
STATES OF JERSEY



GOVERNMENT PLAN 2023-2026 SCRUTINY REVIEW – CORPORATE SERVICES (S.R.20/2022): JOINT RESPONSE OF THE CHIEF MINISTER AND THE MINISTER FOR TREASURY AND RESOURCES

**Presented to the States on 30th January 2023
by the Chief Minister**

STATES GREFFE

GOVERNMENT PLAN 2022-2025 SCRUTINY REVIEW – CORPORATE SERVICES (S.R.20/2022): JOINT RESPONSE OF THE CHIEF MINISTER AND THE MINISTER FOR TREASURY AND RESOURCES

Ministerial Response to:	S.R.20/2022
Ministerial Response required by:	18th January 2023
Review title:	Government Plan 2022-2025 Scrutiny Review – Corporate Services
Scrutiny Panel:	Corporate Services Scrutiny Panel

INTRODUCTION

The Chief Minister and Treasury Minister are grateful to the Corporate Services Scrutiny Panel for their review of the Government Plan 2023 – 2026.

FINDINGS

	Findings	Comments
1	The Government Programme is the umbrella term which encapsulates several components including the Government Plan, the Common Strategic Policy, the Ministerial Plans and the Delivery Plans. However, how the components link to one another is not obviously referenced within the Government Plan 2023-26. Additionally, the Common Strategic Policy priorities are not evidently aligned to the projects and programmes in the Government Plan as demonstrated in the previous Plan.	An explanation of the relationship between the constituent elements of the Government Programme will be included in future Government Plans. The Delivery Plans (to be published in early February) will show the alignment between the actions that will take place during 2023 to deliver on the Ministerial Priorities set out in the Ministerial Plans with the Common Strategic Policy. Consideration will be given to how best to map this alignment in future.
2	The Jersey Performance Framework indicators as outlined within the Proposed Common Strategic Policy require reviewing and refining. Real mean	The Chief Statistician would be happy to brief the CSSP separately on these more technical issues. As explained in wq.275-2022.pdf (gov.je) the majority of the indicators listed in the Monitoring

	Findings	Comments
	<p>equivalised household income as a metric to assess progress provides limited information about households that endure long durations of acute poverty. There is a requirement for better data on contemporary local consumption in Jersey.</p>	<p>Impact annex of the Common Strategic Policy have been sourced from the Island Outcomes and Indicators Framework that was based on the Future Jersey consultation with Islanders. The answer to this question also explains that ‘The Chief Statistician will work with departments to define and develop the indicators to support consistent reporting against the metrics in the Monitoring Impact annex of the CSP, in the context of the insight available from the whole suite of island outcomes and indicators.’</p> <p>Real mean equivalised household income is calculated by Statistics Jersey and is derived from the Living Costs and Household Income Survey that Statistics Jersey carry out across a 12-month period. This collects both income and expenditure data and will be typically run every four years (the latest cycle was disrupted by Covid restrictions). This is an expensive (£450,000) survey to run.</p> <p>The CSP annex 2 commitment to monitor progress on real median equivalised household income during the term of this government implies re-starting this survey in mid-2024 (to produce results by late 2025/early 2026).</p>
3	<p>The Government Plan Annex was not produced and published at the same time as the Government Plan. This provided challenges for Scrutiny when undertaking its review process of the Government Plan under the available timeframe. It also raises concern as to whether the Proposed Government Plan 2023-26 was agreed by the Council of Ministers with the full knowledge of the financials.</p>	<p>The time available for the production of the Government Plan was impacted by the timing of the election, and to ensure that the main Government Plan document was lodged in line with the deadlines set out in the Law it was necessary to prioritise the production of this document, meaning that the Annex was produced a short period afterwards. It was shared in draft with Scrutiny panels within one week of the plan being lodged to assist their scrutiny process.</p> <p>It is however accepted that producing the Annex document at the same time as the Government plan is preferable.</p>

	Findings	Comments
		The Council of Ministers were briefed on all financial elements of the Government Plan as part of the development of the plan.
4	Scrutiny has experienced significant delays in receiving requested information from the Government in a timely manner to inform the review of the Government Plan.	The timetable for the scrutiny of the Government Plan was reduced by the former Assembly from 12 weeks to 10 weeks, and this did cause difficulties in terms of the ability to provide panels with the information they requested within the timelines they specified: Many of the Panel's requests included very short deadlines and requested very substantial and detailed information. Government did everything possible to provide the information requested (as well as providing evidence at numerous hearings).
5	The Government Plan does not provide Ministerial mapping for departmental budgets. Scrutiny was therefore required to request this information which resulted in significant delays. Without the inclusion of Ministerial mapping, it is not clear from the Government Plan as to how much of the Budget each Minister is responsible for in 2023.	As discussed in scrutiny hearings, following changes in ministerial responsibility the mapping of departmental budgets to Ministerial responsibilities is relatively simple to produce from the service analysis in the Annex. To further this transparency, COM proposed an amendment to the plan to split the Heads of Expenditure for the two departments most impacted (IHE and DoE).
6	A mid-year review update report was not published in respect of the Government Plan 2023-26, as in previous years.	This is correct.
7	While the statutory factual requirements of the Government Plan in respect of the Public Finances (Jersey) Law 2019 appear to be appropriately included, having regard for further long-term sustainability of the	It is accepted that whether (any) Government Plan is perceived to have sufficient regard to long-term sustainability is a judgement. The annual Government Plan is a statement of the coming year's taxing and spending plans. How to demonstrate regard to sustainable wellbeing in the Government Plan itself, while also trying to keep

