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Corporate Services Scrutiny Panel

Proposed Budget 2026-29 Review Hearing

Witness: (The Chief Minister)

Friday, 10th October 2025

Panel:

Deputy H.M. Miles of St. Brelade (Chair)

Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter (Vice-Chair)

Connétable D. Johnson of St. Mary

Deputy A.F. Curtis of St. Clement

Deputy J. Renouf of St. Brelade

Witnesses:

Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter, The Chief Minister

Deputy M.R. Ferey of St. Saviour, Assistant Chief Minister

Dr. A. McLaughlin, Chief Executive Officer

Mr. P. Wylie, Chief Officer, Cabinet Office

Mr. J. Whitfield, Chief Information Officer, Digital Services

Mr. A. Hacquoil, Group Director, Strategic Finance

[10:00]

Deputy H.M. Miles of St. Brelade (Chair):

Welcome to this Corporate Services Scrutiny Panel. Today is 10th October 2025 and this is the Proposed Budget 2026-29 Review Hearing with the Chief Minister. I would like to draw everybody's attention to the following. The hearing is being filmed and streamed live. The recording and transcript will be published afterwards on the States Assembly website. Please remember to turn your mobile phones to silent. For the purposes of the recording and the transcript, I would be grateful if everybody who speaks could ensure that their name has been stated. So we begin with the introductions. I am Deputy Helen Miles. I am Chair of the Corporate Services Scrutiny Panel.

Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter (Vice-Chair):
Lucy Stephenson, the Vice-Chair.

Connétable D. Johnson of St. Mary:
Constable David Johnson, Panel Member.

Deputy J. Renouf of St. Brelade:
Deputy Jonathan Renouf, Panel Member.

Deputy A.F. Curtis of St. Helier Central:
Deputy Alex Curtis, Panel Member.

The Chief Minister:
Deputy Lyndon Farnham, Chief Minister.

Assistant Chief Minister:
Deputy Malcolm Ferey, Assistant Chief Minister.

Chief Officer, Cabinet Office:
Paul Wylie, Chief Officer of the Cabinet Office.

Chief Executive Officer:
Andrew McLaughlin, Chief Executive.

Group Director, Strategic Finance:
Andy Hacquoil, Group Director of Strategic Finance.

Chief Information Officer, Digital Services:
Jason Whitfield, Chief Information Officer.

Deputy H.M. Miles:
Thank you very much. We have got 2 hours allocated for this hearing. We have got a lot of questions, so I suspect we might need the full 2 hours.

The Chief Minister:

We will try and give you swift answers.

Deputy H.M. Miles:

Swift answers can be good. If I can just kick off, really. Chief Minister, the latest media headline talk about precarious finances, and certainly the Public Accounts Committee recently heard that the Stabilisation Fund is exhausted, Consolidated Fund is precarious, the Strategic Reserve is underfunded and therefore too small. We also heard that we are spending more than we are bringing in. So I think the first question for you is, how do you think this budget is going to tackle those issues?

The Chief Minister:

Okay, so if we take a step back, and when this Government came into office, it was almost intuitive that there was an exponential growth happening that had been happening for some time, and the cost of running the Government had grown exponentially since 2018. Since then, we have done a significant amount of work to understand that, and we started to react to it in relation to recruitment freezes, consultancy freezes, and so forth. But the Government, our small Island status, it is a bit like an oil tanker, and it is going to take time to turn that around. What we have done with this Government, we have curbed the growth in certain areas, and we have directed funds to the key areas, such as health, education, public safety, and so forth. The Capital Investment Fund also is a proposal to address the pressure on capital expenditure in the public realm and the infrastructure, which I think has suffered because we have tended to divert monies that could have gone into that to deal with the increased revenue expenditure. So we see this budget as a starting point. We realise we cannot deal with it just by curbing the growth in public expenditure. If we look back, if we go back, I think it was to 1996 when it was Terry Le Sueur was Social Security Committee President, of the foresight that went into establishing the funds that we have now. I think we need to start going back to a position, a more thoughtful place of how we do that now for the next 25 years.

Deputy H.M. Miles:

Do you accept that there is a structural deficit in that spending is running ahead of income in the longer term?

The Chief Minister:

I am not sure what the definition of that is. The budgets are balanced, but we have been, since the pandemic, relying on our reserves to balance the books.

Deputy H.M. Miles:

Does the Chief Executive agree with that assessment?

Chief Executive Officer:

That is a complicated question to answer, because within the context of a £1.3 billion budget, I think any Government has choices, particularly if they take a long- and medium-term view of it. So I think it is possible still in Jersey to balance the budget, depending on the choices that you make. Whether it is advisable, of course, is almost a democratic issue. So, I do not think I would use those terms. I think we have had tremendous cyclical pressures on the budget, occasioned by particularly the pandemic, but also Brexit and some other things have really been disruptive to the public service and brought costs into the public service that maybe were difficult to envisage. It is still my view that, as the Chief Minister said, with a kind of thoughtful debate about the facts as we now find them, which we are trying to have with the C.O.M. (Council of Ministers) and with the Assembly, and with a thoughtful approach akin to that taken by people like Terry Le Sueur years ago, and others, then it is possible to manage within our means. But it will need choices. It will need choices to be made.

Deputy H.M. Miles:

You talked about balanced budgets. What is the prediction for the 2025 deficit currently?

Chief Executive Officer:

I am just going to make sure that I do not get misquoted, Andy, do you want to give us the accurate position?

Group Director, Strategic Finance:

So, looking at a deficit, and there is an updated forecast that went into the budget, if the Assembly agree with the proposals to reduce the Social Security grant in 2025, there will be a deficit of £8.5 million after depreciation.

Deputy H.M. Miles:

Okay. So, in last year's budget, it was agreed to make the grant to the Social Security Fund from the Consolidated Fund of £50 million. The request is that now does not happen?

Group Director, Strategic Finance:

The grant would still be paid to an extent. It is reduced by £50 million in 2025. That is one of the proposals in the budget.

Deputy H.M. Miles:

But when was the decision made to retrospectively request that an additional £50 million be not paid to the Social Security Fund?

Group Director, Strategic Finance:

That is in the proposition for this budget. It is part of that budget amending last year's.

Deputy H.M. Miles:

Okay, but when was the decision made to do that? Because you have talked about balanced budgets, and clearly the budget for 2025 would not have balanced.

Group Director, Strategic Finance:

I understand. So the decision was made as part of the overall decision making for the budget 2026. As part of that, obviously, there are updated economic assumptions that were produced, and that in turn led to an updated income forecast, which underpins all of the finances. So that is the money that is coming in that pays for those services. As part of that, we had seen some of the economic conditions leading to lower forecasts for income. We saw the outturn in 2024 was slightly lower than predicted. 2025 was forecast to be slightly lower. It is still growing. See, that is the thing where we have to talk about it, income is still growing over the period. It is just growing at a slower rate. That means that part of C.O.M.'s decision-making in terms of how do you get the books back into balance before you think about the other decisions you might want to make, the Social Security grant in 2025 was part of those package of measures to bring the books into balance.

The Chief Minister:

Sorry, I was just going to add, the prime reasons for that was, as Andy said, it was a reduced reduction in the income and the increased expenditure in health. Those are the 2 key areas that led to that.

Deputy H.M. Miles:

So, part of it is the increased expenditure in health, but the number that you quoted there is £8 million.

Group Director, Strategic Finance:

So the forecast for 2025 in the budget, after depreciation.

The Chief Minister:

What is the predicted depreciation?

Group Director, Strategic Finance:

Depreciation is £59 million.

Deputy H.M. Miles:

Thank you. Just moving on to some of the Common Strategic Policy priorities, you clearly explained in previous hearings about how you want to target the Common Strategic Policies. But can you talk to us about any challenges that you have had in respect of departments delivering on their specific ministerial priorities in the business-as-usual workstreams? Have Ministers had to stop or delay doing things that they really wanted to do because you have created the environment where they have to focus on those C.S.P. (Common Strategic Policy) priorities?

The Chief Minister:

I think the recruitment freeze has helped because that stopped departments putting on extra staff to do other things and they have reprioritised. I believe that all departments are primarily focused on the C.S.P. delivery.

Deputy H.M. Miles:

I think my question was about what about ministerial priorities that are outwith the C.S.P.? So, we have heard in questions that we have asked in the Assembly of Ministers why they have not done things. They have said: “We have not done things because there is a recruitment freeze and this would have been my priority”.

The Chief Minister:

That is one of the challenges we are grappling with, with the money. At some stage, we have got to stop doing the nice-to-have things and focus on the priorities, and that is what we have been trying to do. So there could be some ministerial priorities that we have not been able to afford.

Deputy H.M. Miles:

That is the nub of the question. How do you lead that? How do you square the circle with your Ministers who want to do things but cannot because you have put a recruitment freeze in place?

