

# STATES OF JERSEY

## Corporate Services Scrutiny Panel Quarterly Hearing

**MONDAY, 23<sup>rd</sup> MAY 2016**

### **Panel:**

Deputy J.A.N. Le Fondré of St. Lawrence (Chairman)

Deputy S.M. Brée of St. Clement

Connétable C.H. Taylor of St. John

Deputy K.C. Lewis of St. Saviour

### **Witnesses:**

The Minister for Treasury and Resources

Treasurer of the States

### **Transcript Index**

- Tribute to David Flowers 2
- Jersey International Finance Centre 4
- Income Forecasts 8
- MTFP 9
- Impact Assessments 15
- Asset Disposals 22
- Strategic Reserve 25
- 2015 Outturns 28
- 2015 Carry Forwards 31
- Charities Commissioner 37
- Howard Davis Farm 44
- MTFP Communications 45

[12:00]

**Deputy J.A.N. Le Fondré of St. Lawrence (Chairman):**

Welcome to the quarterly hearing of the Corporate Services Scrutiny Panel with the Minister for Treasury and Resources in front of us today. Minister, I draw your attention to the notice in front, of which I am sure you are fully aware, and also almost members of the public, there are notices are around the room, and obviously we do expect members of the public and the media in the public seating to remain quiet at all times while the hearing carries on. As we proceed through the questions, Minister, we may stop you if we feel you have answered the question sufficiently, because we do need you to try to be as succinct as possible. For the benefit of the tapes, I will start going round. Deputy John Le Fondré, Chairman of the Panel.

**Deputy S.M. Brée of St. Clement:**

Deputy Simon Brée, Vice-Chairman of the Panel.

**Deputy K.C. Lewis of St. Saviour:**

Deputy Kevin Lewis, panel member.

**Connétable C.H. Taylor of St. John:**

Constable Chris Taylor, panel member.

**Minister for Treasury and Resources:**

Senator Alan Maclean, Minister for Treasury and Resources.

**Treasurer of the States:**

Richard Bell, Treasurer.

**Deputy J.A.N. Le Fondré:**

Right now, before we start properly on questions, I want to say a few words on 2 other matters. Firstly, I would like to say a few words to mark the passing of someone who has appeared before the Corporate Services Scrutiny Panel on a number of occasions and who was also, in effect, my chief officer when I was at Property Holdings, namely David Lawrence Flowers. David lost his battle with cancer at the beginning of this month at the age of 67. His funeral was last week in the U.K. (United Kingdom). He arrived in Jersey in 2007 to become Director of Property Holdings. The following is a summary of some evidence he gave to a previous Corporate Services Scrutiny Panel in a particular hearing: "Prior to coming to Jersey he had previously held the role of Group Property Director for Royal Mail. In that role he was responsible for the whole of the Royal Mail estate across the U.K., being 40 million square feet of space, some 10 times the size of the States portfolio. His

budget was 550 million revenue a year for property and, during the 6 years he was at Royal Mail, he was responsible for the delivery of £800 million worth of capital projects. In his last year, over 8,000 property projects were completed and, in addition, the feasibility for a further 29,000 requests were also completed. He also delivered some significant savings through rationalisation and consolidation of the estate and, in 2004, was responsible for the biggest outsourcing contract in property terms in the U.K., and possibly Europe. During that time he was also a member of the C.B.I. (Confederation of British Industry) Property Committee, which is by invitation only, and consisted of 24 people from the entire United Kingdom. Prior to that he was a director at Swallow Hotels for 2 years with the objective of making the company cash-rich, after which it was bought by Whitbread and during which time they bought the Four Seasons Hotel near Manchester Airport, a £27 million hotel in Maida Vale, London, a £2.3 million hotel site, now a Marriott, at Junction 21, and also established an arrangement to enter into budget hotels including Holiday Inn Express. Before that, he worked for the Rank Group, that was as Divisional Property Director from 1996 to 1998 and Property Director of Top Rank between 1994 and 1996. For 10 years prior to that he worked for Whitbread in 3 roles, the last one being the Vice-President of Property Development in Canada and North America, where he was resident there for 3 years, the other roles being the International Development Director from 1987 to 1990 and Development Director in the U.K. from 1983 to 1987. Before that, he spent 6 years working for Donaldsons, a chartered surveying company which has now been absorbed into DTZ. Prior to that, he worked for a firm of architects, Barrett and Baker and Partners, for 6 years. To complete this brief summary in his own words: 'That all adds up to an awful lot of years. I was 4 years at university at Cambridge, King's College, where I obtained a master's degree in architecture. I completed the managing directors' programme at Duke University in North Carolina, I was a member of the Property Owners and Occupiers Forum and I was a member of the Confederation for British Industry Property Committee, which is by invitation only, and the rest of the time I squandered.' David reported to me from 2007 to the very beginning of 2011. His knowledge and professionalism was unparalleled, albeit it was not always recognised by those of lesser experience. I would like to make reference to 3 projects, among others, that were successfully delivered: the first project was the relocation of the Jersey Dairy to Howard Davis Farm. To paraphrase the words of one senior member of the board: 'There were 4 people who were key to the relocation of the dairy in respect of the States: the Minister for Planning, who gave planning permission, Mr. Mike King from Economic Development, John Le Fondré and David Flowers from Property Holdings, all of whom played key roles and without whom the relocation would not have happened. This also resulted in a new headquarters for Acorn and included issues surrounding pet cremators and animal carcass incinerators in respect of the covenant.' The second project was the commencement of the restructuring of some of the property maintenance functions which commenced with an annual saving of £200,000 to £250,000 per annum and which was projected to increase significantly thereafter, and the third being the relocation of Centrepont from the old J.C.G. (Jersey College for Girls) site which resulted in not only a much bigger and more valuable

development site, I think it increased by 60 per cent in size, it also ensured the continuation of the Children's Charity. I would like to read from an email that I received from someone who was heavily involved in that process: 'I was shocked and so sad to read that David had died. He was so good to Centrepoint Trust, I was the managing trustee, by moving the whole operation to a newly-renovated ex school and fixed the rent at £10 per annum. He saw what we were doing and supported us. I met him a few times and thoroughly enjoyed his manner and professionalism; such a shame that he never got to enjoy a long life. If you get an opportunity to speak to his family and you think it appropriate, please would you tell them that he was appreciated by a children's charity that would not now be in existence if it was not for him.' All of these projects were at times contentious and all were successfully and professionally delivered. He will be remembered as an intelligent and professional individual of huge integrity and who served the interests of Jersey to the best of his ability. At times he has also showed himself to be in possession of a wicked sense of humour. I would like to thank everyone who has expressed their condolences and also those who have made donations. Our thoughts are with David's family at this sad time and may he rest in peace." On a much lighter and happier note, I think I would also like to express the congratulations of the panel to one of its officers for the new addition to his family. On that note, Minister, we will commence.

**The Minister for Treasury and Resources:**

Chairman, if I can just add my condolences. It is clearly a very sad event when somebody passes before their time and he did give a significant contribution to the public sector and public services in the States and the Island, and I think you have marked it very clearly; I do not need to say anymore, but it is clearly a very sad occasion. If I could add one other quick separate point: the apologies of my Assistant Minister, Constable Refault, who is unable to be here today. The Comité are sitting and they would not have been quorate and, in order to allow your panel member to attend, my Assistant Minister is ensuring that the Comité remain quorate. He has responsibility for certain areas within Treasury but apologies for his non-attendance for those circumstances.

**Deputy J.A.N. Le Fondré:**

Thank you very much for all your comments; they are noted. Thank you. I thought it was an appropriate point to say the words I have just said. Simon?

**Deputy S.M. Brée:**

Minister, in light of the decision by the Privileges and Procedures Committee to uphold this panel's right to access key documents held by the States of Jersey Development Company in relation to the Finance Centre, what discussions have you had with the board of directors of the States of Jersey Development Company regarding their public response to P.P.C.'s (Privileges and Procedures Committee) decision and the potential of a judicial review, as raised by them?

**The Minister for Treasury and Resources:**

Well, first of all I would say that I welcomed the P.P.C. report which clearly took some time to be produced. It is a very difficult matter that they had before them to consider and I thought it was a very well-constructed and very well-balanced review that took into consideration the arguments on both sides. I think the outcome has delivered the best that it possibly could have sought to do for all concerned to ensure that as a panel, and not just as an individual panel, but Scrutiny as an organisation, can have access to commercially-sensitive data but also that there is a degree of protection, which is what the concern was for third parties. Clearly, this issue about 100 per cent States-owned entities protecting commercially-sensitive information and third parties is very relevant. As far as my conversations with S.o.J.D.C. (States of Jersey Development Company) and the board in particular, I have had a discussion with them, as you would expect, and they have been considering themselves how they will progress now that the determination has been made by P.P.C. They have to obviously from their perspective consider all aspects, in particular areas such as their own responsibilities as officers of a company under the Companies Law and such like, and those matters are matters that they have given very deep consideration to. I do believe that as a result of that there will be a public announcement coming out during the course of today from S.o.J.D.C. in light of the P.P.C. report, and the board having now had an opportunity to consider all aspects of that determination, which will welcome the P.P.C. report and will not seek to judicially review that.

**Deputy S.M. Brée:**

So you can confirm that the board of the directors of the States of Jersey Development Company will not be seeking a judicial review, is that correct?

**Minister for Treasury and Resources:**

That is correct. That will be made public during the course of today; in fact, it is being made public right at this very moment clearly, because I note in the gallery we have members of the media.

**Deputy S.M. Brée:**

The situation that arose between, if you like, the board of directors of S.o.J.D.C. and this panel and, indeed, the Privileges and Procedures Committee, used up a lot of time and a fair amount of expense. Do you, Minister, as the shareholder representative, believe that the board of directors' initial stance in refusing access was a good use of taxpayers' money?