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	Island's economy and sustainable wellbeing of Islanders may be perceived as more judgmental requirements.	this quite complex document succinct, will be given further attention.
8	Narrative in relation to ongoing expenditure and business as usual projects is not provided for within the Government Plan.	This was a conscious decision to ensure that the Government Plan is a digestible document focused on the key budgetary decisions of the assembly, rather than reproducing information that is available elsewhere.
9	The Government Plan does not demonstrate how spending and taxation evolves over time and how the different functions of the Government are created or reduced as priorities in public spending and policy.	The annual Government Plan is a statement of the coming year's taxing and spending plans. It cannot be a narrative on the historical evolution of a number of Governments' different approaches to such matters.
10	Although some improvements to enhance the accessibility of the Government Plan have been made, the Plan remains inaccessible to members of the public, including children and young people.	<p>Improvements continue to be made to the Government's policy-based interactions with Islanders and this year's Government Plan made a number of advances.</p> <p>While the main document was published on gov.je in pdf format, to enable easy reading and printing for those without a disability, a text-based summary of the document provided greater accessibility on devices from a readability perspective. The document was designed with accessibility baked-in for those with visual impairments, including the colours, fonts and images used.</p> <p>From a sustainable perspective, a deliberate decision was taken not to print vast quantities though printed copies were made available at all Parish / Public Halls and the town library. The document was also accessible at 'constituency offices', with Ministers available to discuss and explain content with Islanders. This was part of a wider engagement plan with the public where Ministers visited venues to specifically discuss the Government programme</p>

	Findings	Comments
		<p>A series of communication products publicising the plans were disseminated to Islanders – through the media and Government’s social media channels – explaining more about the Government Programme and where Islanders can go to read the plans. Following feedback, more work is ongoing around engagement in Plain Language(s), Portuguese, and to other ‘hard to reach’ audiences.</p> <p>Specifically for young people: the plan was promoted on Channel 103 and on Youth Radio, Instagram and via YouTube advertising; a face-to-face event took place with 6th Form students at Highlands College.</p>
11	<p>Jersey’s economic and fiscal strategy is framed in an abstracted national accounting framework that refers to the analytical artifacts such as Gross Value Added (GVA), the trend rate of growth and the extent that Jersey’s economy exhibits an output gap. This framework is in practice incomplete for a micro-economy like Jersey.</p>	<p>Different economic advisors can legitimately take different views, but this is not a conclusion that is accepted by Statistics Jersey. The Chief Statistician and Chief Economist would be happy to brief CSSP on these technical issues. Statistics Jersey follows international guidance on the production of Gross Value Added data for Jersey, taking in to account the data sources available in a small jurisdiction. It is noted that both Guernsey Gross Value Added and Gross Domestic Product - States of Guernsey (gov.gg) and the Isle of Man Isle of Man Government - National Income Report indicates 1.9% growth in GDP produce estimates of GVA and/or GDP.</p> <p>The Output Gap does have its limitations and perhaps these are magnified in an economy the size of Jersey, however as long as the correctly caveated interpretation is used (as with all data) it still provides some added value in understanding the context and performance of the Jersey economy.</p>
12	<p>Significant uncertainty remains in relation to increasing levels of inflation. However, it appears that due regard has been given to the potential risk and impact thereof and, as far as possible, it appears that steps have been taken to build contingencies</p>	<p>This finding is welcomed.</p>

	Findings	Comments
	into the Government Plan to account for adverse inflationary risks and pressures. Should inflationary pressures reach levels higher than anticipated, pressures would need to be managed across the Government, within the approvals agreed by the States.	
13	Continued funding for Covid-19 response and recovery spending is provided for in the Government Plan for 2023 as well as reserve funding for any unforeseen circumstances. It is expected that the Covid-19 debt will be repaid by the end of 2022 in accordance with the recommendation made by the Fiscal Policy Panel and as a result of repaying the debt that any unspent funds, where possible, will be transferred into the Stabilisation Fund.	This finding is accepted
14	The Government will continue to review the effects of rising inflation and rising interest rates. However, to maintain a balanced budget, should further measures be proposed to address the cost-of-living crisis, funding in other areas will need to be reduced as a result. Further support measures will likely be covered through uprating the services and benefits provided by the Minister for Social Security rather than through further increases to tax thresholds beyond the 12% already proposed.	This finding is accepted.