The Chief Minister:

From all of the meetings we have had, Ministers have been collegiate, work well together. They understand the challenges. I am certainly not aware of any ministerial pressure from any Ministers that they cannot do things that they would really like to do. Because we managed to include most of that in the C.S.P. and the budget, for example the improvements to the fire and rescue service, the extension of nursery care and education.

Deputy H.M. Miles:

That is in the CSP?

The Chief Minister:

C.S.P., sorry, I beg your pardon. The extension of nursery care is enabled by an additional £4 million as proposed in the budget. So I would think the vast majority of the increase in revenue expenditure in the budget is based on the delivery of the C.S.P. priorities.

Deputy H.M. Miles:

Can you explain what in-year progress has been undertaken to demonstrate delivery of the 2025 budget proposals and how do you know whether they have been successful?

The Chief Minister:

I am not quite sure I understand the question.

Chief Executive Officer:

As they relate to the C.S.P.?

Deputy H.M. Miles:

In general.

Chief Executive Officer:

Yes. So, as they relate to the CSP, the whole point of the C.S.P. is it is a prioritised document for Government, because we cannot do everything. Of course, when you then back it up with recruitment freeze and consultancy freezes, it does close off some of the avenues that were previously available to do work outside of the C.S.P. So there is a concertinaing effect towards the C.S.P., which is maybe what you were referring to in the last question. But the Council of Ministers get a full quarterly update on progress of each item in the C.S.P., whether it is on track, or if it is off track, what has been done to remediate the situation. So there is a quarterly update on C.S.P. progress, and particularly as it relates to the budget that we see.

Deputy H.M. Miles:

Are Ministers satisfied with the kind of quality and depth of that quarterly reporting?

Chief Executive Officer:

I am not aware of any ...

The Chief Minister:

To say that every Minister is content would be a gamble, but I am not aware of any pressing issues. If they are not content, it has not been raised with me.

Deputy H.M. Miles:

So, if I give an example, when were you first made aware of the overspend on health through the reporting mechanisms, because health were topped up quite significantly last year, and you have had to top them up again quite significantly in this year's budget. So how does the reporting mechanism alert you as a Council of Ministers to the fact that these things are coming down the track?

The Chief Minister:

We are kept up to date by Treasury, and we have been following the health budget almost every step of the way. Andy, do you want to just ...

Group Director, Strategic Finance:

Yes. So, C.O.M. obviously receive quarterly reporting on finances, which is separate to C.S.P., but we do take a quarterly report to C.O.M. But we have also been highlighting to Ministers where there were pressures. So some of the pressures that we are seeing in health this year did manifest towards the end of 2024, if I have got my years right, sorry. But obviously the budget was set earlier on in the year. So we knew some of it was coming anyway, and it was something that Treasury had been actively working with the Health Department to make sure that we were proactively managing it as we could. As you go through the monthly reporting that we get, starting in February, and then the first quarterly that went to C.O.M. was the March reporting, we highlighted there were overspends. We have been working with the Health Department to try to put as many mitigating actions as possible in those, and some of those have brought that forecast down as we go through the year.

Deputy H.M. Miles:

Okay, thank you. So, is there a mechanism to track whether departmental and cross-cutting outcomes are aligned with the Common Strategic Priorities, and how is accountability maintained when your performance discussion is informal at E.L.T. (Executive Leadership Team)?

Chief Executive Officer:

I am not sure I understand the question. We get monthly financial reports. I get monthly financial reports on every budget, and I follow up with, if we are talking about health in that case, with the health team. There is nothing informal about it.

[10:15]

Deputy H.M. Miles:

I think what I am trying to get at is the performance gap. So you told us at the last hearing that cross-cutting performance was not always discussed at Executive Leadership Team, and much of the co-ordination happens more informally than formally. So I think what we are trying to get at is how do you address those performance gaps relative to the budget proposals, and how do you identify them if you are not doing anything formal to pull them across departments?

Chief Executive Officer:

Could you exemplify just to ...?

Deputy H.M. Miles:

For example, the issue about children's well-being, children's health, it is an important outcome. But obviously you have got children's health is within C.Y.P.E.S. (Children, Young People, Education and Skills Department). You have got the Play Strategy. All of those things need to come together to meet that outcome. If you have not got somebody looking at that strategically, how do you understand how each of those elements are working towards delivering your Common Strategic Priority?

Assistant Chief Minister:

So perhaps I can explain how it works on the ground, and then we can work up from there. So, for want of a better word, appraisals, what we are now calling connected performance, these are interviews that are conducted 3 times a year to make sure that staff are working towards Government objectives. What we found was those interviews were slightly underutilised, and not everybody was receiving one of those interviews. So exactly as you described, Chair, the way that C.Y.P.E.S. interacts with children and young people, and make sure that it is delivering on those objectives. So, because there was a push up to mid-year of this year to make sure that everyone had a mid-year review, that has increased from 51 per cent in 2024 to 74 per cent this year.

Deputy H.M. Miles:

I understand that from the operational level, but how is that coming up into the strategic level if E.L.T. are doing that informally?

Chief Executive Officer:

I do not know if I did not explain myself terribly well the last time around, and I am not entirely sure of the line of questioning, but to use the example you gave, which was children's services as an example, there is nothing informal about that at E.L.T. We look very closely at the Community Risk Register, we look very closely obviously at the C.S.P., because it is the priority for the current Government, we look very closely at the B.A.U. (business-as-usual) issues as they move around on that risk register, or as they may have some impact on the C.S.P. So, in the case of children's services, it was clear to us from performance data, both from turnover of colleagues in that service that comes up to us through detailed reports and dashboards we get on colleagues. It was clear to us from the finance data in terms of the preponderance of agency staff and all of the turnover related to that, and it was clear to us from deep-diving into the service that we had real challenges in that service, and it was presenting in the risk register. In that instance, even though it was not core to the C.S.P., we had a very deep-dive, strategic review of the service. We brought a full strategy presentation to the E.L.T., not informally, formally, twice. We then took that to the Council of Ministers and had a full debate. Same is true of our consideration of the risks as we see them around the fire aspects of the fire service at the moment. So there is nothing informal about this, this is very, very formal.

Deputy H.M. Miles:
Thank you. I am going to move on to Deputy Renouf now.

Deputy J. Renouf:
I am going to kick off with a couple of questions about the performance framework and particularly the sustainable well-being points. I wonder, first of all, the law says that sustainable well-being needs to be taken into account in producing a budget. I wonder if, Chief Minister, if you can outline what your understanding of what sustainable well-being is.

The Chief Minister:
Well, it is about improving the community and the economic and environmental well-being of Jersey over the longer term. I think Jersey has been at the forefront of best practice, implementing well-being in Government decision-making. We are required by the Public Finances Law to consider sustainable well-being of Islanders over successive generations when preparing the budget at the highest level, that is the key one, which is linked to the thinking behind the Common Strategic Policy and most Government policy. I can go further into it, but in the interests of ...

Deputy J. Renouf:
Do you consider sustainable well-being at the beginning of the budget process?

The Chief Minister:
As a Government, this Government, last Government, previous Governments, I think that is what drives them, that is what drives most of us as politicians is the well-being of the Island. We have probably focused more on the sustainable well-being over the longer term in the last 2 years, after what we have learned in the last 2 years. That is why, for example, we are looking at a longer-term approach to capital funding. So the answer to that is yes, I believe we have.

Deputy J. Renouf:
But then how do you track accountability in terms of delivering on sustainable well-being?

Chief Executive Officer:

Yes, it is the same framework. So I think in this, if you look at the now infamous half a billion growth in the budget since 2018, the majority of that money has been spent on this area of Island-wide indicators, or this area of Future Jersey. Community well-being has been the biggest draw on resources, which is probably inevitable when you have a pandemic and other things. So when the C.S.P. was set right at the start, and in those workshops, the frame for all the C.S.P. discussions was Future Jersey and Island-wide indicators. That is in every workshop, that is where we start. How does this relate to each part of the Island-wide indicators? If you audit your way through the C.S.P., and just to the discussion with the Chair about some of the community risk register issues, it is still the case that community well-being has become, almost after the fact as it were, the biggest draw on resources, whether that is nursery education, preventative health care, children's services, these are all in that category, but it is very much related to the Island-wide indicators. That is the anchor for the C.S.P. and the way we measure progress.

The Chief Minister:

It is all explained on pages 14 to 17 of the budget.

Deputy J. Renouf:

I guess what I am trying to get at is, I can see that people are thinking about it, but what is the measure or measures that are used to drive accountability? How do we know whether we are meeting those objectives?

Chief Executive Officer:

Yes, I think we discussed this maybe in the last session here, but there are many, but if you are looking for a big macro one, there is something that gives you a snapshot, definitely the O.E.C.D. (Organisation for Economic Co-operation and Development) Better Life Index, which Jersey, almost alone among the Crown Dependencies, chose to participate in and invest in. That is a very, very important benchmark, which contains a whole load of quality-of-life indicators, which gives us a comparative benchmark with other places. So, I would say, that is one example.

