

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY L.V. FELTHAM OF ST. HELIER CENTRAL
QUESTION SUBMITTED ON MONDAY 28th NOVEMBER 2022
ANSWER TO BE TABLED ON MONDAY 5th DECEMBER 2022**

Question

“In light of statements on pages 8 and 9 of the proposed Government Plan 2023-2026 that many of the areas identified for growth funding will require further investment in future years of the Plan, but that Ministers had “constrained this growth until it is clear how such additional investment would be affordable”, will the Minister –

- (a) state what areas of Government were identified as requiring such additional funding and how much additional funding would be required in each area;
- (b) explain the rationale for not prioritising each area; and
- (c) detail the methodology used to prioritise the successful growth bids?”

Answer

In the process to develop Government Plan 2023, as for any Government Plan process in the past, “bids” for growth by departments exceeded the funds available by a large quantum. The Council of Ministers were required to undergo a process of rigorous prioritisation to ensure that the final plan was both affordable, and deliverable. This included considering the recommendation of the Fiscal Policy Panel to avoid significant additional spending, and the impact of growth on the long-term financial sustainability of public finances.

Due to the timing of the election, the Council of Ministers were required to compile the Government Plan to a compressed timeline. Ministers reviewed Business Cases in their areas, and then presented to COM for a political discussion and prioritisation within the available financial envelope. To assist the process, COM had a structured discussion to:

- a) Eliminate bids not supported
- b) Select bids supported
- c) Prioritise remaining bids
- d) Adjust amounts where necessary to ensure affordability.

Through this process Council of Ministers prioritised key areas of government in the plan – with growth of £18 million for CYPES and £16 million for Health (over 55% of total growth). However, as referred to in the plan, we were required to take difficult decisions to balance our ambition for public services with what is affordable for the Island, and that the plans proposed were deliverable to avoid tying up resources that could not realistically be spent. We avoided committing to future spend without an identified funding source, highlighting our strategy in the plan:

“Whilst there may be a need for further investment in future years, these costs should be met through the simplification and rationalisation of existing government activities and any improvements in income forecasts. Departments will not be able to commit to additional expenditure until this is realised.”

Some of the original bids that were included also identified the potential need for further investment in future years, most notably CYPES in relation to inclusion and sufficiency. Work in 2023 in these areas will provide further clarity regarding the demand in these areas (a further £15 million by 2026 having been estimated in the GP23 process).

As the Government Plan sets out, any further investment would be subject to the availability of funds through either improved income forecasts or increased delivery of savings.