	Findings	Comments
15	The Minister for Treasury and Resources confirmed his support of and his intention to propose an amendment to the Government Plan using the Mortgage Interest Tax Relief mechanism. As such the Panel paused its intention to propose a similar amendment to avoid duplication of efforts. At the time of writing this report the Panel notes that the amendment has not been lodged and highlights its disappointment that the Minister has not actioned this.	The Minister wrote to CSSP on 30/11/2022 advising the Panel that he had decided not to proceed with an amendment to the Government Plan to temporarily pause the erosion of Mortgage Interest Tax Relief. In making this decision, Ministers were mindful that such a step would only have benefited mortgage holders (not people in rented accommodation) and that many mortgage holders were currently protected by fixed-rate arrangements. As agreed by the States Assembly in Budget 2016, the Government is committed to phasing out Mortgage Interest Tax Relief as it is anomalous in a modern personal income tax regime. As such, it was more prudent to conserve funds for better-targeted interventions were those to become necessary.
16	Significant concerns were raised with regard to how the stamp duty proposals are being reflected within the Draft Finance (2023 Budget) (Jersey) Law 202- which could result in uncertainty should the potential issues identified not be rectified and clarified prior to approval of the Law by the States Assembly.	The Minister wrote to the CSSP on 29/11/2022 addressing a number of concerns raised in a submission to the Panel from a local stakeholder. The Government lodged an amendment to the Government Plan and Finance Law to address an area of concern around property development. This amendment was agreed by the States Assembly on 16/12/2022.
17	The stamp duty review has been delayed. Concern was raised that the Stamp Duty Legislation is out of date and must be updated to reflect the modern practices and standards.	<p>Amendment 22 to the Government Plan 2022-2025 was adopted by the Assembly in December 2021, requiring a higher rate of stamp duty for second homes, buy-to-let properties and holiday homes to be introduced by 2023. Due to the time pressure associated with this work, the Stamp Duty review was delayed.</p> <p>The impact of this amendment on other tax policy work was set out in the Government's Amendment to the Amendment, and again in a letter sent to Scrutiny on 29/11/2022.</p> <p>The Government does intend to commence a review of Stamp Duty during 2023 but wishes to consider the case for first undertaking a more</p>

	Findings	Comments
		strategic review of Jersey's housing market. Appropriate consultation with relevant stakeholders will be undertaken, and any legislative changes arising as a result of the review will be contained in the Finance Law (Budget 2024).
18	Existing funding provides for all delivery to the end of phase two Independent Taxation. However, additional funding will be required for the delivery of the final stage.	It is expected that the cost of the third phase of Independent Taxation can be met from within existing budgets with some re-phasing of future development plans.
19	It is recognised that adapting to the change resultant of moving the company tax filing deadline from 31 st December to 30 th November may present challenges for taxpayers and the tax profession in Jersey, particularly in the first year of the move.	<p>The deadline for filing a company tax return is currently by the end of December in the year following the end of the company's accounting year.</p> <p>So, for example, where a company's accounting year-end is 31 January 2022, the deadline for filing a return would currently be 31 December 2023 (23 months later). Under this change the filing deadline will become 30 November 2023 (22 months later).</p> <p>Where a company's accounting year-end is 31 December 2022 the deadline for filing a return would currently be 31 December 2023 (12 months later). Under the proposed change the filing deadline will become 30 November 2023 (11 months later).</p> <p>A consultation was published which sought to collate the views of taxpayers and the tax professionals on the most appropriate date. A summary of responses is published on gov.je: https://www.gov.je/SiteCollectionDocuments/Government and administration/Filing date consultation summary.pdf</p> <p>The preference from the consultation was to change the current 31 December deadline. Albeit that there were differing views of what the revised date should be, the table in the Appendix of the summary document shows that 30 November was the single-most preferred deadline.</p>

	Findings	Comments
20	Information about unit costs and an inventory of public services provided is not included within the Government Plan.	<p>The Government plan is not the place for the provision of detailed spending plans at a business or service level; the inclusion of such information would render the document rather unwieldy in respect of its core purpose.</p> <p>The Government Plan is supported by detailed budgets at service level which are delegated within Departments by Accountable Officers to their respective delegated budget holders. These budgets are set in readiness for the next financial year.</p> <p>Treasury continues to look at improving the level of integration of financial and non-financial data to help inform decision making, in the Government Plan and/ or surrounding the process of lodging and approval of the plan.</p> <p>In respect of the provision of unit costs data, the Government does not currently operate an activity-based costing approach universally across all services. There are limited examples of unit cost methodology application. The institution of such an approach would require significant investment of time and effort to establish and then to maintain. The Treasury continues to support improvements in the understanding of service costs and cost drivers to ensure that budget holders/ decision makers are able to make informed decisions and manage risks in a measured and considered way.</p>
21	When Government prioritises allocations to new revenue expenditure growth investments, trade-offs are likely. However, these trade-offs are not explicitly recognised in the Government Plan.	The government plan isn't the place to set out all considerations of policy development. Inclusion of all trade-offs considered in the development of the Government Plan would make the document longer, and less understandable.
22	As part of the Value for Money Programme, the Government Plan 2023-26 includes speculative savings amounts for 2024, 2025 and 2026 without any information on how these will be	Government accepts the view of the Fiscal Policy Panel that it is not sensible, as far as possible, to include unallocated or undetermined savings targets. This has happened in previous plans and in such cases realisation of savings is less likely to occur on a sustainable basis. Therefore, this plan has taken a much-more careful and realistic