Deputy J. Renouf:

Very specifically, in response to our recommendation to last year's budget review, recommendation 16, you commented that in addition to demonstrating a clear link between the budget, the C.S.P., and sustainable well-being, that ministerial submission templates were being revised to include more explicit consideration of the 3 sustainable well-being themes as part of the policy development process. Have those ministerial templates been revised?

Chief Officer, Cabinet Office:

I can speak to that. Yes, they have.

Deputy J. Renouf:

And what changes were made?

Chief Officer, Cabinet Office:

So the template is designed to allow a Minister, the reader, to note the issue, to identify the timescale, to see very clearly what the official level recommendations are, and then goes into a summary of the substantive issue. There is a section which we call rights and well-being indicators, and within there we ask that all of these ministerial submissions specifically call out the effect on community economic environment. There is a separate, more detailed annex, which explains to the policy officer, drafter, how to make sure that this is done thoroughly, and then summarised in that document.

Deputy J. Renouf:

Are those documents visible at all outside the ministerial process?

Chief Officer, Cabinet Office:

They are not, but I am happy to send them to you if you would like.

Deputy J. Renouf:

Okay, thank you. And moving on slightly, can you explain steps taken to assess and manage key risks that Jersey faces, the current and future generations, when developing the proposed budget? How was analysis conducted to ensure that assessment is consistent across departments? So that is key long-term risks for the Island.

Chief Executive Officer:

So the focus for that very much is the risk register. We have a whole governance infrastructure and series of meetings around that risk register, and various risk exercises. We will decide, based on those discussions, whether to move those issues from the risk register, for example, into the budget process in any one time period, depending on how they are presenting. In fact, as I mentioned earlier, the sort of elevation of the risks as the Council of Ministers saw around the facilities for some of our most vulnerable children, the elevation of some of the risks relating to improvement in fire services and safety, they came through that route. They were elevated up and they will jump across into the budget process, because we believe that the risk has reached a point where some sort of immediate response is required. So that is how the infrastructure runs. I guess, no, I do not guess, it is a matter of fact, the same things happen with cyber and cyber-related risks, although that happened earlier in the year.

Deputy J. Renouf:
Can I just come on to the Social Security Fund and the decisions around that? The budget depends on balancing the books, depends on reducing the Social Security contributions. You have stated, Chief Minister, that you think this can be done without damaging the long-term viability of the Social Security Fund. Can you explain on what basis you are confident that the long-term viability will not be affected?

The Chief Minister:
Well, on basis, I am confident on the advice and facts and figures received through Treasury, which I am sure Andy can remind you of. Also, we are going to have a review of the fund next year, I believe, that is going to start, which will, I think, give us a more accurate guide of what we need to put into it over in the medium to longer term. We have been operating on a formula, I think, that was last reviewed 15 years ago. The fund has grown from between 2022 and the end of 2024 by almost £450 million, that is well in excess of what we had planned. Andy, did you want to add anything?

Group Director, Strategic Finance:
Yes, I would be very happy to, Chief Minister. So, without going into too much detail, I think you all know how the fund works. But the proposition in 1996, the Chief Minister referred to earlier on, where it changed contributions, the entire intention of that was to shift from a pay-as-you-go scheme, where people who are contributing today were paying for the pensions of today, to a fund that was partly funded and had a reserve. So, in that proposition, it talks about getting to 5 times of benefit expenditure. We are currently sitting at over 7. So, it is true that it has been successful. We have been very lucky with that foresight, and the fund, with its investment performance, has managed to produce a bigger reserve than originally envisaged by that proposition. So, that is a good thing. We should all be very happy that we have that security. What it does mean is that, because those investments compound as well, the expectation, and as when the actuaries will confirm whether or not this is the case, that the fund will be sustainable, or potentially even continuing to grow into the future as well. That report, the actuaries, they are professionals, they are paid to do that, but certainly making a change in this budget will not damage the long-term prospects of the fund.

Chief Executive Officer:
Andy, can you just clarify, if this budget goes through, are we still in excess of the 5-times reserve policy that Terry Le Sueur put into the original proposition?

Group Director, Strategic Finance:

Yes, that is correct. So, based on the forecasts which are included in the budget for the fund balance through it, by the end of the period you are still at 7 times.

Deputy J. Renouf:

So, we had the Minister for Social Security appear before the Health and Social Security Panel, and she mentioned that there was a letter from the actuaries that she had sought advice to be confident about this. That letter was sent in confidence to the panel. Given the centrality of this issue to the budget, would you be prepared to make that advice public?

The Chief Minister:

I think it is up to the Minister for Social Security, basically. I am not sure there would be a particular issue with that. I am not sure if she would have to check with the actuaries. I am not sure whether they wrote it for public consumption. We will ask the question, yes.

Deputy J. Renouf:

I am slightly surprised by that answer because the whole budget hinges on this money and this claim being that it does not affect the Social Security Fund. As far as I can see, that is the only document that provides any kind of air cover for that statement. Are you saying you have not seen it?

The Chief Minister:

Yes, I have seen it. Of course I have seen it, and I do not agree with you that it is the only thing that provides air cover because we have confidence in our Treasury forecasts on it.

[10:30]

It is something that we are going to have to agree on as an Assembly moving forward. You could be right insofar as there might be an appetite to continue putting more money into the fund than we need to and then reduce spending in other areas. That is something this Government has taken a decision on and we have decided to prioritise the things we really need to, rather than put more money than we need to into the fund. I have no problem with transparency and that, but it is something that the Minister for Social Security will have to square with the actuaries.

Deputy J. Renouf:

But would you be prepared to lend your weight to that? Given that you are trying, I presume, to build a consensus around this, surely to have as much information in the public domain would be helpful.

The Chief Minister:

Absolutely, I would have no problem with that at all.

Group Director, Strategic Finance:

But just if I may add, I guess there is additional commentary. If you look to the past, so over the last few years, as the Chief Executive and the Chief Minister have mentioned, we have been going through a pandemic and then recovering from it. So the grant has not been paid into the Social Security Fund at all for a period of time. During that period, the fund still grew and has not shrunk in terms of the level of expenditure cover that is there. Through this budget, we will still be putting £184 million into the fund. That is more than we have done in the past period.

Chief Executive Officer:

This is really important for public confidence because people are wont to get the wrong impression. No money was being going in because it was suspended during Covid, for all the reasons you know. This budget is putting £184 million in; it is restarting contributions. That is number one. Number 2, you do not need an actuarial letter to know that the current reserves are 40 per cent higher than what was seen as the comfort level when it was set up in 1996, which was 5 times. You are sitting at 7 times. Even after these changes in this budget, you are still at 7 times. You are still overfunded versus the original intention of the fund. So I think it is very important that these facts are understood; that people do not be alarmed and think that money has been taken out of the fund, when the opposite is the case, or that the fund may be underfunded when it is a matter of fact that it is overfunded.

Deputy A.F. Curtis:

Could I ask a bit further on that because those are parameters that were deemed right at the time, but we have since had actuarial reviews that look at the long-term sustainability and the last one in 2021 did forecast multiple scenarios in which, notwithstanding it would be 7 times now, the fund would be depleted at 2066 or 2081 based on migration patterns. So is it not the case that the parameters that were thought of earlier are changed?

Chief Executive Officer:

Well again, let us just anchor ourselves. The original intention of the fund was to be depleted by when?

Group Director, Strategic Finance:

So, as the population bulge went through, there was not necessarily a specific period, but certainly by that period it would. So you are right, the Chief Executive is right. The original intention of that proposition was to build up the fund around 5 times to allow it to then supplement income as the ageing population came through. So it should go up and then come down again, that was the original intention. The 2021 actuarial report in what we would consider the central scenario, which is I think plus 325 population growth, you see that the fund remains constant as you go up through it, it is more or less a flat graph. So that is better than the original intention that was in the proposition.

Deputy A.F. Curtis:

Was that not the plus 700 net migration that stays constant? It was the -plus 325 forecast 2081, it is chart 2.1.

Group Director, Strategic Finance:

I do not have it open. I will have to check and come back to you, but certainly it being extinguished into the 2080s would be in line with the original intention of it. If it starts to stabilise, that is better than the original intention.

Deputy J. Renouf:

Just to close this off, the Chief Executive has raised, in talking to the Public Accounts Committee, the long-term sustainability of the finances, we have stopped paying into the Strategic Reserve, as the Chair said, we have not replenished the Stabilisation Fund. This is the last fund left that we have to draw on to try to balance the books. Is it not concerning that, given that the pressure is on things like the Long-Term Care Fund, the Health Insurance Fund, that we are now running down, or not running down, reducing our contributions, reducing the resilience of this fund at a time when all those other long-term funding issues still remain?

