

2018.12.03

**17 Senator K.L. Moore of the Minister for Treasury and Resources regarding departmental budgets for 2019: [OQ.214/2018]**

Will the Minister inform the Assembly whether departmental budgets for 2019 have been settled?

**Deputy S.J. Pinel (The Minister for Treasury and Resources):**

Departmental budgets for 2019 were set and agreed by the Assembly in 2016 as part of the Medium-Term Financial Plan addition. As the Senator knows, the chief executive announced a new target operating model as part of his One Government plans; therefore a transition report will be presented to the States before the end of the year that translates budgets from the old to the new structures. To give one example, Health and Social Services becomes Health and Community Services. As part of that translation, certain common functions are being brought together rather than existing in each department, functions such as finance, communications and ministerial support. Some other functions will move, for example Children's Services will move from Health and Social Services to Children, Young People, Education and Skills. Draft reports have been run and throughout this week officers are meeting with directors general to agree budgets prior to them forming part of the transition report. Some of this work will need finessing during the early part of next year. We have requested that directors general sit with Ministers as part of the transition report process to ensure they understand the variations to their departments' operational budgets as a result of the centralisation of budgets of certain functions.

**3.17.1 Senator K.L. Moore**

Given the pressure on budgets and the expectation that £30 million, as the Chief Minister just said, will be taken out of the budgets for next year, does the Minister feel that it is acceptable that such important information as to how much money each department has will only become available at the very end of this year?

**Deputy S.J. Pinel:**

Well, as the Senator correctly said, the transition report will be submitted to the Council of Ministers in mid-December and presented to the States Assembly shortly afterwards. A ministerial decision will need to be signed by myself to transfer from the old to the new departments.

**3.17.2 Deputy K.F. Morel:**

Bringing it more specifically to home, I was wondering if the Minister would be able to give some clarity to my colleague on my left here as to what the Department for the Environment's budget will be in the coming year?

**Deputy S.J. Pinel:**

The report will contain the new department cash limits, which will include the 2019 effect of all permanent and recurring service transfers that have taken place since the M.T.F.P. addition, 2017 to 2019, up to and including July 2018.

**3.17.3 Deputy R.J. Ward:**

May I ask the Minister, if the Education Department does not have its budget yet and will not have it until into 2019, how will schools know their budget and what will the knock-on be? The fact that they are in the middle of their term, which runs from September to July, how on

earth are schools meant to plan their spending, their staffing and their resourcing for education that is so essential for children?

**Deputy S.J. Pinel:**

Ministers should be concerned with policies and not detailed budget matters. It is for the officers to manage the budgets and to deliver as far as possible what the Ministers wish to achieve.

**3.17.4 Deputy M. Tadier:**

Quite difficult to deliver policies when you do not know your budgets I imagine. [Approval] While it might be the case that officers are the ones who deal with finances, they do it under direction from politicians. When the officers do not know the finances for next year either, one is in a difficult situation; is that not correct, Minister?

**Deputy S.J. Pinel:**

Yes, I understand where the Deputy is coming from, but it is really just that the budgets are not necessarily going to reduce, they are just managed in different ways, so that the policy, performance, finance, communications, all sit within an overarching area as opposed to being in each department where they can not necessarily be as effective and double-up on the expense.

**3.17.5 Deputy M. Tadier:**

Supplementary. It is now 3rd December and we are less than a month away from the New Year and being given answers like budgets are not necessarily going to reduce does not give much comfort to politicians, Ministers, officers or the departments themselves. Can we do better than this?

**Deputy S.J. Pinel:**

As I said, the budgets are going to still be available; they will just be administered in a different way so that you are not doubling-up on each department having the same communications, finance, arrangements and costs. So, as I said before, an umbrella policy.

**3.17.6 The Deputy of St. Martin:**

Does the Minister appreciate the difficulty that Ministers and Assistant Ministers must have, to my knowledge, when this week we debate the budget but they are still not aware exactly how much money they have to play with next year?

**Deputy S.J. Pinel:**

I think that is what the budget will establish. That is why we have it at the end of the year so that it can be effective as soon as the New Year starts.

**3.17.7 Connétable M.K. Jackson of St. Brelade:**

The Minister alluded to the centralisation of budgets. Would she not agree that this smacks of dictatorship by the chief executive?

**Deputy S.J. Pinel:**

No, it is efficiencies that are being made by not repeating in each department, as I said before, the issues of communications and financing and policy. It is an overarching one that will deal with all of these things.

**3.17.8 Senator K.L. Moore**

The Minister has consistently repeated the message that the M.T.F.P. spending limits have been set and will not be deviated from. However, we as an Assembly are receiving mixed messages and I hope that the Minister will be able to clarify for us all as we just heard a question or 2 questions ago from the Chief Minister that £30 million will be removed from departmental budgets next year. So which one is it? Are we sticking with the M.T.F.P. spending limits of the current M.T.F.P. or are we going for reduced budgets in the following year, which is 3 weeks away?

[16:45]

**Deputy S.J. Pinel:**

I quite understand what the Senator is saying and the objective is to make £30 million worth of savings. Equally, I understand the difficulties that departments may be seeing with a lack of consistency and certainty in funding. But, as I say, the budget will establish that for 2019, but of course we are constrained by the M.T.F.P., which restricts the funding as has already been agreed by this Assembly.