**Minister for Treasury and Resources:**

I think this is an issue that goes far beyond this particular panel, it is an issue that has been flagged up previously and a matter that was before both the Council of Ministers and the Chairmen's Committee, and I think it is a matter that this P.P.C. review, and ultimately their report, creates the

outline basics for a framework for the way in which issues such as this can be dealt with in the future. So I think, in that respect, it is positive because the matter did need to be resolved, does need to be resolved and I think this has got us now into a position where there is an outlying framework for managing such situations. If I remember correctly it was under paragraph 62 of the report where it talks about protection, and I think that area needs some further discussion but, generally speaking, it is good that we have got to this particular point. Although I would accept your point it would have been helpful if that had been done some considerable time ago; when you consider how long executive government and scrutiny has been operating, one would have hoped this would have been resolved some years ago, as a matter of principle.

**Deputy S.M. Brée:**

So you fully support the right of Scrutiny to access all and any documentation held by a fully-owned States subsidiary?

**Minister for Treasury and Resources:**

I think we have covered this one before and I have said ...

**Deputy S.M. Brée:**

I think a simple yes or no would be the right way to answer this one, Minister.

**Minister for Treasury and Resources:**

Well, with the greatest of respect, it is not quite as simple as a yes or no, but it would be very short. In principle ...

**Deputy S.M. Brée:**

No, hang on a minute. All I asked you, Minister, was: "Do you support the right of Scrutiny, yes or no, to access this information?"

**Minister for Treasury and Resources:**

Of course, I support the right of Scrutiny, it is an essential part of our functioning government, but protection needs to be in place ...

**Deputy S.M. Brée:**

Thank you, that is all we wanted to hear.

**Minister for Treasury and Resources:**

... in certain circumstances for third parties and such like, and I think this is what P.P.C. have sought to do, and I welcome their report.

**Deputy J.A.N. Le Fondré:**

So fundamentally Scrutiny's rights to the access of information are upheld or endorsed ...

**Minister for Treasury and Resources:**

In the right circumstances and ...

**Deputy J.A.N. Le Fondré:**

... and the confidentiality side is taken as far as it realistically can be?

**Minister for Treasury and Resources:**

Yes, it is upheld and there have been, and P.P.C. have sought to put in place protections so that both sides effectively get what they want. I think that is a reasonable compromise to have reached. It is a basic outline framework, I think it needs to be now developed with the Council of Ministers and the Chairmen's Committee so that it is applicable to all the Scrutiny panels; I think that would be much more relevant and I think that is a positive way in which to operate. But the protection mechanisms are in place, and P.P.C. have gone to great lengths to point that out, and I think that gives some reassurance to S.o.J.D.C. and, indeed, other companies that are owned by the States, that may find themselves in a similar circumstance with regard to commercially-sensitive information.

**Deputy J.A.N. Le Fondré:**

But still maintaining that right, which is good. Okay.

**Deputy S.M. Brée:**

One question if I may ask on that: so, Minister, you can confirm that should this panel, for whatsoever reason, wish to view the pre-let agreement signed between the States of Jersey Development Company and BNP Paribas, we will be allowed to under the protection provided by the P.P.C. decision?

**Minister for Treasury and Resources:**

I think if you look closely at the P.P.C. decision it lays out the criteria under which it would be appropriate for commercially-sensitive data to be viewed and I think that is perfectly clear. If items, such as the one you refer to, fall within the criteria and under the circumstances laid out, then I see no reason why it would not be part of the bundle of boxes that you are going to have access to from, I believe, later this week, or whatever the ...

[12:15]

**Deputy J.A.N. Le Fondré:**

Thursday.

**Minister for Treasury and Resources:**

Fine.

**Deputy S.M. Brée:**

Okay.

**Deputy J.A.N. Le Fondré:**

Right, moving forward. The next question area is around the M.T.F.P. (medium-term financial plan) addition. Obviously, Minister, you will be aware or you will recall that the panel brought an amendment to the original M.T.F.P. that was debated last year, 2016 to 2019, asking States Members to vote on income forecast for 2016 only. In its comments opposing this amendment the Council of Ministers stated that: "Without the overarching income and expenditure levels there is no States plan to return to balanced budgets by 2019." So, Minister, can you confirm the income forecasts are currently on track to return the States to a balanced budget by 2019?

**Minister for Treasury and Resources:**

That is one element, the income forecast, clearly you will appreciate, but as far as income is concerned and the forecast for income over the term, we have no doubt that the position is looking encouraging to meet the objectives that were set.

**Deputy J.A.N. Le Fondré:**

Is that sufficient to keep us on, at least, a balanced budget by 2019?

**Minister for Treasury and Resources:**

Well, that is the objective that has been set down.

**Deputy J.A.N. Le Fondré:**

Are you on track to achieve that objective?

**Minister for Treasury and Resources:**

We believe at the moment we are on track to meet the income forecasts, yes, but clearly you will appreciate as much as anybody that income forecasts get updated on a regular basis and will change over the passage of time. They are forecasts, and I have said this many times, forecasts are exactly that, they will change, but as we stand at the current time we are satisfied that they are on track.



**Deputy J.A.N. Le Fondré:**

To achieve a balanced budget by 2019?

**Minister for Treasury and Resources:**

As we stand currently.

**Deputy J.A.N. Le Fondré:**

So it is not just the income forecast it is the balance of expenditure as well?

**Minister for Treasury and Resources:**

Of course.

**Deputy J.A.N. Le Fondré:**

Yes. When will the panel be receiving some advance detail of the M.T.F.P. relating to both income and expenditure in order to commence this work?

**Minister for Treasury and Resources:**

The information will go before and through, as you would expect, Chairman, a process which will include the signing off by the Council of Ministers. Ultimately, if we work backwards from the lodging of the M.T.F.P., which as you will be aware is on 30th June, the M.T.F.P. is going to print on 24th June and will be signed off by the Council of Ministers in the preceding week. Of course, at the point that the sign-off occurs from the Council of Ministers all the documentation will be available to your panel and the panels generally.

**Deputy J.A.N. Le Fondré:**

I have not got my dates directly in front of me but broadly speaking it was the week after something like 17th June, so 24th or 25th.

**Deputy S.M. Brée:**

24th June is a Friday.

**Deputy J.A.N. Le Fondré:**

So week commencing 13th June we will be able to have access to the M.T.F.P., or are you saying, Minister, it will go to Council of Ministers on something like 15th June, that is the Wednesday?

**Minister for Treasury and Resources:**

I do not have the Council of Ministers date in front of me, but around that time. As soon as the Council of Ministers has considered the matter and approved it, then of course it will be available to your panel and others. I should just also for clarity sake point out that on the income side the briefing the panel will be receiving this afternoon is of course on the latest update with regard to out-turns from 2015, and that will obviously inform the question you were asking earlier. So you will see yourselves that information at a briefing this afternoon.

**Deputy J.A.N. Le Fondré:**

So at present then the work is not yet complete on the M.T.F.P. addition?

**Minister for Treasury and Resources:**

There is still some work to be completed, yes, as you would expect.

**Deputy J.A.N. Le Fondré:**

I think, Minister, the point would be that it was brought to the States Assembly over a year ago to have the ability to have this addition to the M.T.F.P., the extension of time of an extra 12 months in order to properly consider and produce matters. What you are saying at the moment is that, 5 weeks now from lodging, the work is still not yet complete?

**Minister for Treasury and Resources:**

I said: "Largely complete", but there is still work to be undertaken, to be finished off, as you would expect. That is perfectly normal as far as I would be concerned. A considerable amount has been achieved in the intervening period that you have referred to, again as I am sure you would expect. You will have the documentations in the time period that I have mentioned. We have then got the lodging on 30th June and, as you know, as a result of a successful proposition by Deputy Southern I believe it was, who extended the lodging period for this purpose to 12 weeks, originally it was 6 and then extended from 6 to 8 by the Council of Ministers to 12 weeks. So there is a 12-week period for Scrutiny formally to consider the proposals contained within the M.T.F.P., but of course you as a panel will receive it earlier than that, as I have just pointed out.

**Deputy J.A.N. Le Fondré:**

But at this stage in terms of expenditure proposals, there is nothing that you can be giving to any of the panels in relation to the M.T.F.P.?

**Minister for Treasury and Resources:**

Clearly there are many constituent parts to the M.T.F.P., both within departments and more globally, but it is a package of measures and, as such, it seems appropriate that the package is considered when the package is complete.

**Deputy S.M. Brée:**

Minister, do you consider that 12 weeks is a sufficient period of time for all Scrutiny panels to undertake their work, bearing in mind that this is probably the most important medium-term financial plan addition that is obviously going to affect this particular States Assembly over the next 4 years? Do you really consider 12 weeks is sufficient time for us to undertake the role of scrutiny?

**Minister for Treasury and Resources:**

Deputy, I think the States Assembly considered extending the original 6 weeks, when in fact, as I have said, the Council of Ministers extended it to 8 week. The States Assembly through Deputy Southern's proposal considered that it was not appropriate at 8 weeks and therefore extended it to 12 weeks. As a panel, of course, you will have it at least a week or 2 in advance of that. That does seem to me to be a reasonable period of time if you consider what happens elsewhere like the U.K.; there is no such luxury of that period of time before proposals are brought before the U.K. Parliament for consideration.

**Deputy S.M. Brée:**

As the Chairman was saying, effectively the States Assembly granted a 12-month extension period to when the M.T.F.P. addition is due to be lodged. At the time of debating the original M.T.F.P., if you like the M.T.F.P. 2, headline figures on income and expenditure were included in there and it was put to the States Assembly that, if we did not approve the envelope then you could not look towards producing balanced budgets by 2019. So, effectively, you knew what the envelope was going to be, you have had 12 months to work on it and yet you are saying, 5 weeks before lodging, that there is nothing that you can give to this panel today in order for us to start looking at the expenditure side of things. Is that correct?