The Chief Minister:

While being mindful of the longer term, and as I said at the beginning of my opening address, that is something that is a culture, a behaviour we have to get back into pretty quickly. I am confident that the action we are taking will not have any detrimental effect on the Social Security Reserve, as outlined by the commentary we just had from officials. That needs to be clear, because it is important that Islanders retain confidence, and they should have confidence in the excellent reserves we do have. I am not sure, I think that the pre-19 taxes is topping up the Strategic Reserve, Andy will have to say, have we done that this year with the returns?

Group Director, Strategic Finance:

By the end of the year, we will be transferring the full of the P.Y.B. (prior year basis) debt into the strategic reserve. It is just less than £300 million.

The Chief Minister:

So we are, there is provision to increase the Strategic Reserve. The General Reserve, and, Andy, remind me, 2 reserves?

Group Director, Strategic Finance:
The Stabilisation Fund.

The Chief Minister:
That is another conversation we have to have, because they were exhausted during Covid, and I think we are going to have to bring them back in.

Deputy J. Renouf:
We are engaging in this budget in long-term spending commitments beyond the 4-year period, health, education, early years care, and yet the funding mechanism runs out in 4 years' time. I think you have accepted that there will need to be a restarting of contributions. So is that not a ...

Chief Executive Officer:
The Social Security Fund, I do not want to be pedantic, but we are putting £184 million into that fund in this budget. So the restarting has started.

Deputy J. Renouf:
But the formula would have been 432, and so it is a significant reduction on what you would have done.

Chief Executive Officer:
I was just clarifying, we are putting money in.

Deputy J. Renouf:
I fully understand that, but the point I am making is that we will have to start increasing again at some point in the future. But the funding commitments we have entered into are long-term. Is that not essentially kicking the can down the road?

The Chief Minister:
No, I do not think it is at all. Again, I just want to reiterate the state of the fund, the earnings of the fund, the size of the fund, the 7 years' reserve, and running at 40 per cent higher than was anticipated. But of course you make a valid argument. There might be some Members that think, hang on a minute, we should not invest money in a lot of the things we are wanting to do in the public sector to address the underspends and the lack of investment in certain areas, such as children's services. It is a decision for the Assembly. If there is a strong argument to put another £400 million into a fund that is overperforming, and not spend it on these things, that is a valid point to make. Our view, our strong view is, this is the right course of action.

Deputy J. Renouf:

All I am saying, I am not against it necessarily, Chief Minister. I want to see the evidence, and that is why my questioning at the beginning was about ...

The Chief Minister:

I am not sure how many times I can say yes, but yes, we are totally confident that this is the right position for us to take at this stage.

Deputy H.M. Miles:

Thank you. I have just got some questions around Jersey performance framework. We noted in the last hearing that there is some disparities in the analytic capacity across departments, largely due to resource constraints. Some departments have got dedicated analysts within departments, so education, health, others have less data-rich areas. How might this be addressed so that all departments benefit from equal levels of data gathering and monitoring?

The Chief Minister:

Paul will take this.

Chief Officer, Cabinet Office:

Yes. So the Chief Statistician has that role across Government to ensure that both the Statistics Jersey tier one statistics are resourced adequately and delivered, and there is also sufficient activity in each area. I know, for example, he is working hard with the policing and crime team to introduce more transparent and regular data on that front. So it is an active area of interest. I am not aware of any areas which I can flag as a problem at this stage, but I am happy to look into it in more detail.

Deputy H.M. Miles:

I think it sort of links to previous questions about how does the uneven distribution undermine the ability of the Executive Leadership Team and Ministers to compare departments fairly?

Chief Executive Officer:

We just do not see the world the same way on this, I am afraid. So we have got big public service departments, big waterfronts, health, education, I. & E. (Infrastructure and Environment), which do have more data and analytical resources, partly because they are on the front of public service and they gather data and they are a source of gathering data, which is vital to the whole of Government. Obviously that is the case with health and education, for example. Then we have departments which I think are more civil service departments, they are policy-orientated departments, rather than having big front-line waterfronts. It is not obvious to me they cannot do their jobs well, relying on the centre of excellence, which is the Statistics Unit within the civil service. So I think at some point we will have to have a bigger debate about the difference between these big public service departments and these ones which are more anchored in what one might regard as a civil service. Some of those are very small departments, of course, so we feel the balance is about right with the resources we have got, and we do not look at it on a fair shares basis, we prioritise and we look at where is the need greatest, and we make sure that the resources are allocated to that.

Deputy H.M. Miles:
Okay, thank you. You talked about the Statistics Unit, the Chief Statistician told us last time as well that there is a need to develop more indicators, and that there is a need to do further work, because we do need to understand. I do not necessarily agree with your perspective, Chief Executive. So, what steps have been taken to fill the gaps in measurement where these indicators have not yet been developed?

Chief Officer, Cabinet Office:
I think we would have to ask the Chief Statistician for that level of detail, I am afraid.

Deputy H.M. Miles:
I think what we are really getting at is that, if you have not got the right information, how can you develop appropriate budget proposals and treat departments fairly, as opposed to this kind of salami slice that is going on?

Chief Officer, Cabinet Office:
So, I would not characterise it as salami slicing, as the Chief Minister and Chief Executive said at the start, we started this budget process with the corporate risk register, the community risk register, but equally with the Island Outcome Indicators, and it is no coincidence that those areas that are flagging red on the indicators are the ones that we have consistently invested in.

Deputy H.M. Miles:
But I guess the point is that they are flagging red because the work is being done, there might be other areas that would be flagging red if we had better data gathering and better evidence.

The Chief Minister:
We can accept that; we take that on board.

Deputy H.M. Miles:
Do you think Statistics Jersey is suitably resourced in 2026 to deliver on what they are required to deliver?

Chief Officer, Cabinet Office:

I went through a process with the Chief Statistician and we met formally with the Chief Minister to determine whether that was the case. It is a matter of record because I had an exchange of letters with the Chief Statistician that he did bid for some additional monies, around £80,000 in 2026 and £120,000 for recurring after that in order to produce the kind of governance and administration that goes along with this new function. That is primarily in the annual report space and I am an accountable officer, I have determined that that is desirable, not essential, and lifting ourselves back up to that kind of curbing the growth agenda, that was one area that we needed to sacrifice.

Deputy H.M. Miles:

Under Article 4(3) of the new Statistics and Census Law, Minister must make an annual assessment of the funding required to ensure that the Chief Statistician is provided with financial, administrative. Have you met the requirements under the statistics legislation of ensuring that they are properly funded?

Chief Officer, Cabinet Office:

I am happy that we did, we had that formal meeting, we set it all out in a ministerial submission template that we were discussing earlier, to the Chief Minister, we had that discussion with the Chief Minister and, as I said, I put it all on record. I am happy to share those letters if that would be useful, but it is important to have that transparency, we thought.

Deputy H.M. Miles:

So, you talked about business cases from Statistics Jersey, were there any business cases that you were unable to support?

Chief Officer, Cabinet Office:

So Statistics Jersey had 2 elements, one was the administration and governance, and the other one was the future cost for a Living Costs Household Income Survey. We absolutely accept that in principle, there is no danger of it not going ahead, but we will be seeking to fund that in the years when it starts hitting, which is 2027 onwards. Other than that, I am not aware of any other.

Deputy H.M. Miles:

Okay, so is the business case is just being deferred from 2026 to 2027?

Chief Officer, Cabinet Office:

Yes, there is no scenario where we do not do it.

The Chief Minister:

That is in line with the deferral, keeping the 5-year cycle with the deferral during Covid.

Deputy H.M. Miles:
Okay, I think I will leave it there and move on to Deputy Curtis, thank you.

[10:45]

Deputy A.F. Curtis:
Okay, we are going to touch on another facet of the sustainable well-being, but looking more to Future Jersey Vision and long-term planning, Chief Minister. From the same quarterly hearing that we have drawn those questions from, we discussed Future Jersey Vision and it was noted that it was still standing the test of time, however you felt that a reordering of priorities may be necessary. So, in the context of this 2026 budget, where was that reordering considered necessary and did any reordering take place?

The Chief Minister:
I think for the 2026 budget we have pretty much stuck to the Future Jersey plan as it is. I think it is probably a job for the next Government to look at a refresh of the Future Jersey plans. When we looked at it, we think it still holds very well, so I was talking in future tense really at that stage.

Chief Executive Officer:
Yes, and I think the other view in the Council of Ministers was it is better looked at alongside Bridging Island Plan and other big strategic issues that are coming up rather than pre-empting that, so the next Government.

Deputy A.F. Curtis:
So, it was not felt that in the context of any local or global conditions or you know ones such as housing availability or global volatility, there was not a need at this point to readdress any priorities?

Chief Executive Officer:
From some members of Council of Ministers precisely the opposite, they thought it was more relevant than ever, particularly with regards to community well-being.