	Findings	Comments
	achieved, which directly contradicts the recommendations made by the Fiscal Policy Panel.	<p>approach, spreading previous targets to be delivered by 2024 across the plan.</p> <p>£10 million spend on a £1 billion budget seems reasonable and sensible. For 2023, £7m of the £10m target has already been identified leaving departments to identify the remaining £3m, this being a much-reduced figure from that in the 2022 Government Plan. Depts will also be developing detailed plans during the course of 2023 for future years. As set out in the Government Plan, additional support will be provided to HCS and IHE in the development of their VFM and savings plans.</p>
23	The Government Plan has not historically included reporting on the changes in services undertaken during efficiency and rebalancing exercises.	Historically, the efficiency and rebalancing section of the government plan provides an indication of the type of expenditure that will be impacted by savings measures, e.g. pay related non-pay or income, with a short description of the measure. Delivery of the savings plans during the financial year is incorporated in the corporate monitoring reporting. Services change implications would/could be reviewed by
24	The Government Plan does not include detail in respect of the monitoring process for the Value for Money Programme.	The government plan is not the place to set out details of the monitoring process, the plan states that fit for purpose Governance will be established and that a political oversight group will be established to steer and oversee the delivery of the programme and agreed outputs and outcomes. In previous responses to the Panel's questions on this matter, a briefing session has been offered for the Panel when the COM has reviewed the proposed implementation plan.
25	The Government Plan allocates funding for New Revenue Growth Programmes and projects where full business cases have not been completed. This provides challenges to Scrutiny when undertaking its review process of the Government Plan. It also raises concerns as to whether the Government has given	<p>These allocations relate either to potential impacts of inflation (which remain uncertain), or initiatives still being developed (for example actions as a result of the 100-day plan).</p> <p>It is proper that provision is made in the plan for these, but the amounts have been proposed to be held in the Reserve, to allow further time for business cases to be developed as more information becomes available.</p>

	Findings	Comments
	full consideration to the inclusion of proposed projects and programmes, specifically in relation to risks and value for money.	
26	Projects including MS Foundation, Cyber Programme and ITS Releases 1 & 2 are significantly delayed. ITS Release 4 has yet to be contracted and funding for the ITS programme concludes in 2023. No schedule has been provided for ITS Release 3 – Additional major project.	<p>The MS Foundation programme experienced delays due to the scale and complexity of legacy infrastructure which resulted in a much larger than expected impact on implementation, coupled with the pandemic. The programme's scope was increased to include the States of Jersey Police, which along with other initiatives, further stretched resource utilisation. The programme is scheduled to commence formal closure at the end of the Quarter 3 2023.</p> <p>The Cyber Security Programme reported delays due to over-optimistic baseline planning assumptions in the outline business case, given its high dependency on already stretched internal resources and teams, an under estimation of the remedial actions required and the impact of the pandemic on working practices. The programme is scheduled to commence formal closure at the end of the Quarter 3 2023.</p> <p>ITS Programme - Release 1 (Connect Finance, Connect Suppliers Ariba and Connect Inventory) and ITS 2 (Connect People) are on target to be delivered from January 2023, as approved by the ITS Partnership Board in May 2022.</p> <p>ITS Release 3 (Connect Assets, Connect Estates and Connect Health & Safety) is due to complete the Build phase of the Project by the end of 2022, allowing systems integration testing to commence. Release 3 delivery is running to schedule, commencing from the end of April 2023. Delivery will be iterative, as requested by the Business, and will conclude by October 2023.</p> <p>ITS Release 4 (additional commercial functionality that drives the benefits in the Commercial Transformation Programme) is due to be contracted by the end of 2022 and is within the agreed budget. The plan is to deliver early in Quarter 4 2023, allowing for a controlled formal</p>

