

# STATES OF JERSEY

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## ANNUAL BUSINESS PLAN 2007 (P.92/2006): AMENDMENT

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Lodged au Greffe on 18th August 2006  
by the Privileges and Procedures Committee

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STATES GREFFE

ANNUAL BUSINESS PLAN 2007 (P.92/2006): AMENDMENT

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*In paragraph (c), after the words “withdrawn from the consolidated fund in 2007” insert the words –*

*“except that the net revenue expenditure of each of the Ministerial Departments be reduced by £18,800 and the net revenue expenditure of the States Assembly and its services be increased by £188,000 in order to fund the establishment of an additional scrutiny panel to scrutinise social affairs”.*

PRIVILEGES AND PROCEDURES COMMITTEE

## REPORT

### Establishment of a fifth Scrutiny Panel

On 19th July 2006 the States approved the establishment of an additional Scrutiny Panel in order to split responsibility for scrutinizing social affairs between two panels. The States also approved the following paragraph –

- “(c) to request the Privileges and Procedures Committee to bring forward the necessary amendments to the Standing Orders of the States of Jersey to give effect to the proposal and to include within the estimates of the States Assembly and its services in the Annual Business Plan the necessary request for additional funds from 2007 for the fifth panel”.

### Funding and staffing

The report to the above proposition ‘Social Affairs Scrutiny Panel – division to create a fifth scrutiny panel (P.64/2006)’ highlighted the costs associated with an additional panel as follows –

“In summary the manpower implication of this proposal is therefore the requirement for two more full time Scrutiny Officers. The Scrutiny Officer post has been evaluated at Civil Service grade 10 although new members of staff are normally appointed as trainees at Grade 9 level. This means that the current salary range for the Scrutiny Officer post is £32,210 – £41,132. For the purposes of future planning the total salary cost for two officers should be calculated at the top of the range giving an annual total of £82,264. When pension and social security costs are added the total cost to the States per annum is **£98,348**.

Each of the 4 Scrutiny Panels currently has an annual budget of **£90,000** available to it for the payment of specialist advisers, the transcription of evidence from hearings and or the commissioning of research. There would therefore be a requirement for an additional sum of **£90,000** to be made available for the fifth Panel for this purpose. The total ongoing annual additional cost for the fifth Panel is therefore **£188,348**.”

The Chairmen’s Committee had given serious consideration as to whether it could absorb part of the cost within the existing scrutiny budget. It reviewed its position in relation to staffing, and attended the PPC meeting on 26th July 2006 when it advised that –

“...the constraints on staffing are seriously impeding the work of the panels, and there is a constant need to prioritise between equally important reviews. While the members feel they have capacity to undertake more reviews (particularly brief reviews), there is simply not the staff support to achieve this. In part, this has arisen because, despite the States approving P.79/2003 in which it stated that 3 researchers would be required, the staffing complement was reduced during the FSR process held in 2005, which deleted these posts and made a saving of £156,000. This has increased the breadth of activity of Scrutiny Officers who, in Jersey, must also undertake research for the various reviews of their respective panels. The point was made that the Executive is able to determine its own programme, and prioritise its work around its staff complement. Scrutiny however, is largely responsive, and in order to scrutinise new policy or draft legislation, has a very short window in which to undertake a review, having had no control over the time at which the policy or draft law emerged, prior to the States debating the matter. The combination of the inability to plan for reviews into matters it has not anticipated, and the time pressure on reviews squeezed between lodging and debate, means that the effectiveness of its review programme is under threat. The outcome of that situation might be either the reduced inefficiency of the Executive as debates are delayed, or the discard of proper scrutiny and the loss of value to the process, neither of these outcomes being satisfactory.

To satisfactorily establish an additional panel to scrutinise social affairs, the sum of £188,000 will be required. It is considered inappropriate to make over-ambitious savings at the outset, as this will handicap scrutiny when it has not yet fully developed into its role. Clearly, at the end of the year, unspent funds can

be returned to the Treasury as is normal procedure.”

### **Funding of the States Assembly and its services**

The States will recall that the budget for the States Assembly and its services is determined by the Privileges and Procedures Committee, having consulted the Minister for Treasury and Resources on the proposed budgetary policy of the Council of Ministers for that financial year. The proposed budget for the States Assembly and its services is referred to the Controller and Auditor General for any comment prior to being submitted. This procedure is to be found in Article 10 of the Public Finances (Jersey) Law 2005. Indeed, had the States decided at an earlier meeting that a fifth panel would be established, then the necessary figures would have been incorporated within the Assembly’s estimates. The estimates of the States Assembly and its services are submitted independently by the Privileges and Procedures Committee and included within the Annual Business Plan for consideration by the States Assembly in this way because it was agreed that it was inappropriate for the Council of Ministers to decide how much expenditure should be recommended for the States Assembly budget in the annual business plan. The report of the Privileges and Procedures Committee which supported the amendment to the Public Finances (Jersey) Law which introduced Article 10, stated as follows–

“The PPC believes that it would be particularly inappropriate for the Council of Ministers to be able to suggest a reduction in the budget of the scrutiny function which is being set up for the very purpose of scrutinizing the work of the Executive. It is possible to envisage a situation where the Council could be concerned about the effectiveness of the panels in criticizing the activities of the Executive and seek to curtail the work of scrutiny by suggesting a budget reduction.”

The States, in adopting the amendment endorsed that view. Safeguards were introduced to the system by ensuring that the future Privileges and Procedures Committee be a mixture of Executive and non-Executive members, by introducing the need to consult the Minister for Treasury and Resources on the proposed budgetary policy of the Council of Ministers before finalizing the estimates, by submitting the estimates to the Controller and Auditor General for comment, and finally that the estimates of the States Assembly and its services would be approved by the States. The PPC of the day believed that the autonomy of the States Assembly from the future Executive side of Government was an important principle and considered that this amendment would ensure that this autonomy was not compromised during the budgetary process.

### **Recommendation**

The Privileges and Procedures Committee, in accordance with the States’ decision of 19th July 2006, requests the States to adopt the amendment which provides for an additional £188,000 in revenue expenditure from 2007 for the running costs of a fifth scrutiny panel. Once the scrutiny function has had time to settle, probably at the end of the first 3 year session, its funding will be reviewed to establish an appropriate baseline annual budget.

The Committee will also lodge an amendment to the Standing Orders of the States of Jersey in order to give legal effect to the decision to establish a fifth panel.