Deputy A.F. Curtis:
You mentioned perhaps a time to check into that is the Bridging Island Plan or the next Island Plan review, given we do not have a timetable for that, looking forward beyond this budget, does that mean there is a chance that the next Government, is your view then, Chief Executive, given you will be still in post, that it will not be a chance even in 2027 to be re-reviewing these priorities?

Chief Executive Officer:

I think it is for the next Government.

The Chief Minister:

My view is the Bridging Island Plan needs to be reviewed as quickly as possible because we have seen significant changes since it was put in place and I think what the Chief Executive is saying, at that time when we are looking at those big strategic documents, that is the time to review some of the other strategies that sit alongside it.

Deputy A.F. Curtis:

Okay. I think one area we have also discussed is whether some of these elements like sustainable well-being, like tying work to Future Jersey, is retrospective or proactive. So, was there any change in approach in this budget to assessing how the budget addresses Future Jersey and those Island Indicators?

The Chief Minister:

Were there any changes?

Deputy A.F. Curtis:

Changes to how you prepared the budget 2025 in assessing whether the budget meets any particular priorities, or was it a very similar process?

The Chief Minister:

I think we stuck to the same plan really.

Chief Executive Officer:

We did do a deep analysis of all the spending for the past 6 years on that basis. I do not know if we narrowed it down to that one, of which this was a part, but not ...

Chief Officer, Cabinet Office:

We do have that data as part of the work that we have been doing and the all-States-Members briefing on 26th September is the output of that and we will publish that in due course. Within that, there is an analysis of the 24-year period.

Deputy A.F. Curtis:

One area as well you touched on, Chief Minister, is Investing in Jersey and I believe you described that Investing in Jersey programme was a response to the criticism that Common Strategic Priorities could be too short term. So, looking to this budget, looking to Investing in Jersey being a part of or aligned to this budget, what tangible differences will the Investing in Jersey programme, if realised, deliver compared to the Common Strategic Priority approach of driving Government's agenda?

The Chief Minister:

So, the Investing in Jersey programme will rely upon the States approving the Jersey Capital Investment Fund. Law drafting is being worked on now so, we hope before the budget to provide a lot more detail around that fund as requested by scrutiny and other Members. When that fund is put in place, it will ringfence capital expenditure, so when the budget is agreed, the capital expenditure will be placed into the Capital Investment Fund, only to be changed by a States Assembly decision rather than be able to be changed at, shall we say, the whim of a Minister. That will provide the security we need to maintain a strong capital programme because it is clear that our infrastructure and public realm has been underinvested in and that is starting to show its age now in certain areas.

Deputy A.F. Curtis:

Do you see that model of a Capital Investment Fund and the approach of managing finance especially for capital as something that you expect can then be tied to how you measure future Jersey indicators? So, is that model something that will help you align further the delivery of a large amount of spending with ultimately the indicators we measure Jersey's long-term planning?

Chief Executive Officer:

Certainly in debating it, we thought it would. Again, it is up for debate, but the thing that was really exercising the Ministers was the habit, and it is a habit, of cutting capital spending in year to fund day-to-day activities. I think everyone succumbs to that pressure in every organisation. It is slightly compounded by an annual budgeting process in the situation we found ourselves in post-2019. The Chief Minister and other Ministers felt that was a habit we had to break. Going back to the Chair's question earlier about some Ministers' frustrations, of course when we did the C.S.P., if you prioritise it means you cannot do everything that you want to do. Some of the things that Ministers really wanted to tackle and are concerned about, the Minister for Infrastructure would fall into this category in terms of the degradation of the public asset base, we felt did not really lend themselves to sort of knee-jerk jumps in revenue budgets. They really needed to be rooted in this kind of structure to make sustainable progress. When you look at the O.E.C.D. index of quality-of-life indicators, Jersey sits right on the mean, 49th percentile. Tackling that and moving it up to where we want it to be, which I think is top quartile, it would need to have this kind of approach to infrastructure. So that was the kind of the debate.

Deputy A.F. Curtis:

My last question here is that approach of being able to address capital is one thing, but tying it back to where one invests capital, where one prioritises, given this budget is seeking that kind of in-principle decision to go ahead and bring forward legislation we hope in 2026.

The Chief Minister:

I think that was probably the catalyst behind the thinking of how we guarantee long-term investment or the investment is going to stay there for the improvement of our infrastructure. It ties in with the Future Jersey and especially with the environment and with the built environment and well-being aspect, but also with the C.S.P. priorities, affordable homes for example. Suddenly, we realised that there is a lot of sites, a lot of potential for affordable homes that cannot be built because the drainage is just not up to scratch. You will notice, probably to the frustration of a lot of Island motorists, that there has been an acceleration on the work to improve the mains drains and that is starting. So that was basically, in simple terms, the catalyst and that extends to other areas as well.

Deputy L.K.F. Stephenson:

Thank you. The O.E.C.D. better life index has been mentioned a couple of times today and previously and I think we have been encouraged as a panel to hear that coming up repeatedly. How is this being used to develop the Invest in Jersey priorities? You said there is a clear link there between the 2. Can you just explain a bit more about how it is being used?

Chief Executive Officer:

Just to pick up on what the Chief Minister said, Paul might want to see more because he and I spend a lot more time on it, but if you look at the affordable living, if you look at what drags our score down, if I put it that way, even though our score is respectable, but if you look at what has stopped it being as high as it would be, affordable living is one of those, or everything around the cost of housing is one of those. A big feature of Invest in Jersey is figuring out, as you invest and reorder your estate, so an obvious example of this is some of the debate that has been had about the higher education campus. Can you reorganise things to create opportunities to address affordable living at the same time as you are trying to address some of the issues around education. So it is looking at it in that way to see, if we flick one switch, will 3 lights come on? So it is that kind of thinking as we look across the index that went into Invest in Jersey. But Paul can say more.

Chief Officer, Cabinet Office:

Yes. So, in the short term, you can see in the budget that areas like Fort Regent are given money for the first time. That links directly from the vibrant and inclusive part of the Island Indicator, which as you say uplifts into the O.E.C.D. overall framework. You would also see in the coming years, in the detail right now of the Investing in Jersey programme, making sure there is plans within plans. You will see plans for Andium, for the States of Jersey Development Company, and others in the kind of housing space. As we move into the future of the Highlands campus, you will see that in future budgets. What we are doing right now is taking the 4th August document as our strategy and making sure that there is detailed programme management within all areas of Government because it is a very cross-Government initiative.

Deputy L.K.F. Stephenson:
Thank you. With regards to ongoing monitoring, but then particularly comparisons with other O.E.C.D. jurisdictions or peers, how does that work? Is that an ongoing process that we are committed to already or do you have to fund it as you go, how does that work?

Chief Officer, Cabinet Office:
So, the good work that Statistics Jersey does with our Island Outcome Indicators means that that data is lifted and put into the O.E.C.D. in order to be comparable. The thing we need to be clear about though is most of those indicators are at least one or 2 years in between each check-in. So we have to also look at the risk registers and the service level performance indicators to see more real time changes. That is where a lot of our focus is. O.E.C.D. is useful for me to have a more medium-term strategic assessment of how we compare with other jurisdictions because they are also in a situation where many of their indicators only move every one or 2 years.

Deputy L.K.F. Stephenson:
Do you ever look to do anything in between, comparing jurisdictions that then might be published, or is it just that the indicators, the very formal framework, or are there other measures?

Chief Officer, Cabinet Office:
So I think it was 2 weeks ago Statistics Jersey produced its latest C.O.F.O.G. (Classification of the Functions of Government) analysis, the analysis of Government expenditure against other jurisdictions. I know you have seen it. This is the second iteration of it, so that is becoming a really useful set of data we can track over time. Then, as I mentioned, the 26th September event with States Members also used that data to consider. Jersey had a very significant period of public-sector growth between 2018 and 2025. What happened in those other jurisdictions, our neighbouring, including O.E.C.D. countries, and are we an outlier or are we part of that trend?

Deputy L.K.F. Stephenson:
I think we have touched on a review of the Future Jersey Vision and I am saying that is something for the next Government to look at. But, in your view, Chief Minister, how do you see that happening so that it links to budgets in the future as well?

The Chief Minister:

I think, in the process of compiling the C.S.P., the Common Strategic Policy for the new Government, linking that to Future Jersey and well-being work has worked well. That should remain the driving force. That has to be the foundation of everything. We looked at Future Jersey, set up in 2024, we did it again 2025, and agreed that was still an appropriate and very relevant foundation to base the bulk of the budgeting work on. But, again, it is up to the next Government to decide if they want to stay with that or refresh it.

Deputy L.K.F. Stephenson:
Given that I think there was a 2-year consultation process that built up to developing Future Jersey, with that in mind and I think there is broad agreement among your Government and leadership at the moment that it needs a new reworking, is it time to start the next public consultation to get the wheels in motion for that to happen soon?

The Chief Minister:
I think the 2 years was from a standing start if I remember, and so I do not think it would take that long and the next Government could probably do that in a shorter period given that the foundation is already there. I cannot see right now, I know the world is changing quickly, but I cannot see any major changes being required to it.