	Findings	Comments
		closure of the Programme by the end of 2023, as committed.
27	Article 6 (2) of the Public Finance Law (Establishment of other funds) states that when establishing a Fund, the States must specify the purpose of the fund, the fund's terms and the circumstances in which the fund may be wound up. The Panel notes that presently no States Fund is being proposed in respect of the Community Fund.	This is accepted – whether a separate fund is the most appropriate structure will be considered, and if this is the case the appropriate approval would be sought.
28	Staffing and resourcing challenges across Government departments give rise to a level of uncertainty in the delivery of projects and programmes within the specified timeframes.	<p>Whilst this is correct, the plan gave greater focus to ensuring that the programme of projects was deliverable as well as affordable.</p> <p>This was recognised by the FPP in their Annual Report.</p>
29	The Council of Ministers lodged the Twentieth Amendment to the Government Plan on 28 th November 2022 to amend the previously approved Our Hospital financing costs. The Panel is concerned that this leaves limited time for States Members to consider a significant change in funding prior to the debate of the Government Plan.	Whilst more time would have been preferable, the timing was predicated by the timing of the review of the Hospital Project.
30	The Government has not observed the recommendations made by the Fiscal Policy Panel in the 2021 Annual Report to build	The Government considered all advice from the FPP in developing the plan, but also needed to bring in wider considerations than economic factors, including the need to address the

	Findings	Comments
	reserves through transfers to the Stabilisation Fund or Strategic Reserve. Moreover, has not addressed the requirement for a long-term plan to increase the size of the Strategic Reserve within the Government Plan 2023-26.	immediate challenges facing Islanders, and the priorities identified by the Council of Ministers. Notwithstanding, Council have protected the reserves, as evidenced in the forecast balances which increase through the plan.
31	At year-end, should surpluses of £7million be available, the Government Plan acknowledges that unspent balances will be transferred to the Stabilisation Fund as per the projections of the Fiscal Policy Panel's Medium-Term Report. Receipts from Prior Year Basis Liabilities will be used to increase the balance of the Strategic Reserve and not the Stabilisation Fund.	Accepted

RECOMMENDATIONS

	Recommendations	To	Accept/Reject	Comments	Target date of action/ completion
1	The components encapsulated within the Government Programme should have an evident link running through them and this should be clearly referenced within future Government Plans. Future Government Plans must include clear reference to how the Common Strategic Policy, Ministerial Plans, Delivery Plans, heads of expenditure and the		Accept	The Council of Ministers accepts the ambition to make the connections between each component of the Government Programme clearer. The Delivery Plans (to be published in early February) will show the alignment between the actions that will take place during 2023 to deliver on the Ministerial Priorities set out in the Ministerial Plans with the Common Strategic Policy. Consideration will be given to how best to map this alignment in future.	Ongoing

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	Jersey Performance Framework link as part of the Government Programme.				
2	<p>The Council of Ministers should consider how the Jersey Performance Framework indicators outlined within the Common Strategic Policy can be reviewed, tightened and refined. Further consideration should be given to supplementing real mean equivalised household income with further metrics to assess progress of the Housing and Cost of Living priority. Indicators including low income and duration, key drivers of poverty, should also be considered for inclusion within next year's Government Plan.</p>		Accept	<p>The principle that the JPF indicators outlined in the CSP can be refined is accepted, and work is under way.</p> <p>The Chief Statistician is already working with departments to define and develop indicators to support consistent reporting against the metrics in the Monitoring Impact annex of the CSP, in the context of the insight available from the whole suite of island outcomes and indicators.</p> <p>Real mean and median equivalised household income is calculated by Statistics Jersey and is derived from the Living Costs and Household Income Survey (LCHIS) that Statistics Jersey carries out across a 12-month period. This survey provides both income and expenditure analyses and will typically be run every 4 years (the latest cycle was disrupted by Covid restrictions). This is an expensive (£450,000) survey to run.</p> <p>Ideally, in order to monitor progress on real median equivalised household income regularly, the LCHIS would be undertaken from mid-2024 (to produce results by the end of 2025/early 2026) and then every four years, to fit with the electoral cycle. This will be considered as part of the Government Plan 2024 process.</p> <p>The Chief Statistician will review the feasibility of using administrative data</p>	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
				<p>already held by government (e.g. on tax and social security) to produce indicators of low income and duration.</p> <p>The Chief Statistician would be happy to brief the CSSP separately on these more technical issues.</p>	
3	<p>The Government Plan Annex must be produced and published in tandem with the Government Plan for future iterations of the Plan. Given the shortened lodging period for a Government Plan within an election year, consideration should be given to future election years with regard to how the Annex can be provided in tandem with the Government Plan and without placing undue difficulty on officials.</p>		Accept	<p>The time available for the production of the Government Plan was impacted by the timing of the election, and to ensure that the main Government Plan document was lodged in line with the deadlines set out in the Law. It was necessary to prioritise the production of this document, meaning that the Annex was produced a short period afterwards.</p> <p>It is accepted that producing the Annex document at the same time as the Government plan is preferable if possible in the timescales.</p>	N/A - ongoing
4	<p>The Government must ensure for all future Government Plans that priority is given to the work of Scrutiny and due regard to ensuring Scrutiny receives any requested information to inform its work within the allocated timeframe provided and in accordance with the proceedings outlined within the Code of Practice for Engagement between Scrutiny Panels and the Public Accounts Committee and the Executive.</p>			<p>The Council of Ministers prioritises the work of Scrutiny, including the provision of written and oral information.</p> <p>The timescales in 2022 were curtailed, due to the later election and shortened lodging period.</p>	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
5	Future Government Plans must provide detailed Ministerial mapping for departmental budgets which includes a detailed breakdown of how funding is split between programmes and services when lodged. This mapping must be apparent in the Ministerial Plans so that it is clear as to how the workstreams and policy initiatives laid out in the Ministerial Plans align and appear in the Government Plan as funding proposals.		Reject	<p>Whilst the Government acknowledges the need for clear political accountability, the steps taken to align Ministerial responsibilities to Heads of Expenditure precludes in the main the need to produce further tables that may further complicate the Government plan document.</p> <p>Notwithstanding that government rejects this specific recommendation, it accepts the principles and will continue to seek to further improve clarity and transparency across documents relating to the Government Programme.</p>	
6	A mid-year review update report must be published in future years prior to the lodging of the Government Plan by the deadline of 31 st August each year. The report must include progress updates on all projects and programmes, detail on how the funding has been allocated to date, whether the delivery is on track and to be delivered by the identified timescale and within the budget allocated.		Reject	<p>The Government is committed to accountability on its performance and delivery, and accordingly has committed to each Minister providing an annual progress report to the relevant Scrutiny panel in December each year.</p> <p>In line with the introduction of Ministerial Plans the Government Plan is now fiscally focussed, setting out financial approvals across both ministerial priorities and existing services. Accordingly, the mid-year update will also focus solely on funding (and will be provided by 31st August each year).</p> <p>Progress and performance papers submitted to the Council of Ministers during the year will also continue to be shared with Scrutiny as normal.</p> <p>On this basis, a mid-year report as outlined will not be produced as well.</p>	

