are the conduit for work with the States Greffe.

In 2021, for example, additional work has been required in relation to the delivery of the Hospital Project, and the effective management of the fisheries issue, as well as the ongoing pandemic response and other matters. While efforts continue to improve efficiency, including use of Microsoft Teams functionality to automate processes, capacity issues do remain.

**Re-organisation Communication (GP21-O13-18)**

**16. Is there the possibility to reduce the funding requirement of Re-organisation Communication (GP21-O13-18)?**

Currently, the budget for the Communications Directorate is entirely made up of staff costs with no funds for supplies, advertising or learning and development. The Directorate aspires to reduce its cost but currently this would result in other departments spending their own budgets on communication campaigns. This could result in overspends, inefficiencies and the use of off-Island agencies, all of which the Directorate has been very successful in preventing over the last two years. By having a central communications function, run and managed by professionals, there is less waste occurring in other parts of the organisation and more work can be done in-house, on-Island and for less money. The Directorate is looking at expanding its recharge and commercial model to increase its efficiency, reduce external communications and marketing spend across the States of Jersey, and to provide greater learning and development for officers who can then take on other tasks currently being done by agencies.

## **Office Modernisation (OI3-21)**

**17. It is understood that £5 million was an estimate of rent payable on the new government office, why is this reduced in 2024 and deferred to 2025?**

In Autumn 2020, when approving the Government Plan 2021 – 2024, the expected completion date for the new office building was early 2024. The lodging by the Scrutiny Liaison Committee of Proposition P.18 / 2021, and subsequent debate by the States Assembly, resulted in a delay to the appointment of the Development Partner. Accordingly, the completion date of the new building was delayed until Summer 2024.

The Government only commences paying rent when it occupies the new building. Therefore, the amount of rent that it is presently envisaged will be paid in 2024 has been reduced (to reflect the impact of the delay when compared to that approved in the Government Plan 2021 – 2024).

There is no rental deferment until 2025; the rental allowance forecast for 2025 is shown in the Government Plan for the first time (as the forecast spend covered by the Government Plan 2021 – 2024 went up to 31 December 2024).

**a. Why is there no indication as to whether the option to purchase is likely to be taken?**

The default position under the development agreement is for the States to lease the office for a total of 25 years. There is an option to purchase the new building, but this would require a States decision to allocate funding for this purpose. The purchase option cannot be executed until the building is complete, and the option will expire in at the end of July 2027. This is a matter for a future Assembly, and at present no funds are requested in the Government Plan 2022 – 2025 – which assumes the rental of the building.

## **Income and Expenditure Survey (CSP4-3-03)**

**18. Did the programme Income & Expenditure Survey (CSP4-3-03) receive preliminary funding in 2021? The summary business case outlines “This project is a one-off requirement spanning the years 2021, 2022, and 2023”**

As a result of the amendment to amendment 17 of GP21, £150k was allocated to SPPP, split £120k for the Living Costs and Household Income Survey (aka Income and Expenditure Survey) and £30k for the poverty strategy.

This is referenced on p212 of the Government Plan 2021-24 [ID Government Plan 2021 to 2024 CB.pdf](#) and says “the Total Revenue Head of Expenditure for Strategic Policy, Planning and Performance shall be increased by £150,000 to provide funding for Statistics Jersey to undertake additional surveys and analysis as needed to complement

the results of the 2019/2020 Living Costs and Household Income Survey and to provide funding to develop a Poverty Strategy.

## **Capital Projects**

### **MS Foundation (major project)**

**19. The Panel notes an additional request for £4.4 million in 2022, why is this when it had been previously identified that a reduction in cost was anticipated?**

MS Foundation will not receive new funding but receives a transfer of funds from TTP as introduced in Q14.

**a. What has been the total cost of the project?**

The total cost of the project as at September 2021 is £3.5m (including £1.9m in 2020). The anticipated cost to completion is £7m of capital costs (which is £2m less than what was included in the 2020 Government plan) and £4.446 revenue costs transferred from TTP to cover the Microsoft licencing costs for the period of the Government Plan. The revenue requirement will be ongoing and resubmitted for subsequent plan cycles.

### **IT for Migration Service**

**20. The panel notes that there has been no requirement for further funding to the previous project “IT for Migration Service”, has it been fully completed and are there no ongoing costs?**

The Migration controls IT project is well underway. The funding of £1M will cover the full project. The project is not yet complete. Ongoing costs will be incorporated into the CLS departmental budget.

### **OneGov Office**

**21. Why has the investment requirement for the One Gov office been delayed into 2024?**

There is no delay in the investment by the Government into the new office development (the Government has been working on this project since 2019, and all spend to date is considered an ‘investment’ in the delivery of a modern, efficient public sector). Under the terms of the development agreement between the Development Partner and the Government, the Government does not pay rent on the new building until it is completed. This is presently scheduled for Summer 2024. Therefore, until this date, the only capital costs allocated to the project are the Government’s project costs. After this date, rent will

be due, and the revenue costs associated with this are included for in the Government Plan 2022 – 2024.

