

# STATES OF JERSEY



## PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024): TWENTY- FIRST AMENDMENT

### TRANSFORM PROJECT

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Lodged au Greffe on 12th November 2024  
by Deputy A.F. Curtis of St. Clement  
Earliest date for debate: 26th November 2024

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STATES GREFFE

PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024):  
TWENTY-FIRST AMENDMENT

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**1 PAGE 4, PARAGRAPH (o) –**

After the words “as set out in the Appendix to the accompanying Report” insert the words –

“, except that –

- (i) on page 53, for Table 19 there should be substituted the following table, and all references to the value of the Social Security Fund should be adjusted accordingly –

Proposed Schemes Funded from the Social Security Fund					
Project Total £'000	Project	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate
20,838	Benefits and Payments (Transform)	9,899	2,976	3,144	635
<b>20,838</b>	<b>Social Security Fund Total</b>	<b>9,899</b>	<b>2,976</b>	<b>3,144</b>	<b>635</b>

; and

- (ii) on page 53, after Table 19, there should be inserted the words “The Project Total for the Benefits and Payments (Transform) project has been reduced by £10,000,000, reflected in a decrease of £4,500,000 in each of 2026 and 2027, and a £1,000,000 decrease in 2028. This reduction is implemented to restore the approximate historic budget for the project and to ensure value for money. It will also result in an increased balance of the Social Security fund.””.

DEPUTY A.F. CURTIS OF ST. CLEMENT

**Note:** After this amendment, the proposition would read as follows –

**THE STATES are asked to decide whether they are of opinion –**

to receive the Government Plan 2025 – 2028 (entitled “Budget 2025-2028”) specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2025 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law.
- (b) to approve the proposed Changes to Approval for financing/borrowing for 2025, as shown in Appendix 2 – Summary Table 2 to the Report, which may be

obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approval amounts.

- (c) to approve the transfers from one States fund to another for 2025 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law.
- (d) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2025 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st December 2024 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2025.
- (e) to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2025 of up to £2 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2024 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2025;
- (f) to approve each major project that is to be started or continued in 2025 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 – Summary Table 4 to the Report.
- (g) to approve the proposed amount to be appropriated from the Consolidated Fund for 2025, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report.
- (h) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2025 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report.
- (i) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2025 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report.
- (j) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2025 as set out in Appendix 2 – Summary Table 8 to the Report.
- (k) to approve an updated and consolidated policy of the Strategic Reserve Fund as follows:

“The Strategic Reserve Fund, established in accordance with the provisions of Article 4 of the Public Finances (Jersey) Law 2005, is a permanent reserve only to be used:

- i. in exceptional circumstances to insulate the Island’s economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster.
  - ii. if necessary, for the purposes of providing funding (up to £100 million) for the Bank Depositors Compensation Scheme established under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009, including to meet the States contribution to the Scheme and/or to meet any temporary cash flow funding requirements of the Scheme.
  - iii. to support the development of future healthcare facilities and the borrowing costs for such work, in line with a financing strategy agreed by the Assembly;
  - iv. as a holding fund for any or all monies raised through external financing until required, and for any monies related to the repayment of debt raised through external financing used to offset the repayment of debt, as and when required; and
  - v. in accordance with Article 24 of the Public Finances (Jersey) Law 2019, where the Minister for Treasury and Resources is satisfied that there exists an immediate threat to the health or safety of any of the inhabitants of Jersey, to the stability of the economy in Jersey or to the environment, for which no other suitable funding is available.”
- (l) to approve the transfer to the Strategic Reserve of the amounts due as a result of the move from prior-year basis taxation after 31st December 2025, as and when these payments are received (estimated at £280 million).
- (m) in relation to the new Government Headquarters (office), to approve;
- i. the exercising of the option to acquire the new Government Headquarters (estimated at £91 million), by the Public of the Island, in line with the pre-agreed terms; and
  - ii. the acquisition of the new Government Headquarters as an investment of the Social Security (Reserve) Fund (including authorising the meeting of expenses incurred in connection with the acquisition); and
  - iii. the subsequent leasing of the new Government Headquarters by the Public of the Island from the Social Security (Reserve) Fund, with commercial terms to be agreed between the Minister for Infrastructure (on behalf of the Public) and Minister for Social Security and the Minister for Treasury and Resources (both on behalf of the Fund); and
- (n) in relation to the new Government Headquarters, to authorise H.M. Attorney General, the Greffier of the States, the Ministers for Infrastructure, Social Security and Treasury and Resources, and the Public of the Island, to enter into such arrangements, including financing, and pass any contracts as are necessary to put into effect paragraph (m).
- (o) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2025-2028, as set out in the Appendix to the accompanying Report, **except that**

(i) on page 53, for Table 19 there should be substituted the following table, and all references to the value of the Social Security Fund should be adjusted accordingly –

Proposed Schemes Funded from the Social Security Fund					
Project Total £'000	Project	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate
20,838	Benefits and Payments (Transform)	9,899	2,976	3,144	635
<b>20,838</b>	<b>Social Security Fund Total</b>	<b>9,899</b>	<b>2,976</b>	<b>3,144</b>	<b>635</b>

; and

(ii) on page 53, after Table 19, there should be inserted the words “The Project Total for the Benefits and Payments (Transform) project has been reduced by £10,000,000, reflected in a decrease of £4,500,000 in each of 2026 and 2027, and a £1,000,000 decrease in 2028. This reduction is implemented to restore the approximate historic budget for the project and to ensure value for money. It will also result in an increased balance of the Social Security fund.”.

