

# STATES OF JERSEY



## GOVERNMENT PLAN 2020–2023 (P.71/2019): SEVENTH AMENDMENT

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Lodged au Greffe on 11th November 2019  
by the Government Plan Review Panel

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STATES GREFFE

**1 PAGE 2, PARAGRAPH (c) –**

After the words “of the Report” insert the words “, except that in Summary Table 3(i) the line entitled “Efficiencies to be allocated” should be deleted”.

**2 PAGE 3, PARAGRAPH (i) –**

After the words “Appendix 4 to the Report” insert the words –

“, except that –

- (i) Part 2.7 (entitled “The Efficiencies Programme”) should be deleted; and
- (ii) the Council of Ministers is requested to include the full detail of the Efficiencies Programme, as contained in ‘Efficiencies Plan 2020–23’ (R.130/2019) including all appendices, in an amendment to the approved Government Plan to be lodged in accordance with Article 16 of the Public Finances (Jersey) Law 2019 after the approval of the Government Plan 2020–2023, notwithstanding that for any proposal in R.130/2019 that would require a separate decision of the Assembly to be implemented, a proposition may be lodged ahead of the amendment to the Government Plan or, if such a proposition has already been lodged, it need not be withdrawn”.

GOVERNMENT PLAN REVIEW PANEL

**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 2020–2023 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 2020 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; and
- (b) to approve each major project that is to be started or continued in 2020 and the total cost of each such project, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 – Summary Table 2 to the Report; and

- (c) to approve the proposed amount to be appropriated from the Consolidated Fund for 2020, 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 3(i) and (ii) of the Report, except that in Summary Table 3(i) the line entitled “Efficiencies to be allocated” should be deleted; and
- (d) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2020 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 4 to the Report; and
- (e) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2020 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 5 to the Report; and
- (f) to approve –
  - (i) the establishment of a “Climate Emergency Fund”, in accordance with the provisions of Article 6 of the Law, as set out at Appendix 3 to the Report; and
  - (ii) the estimated income and expenditure proposals for the Climate Emergency Fund for 2020 as set out in Appendix 2 – Summary Table 6 to the Report; and
- (g) to approve the amounts to be transferred from one States fund to another for 2020 in line with Article 9(2)(b) as set out in Appendix 2 – Summary Table 7 to the Report; and
- (h) to approve the estimated income and expenditure of the Social Security, Health Insurance and Long-Term Care Funds for 2020 set out in Appendix 2 – Summary Tables 8(i), (ii) and (iii) to the Report, with –
  - (i) the estimated income to be raised from existing social security contributions defined in the Social Security Law and the proposed changes to contribution liability; and
  - (ii) the estimated expenditure to be paid to support the existing benefits and functions defined in the Social Security Law, the Health Insurance Law and the Long-Term Care Funds and new benefits, if any, to be paid from the Funds; and

(i) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2020–2023, as set out at Appendix 4 to the Report, except that –

(i) Part 2.7 (entitled “The Efficiencies Programme”) should be deleted; and

(ii) the Council of Ministers is requested to include the full detail of the Efficiencies Programme, as contained in ‘Efficiencies Plan 2020–23’ (R.130/2019) including all appendices, in an amendment to the approved Government Plan to be lodged in accordance with Article 16 of the Public Finances (Jersey) Law 2019 after the approval of the Government Plan 2020–2023, notwithstanding that for any proposal in R.130/2019 that would require a separate decision of the Assembly to be implemented, a proposition may be lodged ahead of the amendment to the Government Plan or, if such a proposition has already been lodged, it need not be withdrawn.

## REPORT

The Government Plan Review Panel is of the view that full and proper scrutiny of the Government's Efficiencies Programme, as set out in [R.130/2019](#) ('Efficiencies Plan 2020–23'), is required.

As such, the Panel proposes to temporarily remove the Efficiencies Programme from the Government Plan through this amendment and for it to be lodged for Assembly approval in January 2020, with a 6-week lodging period under Standing Order 26(4)(vi).

### Background

R.130/2019 was published on 21st October 2019. This report details the first £40 million of efficiencies and is not required to be voted on by the Assembly.

This amendment temporarily pauses the official introduction of the Efficiencies Programme and aligns scrutiny of R.130/2019 with the recently approved proposition [P.88/2019](#) ('Government Plan: assessments of planned efficiency savings') lodged by Deputy G.P. Southern of St. Helier, which received overwhelming support in the Assembly – paragraph (a) being adopted 37 votes *pour* and 10 votes *contre*; while paragraph (b) was adopted 44 votes *pour* and 3 votes *contre*. P.88/2019 (as amended by the Chief Minister in [P.88/2019 Amd.](#)) obliges the Council of Ministers to –

*“... bring forward detailed proposals each year, as part of the Government Plan proposition, seeking the Assembly's endorsement of the efficiencies contained in the Government Plan”.*

It is not the intention of the Panel to stop the Efficiencies Programme. However, the Panel is of the view that a full scrutiny period is required for such a large and important programme of cost-cutting and revenue-raising measures.

Several factors mean that this has not been possible, including –

- The size of the task that has been undertaken in the scrutiny of the Government Plan itself.
- The timing of the release of R.130/2019.
- The lack of background information accompanying R.130/2019, and the time it will take departmental officers and the Ministerial Support Unit (“MSU”) to collate the information required for proper scrutiny.
- The time-pressures on Ministers, departmental officers, the MSU, Scrutiny Members and Scrutiny Officers in terms of availability and preparation for hearings, as well as writing, fact-checking and publication of reports.

Further to this, amendments to individual efficiencies are possible through the Government Plan approval process. However, as a proper scrutiny review has not been undertaken, we feel that any such amendments would be rushed. It is the preference of this Panel that amendments are given their due consideration through a formal Scrutiny review.

There is a small risk that the entire programme will not be approved by the Assembly, but this risk exists without this amendment, as any Member could lodge an amendment to remove one or all of the proposed efficiencies.

### **Impact assessment**

It is our understanding that the Government is not amending the Heads of Expenditure in the Government Plan as a result of the Efficiencies Programme. Instead, departments will still receive the full allocation of funding in Summary Table 3(i) – Proposed 2020 Revenue Heads of Expenditure – in Appendix 2 to [P.71/2019](#) – Government Plan 2020–2023. Subsequently, departments will be directed to spend less (and/or recover more) based on the efficiencies identified in R.130/2019, and to reconcile this at the end of the year. Therefore, this amendment does not make any difference to the overall amount of income or expenditure by Head of Expenditure being approved by the Assembly in the Government Plan.

This, combined with the fact that R.130/2019 will not be voted on by the Assembly, effectively gives the 2020 Efficiencies Programme the status of a Government policy document, and means that it could have been implemented regardless of what is approved as part of the Government Plan. This is concerning, given that the 2020 Programme forms the largest single financial amount of the entire £100 million programme. This also means that, in effect, the Government and its departments can still begin to implement efficiency measures regardless of the outcome of this amendment.

### **Summary**

This amendment is not about stopping the Efficiencies Programme. It simply brings the first £40 million of efficiencies for 2020 into line with process that has been agreed for Government Plan efficiencies in subsequent years, allowing adequate time for scrutiny and full oversight by the Assembly.

### **Financial and manpower implications**

This amendment will have an initial impact on the bottom-line of the budget presented as part of the Government Plan, but will balance back to the current figures once the required amendment is lodged by the Council of Ministers.

Manpower is required to undertake the Scrutiny process through the provision of background information and attendance at hearings. However, this is considered to be within the normal scope of work for departments and the Council of Ministers.