**Minister for Treasury and Resources:**

There is some information that you already have, as you know, because there has been some consideration by the panel and the panel has advised us on some elements, so some information has been supplied. If you are asking can you ...

**Deputy J.A.N. Le Fondré:**

On expenditure, Minister.

**Deputy S.M. Brée:**

No, I was talking about expenditure.

**Minister for Treasury and Resources:**

On expenditure, sorry.

**Deputy S.M. Brée:**

Yes. Quite clearly I said on expenditure not on income.

**Minister for Treasury and Resources:**

So effectively you are talking about the details around efficiency savings and other measures contained within the expenditure line?

**Deputy S.M. Brée:**

I am talking about the M.T.F.P. additions that are required to be lodged by 30th June.

**Minister for Treasury and Resources:**

Of course, what was approved and agreed was the expenditure limits but the detail that sits below that forms a part of a package, as I pointed out a moment ago, and so that detail of that package hangs together as a package and will sit within the timeframe that I have just outlined.

**Deputy S.M. Brée:**

There are 5 weeks to go before lodging; you have not completed the task of drawing up the M.T.F.P. additions for 2016 to 2019, is that correct?

**Minister for Treasury and Resources:**

Well, as I pointed out a moment ago there are certain final elements to be finished off, but the large proportion of the work, as you would expect has been completed. Again, as I have said, it is about getting the package complete and when it is complete then it will go through the process, including the formal sign-off by the Council of Ministers, and at which point it will be available for your panel and more broadly, of course.

**The Connétable of St. John:**

Minister, did you give a date of the Council of Ministers meeting and when we are likely to receive that?

**Minister for Treasury and Resources:**

I am very happy to supply you with that after this hearing. I cannot, off the top of my head, tell you the date of the Council of Ministers meeting but it was broadly within the parameters that I have just indicated a moment ago.

**Deputy J.A.N. Le Fondré:**

Around the 15th.

**Minister for Treasury and Resources:**

Yes.

**Deputy J.A.N. Le Fondré:**

At this stage then, Minister, you are claiming certain areas are largely complete. Are there any departments that are specifically complete at this stage in terms of expenditure?

**Minister for Treasury and Resources:**

Well, there are a number that are just about on the complete side but, as I have said, it is about an overall package.

**Deputy J.A.N. Le Fondré:**

Is that just about or are?

**Minister for Treasury and Resources:**

Well “complete”; there is a process, of course, as I mentioned a moment ago, so they may well be complete, but it has not been formally approved by the Council of Ministers yet and it forms part of the package that I keep referring to.

**Deputy J.A.N. Le Fondré:**

So today, if we can ...

**Minister for Treasury and Resources:**

You would expect the large part of this plan to be complete and ...

**Deputy J.A.N. Le Fondré:**

And signed off.

**Minister for Treasury and Resources:**

Well, it is not signed off, as I have just mentioned, not in a formally-constituted Council of Ministers meeting. I have made that point clear.

**Deputy J.A.N. Le Fondré:**

So as of today the individual departmental plans on expenditure are not yet signed off by the Council of Ministers?

**Minister for Treasury and Resources:**

The whole plan is not agreed and signed off by the Council of Ministers as it reaches its final stages but, as I have said, it is pretty much there.

**Deputy J.A.N. Le Fondré:**

The point was, Minister, that if something had been approved and was in its final form then perhaps we could have had it in advance.

**Minister for Treasury and Resources:**

No, I understand that and can I just say, if I may, Chairman, that if that were the case then clearly we would be more than happy to do it. I am not making these comments to be obstructive in any shape or form; it may appear to be the case but it is really not. It is just that, to be of greatest value to you as a panel, you need to see the plan as a whole so you can consider it as such in that way and not waste time unnecessarily in areas that perhaps are not relevant.

**Deputy J.A.N. Le Fondré:**

Kevin, have you got anything? No. Chris? Of the 12 weeks that you have referred to, obviously there is a 2-week lodging period for any amendments, effectively; quite a lot of that period comes down to notionally somewhere around 10 or 11 weeks. Are you fully available with your Treasurer during that period?

**Minister for Treasury and Resources:**

During the period of potential lodgings, are you thinking ...

**Deputy J.A.N. Le Fondré:**

No, during the period of review, in other words, during that 12-week period.

**Minister for Treasury and Resources:**

The 12 weeks. I think there have been some requests for dates for hearings and things like that on which there has been dialogue between my office and your Scrutiny officers ...

**Deputy J.A.N. Le Fondré:**

Can you confirm whether you are fully available or whether you are away?

**Minister for Treasury and Resources:**

... and I believe a date has been put in. I am away at some point, but I will make myself as available as I possibly can.

**Deputy J.A.N. Le Fondré:**

For 3 weeks, I believe, is that correct?

**Minister for Treasury and Resources:**

What?

**Deputy J.A.N. Le Fondré:**

Your period away.

**Minister for Treasury and Resources:**

I am not away for weeks, no, sadly.

**Deputy J.A.N. Le Fondré:**

Interesting, okay. Only because obviously that does reduce the amount of time we have available to do the work in if key people within the department and yourself are away.

**Minister for Treasury and Resources:**

No, I understand. What I would say is it is more a question of co-ordinating to make sure that not only myself but officers are available to come before you. We will make every effort to be available whenever it is you would like to see us. I would suggest that if there are particular dates, that they are fed in as early as possible so that we can ...

**Deputy J.A.N. Le Fondré:**

They have been fed in and we have been told that the people are absent so we have had to put a hearing back which means it will be very tight towards the end and we trust your co-operation will be available in the process at the end of that.

**Minister for Treasury and Resources:**

We will do everything to co-operate timing-wise to make sure that we are available to see you.

**Deputy J.A.N. Le Fondré:**

Okay, right, moving forward: impact assessments. By way of background, the panel was told by the Chief Minister that the confidential report on ... in fact the framework for impact assessments would be released to all States Members in early March. The panel's report on that framework was sent to Treasury and the Chief Minister's department on 23rd March. When is the Council of Ministers due to release its report on the impact assessments framework to all States Members?

**Minister for Treasury and Resources:**

I am not sure of the exact date of release; as far as I was aware it was in the early part of June, I think. Treasurer, I am not sure if you are able to assist on a date.

**Treasurer of the States:**

I think the Chair is talking about the terms of reference as opposed to the distributional impact itself.

**Deputy J.A.N. Le Fondré:**

Yes.

[12:30]

**Treasurer of the States:**

I think we were looking to have a discussion with the Chief Minister about releasing the terms of reference much sooner than that.

**Minister for Treasury and Resources:**

Apologies; I thought you were talking about the actual assessment itself as opposed to the terms of reference. We will get back to you on a date for that.

**Deputy J.A.N. Le Fondré:**

Can I point out, or I am asking, are you aware this was promised by the Chief Minister to be circulated the week of 7th March?

**Minister for Treasury and Resources:**

Thank you for that clarification.

**Deputy J.A.N. Le Fondré:**

Therefore would you be supportive of the Council of Ministers' report being released this week so that we can also go ahead and release our own report on that document this week?

**Minister for Treasury and Resources:**

Clearly, that is a matter for the Chief Minister but I will certainly talk to him about it.

**Deputy J.A.N. Le Fondré:**

You made reference there to, I am guessing, the actual assessments themselves being released, what, in the first week of June or the second week of June?

**Minister for Treasury and Resources:**



It was around about the first week in June I think was then intention.

**Deputy J.A.N. Le Fondré:**

So has the work been completed on the impact assessments?

**Minister for Treasury and Resources:**

The work is not complete yet on the impact assessments, no.

**Deputy J.A.N. Le Fondré:**

So at this stage you are confirming that the M.T.F.P. addition does not take account of the impact assessments?

**Minister for Treasury and Resources:**

I said the impact assessments were not complete; clearly, individual departments have done a raft of work on the various measures that they have been bringing forward, some of which looks at impacts, but the overall impact assessment that is yet to be finalised will obviously look further into that on a global basis.

**Deputy J.A.N. Le Fondré:**

The framework, if I recall correctly, was produced by ... I have forgotten his exact title, I was going to say the Economic Adviser ... yes, if that is still it, which I would therefore assume was on a higher level than a departmental level of analysis.

**Minister for Treasury and Resources:**

Correct.

**Deputy J.A.N. Le Fondré:**

Has that work been completed?

**Minister for Treasury and Resources:**

No, that is not complete yet.

**Deputy J.A.N. Le Fondré:**

So therefore at this stage are we not saying that the Ministers are not in a position to be able to take account of that work on the basis that it is not yet available?

**Minister for Treasury and Resources:**

That is a fair assumption.

**Deputy J.A.N. Le Fondré:**

So how can you therefore be completing the work on the M.T.F.P. addition without knowing what the impact of this decision is going to be on the public of the Island?

**Minister for Treasury and Resources:**

That is why I was reluctant to, in your earlier line of questioning, to say that there was information available and that the M.T.F.P. was complete, because it is not, because this is an important element that will be taken into consideration as well.

**Deputy J.A.N. Le Fondré:**

Something like 12 months, give or take, down the line, 5 weeks before lodging, and if we work backwards we are now saying that you are going to print on, I think, 24th June, the impact work is only going to be done in the first week of June, or at least available, so ...

**Minister for Treasury and Resources:**

The overall assessment by the Economic Adviser, that element of it, yes, will be ...

**Deputy J.A.N. Le Fondré:**

Yes, but that is a fairly fundamental element, one rather assumes?

**Minister for Treasury and Resources:**

It is an important part of it, yes. It is an important part.

**Deputy J.A.N. Le Fondré:**

Therefore the Ministers will only have 10 days, if that, to make any decisions or to at least understand the impact of any decisions they have already made. At this stage, they do not have that information?