## REPORT

### Summary

The Customer and Local Services programme TRANSFORM's budget is proposed to increase in the Budget 2025-2028 by circa £10million (circa 50%).

No information within the budget justifies this increase. To my understanding scrutiny have not been briefed on this increase, nor have the assembly.

It is essential that we manage our spending on IT and digital to deliver Value for Money, and challenge expenditure to ensure the prudent use of public money.

As such until a clear justification for both this increase and the total budget for TRANSFORM is transparently shared, I ask the Council of Ministers, and the Assembly reinstate the budget for the programme to levels similar to those approved in the Government Plan 2024-2027.

### Context

Customer and Local Services currently operate a bespoke Social Security technology system called 'NESSIE' (New Employment Social Security Information Exchange). This system was introduced in January 2025<sup>1</sup> and so is now reaching twenty years in production.

Since the 2021 – 2024 Government Plan, a programme to replace NESSIE has been provided for in that Government Plan and subsequent ones. It has since taken on the name TRANSFORM.

It is interesting to note that the concerns about the risks of running NESSIE into the future (such as ageing technology and lack of supportability), whilst understandable, have not materialised in a catastrophic way. That is not to say we should not replace the system, and I fully support replacing NESSIE with a modern fit-for-purpose system that integrates well with other systems and improves productivity for the department, and the quality of service for islanders. It does however suggest that we can take time to do this methodically.

It is also fair to say that the programme has clearly had ambitious timetables in the past. A multi-year project due for delivery in 2024 has yet to see any major expenditure, with no large contracting on delivery completed.

This has led to an 'ever-moving' proposed expenditure on the project, with a shift in delivery model seen in the 2024-2027 Government Plan as the project moved to a blended model of 'Capital' and 'Revenue' expenditure, proposing to deliver the programme over a longer timeframe however with greater internal resources.

These changes are not necessarily bad things. Indeed, these plans evolved during the implementation of the ITS (now Connect) programme, a delivery plagued with Cost overruns, mismatched capacity between supplier and Government, challenges with scope etc.

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<sup>1</sup> [Microsoft Word - A review of changes to the Incapacity Benefit System by Pr-](#)

It is therefore reasonable to assume that work done in 2023 to redesign the programme were sensible.

What is concerning however is that the proposed budget for the programme has increased between the 2024 and 2025 Budgets by almost 50%, from an estimated £21m to £31m.

This has occurred at the same time as new productive tooling for building software have emerged thanks to generative AI and new products, that help lower the cost of implementing new systems.

It is essential that we and the public have a clear understanding of how our money is spent, and that it is spent prudently. In the absence of further information, I see no reason the Assembly should approve such a significant increase in expenditure. If we do it opens us up to the same criticisms of former assemblies on projects such as ITS.

Lastly, this amendment is not seeking to reallocate the money found through a reduction in project spend. The Social Security fund is ringfenced, and this amendment is about ensuring value for money and appropriate spend of an important source of money.

I ask the Council of Ministers to accept this amendment, and the assembly to support as such.

### Historic Government Plan Approvals

The table below contains excerpts from the current Budget and previous four Government Plans. Total project expenditure was originally budgeted at £23 million, however a significant change in expenditure profile is seen in the Government Plan 2024 – 2027.

During this year as mentioned above, the project was reprofiled and so spend was less than previously planned although with expenditure until 2028 (so outside the Government Plan period).

Although not published in an easy to find way, I understand that the proposed total budget for the programme was between £20-£21 million (including expenditure that had occurred to date).

Further, this programme shows the challenges in the public and assembly members scrutinising or even understanding Government budgets. It is essential that it is clear to members what has been spent, what this has been spent on, and what is planned to be spent.

<b>Government Plan 2021 – 2024</b>					
	2021	2022	2023	2024	Total 2021-24
	£'000	£'000	£'000	£'000	£'000
Proposed Schemes Funded from Social Security	250	5,000	10,000	7,750	23,000
Benefits and Payments - System					
<b>Social Security Funded Schemes</b>	<b>250</b>	<b>5,000</b>	<b>10,000</b>	<b>7,750</b>	<b>23,000</b>

Table 14 - Social Security

	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)
Opening balance	92,722	91,746	86,020	75,294
Existing Contributions income	199,054	205,507	211,627	217,929
Changes to Contribution rates	(15,894)	0	0	0
Sustainability Measures	0	0	0	29,319
Transfer from Social Security Reserve	94,932	81,255	87,175	0
Grant to Social Security Fund	0	0	0	65,300
Existing benefits and other expenditure	(275,879)	(284,475)	(296,398)	(310,018)
New Benefits proposed	(2,939)	(3,013)	(3,130)	(3,256)
Capital Investment in New Benefits System	(250)	(5,000)	(10,000)	(7,750)
<b>Closing balance</b>	<b>91,746</b>	<b>86,020</b>	<b>75,294</b>	<b>66,818</b>