Chief Officer, Cabinet Office:
No, I would agree with that. It is a very useful and well-researched document.

The Chief Minister:
There is one area that I have found, I think Ministers find them most frustrating in in Jersey, is how we bear down harder on the cost of living. Because we do not have all of the levers to pull and I think that could perhaps have more of a priority in the Future Jersey work. As you know, we only have our fiscal policy, we do not really have any monetary policy, so I think that has been a cause of frustration for this Government that we cannot do more in that area.

Deputy H.M. Miles:
I think it was interesting, when I was looking at the budget, that if you go around your wheel there, there is 2 areas that are not covered by the C.S.P. and one of them is about inclusion.

[11:00]

The other one was about the environment. I just wondered what thinking had gone in from a budgetary perspective about they are not in the C.S.S.P. (Corporate Services Scrutiny Panel), those 2 particular areas.

The Chief Minister:
I am just trying to remember the 13th point.

Deputy H.M. Miles:
The 13th one was carbon neutral, but there was one about the environment that covered direct with C.S.S.P., and certainly the inclusion bit. Again, I will not steal the Deputy Stephenson's thunder, but ...

Chief Executive Officer:
You do not relate the investment in children's services and the youth centres to inclusion, what do you relate that to?

Deputy H.M. Miles:
I would relate that to the putting children first and giving children the best start in the world. Inclusion, I am talking about things like accessibility, I am talking about diversity, I am talking about equity, all of that broad part of this is not within your C.S.P.

The Chief Minister:
Can I just agree with you on that, Chair. Outside of the C.S.P., there is a lot of important business as usual and I think those are areas that the next Government will consider elevating to the C.S.P., it is quite reasonable for them to do that.

Deputy H.M. Miles:
Deputy Stephenson has got some questions about that coming up. Deputy Johnson, sorry.

The Connétable of St. Mary:
A few brief questions on the general question of communication of the budget if I may. Do you consider that the Government's communication of the proposed budget has been effective and how do you rate the success of these communications, so how do you measure it?

The Chief Minister:
I remember when I was sitting on the other side of the table promoting the budget with scrutiny, would somebody like to talk about where we are with that?

Group Director, Strategic Finance:
Yes, I can probably cover it. So we have not offered pop-up sessions as such, but we have done a sort of a campaign, following the recommendations that the panel made last year, working with our

colleagues in the comms team. We have obviously had the press release, we have a child-friendly version of the budget which is, if it is not published, it will be shortly. There is a video that supports that to try to explain it and make it more engaging. While that is obviously for children that does not stop anyone else reading it. But we are also, in terms of engagement, we are also talking to the C.Y.P.E.S. around working with their school councils networks as well, so we are looking at whether we can go and speak to children around what is in it as well, so upping that level of engagement. But in terms of general communications I think it is a very important document, there is obviously a lot of scrutiny process, it is covered in the media regardless of what we do, so I do think the messages have come out and will continue to do so as the budget is scrutinised and indeed debated.

The Connétable of St. Mary:
Thank you for that. You have touched on a couple of my other questions but just to elaborate on them, what you have done this year, what is different from previous years, and how do you consider that it has been made more accessible to the public in general and, as you mentioned, the children in particular?

Group Director, Strategic Finance:
Yes so the children's one, we did do that last year as well. So we have continued on the success of that because it was something that was working well. So we thought we would continue to do that. The other thing that we did differently was the way that we tried to get some of the key messages that the budget has presented through social media posts and other similar things. So a lot of people now, that is how they engage and how they get their information is through social media rather than through mainstream media, so trying to make sure we were covering those channels as well as the more traditional channels.

The Connétable of St. Mary:
Thank you for that. Going back to the question of children, you already mentioned the youth-friendly version. We know that publication and also the video. How else has the Government engaged with children and young people in line with participating standards? Are there any other measures you have taken regarding children other than those?

Group Director, Strategic Finance:
So there is a plan for more engagement as we go through the few months so it is being finalised now so I do not want to say it is firm commitments, but we are certainly talking about engaging with the school councils network and the youth parliament and seeking for what the opportunities are to talk to both of those bodies about the budget before its debate.

Assistant Chief Minister:

Can I just add to that, Connétable. So I attended schools council network this week, there is another one planned for December of this year, in which case we will talk through the budget with them in a child-friendly way. But the purpose of my visit this week was to talk about the Play Strategy, which we called the Play Plan. So again makes it easier for children and young people to understand it. So we presented a child-friendly version of that plan and asked them for their feedback on certain aspects of the plan. There is no filter with children of that age, primary school students who told us exactly what they thought of it. Most of it of course was positive and they had some really good suggestions in there. So that is how we are engaging with children and young people; the budget will do the same.

The Connétable of St. Mary:

Was that a visit to one particular school?

Assistant Chief Minister:

No, so schools council is all the schools coming to one place at Highlands and they spend a whole morning there, so both the Minister for Children and Families and I gave speeches and interacted with each table. It was a really rewarding morning.

The Connétable of St. Mary:

I can see that. Do you have such visits to individual schools as well or not?

Assistant Chief Minister:

Yes, there are some individual schools, but the whole point of the network is, when children come to that, they will fan out to each of their own individual schools, so there is a small cohort from each school who then feed that back.

The Connétable of St. Mary:

Okay, thank you. Thank you, Chair.

Deputy L.K.F. Stephenson:

Chief Minister, do you believe that there is benefit in working towards the implementation of a gender-responsive budget for future budgets?

The Chief Minister:

Malcolm. Do you mind if Malcolm takes it?

Assistant Chief Minister:

Yes, sure. So I think it is important to remember that all of our policy decisions are based around the Discrimination Law. So that is the starting point. There is lots of things that we have done and will be doing to support a gender-responsive budget. So, obviously the inclusion of free child care is one big step towards that for young people. The provision of school meals, the implementation of the V.A.W.G. (violence against women and girls) recommendations, and the back-to-school bonus so that parents will have access to a fund that will be able to fund their going back to school in September and the expenses that come with that. The other side of the scale is the extension of the Pension Plus scheme, which looks after dental care and optical care for pensioners. There is also lots I can list. There is the Health Access Prevention scheme again for older people. We are reviewing the teachers' pay and conditions or their terms. The Chair mentioned the Disability Strategy earlier. We are putting more money into the Disability Strategy. We know that there was a recent review of how the strategy is performing. It was overwhelmingly positive, there were still gaps, and it is recognised that we do need to put more money and effort into bridging some more of those gaps. Of course, in the longer term, we are still looking at the development of a workplace pension scheme so that people have a more comfortable affordable retirement. So there is lots of things that we have done, and of course the living wage transition as well.

Deputy L.K.F. Stephenson:
So there is lots of very positive policies there, but do you believe that the current steps taken during the policy development process and when you are setting budget by considering the Discrimination Law, does that sufficiently ensure equitable distribution of public resources to meet the needs of all Islanders? So, looking at it in a broader strategic way rather than just individual policies, or we need to do something to help older Islanders and we need to do something to help families.

Assistant Chief Minister:
So I have got a definition from the United Nations and Oxfam, which describes gender responsive budgeting. It describes it as a budget that works for everyone, women and men, girls and boys, by ensuring gender equitable distribution of resources and by contributing equally to opportunities for all. All of those things that I have just described, they do touch all of those points. The additional thing that I did not mention was there was that proposition passed in 2024 about I.V.F. (in vitro fertilisation) and how that should be expanded and Health and Care have expanded eligibility criteria to that scheme, so again to support parents in growing their families.

Deputy L.K.F. Stephenson:
Thank you. I think perhaps maybe it is for a broader discussion one day about the kind of fundamentals of a gender responsive budget process rather than just saying some of what we are doing meets the definition. Because it is a process from the very beginning that people go on

courses about and learn about, from the very beginning of developing policy. I do not feel, but correct me if I am wrong, that that currently happens from the ground up.

Assistant Chief Minister:
I think it is embedded in our thinking, whether it is framed as gender responsive budgeting might be a different thing, but I do think that all of what we do as a Council is taking account of how do we fairly distribute funds and that is why we have got the throughput in the way that we have.

Deputy L.K.F. Stephenson:
Thank you. Was any gender analysis undertaken when developing this proposed budget? Is the budget gender sensitive?

Assistant Chief Minister:
In that respect, we have not undertaken specific analysis. I think there was a feeling around the table that we are pushing in the right direction, we are looking at all parts of the community, and it was felt that was enough without doing separate analysis on whether it does or does not meet certain criteria.

Deputy L.K.F. Stephenson:
That probably answers the next few questions there. Do you have any follow-ups you would like to ...?

Deputy H.M. Miles:
Deputy Johnson?

The Connétable of St. Mary:
Sorry, you caught me unawares.

Deputy H.M. Miles:
Constable, sorry, Connétable.