**Minister for Treasury and Resources:**

If there are any changes required or any other matters that come out as a result of that work, then there will be time then to consider that.

**Deputy J.A.N. Le Fondré:**

Is this the impact of decisions or is it the impact of options?

**Minister for Treasury and Resources:**

Well, there have been a raft of options from the very beginning with regard to the development of the M.T.F.P., in particular around the expenditure side, and it was not practical, as you would appreciate I am sure, to include all options into impact assessments. So it was a question of going through a process to arrive at measures that were applicable for impact assessments.

**Deputy J.A.N. Le Fondré:**

Essentially, you have made the decision then on assessing the impact of them, rather than considering perhaps 2 options and considering the one with the best impact?

**Minister for Treasury and Resources:**

No, that is your interpretation of what I have just said ...

**Deputy J.A.N. Le Fondré:**

Well, I think that is what you have just said, Minister, is it not?

**Minister for Treasury and Resources:**

... that is not what I was meaning. What I was saying was that there is a wide range of potential options not all necessarily applicable for an impact assessment because, for other reasons, it may well be impractical to bring forward a particular measure. It may not be politically desirable to bring it forward. That is before you get even to the distributional analysis side, which is what you are referring to.

**Deputy J.A.N. Le Fondré:**

Have you done a distributional analysis at some point which says that, in terms of some of the measures you are bringing forward: "There is this particular option, option A, option B. This is the distributional analysis of each option, therefore we have made a rational decision in going down for option B" or is that information not available? I am trying to get to the process.

**Minister for Treasury and Resources:**

Right. What I was saying was that there are some options ... yes, exactly. There are some options that would not have got far enough to go through a distributional analysis because for practical reasons, for political reasons, for a whole raft of different reasons, they would have been discounted very early on.

**Deputy J.A.N. Le Fondré:**

So at this stage you still have some options available which you can then assess in relation to the impact analysis that is coming through?

**Minister for Treasury and Resources:**

Yes.

**Deputy J.A.N. Le Fondré:**

Again, 5 weeks before lodging you do not have a finalised plan?

**Minister for Treasury and Resources:**

Well, as I said at the very beginning we do not have a final plan yet but it is reaching its final stages. You have been asking specifically around the impact assessments, the distributional analysis; that element of the plan has still, if you like, to go through that filter, which will happen during the course of the early part of June.

**Deputy J.A.N. Le Fondré:**

If we pause there for a moment. Simon?

**Deputy S.M. Brée:**

Sorry, I know perhaps this does sound like I am repeating myself, Minister, but you have had over 12 months to prepare the M.T.F.P. additions; we find out today that the impact assessments and the distributional analysis is not even complete. You have 5 weeks to the lodging date, approximately. Are you confident, Minister that, should the impact assessments and distributional analysis show that possibly some of your policies are going to disadvantage certain sections of the population, that you can make the necessary changes in the M.T.F.P. addition so as to negate that risk?

**Minister for Treasury and Resources:**

That is almost an impossible question to answer but I would suspect that, if changes are required as a result of the distributional analysis, then that is a matter the Council of Ministers will need to consider. Ultimately, it will be a matter for the States Assembly. The important point is that the information is available for States Members when considering the plan as a whole; I keep saying this is a package of measures, it is one plan. States Members will need to be comforted and assured that they have at their fingertips all the available information, part of which will be the distributional analysis that we have been referring to. They will have that available for the debate and therefore will make an informed decision based on it.

**Deputy S.M. Brée:**

So, Minister, you can assure both States Members and members of the public who may be following this quite closely, that the Council of Ministers' policies in producing the M.T.F.P. additions have been driven, or certainly taken account of any impact assessments or distributional analysis?

**Minister for Treasury and Resources:**

I have made it clear, I think, that distributional analysis will ensure that all the chosen measures will have been taken into consideration in that regard, they all form part of a package, and that States Members will need to consider whether they support that package and will have an opportunity to amend it, of course.

**Deputy S.M. Brée:**

Sorry, by your own admission you have not completed the impact assessments or distributional analysis as yet and yet you are telling us that the M.T.F.P. additions ... I think the words you use were "largely completed"?

**Minister for Treasury and Resources:**

Yes, indeed, as indeed they are. The distributional analysis and the impact assessments that you are referring to is one element, and I have also pointed out that there is a process that Ministers and departments have had to go through in terms of drawing up their plans. That process started with a much longer list of potential measures that have been whittled down through other means and other reasons until one gets to a shorter point, almost a finalised position, that will go through a sense-checking with regard to the distributional analysis that we have been discussing.

**Deputy S.M. Brée:**

I suppose the question is: what is the point of undertaking an impact assessment and distributional analysis if the Council of Ministers do not take them into account when producing the M.T.F.P. addition?

**Minister for Treasury and Resources:**

I do not think I was saying that the Council of Ministers were not taking them into account, you were trying to put words, I think, into my mouth suggesting that we were not going to take them into account, which is not what I was saying. I was saying they are an important part of the process, that is why they are being undertaken, the Economic Adviser and his team are working on them and once that is complete then the measures will be considered in light of that particular analysis. If it throws up some points and areas that need to be addressed then the council will consider that at that particular point.

**Deputy S.M. Brée:**

Again, my apologies if I appear to be labouring a point, but it is striking me that those impact assessments and distributional analysis will not be completed until, say, 2 weeks' time?

**Minister for Treasury and Resources:**

They are not complete yet but, yes, it could be over the course of the next week or 10 days.

**Deputy S.M. Brée:**

Okay. It is 5 weeks to the lodging date for the M.T.F.P. additions, you have to wait 2 weeks for the impact assessments and distributional analysis to come in. That means you have 3 weeks to take them into account. Are you confident, Minister, that you are going to be taking into account impact assessments and distributional analysis even if the M.T.F.P. addition has been lodged by the Council of Ministers?

**Minister for Treasury and Resources:**

I am assured that the timing works.

**Deputy J.A.N. Le Fondré:**

I am going to labour the point and then Chris can comment. You said that extension measures within the departments are largely complete, that the distributional impact, which in layman's terms can include how much more tax the taxpayer is going to be paying, for example, which elements of the population are going to be either better off under the measures or worse off under the measures, that analysis is not yet complete?

**Minister for Treasury and Resources:**

Not yet complete.

**Deputy J.A.N. Le Fondré:**

Right. Has anybody else got anything on this area? Nothing, right, okay.

**The Connétable of St. John:**

Which moves us on, Minister, to asset disposal. The crucial part of balancing the M.T.F.P. 2 is the disposal of £40 million of assets by 2019. The panel has repeatedly asked for details of the £40 million for disposal. We have not received any information yet. Are you able to update us on this?

**Minister for Treasury and Resources:**

I cannot give you any further updates above and beyond what I have previously stated in this regard. I think we have outlined areas of consideration for asset disposal but we have not finalised that position. That will be made clear as part of the process that I have just outlined to you. Is there anything you want to add to that?

**Treasurer of the States:**

No. More will become apparent once we have had the opportunity of sharing the income forecasts with you this afternoon. You will probably recall that the impetus for the asset disposals related directly to the affordability in respect of Les Quennevais school. Once we have an opportunity to talk through the forecast on income you will understand more as to the position of the funds.

**The Connétable of St. John:**

Is this £40 million figure in any way linked to the unsuccessful transaction of the JT Global/Airtel merger whereby the States was to receive up to £28 million?

**Minister for Treasury and Resources:**

That was one option at a previous hearing that we mentioned in terms of disposal of assets that was under consideration, but it was coincidental that an offer came in from a third party that an asset such as JT can proceed, as you have rightly pointed out. It is not contingent on that specifically, no.

**The Connétable of St. John:**

If I can say, one of my concerns is that property, whether it is in the form of a trading company or realty, may well be sold to achieve a target rather than best value for the taxpayer. Do you have a comment on that?

**Minister for Treasury and Resources:**

I do not think one would seek to sell anything if it was not going to represent best value for the taxpayer. I certainly would not consider a circumstance where that would be the case, so we would always be looking for best value, but we would be looking at the overall picture when considering any form of asset disposal.

**The Connétable of St. John:**

You could end up standing on 2 stools: you have got to sell £40 million of assets to balance the books, you have also got to get best value for money and if you are not getting the best value for money you are not going to balance the books. So which stool are you going to settle on?

**Minister for Treasury and Resources:**

It is not quite as simple as that, Connétable, if I may say, and that was one of the points that the Treasurer was alluding to a moment ago, and that was when we have the opportunity to give you the briefing on out-turns from 2015, I think it will become more apparent that the pressures may be somewhat different to what you are alluding to there.

[12:45]

**The Connétable of St. John:**

I anticipate this afternoon with excitement.

**The Minister for Treasury and Resources:**

I am sure you will be and I have no doubt you will be surprised.

**Deputy S.M. Brée:**

Just to clarify a point. Minister, you have mentioned and the Treasurer mentioned it as well, about the fact that there may be another option available rather than sale of assets. Are we to take from that that you have now decided not to dispose of £40 million worth of the States assets?

**The Minister for Treasury and Resources:**

No, I do not think we said that necessarily but it is like all these things, and I think you were alluding to earlier on the fact that a certain amount of time has passed and we have had plenty of time to find a plan and finalise a plan. But of course there are many moving parts in that plan and things do change over the passage of time and so we have had to weigh up quite a number of potential alternatives to some of the initially considered options. It is all about options, and it is not just about options but it is also about deliverability. So, there is no clear conclusion that you should draw from the comments that we have made but we will be able to give you a lot more information in the briefing later on and we will happily do that.

**Deputy J.A.N. Le Fondré:**

I will just ask then, so, when the M.T.F.P. comes along, any asset disposals in there will have been identified, they will be realistic and they will not just be a sort of lump sum which is unidentified, which was the case last time around?

**The Minister for Treasury and Resources:**

No. The addition was going to identify more clearly what the measures are. If that were not the case then of course it would make it very clear as to the reason why if not the case.