Table 36 – Social Security Fund

## Government Plan 2022 – 2025

	2022 £'000	2023 £'000	2024 £'000	2025 £'000	Total £'000	Total Major Project £'000
Benefits and Payments system replacements (NESSIE)	5,000	10,000	6,750	-	21,750	23,000

Table 17: Schemes funded from the Social Security Fund

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
<b>Opening balance</b>	<b>85,002</b>	<b>87,761</b>	<b>86,362</b>	<b>79,487</b>
Existing Contributions income	205,463	209,816	215,267	221,678
Transfer from Social Security Reserve	81,255	87,175	0	0
Grant to Social Security Fund	0	0	82,530	84,760
Existing benefits and other expenditure	(278,959)	(288,390)	(297,922)	(308,084)
Capital Investment in New Benefits System	(5,000)	(10,000)	(6,750)	0
<b>Closing balance</b>	<b>87,761</b>	<b>86,362</b>	<b>79,487</b>	<b>77,841</b>

Table 44: Social Security Fund

## Government Plan 2023 – 2026

Proposed Scheme Funded from Social Security Fund				
	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Benefits and Payments (Transform)	12,500	8,250	-	-
<b>Proposed Scheme from Social Security Fund</b>	<b>12,500</b>	<b>8,250</b>	<b>-</b>	<b>-</b>

Table 19: Proposed Scheme Funded from Social Security Fund

Social Security Fund				
	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate
<b>£'000</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Opening Balance</b>	<b>72,664</b>	<b>75,971</b>	<b>66,046</b>	<b>64,713</b>
Social Security Contributions	228,037	236,703	243,567	250,387
Other income	32	32	32	32
Transfer from Social Security Reserve	89,000	-	-	-
Grant to Social Security Fund	-	82,110	88,640	91,090
Social Benefit Payments and other expenditure	(301,262)	(320,520)	(333,572)	(345,730)
Capital investment in New Benefits System	(12,500)	(8,250)	-	-
<b>Closing Balance</b>	<b>75,971</b>	<b>66,046</b>	<b>64,713</b>	<b>60,492</b>

Table 45: Social Security Fund



## Government Plan 2024 – 2027

Proposed Scheme Funded from Social Security Fund				
£'000	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate
Benefits and Payments (Transform)	5,670	4,046	3,524	1,945
<b>Proposed Scheme Funded from Social Security Fund</b>	<b>5,670</b>	<b>4,046</b>	<b>3,524</b>	<b>1,945</b>

Table 19: Scheme Funded from Social Security Fund

Social Security Fund				
£'000	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate
<b>Opening Balance</b>	<b>89,167</b>	<b>94,852</b>	<b>108,852</b>	<b>120,274</b>
Social Security Contributions	250,926	260,863	268,480	275,622
Other income	1,632	1,410	1,217	1,106
Transfer from Social Security Reserve <sup>72</sup>	-	-	-	-
Grant to Social Security Fund <sup>73</sup>	77,596	88,805	88,981	89,686
Social Benefit Payments and other expenditure	(320,451)	(334,665)	(345,388)	(356,512)
Capital investment in New Benefits System	(4,018)	(2,413)	(1,868)	(1,063)
<b>Closing Balance</b>	<b>94,852</b>	<b>108,852</b>	<b>120,274</b>	<b>129,113</b>

Table 46: Social Security Fund

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## Budget (Government Plan) 2025 – 2028

Proposed Schemes Funded from the Social Security Fund					
Project		2025	2026	2027	2028
Total	£'000	Estimate	Estimate	Estimate	Estimate
30,838	Benefits and Payments (Transform)	9,899	7,476	7,644	1,635
<b>30,838</b>	<b>Social Security Fund Total</b>	<b>9,899</b>	<b>7,476</b>	<b>7,644</b>	<b>1,635</b>

Table 19: Scheme Funded from Social Security Fund

Social Security Fund				
£'000	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate
<b>Opening Balance</b>	<b>86,083</b>	<b>87,964</b>	<b>89,974</b>	<b>99,722</b>
Social Security Contributions	265,316	273,275	280,927	288,793
Other income	506	451	418	407
Grant to Social Security Fund	80,368	81,936	90,466	92,457
Social Benefit Payments	(334,775)	(344,227)	(353,010)	(361,584)
Other Expenditure	(7,487)	(7,066)	(7,088)	(7,194)
Revenue Expenditure on New Benefits System	(2,047)	(2,359)	(1,965)	(737)
<b>Closing Balance</b>	<b>87,964</b>	<b>89,974</b>	<b>99,722</b>	<b>111,864</b>

Table 48: Social Security Fund

Page 53. Total Four Year Spend (

### Financial and staffing implications

If adopted, this amendment will decrease the 'Project Total' for the Benefits and Payments (TRANSFORM) Head of Expenditure by £10 million and increase the long term value of the Social Security Fund by £10 million.

### Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.