The Connétable of St. Mary:
Looks like that is the Minister unawares too. My question is about the public sector ombudsman if I may. In accordance with this panel's amendment to the 2025 budget, which was accepted by the Assembly, proposals for an ombudsman or otherwise should have been brought forward in the budget to 2026-29. This has not happened. Neither has funding been specifically allocated for this. Perhaps you could explain the rationale for this.

The Chief Minister:

So we did carry forward the £398,000 budget that was anticipated originally by the previous Government. So that stayed in the budget. As you know, Deputy Scott has presented her findings and recommendations to the Council of Ministers in September. At the meeting before last when it was considered, the Council of Ministers asked the Chief Executive Officer and officials to come back with some more detailed costings and that is what we are expecting to get back at the meeting after that, end of October, is it? So we are waiting for that and then we will make a decision.

The Connétable of St. Mary:

Okay. In correspondence, particularly a letter of 6th October, you noted that just short of £400,000 in the budget was accounted for this budget. Is this funding ring-fenced for this particular purpose?

The Chief Minister:

Yes, in the Cabinet Office.

Chief Officer, Cabinet Office:

It is an underspend in the Cabinet Office. £50,000 of that was given and continues to be given per annum to the Complaints Panel as and until the future of that has been determined.

The Connétable of St. Mary:

You also explain that a financial assessment, including a cost-benefit analysis, has been commissioned in order to reach a final decision. When will this be completed and when will the final proposal be brought to Assembly?

The Chief Minister:

Sorry, David, I was not clear. That was the work I just referred to and that is due to come the first meeting in November.

The Connétable of St. Mary:

Yes, explaining that there is reference and emphasis on cost-benefit analysis. Could you advise what other factors are taken into account when considering it?

Chief Executive Officer:

At the end of September, Deputy Scott brought a very full presentation to the Council of Ministers and I think one of the areas of debate around the table, or certainly where Ministers felt that they needed more information or wanted more information before coming to a decision, was the potential range of costs of, not so much setting up the ombudsman, but its in-life costs and how that would evolve and looking that against the budget that was intended for that purpose. I think there is obviously a range of outcomes in terms of the cost of anything and Council of Ministers felt it wanted a bit more detail on that. Also, to understand a little bit better the net benefits of some of those higher cost estimates versus what they have today in the Complaints Panel and the options to improve what they have today in the Complaints Panel. So that was the nub of the debate.

Deputy J. Renouf:
Is that a fairly long-winded way of saying that there is some opposition to the setting up of an ombudsman within the Council of Ministers?

The Chief Minister:
No, there is not opposition. In fact, it is about the cost against the backdrop of what we have been talking about, about the fact that we have to tread very carefully now with taking on new costs. C.O.M. want to be more assured of what the realistic cost will be. So I think most Ministers are in line with the States decision that an ombudsperson is perhaps the right way to go, but we just want to be sure of the facts and the costs.

[11:15]

Chief Executive Officer:
One of the things, Connétable, that we were able to show at that meeting is the evolution of costs of other things we have set up. So, we are able to show them where we have gone with other ombudsmen in terms of their costs, other bodies, what might be regarded as equivalent bodies and it is fair to say it is a one-way ticket in terms of real increases in costs over time. Again, these things we just need to think through to understand in the context of the wider budget and all the other priorities.

Deputy H.M. Miles:
Do you not think that there is also a balance in what a public ombudsperson would save in terms of long-term improvement of public service?

The Chief Minister:
Absolutely, yes and those points were addressed in Deputy Scott's presentation so it is a cost-benefit analysis and that is what we are doing.

The Connétable of St. Mary:
It is a feature of our lives to some extent. Earlier in this hearing we have referred to sustainable well-being and I just want to make sure that the Council of Ministers will consider the other factors, which were highlighted by the original Law Commission report on matters such as the present

complaints panel is underused, a handful of cases illustrating that it is not being used and for what reason. They reference the fact that it is perceived as being a States body and the States Greffe are involved in it, which perhaps does not help and that is really the main thing. In other jurisdictions when it has been introduced there has been perhaps I would not say a surge but a large number of complaints made under the new system that does indicate there is a latent demand for a different system. It cannot be healthy for the Island to have a lot of people feeling that they are not able to register their complaints in a proper way.

The Chief Minister:
I completely agree with that. We will share the cost-benefit analysis with you and we will look to make our decision.

The Connétable of St. Mary:
So apart from the cost-benefit analysis does that mean these other factors will be taken together?

The Chief Minister:
Yes.

The Connétable of St. Mary:
And on cost can I just, a final point, clarify that the saving of a new system and where I am coming from is at the moment departments do invest a large amount of their resources in answering complaints and I would like to make doubly sure that the saving in their time will be offset against the costs you are talking about when you conduct the analysis.

Chief Executive Officer:
There is not equivalence there. That will not necessarily happen. There is not equivalence there. There is not necessarily a net saving to the way we currently deal with complaints in the system with the setting up of an ombudsman.

The Connétable of St. Mary:
But under the present system a long complaint process maybe with the Environment Department will …

Chief Executive Officer:
In most organisations and it would be the same in ours I would imagine, Connétable, you would investigate a complaint that comes in, you would try to resolve it as early as possible in the process and if you could not resolve it you would refer it to the ombudsman or more accurately you would

advise the complainant of the rights to refer it to the ombudsman. It is how the Financial Ombudsman works as well so it still does not remove the need for a healthy organisation to be …

The Chief Minister:

We still need a customer services complaints department.

Chief Executive Officer:

We still need what we have got so this is a net additional cost at least, well, it depends on your point of view but it is a net additional cost so there is not a saving within government from the establishment of …

The Connétable of St. Mary:

Okay. I just recall a recent instance the Minister for the Environment referred to that he had had costs in answering a whole series of complaints and it seems to me if that department can save its costs there that must be of benefit to us all.

The Chief Minister:

I am not sure it would be common that everybody would go to the ombudsperson as their first port of call. If there was an issue surely they would try to sort it out with the business and if they did not the ombudsman would refer them back to …

Deputy H.M. Miles:

The ombudsperson is your safety net.

The Chief Minister:

Exactly. It is a court of appeal.

Deputy H.M. Miles:

Deputy Renouf, did you have a question?

Deputy J. Renouf:

The Chief Executive referred to we were able to show the escalation of costs to the Council of Ministers. I am slightly questioning what was the point of the review that Deputy Scott did because surely that could have been done at any stage of this process. It feels to me more like a rear-guard action to stop the ombudsperson. Surely that question of costs could have been presented to the Council of Ministers ages ago, pre-empting the work of Deputy Scott.

The Chief Minister:

Well, it could have done but the mood of the C.O.M. a year ago was very different to the mood of the Council of Ministers now and my estimation was that we were not minded. We were quite happy with the complaints process and we wanted to look at how the complaints process could evolve. That was the preferred course of action then. Of course since then we have seen I would be reluctant to call them weaknesses but challenges in the complaints process. That I think has changed the thinking about it, which is why then we tasked Deputy Scott to do some further investigation and come back to us.

Deputy J. Renouf:

To come back to my point about a rear-guard action the Chief Executive has had a well-advertised scepticism about the escalation of costs around these bodies. Is it not the case that what is going on here is a final attempt to put a spoke in the wheel?

The Chief Minister:

I think it is a prudent approach. It is one of the reasons why we are in, shall we say, and I am not going to describe it quite in the way we have of challenging financial positions because we have said yes to pretty much everything. If we look at the number of individual bodies that are receiving taxpayers' money it is huge and if we keep saying yes how are we going to change the culture? If we wanted to stop it we would say: "We are not doing it" and we would come back to the Assembly and have the debate. We are not scared of that. It is really just more careful thinking about what we are going to spend money on. Now, I think this is potentially a good investment providing it … of course, once you set something up it is very difficult to stop and then they come back and statistics … it is very hard to say no when the ombudsperson comes back in 3 or 4 years and says: "I need £500,000 increase in my budget" it is hard to say no. So there we are. That is all it is really.

The Connétable of St. Mary:

To the final proposals, can the panel see them and when do you anticipate they might be ready for us to see the final proposals?

Chief Officer, Cabinet Office:

After the Council of Ministers receives it but of course you are welcome to ask anything.

The Chief Minister:

They are due to receive it towards the end of October so as soon as we get it we will share it with you.

The Connétable of St. Mary:

We are talking about later this month, then, are we?

Chief Officer, Cabinet Office:
Well, probably November.

The Chief Minister:
We are going to consider it. I am asked to consider it at our first meeting in November so we are not sure what the date of that will be.

Deputy H.M. Miles:
Deputy Johnson, you have the next section of questions.

The Connétable of St. Mary:
On to a different topic, which is the non-Ministerial department budget allocations. Can you please outline the process on where accountability lies for approving allocations to the budget relating to the non-Ministerial departments?