**Deputy J.A.N. Le Fondré:**

So it will either clearly identify or it will not be clear and they will not be identified? That is a true politician's answer, Minister.

**The Minister for Treasury and Resources:**

Jolly good. I am glad that was clear.

**Deputy J.A.N. Le Fondré:**



Thank you. We will await them with interest and expect some clarity on what those disposals are, otherwise we will be having a very interesting conversation in this room at some point. Right, Chris, carry on.

**The Connétable of St. John:**

Moving on from assets to the strategic reserve fund, can you confirm that the balance of the strategic reserve is currently on target?

**The Minister for Treasury and Resources:**

Yes, it has been performing, I am pleased to say, very well. In fact all the funds, or just about all the funds have been performing very well and I think you have the details, hopefully.

**The Connétable of St. John:**

Because the volatility of the markets at the moment, with Brexit and so on, are we managing to weather that storm?

**The Minister for Treasury and Resources:**

Yes, I think the volatility you are referring to is likely to be volatility after the event depending on the outcomes of those 2 specifically now. But year-to-date the performance of our key state funds have been very positive, I am pleased to say. I believe, Chairman, you were provided with a quarterly corporate revenue report which gives you the details of the fund's performance from March to the first quarter of this year.

**Treasurer of the States:**

Yes, the quarterly report goes to March, yes.

**The Minister for Treasury and Resources:**

No, I know it does but the Chairman is looking bemused. He should have it.

**Deputy J.A.N. Le Fondré:**

It may be with some stuff that we received this morning.

**Deputy J.A.N. Le Fondré:**

Okay, to which we obviously (a) do not refer to, and (b) we are waiting for your briefing this afternoon.

**The Connétable of St. John:**

As you know I was in a meeting with you earlier and I have come straight from it so it is not something I know. But my concern is that part of balancing the books over the period of the M.T.F.P. 2 is to

draw on the strategic reserve. But the strategic reserve has a baseline below which we cannot draw and so, if the performance is not as good as it should be, the funds will not be able to be drawn down from the strategic reserve. That is my concern.

**The Minister for Treasury and Resources:**

No. That is a fair point and from a performance perspective we look at the longer term rather than the shorter term, clearly, and we are more interested in 3-year horizons and such like when assessing performance. But just to hopefully quell your concerns, the performance of the States funds year-to-date, so for the first quarter of 2016, has been positive and all the funds are up. There is, I think, one which is showing neither a fall nor a growth, a smaller fund. But generally speaking, the strategic reserve you specifically asked about, all the big funds are in positive territory despite the volatility, which demonstrates the way in which they are very carefully managed.

**The Connétable of St. John:**

As I would expect. Yes.

**Deputy S.M. Brée:**

You are giving us a very positive view of the strategic reserve fund and the investments at the moment. What is the date of the last valuation that you are working off to give us that positive spin?

**Treasurer of the States:**

So, we have the March valuation in the quarterly report and we have a Treasury Advisory Panel on 10th June. What we normally do is we have a full update of the position as at March at that panel with an update, in this case, well, they are the rough figures.

**Deputy S.M. Brée:**

So the last month of valuation of the States investments is at end of March?

**Treasurer of the States:**

At the point of being reported, yes, but within the Treasury is updated more regularly.

**Deputy S.M. Brée:**

Right. Because recently there has been a lot of market volatility, particularly in the currency markets. How has this impacted on the overall valuation of the strategic reserve fund?

**Treasurer of the States:**

We would have to provide you with the analysis in detail in respect of that. The majority of our investments are held in sterling. The currency fluctuations or the currency risk therefore arises from

the underlying trading nature of stocks that may derive their income elsewhere. Those are analysed to a fairly high degree by our investment advisers and by ourselves; mostly by our investment advisers. If the panel would like to receive those packs that we consider, I would happily provide them.

**Deputy S.M. Brée:**

I think at the moment the point we are trying to establish is whether or not the performance of the States funds, the investments if you like, have been affected by the current market volatility caused by the risk of Brexit and whether or not, therefore, the strategic reserve's value is being looked at closer than before. That is the only question, so we were merely trying to establish what dates you were working from when you were talking about positive movements in the funds.

**The Minister for Treasury and Resources:**

Well, to be specific, the outline that I gave to you was referring specifically to the quarterly report at the end of March. I accept the point about volatility but I also point you back to what I pointed out, that we look at performance over the longer period, because that is how you manage such matters, as opposed to short-term fluctuations. However, I would say that any fluctuations around what one might describe as the "Brexit effect" is likely to be after the event not necessarily in the lead-up to it. The only caveat I would put into that, if there were some significant movement in the polls as to the outcome that could cause some changes. But all the funds have to be carefully managed; they are carefully and professionally managed to the best way possible to ensure the maximum and most appropriate outcomes.

**Deputy J.A.N. Le Fondré:**

Okay. You made reference, Minister, to the performance being positive generally. Is that the same as being on or ahead of target?

**The Minister for Treasury and Resources:**

Yes. If you look at benchmarking against, again, 3-year performance figures and such like. and all the funds, bar one, which is more or less level for a separate reason because the investment profile of that particular fund requires the asset classes it invests in to be slightly different for a different reason, has not performed quite as well, but all the others are up ahead of their performance guideline. It has to be highly liquid, the one that I am referring to.

**Deputy J.A.N. Le Fondré:**

Okay. So the fund that you are referring to has nothing to do with alternative investments?

**The Minister for Treasury and Resources:**

No, it has to be highly liquid and, as a result, it has not performed in the way of the other funds, which are managed for a different purpose.

**Deputy J.A.N. Le Fondré:**

Okay. Right, are we done? Okay. Right, we are going to hand to Kevin and that is on the 2015 out-turns.

**Deputy K.C. Lewis:**

Minister, as has been said, we will be having a panel briefing later today. As way of background, the panel were given a presentation at the end of April 2015 which showed the out-turns, however the States accounts were not published until early June. Minister, when will the States Members receive the 2015 out-turn figures?

**The Minister for Treasury and Resources:**

The accounts are due to be signed off at the end of this month, end of this week, which is much the same I think, after which the States will receive presentations which will be arranged for the States accounts which will include the out-turns, I think it is the following week we have got lined up, 6th or 7th June.

**Treasurer of the States:**

So what we intend to do is, while we are briefing the panel on the high level on the out-turns and the income forecast this afternoon, that presentation of the out-turns for 2015, because of the M.T.F.P. addition, also to do the income forecast over the period; add it to that presentation when we present the accounts.

**Deputy K.C. Lewis:**

Why does it take so long for these figures to be available to all the States Members?

**The Minister for Treasury and Resources:**

Well, first and foremost, we feel it is appropriate that the panel receives this information first; we have always tended to work on that basis, that applies to all information. Beyond that, I do not know, Treasurer, if you want to outline the process?

**Treasurer of the States:**

It is something we have been talking about. In terms of historically it has always been driven by when we conclude the audit. The audit laid down in legislation, again, something else laid down by date in legislation. With the expanding nature of those accounts, quite a complex set of accounts to put together and a complex audit to conclude. Historically speaking, as I say, it has always been

driven by the delivery of the accounts. It has been given some consideration to perhaps usually the less complex area of the accounts, which would be that relating to States Assembly approvals, and that in the future maybe we can do an earlier release of those figures. So, in future I would hope to provide an update on an unaudited basis of the out-turn for 2015 in respect of tax income and States expenditure. You can probably appreciate that the work that goes into the valuation of assets, the consolidation in respect of certain entities, the funds, past service liabilities and such like, takes longer to put together. I think in the future we would be minded to give a briefing to Members on the unaudited out-turn, the risk being of course that audits do provide adjustments later on and that would have to be understood and I am sure it is understood by the panel. So, at the moment we do a presentation of the overall finances that include things that go way beyond that which the States gives approval for.

**Deputy K.C. Lewis:**

A shorter timescale would be very helpful, bearing in mind all tax returns need to be in by mid-December and the figures produced in the first quarter.

**Treasurer of the States:**

Yes. I think I refer back to my answer in respect of there is a lot more in the accounts than the tax returns.

**Deputy J.A.N. Le Fondré:**

Just to be clear, in terms of results or income for 2015, would it be practical to get a lot of that out on an unaudited basis a lot earlier on the basis that tax returns are in, for example, by the end of the year or before the end of the year? In theory, presumably you get some form of Treasury flash report, or whatever you call them, in mid-January.

**Treasurer of the States:**

It would be normally. This year, with the change in accounting policy in respect of current year I am quite glad that I did not seek such a commitment previously, but once we are back ...

**Deputy J.A.N. Le Fondré:**

But next year we will know everything ...

**Treasurer of the States:**

... into a business-as-usual situation I think an earlier out-turn position could be something that we would come forward with. There are always audit adjustments in respect of income given that the earlier you do it the more on an accruals basis you are undertaking that analysis.

**Deputy J.A.N. Le Fondré:**

Okay.

**Deputy K.C. Lewis:**

Are you confident that with the bedding in of the new accounting system things will be more streamlined next year?

[13:00]

**Treasurer of the States:**

Whenever I was to receive a new accounting system that would be the case, yes.

**Deputy J.A.N. Le Fondré:**

Accounting policy, I think.

**Deputy K.C. Lewis:**

Is the underlying trend higher or lower than that projected in the medium-term financial plan?

**Deputy J.A.N. Le Fondré:**

For income.

**Treasurer of the States:**

Higher.

**The Minister for Treasury and Resources:**

Which might come as a surprise to some.

**Deputy K.C. Lewis:**

Does this figure include one-offs?

**Treasurer of the States:**

Some of it does and some of it does not.

**The Minister for Treasury and Resources:**

There is a mixture.

**Deputy K.C. Lewis:**

Could you expand on that a little?