**a. Why is there an additional cost of £473,000?**

The lodging by the Scrutiny Liaison Committee of Proposition P.18 / 2021, and subsequent debate by the States Assembly, resulted in a delay to the appointment of the Development Partner. This has resulted in the Government incurring additional project costs to support the continued project management to the present planned completion of the project in Summer 2024.

**Integrated Tech Solution (Major Project), ITS Release 3 & 4 and ITS Release 3 Additional**

**22. It would appear the ITS project has been updated to require an additional £22.48 million over 2022 and 2023, bringing total allocation to £35.28 million for those years, why is this?**

The 2020 Government plan included an initial assessment undertaken in the Outline Business case prior to engaging in the procurement process. The understanding of the Programme costs has evolved significantly since the Outline Business Case. A Full Business Case has been developed consolidating our enhanced knowledge of the Programme and the costs associated with it. The estimated costs from 2021 onwards are now £63m which was made publicly available in March this year and are reflected in the updated numbers included in the 2022 Government plan draft.

**a. Why were these costs not previously identified and is it acceptable to continually increase budget?**

The initial OBC was an estimate prior to the procurement activity and full market engagement. The costs have not increased since the public announcement in March.

**b. Are the benefits of this project smaller than first anticipated? i. What will be done to ensure that the benefits are effectively tracked?**

The business case has been built to address the technical debt, as the investment is required to remove the risk of running systems that have not been updated since the early 2000s. The project is managed through the CPMO which tracks all committed benefits.

## **Electronic document management solution**

### **23. The funding requirement for the electronic document management solution has almost doubled to £3.9 million, why is this?**

The funding requirement has not increased overall. The figure included in the Government Plan represents a reprofile of spending and a transfer from the Technology Transformation Programme. The overall project in 2021-2024 was £2.5m in the Project/Capital Head of Expenditure and £2.8m revenue allocation from the TTP. In the 2022-2025 Government Plan £0.5m has been postponed to 2022 from 2021 in the Project Head of Expenditure. In addition, there is a transfer of £1.4m from the TTP across 2022 and 2023 to the project. I can confirm that funding for Electronic Document Management Solution remains the same, just a change of funding allocation.

#### **a. What has been spent to date?**

Nil. The £0.5m budget from 2021 has been postponed to 2022

## **Cyber (Major Project)**

### **24. There is a request for £3.1 million additional funding for the Cyber Security major project, what necessitates this increase?**

The Cyber Security project has not increased Government Plan spending as it includes £2m agreed capital deferral from 2020 to 2021 and £1.1m revenue transferred from the TTP.

### **25. Is there no ongoing capital requirement past 2022?**

There is currently a re-planning exercise underway. However, it is expected that there will be capital costs in 2023.

### **26. The project was initially budgeted £13.7 million and to be completed by the end of 2021, what is the current budget, spend, and anticipated completion date?**

The budget included in GP22 is £14.97m, which is comprised of the original budget of £13.8m and £1.17m transferred from TTP. £7.7m has been spent up to the end of September 2021. It is anticipated that the project as planned will complete in 2023.

## **COO Replacement assets**

### **27. Were any technology assets replaced as part of the MS Foundations project, if so, why is there further funding for COO Replacement assets?**

The MS Foundations project was targeted at replacing old applications with modern Microsoft products. The asset replacement budget has been used to replace end-of-life hardware assets including datacentre and end-user requirements.

## **Our Hospital (Major Project)**

### **28. Should the Our Hospital Project costs be lower than anticipated will the amount attributed in the next Government Plan be reduced?**

The Our Hospital Project is a major project as defined by the Public Finance Law. This means that there is a requirement to review the financial requirements of the project throughout the year and as part of the financial year end process. This review will inform future Government Plans as they will need to reflect any changes to the overall cost and any amendments will be reflected in the next relevant Government Plan.

### **29. Given the scale of the Our Hospital Project in terms of money, official resources and its impact on capital spending and borrowing would it be more accurate to frame the whole of the Government's programme principally around the hospital project?**

While the Our Hospital Project is a significant project for the Government in scale and benefit to the Island, it would not be more accurate to frame the whole of the Government's programme around the project. This is because the Common Strategic Priorities of the Government have a range of outcomes which require investment, and this is reflected in the overall capital programme. This includes investment in our Island Infrastructure, Schools estate, modernising Government through technology and smaller, critical investments such as investment in the Inspiring Active Places initiative.

In the context of the total capital programme, the Our Hospital Project is £724m and represents 65% of that capital programme over the period of the Government plan with £85m due to be spent in 2022.

Yours sincerely,



**Senator John Le Fondré**  
**Chief Minister**