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7	The Council of Ministers must clearly evidence how the economic, social, environmental, and cultural sustainability and wellbeing requirements of the Public Finances (Jersey) Law 2019 are demonstrably outlined and linked throughout the components of the Government Programme and in future Government Plans.		Partially Accept	<p>It is noted that Art 9(9) PFL requires that the Council of Ministers must –</p> <p>(a) in preparing the government plan, take into account the sustainable well-being (including the economic, social, environmental and cultural well-being) of the inhabitants of Jersey over successive generations; and</p> <p>(b) set out in the government plan how the proposals in the plan take that sustainable well-being into account.</p> <p>The annual Government Plan proposes the coming year’s income and expenditure plan.</p> <p>The CSSP Report states that: <i>“The Panel notes that although it may be less challenging to portray how the factual requirements of the Public Finances (Jersey) Law 2019 are observed within the Government Plan, due regard must be given to ensuring the more judgemental requirements in respect of the Law. In particular, making sure that the outlook of the economy and the sustainable wellbeing of Islanders (including in the economic, social, environmental and cultural context) is clearly demonstrated within the Government Plan and throughout the components of the Government Programme with clear links between them.”</i></p> <p>Finding 7 is also noted: <i>“While the statutory factual requirements of the Government Plan in respect of the Public Finances (Jersey) Law 2019 appear to be appropriately included, having regard for further long-term sustainability of the Island’s economy and sustainable wellbeing of Islanders may be perceived as more judgmental requirements.”</i></p>	

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				<p>It is agreed that whether (any) Government Plan is perceived to have sufficient regard to long-term sustainability is a political judgement.</p> <p>It is accepted that this is an area in which improvement can be made. We will give further attention to how to demonstrate regard to sustainable wellbeing in the Government Plan <u>as a whole</u>, while also trying to keep this quite complex document succinct and the process of developing and scrutinising it proportionate.</p> <p>(The Recommendation may potentially be interpreted to apply to every single element of the Government Plan separately. For the avoidance of doubt, it is not accepted that would be proportionate).</p> <p>In addition, an explanation of the relationship between the constituent elements of the Government Programme will be included in future Government Plans.</p>	
8	To enhance transparency and accountability of the Government Plan process, the Council of Ministers must include detail in relation to ongoing expenditure and business as usual projects within future Government Plans.		Accept	<p>Whilst government accepts this recommendation, it will be implemented through the wider suite of Government Programme documents rather than included this level of detail in the in the Government Plan.</p> <p>It is vital that Government can transparently show how taxpayers' money is spent, both delivering services and projects. This is delivered through the suite of Ministerial Plans, Delivery Plans, the Government Plan and the Annual Report and Accounts. Government will continue to look to improve these documents. Specifically, Delivery Plans should describe the work</p>	