**Minister for Treasury and Resources:**

Later.

**Treasurer of the States:**

I think we have got a briefing this afternoon.

**Deputy K.C. Lewis:**

But if you move the one-offs the underlying trend is still higher.

**Treasurer of the States:**

Yes. To the extent that one year can be counted in any way, shape or form as a trend.

**The Minister for Treasury and Resources:**

The same applies to my previous comments: we look at longer periods, generally.

**Deputy J.A.N. Le Fondré:**

Is this because of your reference to the change in accounting policy?

**Treasurer of the States:**

That is in part but is not entirely.

**Deputy J.A.N. Le Fondré:**

So it is trying to assess the impact of that accounting policy on the reported income?

**Treasurer of the States:**

Clearly, in anything we do, we will be not including it there and pretending it does not exist. We will be clearly marking what that change in accounting policy means compared to what it would have meant against the forecast that did not include that.

**Deputy J.A.N. Le Fondré:**

Right. So, if you strip out the change in accounting policy because effectively it is not new money, that, it is just when you recognise it.

**The Minister for Treasury and Resources:**

It is just not more because of that.

**Deputy J.A.N. Le Fondré:**

Yes. Okay. Anybody else at this stage? Right, carry forwards 2015. You issued, Minister, a, well, relatively recent press release - I think it was back in April now - which is all to do with carry forwards which says: "The States departments had underspent their budgets by £25 million." The first couple of sentences, fractionally paraphrased, are that: "Departments across the States underspent their 2015 budgets by £25 million. Much of this saving is part of an existing plan to fund projects that span more than one year." So, of that £25 million, how much is actual savings?

**The Minister for Treasury and Resources:**

The first thing I would say is that the ...

**Deputy J.A.N. Le Fondré:**

I have obviously just read the first 2 sentences of your press release.

**The Minister for Treasury and Resources:**

Yes. No, I was just going to make the point that £25 million is historically not that surprising insofar as the way in which the accounting process operates: you tend to see underspends, and have done in recent years, of that sort of quantum. I think the difference here, which is interesting, is that we took measures to take 2 per cent out of departmental budgets in 2015; that was £12 million. There was a further one-off £5 million taken out and yet there is still a level of underspends.

**Deputy J.A.N. Le Fondré:**

Can you answer the question I asked, which was of the £25 million, how much is actual savings?

**The Minister for Treasury and Resources:**

It is an interesting point, and I was coming on to get to that. The way that we look at the underspends which result in requests for carry forwards, quite often departments will have projects that have either not started or have been deferred or delayed and consequently if you are partway through a particular project you would make a bid to carry it forward. So, the terminology of "savings" can be misleading, if I can put it that way. I suppose that if you look at the overall picture of the money that we have retained from the £25 million, you can see £5 million of it, which was put towards long-term care, so I think you would reasonably describe that as a saving element, and the further £1 million that was returned to the consolidated fund. I do not know, Treasurer, if you want to add anything to that?

**Treasurer of the States:**

No, that is probably it in terms of us answering the Chair's question. It is quite difficult to extract those that are savings of an on-going nature. I think an obvious area to point out there is, while it has been quite a high percentage, if not all then half of it relates to social security and that relates



to budgets that were set back in 2011 on social security spend, the forecast of wherever we would end up then, and that is £12 million more than that forecast. So that money, if you like, that has been accounted for as we move into 2016, 2017, 2018, 2019, is, if you like, a saving. It is a saving as a product of the Back to Work and a product of where the economy is at compared to where it could have been. But, nevertheless, that is money saved. If you go line by line through departments, in terms of their situation at the end of the year, there were many that would report some underspend relating to vacancies. Now those vacancies may have been held open in order to make sure that they do live within their cash limits given the savings that were extracted from estimates in budget 2015, that it, quite late in the day compared to the ...

**Deputy J.A.N. Le Fondré:**

Do we define a saving as something that has not been spent and is not going to be spent? So, in which case ...

**Treasurer of the States:**

That is certainly what you would regard the security payments as, yes.

**Deputy J.A.N. Le Fondré:**

Okay, so, going back to that, if I understood what the Minister just said, of the £25 million savings, supposedly, actual savings is about £6 million?

**Treasurer of the States:**

£6 million will return to the consolidated fund, yes.

**Deputy J.A.N. Le Fondré:**

So £6 million ...

**Treasurer of the States:**

So the other will be spent on either the things that they were originally intended to be spent on or additional bids or other funding pressures.

**Deputy J.A.N. Le Fondré:**

That is the point. So, some of the "savings" represent, for example, expenditure that was just not incurred in the present year but will be incurred in the following year because the project slipped, for example.

**Treasurer of the States:**

Well, yes, although there is a huge caveat there, and you can correct me if I am wrong subsequently, that within the £19 million there was £6 million transferred into the long-term care scheme. Now, is that all going to be spent next year, that is depending on where you think that that money comes out of the fund in future years? But that is in accordance with plans to take funds from the underspend in social security and put it into the long-term care scheme instead of bringing the long-term care charge in early. So it is not always as easy as you would like to wish it to be in terms of describing something as a saving or otherwise. So it is a saving from what it was originally intended for, is probably fair to say, other than those that relate to projects that straddle a year-end. So you will well remember formula days, and in some cases some of that money has been spent on other savings pressures predominantly one-off in nature.

**Deputy J.A.N. Le Fondré:**

What I am trying to get to is that, in terms of what was announced to the world, the reference is: "Much of this saving", which is £25 million: "is part of an existing plan to fund projects that span more than one year." In other words, the link is saving and £25 million. So, of that £25 million, how much was meant to be spent and is not going to be spent; is that £6 million?

**The Minister for Treasury and Resources:**

What that was referring to was that there was £25 million not spent in that year, that budgetary period, and then, as explained, some of it would be carried forward. Some of it is savings in, by way of description, that are going to be recurring so the money has been able to be returned to the consolidated fund. So that is broadly about £6 million. Then you have got the long-term care, which you could equally say that sum of money is also money that was not spent for its intended purposes and has been diverted to something else. I think that is not unreasonable to describe that as a saving as well in terms of longer term recurring expenditure cost.

**Deputy J.A.N. Le Fondré:**

So that is a total of 12.

**The Minister for Treasury and Resources:**

Yes, and it could be broken down. Those are the easy ones to pick off, just sitting here, off the top of my head, but there would be others.

**Deputy J.A.N. Le Fondré:**

Of the £6 million that has gone back to the consolidated fund, can you confirm that £5 million of that was already budgeted in the 2015 budget?

**Treasurer of the States:**

It was already anticipated, yes.

**Deputy J.A.N. Le Fondré:**

So we are not getting to dangerous territory of, effectively, announcing savings twice?

**Treasurer of the States:**

I am not quite sure of the question. It is a saving. It was anticipated.

**Deputy J.A.N. Le Fondré:**

So we have announced it once in the budget 2015 and now we have announced it again in 2016?

**Treasurer of the States:**

But to have not provided the analysis to it would have, therefore, left it unexplained at the year-end.

**The Minister for Treasury and Resources:**

The report is quite detailed.

**Deputy J.A.N. Le Fondré:**

I think we were just slightly concerned that there is a kind of a double repetition of good news, shall we say? I think, Minister, you stand by your press release, it is headed up "Treasury and Resources." Do you consider the words: "A £25 million saving" to be an appropriate way of expressing it?

**The Minister for Treasury and Resources:**

Well it is not inaccurate because in terms of in year for that 2015 period, that is money that was not spent so it was therefore saved. Okay, it was reinvested or projects continued or whatever it happened to be, as the Treasurer put it ...

**Deputy J.A.N. Le Fondré:**

But if a project continues, the money is not being spent now, I accept that, the cash has not gone out, but it is going to be spent on that same project ...

**The Minister for Treasury and Resources:**

Some of it is going to be.

**Deputy J.A.N. Le Fondré:**

... therefore that kind of definition cannot be a saving in the ordinary mind of the public, surely.

**The Minister for Treasury and Resources:**

Well, it is a saving from that budget and in that budgetary period.

**Deputy J.A.N. Le Fondré:**

In that period.

**The Minister for Treasury and Resources:**

In that period, exactly.

**Deputy J.A.N. Le Fondré:**

In the round it will be spent on that project, generally.

**The Minister for Treasury and Resources:**

Yes. Some of them, as we have just pointed out, and was made clear in the report, but the report itself makes it clear what is happening.

**Deputy J.A.N. Le Fondré:**

Okay, let us just move forward a bit. You have made reference to further investment. Now, I suppose one of my queries is, in terms of some of those projects to benefit from the further investment, why are they not budgeted out of regular expenditure? For example, the sports strategy, which is Fit for the Future, is already an approved strategy. If it is in place, if the strategy is already in place, why is there no funding mechanism in place? In other words why is it being funded out of other savings, I will say on an ad hoc basis, you may disagree with me on that, as opposed to saying that strategy has been approved, I assume by the Assembly, I cannot recall, and therefore it needs proper funding?

**The Minister for Treasury and Resources:**

It is largely because in that particular case it straddled 2 periods so you had the M.T.F.P., the first one, during which this particular strategy was approved or progressed, and we are looking now and, in terms of this period, 2016 is outside of the original funding envelope. So, as we split the M.T.F.P. into 2016 and then 2017 to 2019, we needed to find a funding source that dealt with this year and this seemed an appropriate way to do it.

**Deputy J.A.N. Le Fondré:**

So there will be a funding source for it going forward? It will not be a case of it will be lurching from one year to the next scrabbling around for money?

**The Minister for Treasury and Resources:**

No, and that of course is one of the benefits of having a medium-term financial planning process. It is just because we took it in 2 bites, 2016, and then 2017 to 2019 being the addition, then we had to find a solution for that particular funding from a strategy that was approved in the preceding M.T.F.P.

**Deputy J.A.N. Le Fondré:**

Okay. There is also reference in the report that accompanied the press release, it is a reference to, I think, certain slippage in relation to, for example, Lean. Where are we on the savings plan; in other words, are savings targets being met?

**The Minister for Treasury and Resources:**

To date, yes. We have seen, and I alluded to it a moment ago with the savings that are being delivered in 2015, and of course 2016 is continuing on in similar vein; 2015, 2 per cent was taken out of budgets, which included savings. Interestingly, there was no detail given, you will recall, around 2015, simply there was not time. Departments were just given the task of finding 2 per cent, which they did; that was £12 million. A further £5 million was also taken out as part of those measures, so a total of £17 million out of 2015, and of course similar savings have been put in place and have been, or are in the process of being, delivered for 2016, which leaves us with a total, I think, of £32 million over the 2 years. Is that right, or £38 million?

**Treasurer of the States:**

£38 million for 2016.

**The Minister for Treasury and Resources:**

£38 million less the other £5 million, yes.

**Deputy J.A.N. Le Fondré:**

Within that, that is savings, so in total you want £70 million of staff savings, and I have forgotten the balance to bring you up to cover eventually the £145 million that you are looking to achieve. At the moment, are you are on track on those overall targets?

**The Minister for Treasury and Resources:**

At the moment we are satisfied that we are but bear in mind, just to ensure that I do not mislead you at all, that 2015 is obviously outside of that plan period I was referring to a moment ago.

**Deputy J.A.N. Le Fondré:**

Yes.

**Deputy S.M. Brée:**

Yes. There is, within this report, a commitment to provide £370,000 to cover management costs relating to the Charities Law. Now, this raises the whole issue of why, when over 2 years ago, on 3rd June, the States Assembly approved the Charities Law, establishing the Commissioner and the role of a commissioner, and yet to date nothing has been done and there is no funding mechanism for this to be achieved. Why, Minister, is that the case?

[13:15]

**The Minister for Treasury and Resources:**

Well, the Charities Law clearly does not fall under Treasury and Resources in terms of some legislation to progress, so I cannot give you the full details around the implementation of the Charities Law. There is funding that has been earmarked from contingency to manage the introduction of the Charities Law, and beyond that sustainable longer-term funding is a matter that is being finalised and will be contained within the plans for the M.T.F.P. addition.

**Deputy S.M. Brée:**

So how do you intend, Minister, to provide an actual funding mechanism, a long-term funding mechanism, for what is a very important area, not only for the Island's charities but also for Island life?

**The Minister for Treasury and Resources:**

Well, just to be clear, you say for Island life, this does not mean charities are going to stop functioning, Charities Law is progressing the way in which that sector is governed; the governance arrangements and such like. So it is not stopping anything by not being there, this is progression and improvement, which is to be welcomed, and I think you would support that.

**Deputy S.M. Brée:**

Okay, well let me phrase it another way if the first phrasing was not to your liking. What mechanisms have you put in place for the future funding of the Charities Commissioner ... sorry, the Charities Commission and the role of Charities Commissioner?

**The Minister for Treasury and Resources:**

Well, as I pointed out, £370,000 was put into contingency in 2014 and 2015 in order to allow the matter to progress. I cannot comment beyond that financial side as to why. I think your earlier point was why we have not got a commissioner in place at the moment. I do not know what delays, and the reasons for the delays in the implementation of that. All I know is that contingency from a financial point of view was put in place for the year stated, 2014/2015, and that is still the case.

What we are currently finalising is ongoing longer-term sustainable funding for that area which will be contained within the M.T.F.P. addition.

**Deputy S.M. Brée:**

What is that?

**Deputy J.A.N. Le Fondré:**

So if there is no reason why one cannot address ...

**Deputy S.M. Brée:**

The question we are trying to get to, Minister, is that as the Minister for Treasury and Resources, you are responsible for finding funding mechanisms for this sort of area. 2 years ago the States Assembly voted to establish a Charities Commission and a Charities Commissioner. There is no apparent funding mechanism for this. The management costs that you speak of did not relate to future funding of this area, and the question I am asking is: from where are Treasury going to be able to provide for the future funding of the Charities Commission and the Charities Commissioner? It is a very simple question. We want to know how you intend to fund this on a year-by-year basis and how much you are allocating for this within your budgets for 2017, 2018 and 2019?

**The Minister for Treasury and Resources:**

Well it is a very simple answer as well: that we have put in place, since 2014, contingency funding to allow the progression of the area that you are referring to, the Charities Commission, so there was no reason why it could not progress and cannot progress. I understand the funding requirement for 2016 is £142,000 and, as I have said, there is contingency available in order to meet that. The longer-term sustainable funding mechanisms are being worked on at the moment and will be contained within the M.T.F.P. addition. So there is nothing to stop it, the funding is there from a contingency perspective to allow it to proceed, and that has been the case since 2014, and the addition will deal with the on-going funding.

**Deputy S.M. Brée:**

I think there are 2 questions I would like to ask you. Following an approach by a parishioner of mine in St. Clement I approached the Chief Minister's office to ask what the status was on the Charities Law, the establishment of the Commission and the role of Commissioner. I was told by the Chief Minister's Department that nothing had happened because they did not have the funding. You are telling us that they do have the funding. Who is correct?

**The Minister for Treasury and Resources:**

I can only comment on the area that I have referred to, which is the funding element. All I can do is confirm that there is and was money put aside, as I am told by officials, with regard to contingency from 2014, and so I do not see any reason therefore that lack of funding is a reason for lack of progression in this area.

**Deputy S.M. Brée:**

So, once again I would ask ...

**The Minister for Treasury and Resources:**

I am just asking for clarification from the Treasurer if he wishes to give it to me.

**Treasurer of the States:**

That is my understanding; without understanding the context of the emails as to whether they relate to ongoing funding or the funding to establish the situation.

**Deputy S.M. Brée:**

Okay. The response I got was that the Charities Commission and the subsequent role of Charities Commissioner had not progressed at all because there was no funding available from Treasury and Resources to do so. What we are asking is, very simply, a figure of £370,000 has been detailed from your department as a commitment to cover management costs of the Charities Law. Would you like to explain to us exactly what you mean by that?

**The Minister for Treasury and Resources:**

Sorry, could you repeat that?

**Deputy S.M. Brée:**

Yes. I believe it stated that it was to cover the management costs of the Charities Law. What is that? If it is not for the establishment of the Commission and the Commissioner, then what is that £370,000?

**The Minister for Treasury and Resources:**

Well, I can give you a rough breakdown as presented. This is for years one and 2, so the Commissioner, 75, there is an officer at 95, a ...

**Deputy S.M. Brée:**

But the Commissioner has not been appointed yet.

**The Minister for Treasury and Resources:**



No, I am just identifying what the budget would be. Nothing has been spent, as I have pointed out to you.

**Deputy S.M. Brée:**

Okay. You have already provided us with that detail but the point I am trying to make is, how, moving forward, does your department intend to provide the funding for the Charities Commission and Charities Commissioner?

**The Minister for Treasury and Resources:**

Well, as I have said several times, the contingencies will deal with the short-term setting up, establishing.

**Deputy S.M. Brée:**

Yes, we accept that.

**The Minister for Treasury and Resources:**

We then have ongoing operational costs and the details for how that is going to be managed will be contained within the M.T.F.P. addition. So there are some options that are being looked at and have been given careful consideration. I do not want to go any further on that at this particular point.

**Deputy J.A.N. Le Fondré:**

At this stage, do you know what the decision is? Is there an identified source?

**The Minister for Treasury and Resources:**

The actual identified source, or the likeliest option, I would not want to go any further with in this particular public hearing, but, as I have said, I am happy to brief you separately on it if you like from the funding perspective.

**Deputy S.M. Brée:**

On 26th April this year, the States debated the principles of what has become known as “The Dormant Bank Accounts Law”. In that was contained the principle that the revenue or funding provided by the dormant bank accounts, would fund the running of the Charities Commission and the role of the Charities Commissioner. That was called in by the relevant Scrutiny panel and it is not due for debate until 28th June, 2 days prior to the final official lodging date of the M.T.F.P. additions. Are you waiting until 28th June to see what happens before you lodge the M.T.F.P.? Is that the whole point?

**The Minister for Treasury and Resources:**

No. The reason for that is that the M.T.F.P. will have gone to print on 24th June, so that would not be practical from that perspective, aside from anything else. No, it is not. That is not the point.

**Deputy S.M. Brée:**

So the funding mechanism you are talking about is not going to come from the dormant bank accounts, is that correct, you are going to fund it another way.

**The Minister for Treasury and Resources:**

The dormant bank accounts is one option that was under consideration. There are matters relating to that which need to be clarified. For example, to give you a flavour, there is no obligation, or would be no obligation, on the banks for up to 5 years to distribute the money, as I understand it, so there would be no immediate short-term funding.

**Deputy S.M. Brée:**

Sorry, the banks to distribute the money?

**The Minister for Treasury and Resources:**

Yes, the money from the dormant bank accounts. I understand that there is a period of 5 years. Obviously if there is a potential reclaim on any of the money ...

**Deputy S.M. Brée:**

Sorry, where does this period 5 years come in?

**The Minister for Treasury and Resources:**

It is a transitional period.

**Deputy S.M. Brée:**

From what I can remember of the principles and looking at the regulations, the idea was to get this approved and in front of the Privy Council so that the law could come into effect on 1st July, giving you a period of 6 months for the banks to transfer funds over, meaning that the first tranche of payments would arrive in the Jersey Reclaim Fund on 1st January 2017.

**The Minister for Treasury and Resources:**

Well, that is not the information that I have to hand. The information that I have to hand says that there is a transitional period which is 5 years. There is no obligation on the banks to pay monies into the fund for 5 years post-registration.

**Deputy S.M. Brée:**

That is certainly not my understanding, but anyhow, let us move on.