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				<p>of departments, including ongoing Expenditure and BAU projects.</p> <p>This helps to ensure that the Government Plan is a digestible document focused on the key decisions of the assembly, will more detailed information available elsewhere.</p>	
9	<p>The Council of Ministers should consider how the Government Plan can be further refined to include how spending and taxation evolves over time and how different functions of the Government are created or reduced as priorities of public spending and policy. This level of detail should be included within future Government Plans.</p>		Reject	<p>The Government recognised the value that this type of analysis could bring, for instance in informing some of the work of the value for money programme.</p> <p>However, the annual Government Plan is a statement of the coming year's taxing and spending plans, rather than a narrative on the historical evolution of a number of Governments' different approaches to such matters.</p> <p>Government will consider whether longer trend analysis of financial information could be provided outside of the Government Plan process, although this would need to be prioritised against other work.</p>	
10	<p>The Council of Ministers should consider how future Government Plans can be made more accessible to children and young people. Consideration should be given to creating a young-person friendly two-page summary document and the provision of workshops in respect of the Government Plan process. This work should be completed in time for inclusion in next year's Government Plan.</p>		Accept	<p>CYPES is in the process of appointing an Associate Director with responsibility for Participation and Engagement of young people in government decision-making. This will fall within that remit and will be actioned this year.</p>	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
11	The Council of Ministers should consider how the accessibility of future Government Plans can be further enhanced for members of the public. Consideration should be given to the use of digital summary reports to accompany future Government Plans and where possible avoiding the use of proposition numbers within public facing documents.		Accept	This is being actively considered.	
12	The Council of Ministers should consider how administrative data collected from businesses and households can be used to assist in framing Jersey's economic and fiscal strategy more accurately in order to get a proper purchase on local economic activity given the limitations of national accounting in a Jersey context. This work should be completed in time for inclusion in next year's Government Plan.			<p>Statistics Jersey have Health Covid Recovery funding during 2023 which will enable them to produce some experimental population statistics based on administrative data already held by government. As part of Government Plan 2023 the Government provided Statistics Jersey with funding which will enable them to produce experimental economic statistics from administrative data.</p> <p>The Chief Statistician will review during 2023 options for the further use of administrative data held by government to produce more robust economic, population, and migration statistics in future and will make recommendations for considerations as part of the next Government Plan. This is consistent with the Chief Ministers 2023 ministerial plan commitment 9.3 to provide 'resources to collect accurate and timely statistics on populations trends including migration and immigration volumes and analysis.'</p>	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
13	The Council of Ministers must ensure that due regard is given to the sufficient provision of targeted support to Islanders impacted the most by the cost-of-living crisis. Targeted support through direct payments to the most vulnerable Islanders should not be discarded as an option unequivocally but should be considered as required if best suited to provide the needed support as identified by end Quarter One 2023.		Accept	Ministers have committed to keeping the level of support under review going forward in relation to cost of living.	
14	The Council of Ministers must explore, by end Quarter One 2023, whether alternative support mechanisms such as a one-off tax credit or rebate would be administratively practical in Jersey and the extent that, in distributional terms, it could be used to provide targeted support to contain its costs.		Reject	<p>The Mini-Budget effectively and efficiently returned money to taxpayers through the mechanism of increased tax thresholds and allowances, and by improvements in various social-welfare payments. It would not be cost-effective to create a tax-credit or rebate system. Furthermore, they would not reach the non-taxpaying population and could not be easily incorporated into existing tax administration processes in Jersey.</p> <p>The CSSP advisor referred to the US Federal tax rebates and credits. The most recent US Federal tax rebates relate to stimulus packages as a response to the COVID pandemic. It should be noted that such rebates are a short-term relief and would not provide targeted, long-term relief.</p>	
15	The Council of Ministers must prioritise the stamp duty review during Quarter One 2023 and must ensure that broad consultation with stakeholders and		Reject	The Government does intend to commence a review of Stamp Duty during 2023 but wishes to consider the case for first undertaking a more strategic review of Jersey's housing market. Appropriate consultation with relevant stakeholders will be undertaken,	

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	members of the public is carried out as part of the review process to inform any proposed changes to the legislation. The proposals must be finalised for inclusion in the Draft Finance Law (2024 Budget) (Jersey) Law 202- by end October 2023.			and any legislative changes arising as a result of the review will be contained in future Finance Laws.	
16	The Council of Ministers should provide, in future Government Plans, information about unit costs of public services and exploration of different means of service to the public. This may include active benchmarking, comparison between the public service and private sector, to aid in transparency.		Reject	<p>Treasury continues to look at improving the level of integration of financial and non-financial data to help inform decision making, in the Government Plan and/ or surrounding the process of lodging and approval of the plan.</p> <p>In respect of the provision of unit costs data, the Government does not currently operate an activity-based costing approach universally across all services. There are limited examples of unit cost methodology application. The institution of such an approach would require significant investment of time and effort to establish and then to maintain.</p> <p>The Treasury continues to support improvements in the understanding of service costs and cost drivers to ensure that budget holders/ decision makers are able to make informed decisions and manage risks in a measured and considered way.</p> <p>Benchmarking data is explored at a service level where appropriate and available with comparable providers. Comparisons with private sector may be useful in certain circumstances but due to commercial confidentiality and sensitivities can be difficult to secure/ capture in a useful format and for the same reasons unlikely to secure to public consumption.</p>	