**Deputy J.A.N. Le Fondré:**

Right. Any more questions down that end? No. I have got one and then I will hand over to Chris. Sorry, 2 parts. Minister, you have made reference to the ongoing costs of the Charities Commission structure because you just made a reference to £75,000 plus £95,000 being the cost of the Commissioner and the cost of the officer, which I made £170,000, which I assume is 2 years' worth. I assume there are some other annual revenue costs in there so I am going to guess we are looking at running costs of around £100,000 plus a year. Is that correct, give or take?

**The Minister for Treasury and Resources:**

I believe there is an estimate for the M.T.F.P. addition, which I suppose is the relevant benchmark, of around about £500,000 to be covered for that period 2017 to 2019, which probably slightly exceeds what you have just been indicating.

**Deputy J.A.N. Le Fondré:**

You are saying £500,000 over 3 years?

**The Minister for Treasury and Resources:**

But that is covering the 2017 to 2019 period.

**Deputy J.A.N. Le Fondré:**

So it would be £130,000 or something. Okay, I suppose the query is: is there not a risk, depending on the source of funds, that you are diverting money that could be going to fiscal and charitable causes reinforcing what could be a fairly costly administrative exercise on a largely voluntary sector? Is this the best way of doing it?

**The Minister for Treasury and Resources:**

So are you asking a question about the principle of the Charities Commission?

**Deputy J.A.N. Le Fondré:**

I am using the query about best value for money.

**The Minister for Treasury and Resources:**

Which comes to the same thing, in a sense.

**Deputy J.A.N. Le Fondré:**

Well, not necessarily. It is the application of the service that would be provided.

**The Minister for Treasury and Resources:**

I do not think anybody would want to see money taken away from the charitable sector, money that is much needed for supporting a whole raft ... I think there are over 200 registered charities, as you are probably aware, in the Island. The intention with structuring the Charities Commission is that it would be structured in such a way where that would not be the outcome. I certainly, for one, share your view that I hope that is going to be the case.

**Deputy J.A.N. Le Fondré:**

Okay. Chris?

**The Connétable of St. John:**

Sorry to labour the point but I am going back to the carry forwards. I cannot get my head round the announcement that there was £25 million worth of underspend. You then had £19 million which was already earmarked, or in the process of being spent, for want of a better term, which leaves £6 million. Of that £6 million, £5 million had been announced last year as a saving that was going to be made. So the actual saving that ended up in the bank at the end of it is just over £1.3 million, and yet the headline was £25 million. You do not feel that that is misleading people?

**The Minister for Treasury and Resources:**

No. The report itself makes it abundantly clear. In fact, the way in which it was reported by the media, who I think did a very good job in getting it right, made it absolutely clear exactly what the breakdown was of the £25 million. As I have said a moment ago, £25 million of underspend carry forward money is not that unusual. We have seen this in recent years, in the £20 million to £30 million range due to the accounting processes that the States operate.

[13:30]

The fact we have been able to put money back into the consolidated funds and the fact we have been able to put money into the long-term care fund to push out the time when it is likely that the cost of that fund is going to have to rise, I think is very positive.

**Deputy J.A.N. Le Fondré:**

We have got just over 4 questions left, you will be glad to know; well, there may be a couple of supplementaries as well. We have got 4 main questions left. Easy one, Minister, I hope.

**The Minister for Treasury and Resources:**

I never like it when somebody says that.

**Deputy J.A.N. Le Fondré:**

There we go. It was prompted by some other things that I was looking at earlier. The Howard Davis Farm Trust is a trust that was established to do with the covenant of the Howard Davis Farm dairy. The constitution of that trust says that: "The trustees will present the accounts to the Minister", which, from recollection, would have been yourself and probably remains yourself, "for onward presentation to the States." They do not seem to be in any accounts published in the States for the last few years. Would you like to commit to having a look as to why and whether they should be published? Easy answer.

**The Minister for Treasury and Resources:**

Yes, I am sure we would be more than happy to have a look at that, would we not, Treasurer?

**Deputy J.A.N. Le Fondré:**

Good.

**Treasurer of the States:**

We will.

**Deputy J.A.N. Le Fondré:**

You can flag that up. Kevin, question 36.

**Deputy K.C. Lewis:**

Minister, emails regarding Nursery Education Fund. Further to the confusion of your prior knowledge of nursery education cuts, can you, Minister, confirm that you now have full knowledge of the savings and cuts that are due to be made in the medium-term financial plan?

**The Minister for Treasury and Resources:**

Just to clarify, if I may, about the confusion that you have referred to. There was no confusion about the measure and the areas around the measure; the confusion was about the announcement, just to be absolutely clear about that.

**Deputy K.C. Lewis:**

So you had knowledge of the cuts but did not have knowledge of the announcement, just to clarify?

**The Minister for Treasury and Resources:**

Well, that particular measure had been discussed by the Council of Ministers informally, and this is an important point. Although Ministers were cited on that, as they are with literally hundreds of

measures across a department, it had not been agreed in a formally-constituted Council of Ministers meeting, per se. But the real point here is it was around the announcement that I had been uncited on.

**Deputy K.C. Lewis:**

So you had full knowledge of the details but you did not realise it was going public?

**The Minister for Treasury and Resources:**

I had knowledge, as I do with the majority of the hundreds of measures that are being brought forward, certainly those that get into the final stage. There are measures that are discussed. You could appreciate there are measures discussed by Ministers that do not get progressed, indeed they do not get progressed very far out of an individual department in some cases, for a number of different reasons, which is why I was making the point earlier about the distributional analysis. That that is one part of a process; there is a lot that happens before you get to the final stages. But in terms of other measures, yes, I am satisfied that measures that are being considered or are in the final stages of potential inclusion are ones that I am cited on and, more importantly, so are the Council of Ministers, as it is a Council of Ministers document, of course.

**Deputy K.C. Lewis:**

Thank you for that clarification.

**The Connétable of St. John:**

What is the procedure of ensuring that you are kept abreast of all M.T.F.P. savings and cuts?

**The Minister for Treasury and Resources:**

Well, there is a process that occurs firstly and foremost within the department itself. We have a series of ways in which departmental proposals are then brought forward for the broader consideration of the Council of Ministers. There are workshops that the Council has to discuss together with officers, proposals and measures that are being brought forward. So it goes through a set procedure.

**The Connétable of St. John:**

Are you confident that that set procedure is robust?

**The Minister for Treasury and Resources:**

I would certainly hope it is robust, yes. I have no reason to believe that it is not.

**Deputy J.A.N. Le Fondré:**

So is there a schedule of savings that the Council of Ministers is working to? You have just said there are hundreds of potential savings; I presume there is a schedule with some or other details on it that the Council of Ministers ...

**The Minister for Treasury and Resources:**

It is not just savings, obviously, there are a range of measures, efficiencies and so on, there are charges, fees, there are all sorts of elements that make up the package which is the M.T.F.P. I said to you at the beginning of this hearing that there were a number that were discounted early on, some at departmental level, so at different levels. If they have not been progressed, even out of the department, then they would not necessarily form part of a schedule that the Council of Ministers would have seen, or I myself would have necessarily considered. Once you get to the final stages as we are now, yes, of course there are measures that are contained within the documents, the final documents.

**Deputy J.A.N. Le Fondré:**

So there is a schedule of savings and measures?

**The Minister for Treasury and Resources:**

Yes, there is a schedule that contains all elements, including savings.

**Deputy J.A.N. Le Fondré:**

Is that is what the Council of Ministers are looking at from time to time?

**The Minister for Treasury and Resources:**

Yes.

**Deputy J.A.N. Le Fondré:**

Great. Can we have a copy?

**The Minister for Treasury and Resources:**

Yes, along the timeline that I gave to you earlier on.

**Deputy J.A.N. Le Fondré:**

Why can we not have it in advance?

**The Minister for Treasury and Resources:**

Because it has not been approved by the Council of Ministers yet.

**Deputy J.A.N. Le Fondré:**

So, has it been presented to the Council of Ministers?

**The Minister for Treasury and Resources:**

No. I said there are various stages that we go through in terms of considering the M.T.F.P. measures and such like, and those have been in a variety of different ways, in workshops that we have together with officers sometimes, and so those are not fully-constituted meetings. When it gets to a stage of finalising measures that will form the package of the M.T.F.P., that will be a fully-constituted Council of Ministers meeting where it will be discussed, agreed, hopefully, and signed off, at which point it will be available for the panel.

**Deputy J.A.N. Le Fondré:**

So, it is only documents that go on to the agenda of the Council of Ministers that Scrutiny panels as a whole can have access to?

**The Minister for Treasury and Resources:**

That has been the tried and tested process that has been operating for years, as far as I am aware.

**Deputy J.A.N. Le Fondré:**

So, if it is an informal presentation that is not a formalised paper we cannot see it?

**The Minister for Treasury and Resources:**

Unless it was agreed individually. We, from a Ministry point of view, are very happy to, as you know, Chairman, brief you on other matters and we have done that previously. In fact we are doing it very shortly, in about an hour or three-quarters of an hour, or whatever it is.

**Deputy J.A.N. Le Fondré:**

It depends how long you keep talking, Minister.

**The Minister for Treasury and Resources:**

I will keep quiet. So there are other processes and such like which mean that there are opportunities for panels to have information informally. But this is slightly different in terms of the M.T.F.P. because it is not just one panel to a department, it is a package of measures and we have made it clear that that will be dealt with in the way that I have already outlined.

**Deputy J.A.N. Le Fondré:**



Okay. I have another question but I think, given the time, we will stop and you can enlighten us on another date. So, fractionally after schedule, but thank you very much for your time; we will draw the hearing to a close. From our point of view, thank you very much and we will see you shortly.

**The Minister for Treasury and Resources:**

You will indeed. Just time to grab a sandwich, with luck. Thank you very much.

[13:37]