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				<p>Where detailed information is or becomes available Government will share with Scrutiny as appropriate.</p> <p>The Government plan is not the place for the provision of detailed spending plans at a business or service level, the inclusion of such information would render the document rather unwieldy in respect of its core purpose.</p> <p>Within the suite of products that comprise the Government Programme, Delivery Plans set out services and activity in most detail, not the Government Plan. The Government Plan is also supported by detailed budgets at service level which are delegated within Depts by Accountable Officers to their respective delegated budget holders. These budgets are set in readiness for the next financial year.</p>	
17	The Council of Ministers must include within future Government Plans recognition of the trade-offs involved, either explicitly or implicitly made through the political decision process when prioritising funding allocations to new revenue expenditure growth investments.		Reject	<p>The Government Plan is not the appropriate place to set out all considerations of policy development of the Government.</p> <p>The Plan should be an articulation of the final plan proposed by Council, not a narrative on the decision-making process and policy choices.</p> <p>Inclusion of all trade-offs considered in the development of the Government Plan would make the document longer, and less understandable</p>	
18	In line with the recommendations of the Fiscal Policy Panel, the Government Plan should only include Value for Money savings where there is clear evidence of		Accept (already	Government accepts the view of the Fiscal Policy Panel that it is not sensible, as far as possible, to include unallocated or undetermined savings targets. This has happened in previous plans and in such cases realisation of savings is less likely to occur on a sustainable basis.	

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	how they will be achieved.		in place)	Therefore, this plan has taken a much-more careful and realistic approach, spreading previous targets to be delivered by 2024 across the plan. £10 million spend on a £1 billion budget seems reasonable and sensible. For 2023, £7m of the £10m target has already been identified leaving departments to identify the remaining £3m, this being a much-reduced figure from that in the 2022 Government Plan. Depts will be developing detailed plans during the course of 2023 for future years.	
19	The Council of Ministers should undertake reporting on the impact to public services resultant of value for money savings made, with the reports being published with each Government Plan.		Partially accept	Government already reports on the delivery of rebalancing savings as part of the Annual Report and Accounts, including the impact of changes. As the VFM programme is established, consideration will be given to impact reporting and how this can be shared with Scrutiny panels, although this is unlikely to be within the Government Plan.	
20	The Council of Ministers must ensure the monitoring process for the Value for Money Programme is included in future Government Plans to provide further transparency and accountability.		Reject	The Government Plan is not the place for this detail. Details will be shared as part of the corporate reporting framework.	
21	The Council of Ministers must ensure that business cases for New Revenue Growth Programme bids are provided to Scrutiny Panels prior to lodging each Government Plan.		Partially Accept	The Council of Ministers has previously provided business cases, and will moving forwards provide Business Cases for growth bids in the lodged government plan to scrutiny as soon as is practical. Business Cases are produced to support the decision-making process, but also set out the benefits that will be delivered, as	

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				<p>well as the management and commercial cases.</p> <p>As such it is necessary to update the Business Cases to reflect the final position, to ensure that what will be delivered, how the implementation will be managed and measured is clear.</p> <p>The process, including Quality Assurance means it may not be possible to provide all Business Cases at the same time as lodging the Government Plan.</p>	
22	The Chief Minister must provide further clarity with regard to how ITS Release 4 will be funded and the roll-out schedule for Release 3. Clarity should be provided by Quarter One 2023.		Accept	<p>ITS Release 3 (Connect Assets, Connect Estates and Connect Health & Safety) is due to complete the Build phase of the Project before Christmas 22 and will then move into Systems Integration Testing. It is on track against baseline to commence iterative delivery from the end of April 2023 and will conclude by October 2023.</p> <p>Release 4 (additional commercial functionality that drives the benefits in the Commercial Transformation Programme) will be contracted before the end of Jan 2023 and is within the approved programme budget (part of the approved Business Case). The intent is that this will be delivered early in Quarter 4 2023 allowing for a controlled closure of the Programme by the end of 2023 as committed.</p>	
23	Should the Community Fund be established as a States Fund, the Council of Ministers must ensure that the requirements of Article 6 (2) and Article 9 (4) (b) of the Public Finances (Jersey) Law 2019 are observed.		Accept	If the decision were to be taken to establish the Community Fund as a States Fund, then all requirements of the PFL would be observed	

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24	The Council of Ministers must strengthen its commitment to prioritise the transfer of future surpluses to the Stabilisation Fund and Strategic Reserve to rebuild the Funds to appropriate levels and should observe the advice of the Fiscal Policy Panel to transfer a minimum of £14 million into the Stabilisation Fund in accordance with the Panel's new projections, as outlined within its Annual Report 2022. A long-term plan must be developed to increase the size of the Strategic Reserve and must be addressed within the next Government Plan.		Accept	The Council of Ministers is committed to long-term financial sustainability, including consideration of the balances in the Strategic Reserve and the Stabilisation Fund. This will be considered in the next Government Plan	GP24-27

CONCLUSION

The Chief Minister and Treasury Minister are pleased to accept many of the Panel's recommendations which will assist with the development of future iterations of the Government Plan.