Group Director, Strategic Finance:
I can cover that, if you want. The accountability for the estimates is set out in the Public Finances (Jersey) Law. It specifies who it is that can put in requests to the Council of Ministers so as an example the P.A.C. (Public Accounts Committee) would do it on behalf of the C. & A.G. (Comptroller and Auditor General). There are other examples and I could pull out specifics if you are interested. The Public Finances (Jersey) Law also says what C.O.M. has to do with those, which effectively is that the estimates provided by those parties must be included in the Government Plan or the budget although C.O.M. can then choose whether to comment on it and it is also very clear, it specifically says, that an amendment may be brought to any of those amounts. So in effect in layman's terms the Council of Ministers have to put what the relevant authority has asked for into their budget initially.

The Chief Minister:
And that will apply to any corporation.

Group Director, Strategic Finance:
It is non-ministerial departments. I would have to look at the law but it is the non-ministerials.

The Connétable of St. Mary:
Is there a process by which these non-Ministerial requests for funding can be questioned or not supported as the case may be if deemed not appropriate and again if so who is responsible for making that decision?

Group Director, Strategic Finance:
So I think if you would like me to comment on this one, Chief Minister, it is a matter of we do try to work with non-Ministerial departments to make sure that their requests are proportionate, are well-justified and take into account the wider finances of the Government of Jersey. The Minister for Treasury and Resources wrote to them this year just to talk to them and set out the financial situation before they put those requests in. However obviously the Council of Ministers and the Minister do respect what the Public Finances (Jersey) Law says so therefore if they do ask for things the estimates are included as requested by those bodies. What we try to do is manage it through a collaborative process to try to find the ones that would be straightforward for the Council of Ministers to support in the budget as well.

The Chief Minister:
I think what Andy is saying is that basically we generally agree the budgets before they are put in and if there is a case where it could not be agreed they still have the right to put their budget in and we would either have to amend it or …

Group Director, Strategic Finance:
Yes and there is another example. Departments or Ministerial departments are asked to deliver savings as part of the overall balancing of the budget. The Minister will often write to non-ministerials and ask: "Are there any opportunities in your own departments? Can you commit to making any?" Some say yes, others say no and that is what gets included in the final …

The Chief Minister:
But generally we find a consensus.

Deputy J. Renouf:
Can I move on to public sector spending? Just a few points. The 2026 budget as estimated in last year's budget was £1.141 million, and for 2026 it has gone up to £1.177 million, so about a £36 million increase in the expected expenditure next year. Can you outline what has driven that?

The Chief Minister:
Can I defer to Andy on that?

Deputy J. Renouf:
That is the changes in the estimates for 2026.

Group Director, Strategic Finance:

Yes, the changes in estimates for 2026, sorry, I am just making sure I am looking at the right numbers to give you a proper answer.

Deputy J. Renouf:
Up from £1.14 million to …

Group Director, Strategic Finance:
Up from £1.14 million to £1.177 million. It might be better that I come back to you with a proper answer so that I do not mislead you but I would imagine that the biggest change would be the allocation of pay awards that has been made within 2026 and then the other changes such as growth but if it is okay I would rather come back and confirm that to you. I do not necessarily have the reconciliation of that number. We tend to look at the bottom line including reserves.

Deputy J. Renouf:
Okay. Thank you. Are there any examples you can point to in the budget for 2026 where products or services have been deprioritised as part of the reprioritisation process, perhaps to increase funding elsewhere? Where has taken the hits?

Chief Executive Officer:
I could bring Jason Whitfield in at this point but certainly in Digital Services we had a going in programme I think of just less than 130 bids, which we whittled down to an agreed 53 or so and there were some casualties in there so do you want to give some colour to that?

Chief Information Officer, Digital Services:
Yes. There were 2 phases to that, building on what the Chief Executive said. Last year we did a health check, we worked with all the departments and we boiled it down to 100 overall prioritised for the term of government with Chief Officers and departments. Right now we are focusing on 40 projects that are funded in part of the plan.

Deputy J. Renouf:
What risk analysis was done around those changes?

Chief Information Officer, Digital Services:
Firstly, the key priority, our driver for the priorities, is tier 1 risks, so it was driven by the risk management framework, the Enterprise Risk Management approach. It was undertaken with Chief Officers, with their teams, so I would say a fair amount of risk analysis. In addition the underlying I.T. (Information Technology) infrastructure so there were 2 specific programmes that we felt were

important were included in that, was driven by a significant amount of risk analysis, what we called the health check last year and other things that we have carried out since. I would say significant.

Chief Executive Officer:
And the C.S.P. so essentially if the project was directly related to the delivery of the C.S.P. or to tier 1 risk it was more likely to make the final cut. There were things that went out of that and some of those things would have been dear to the hearts of Ministers, it is fair to say.

Deputy J. Renouf:
So 60 projects came out?

Chief Executive Officer:
Yes.

Deputy J. Renouf:
That must have an impact somewhere.

Chief Information Officer, Digital Services:

Officially they are paused at the moment for the right time when budget resources and priorities come out.

Chief Executive Officer:
Project managers from consultancies in government is one of the impacts.

Deputy A.F. Curtis:
Could I ask, Chief Executive, I mean going to digital projects they are often one-off deliveries to then support a service. Do you have any examples of what we might consider ongoing services performed by departments that were deprioritised beyond those of digital projects? Are there services that functions of government were delivering that have been deprioritised as well?

Chief Executive Officer:
I will let Jason come back on that. That particular exercise that …

Deputy A.F. Curtis:
I am thinking outside of digital. I am thinking any of the other functions of government that might be delivering day in day out business as usual.

[11:30]

Chief Executive Officer:

Yes. We are using a consultancy restriction waiver. There has definitely been, and I have forgotten the name of the project, but essentially … forgive me, what do we call the … the coastline management at Havre des Pas, there are a number of requests for technical consultancy and feasibility work relating to that piece of work that the department were keen to progress that we have not progressed because while that is a very important project looking further out to invest in Jersey we did not feel that those were things that absolutely had to be done in the current financial year so that is the sort of thing that would definitely have happened before these restrictions came in. The department would have gone ahead, so there are areas like that.

Deputy A.F. Curtis:

That is again a project. That is we are going to do one Harve des Pas project. Are there examples of services within departments from that top level view where you have had to deprioritise and have seen a change to their function? These will happen in 2026, 2027, 2028 and 2029 and you are setting a deprioritisation to balance a budget?

Chief Executive Officer:

There has not been any discontinuation of departments or functions save for the stuff we have already written to you about before in the Cabinet Office in particular and the Chief of Staff in these areas that used to be built around the Chief Minister's Office. There was a fair bit of pruning there in the performance unit, the Central Performance Unit.

Chief Officer, Cabinet Office:

Delivery units and those sorts of functions.

Chief Executive Officer:

Yes, so other than those ones as part of these savings plans last year and next year there has not been any other discontinuation yet that I can give you today.

Deputy J. Renouf:

If we look at the Environment Department it has taken an absolute cut from its 2025 budget and does not recover its budget, for example, so given inflation as well that is a significant long-term reduction in funding for the Environment Department. What kind of analysis goes on to make sure that is not leading to risks in that area? I am looking at the figures on the revenue heads of expenditure for 2025 it was £11.7 million, it was £11.1 million, it then goes up to £11.4 million but it does not recover its funding level.

Group Director, Strategic Finance:

So just to be clear as well the numbers that are included in that table do not include inflation provisions for future years so that is staying static at the £11.465 million. That will be inflated pay awards and additional money will be allocated.

Deputy J. Renouf:

It will but in real terms it stays below the figure from 2025 throughout the period.

Group Director, Strategic Finance:

It is roughly £300,000 less than it was in 2025. That is likely to be through the delivery of savings, I would imagine. Whether that is a material thing or not I think while Environment colleagues are not here to speak to it, the Environment budget has grown significantly over the period that the Chief Executive spoke to.

The Chief Minister:

Sorry to interrupt. That includes planning regulation.

Group Director, Strategic Finance:

Yes.

The Chief Minister:

That planning and regulatory officials.

Chief Executive Officer:

It is a small department but it is one of the biggest beneficiaries outside of health and education of the 68 per cent growth in cash spending since 2018 so whether you expect it to go up for ever I do not know but it certainly is one of those departments that has taken a big jump in its level of budget in the last decade and now it has flattened off a bit. It is not the only one like that.

Deputy J. Renouf:

It was a one-off jump in 2022, but yes.

Group Director, Strategic Finance:

There are also some transfers in there, which I would need to come back to you …

Deputy J. Renouf:

Which reflected new services, new requirements.

Group Director, Strategic Finance:

I will come back to you with the details of what there is but £543,000 of the reduction is something that is currently being paid for by the Environment Department and moving to another department but I would have to confirm exactly what that is. I can do that.

Deputy J. Renouf:

I think I have covered off that area.

Deputy L.K.F. Stephenson:

Can you update us on the delivery of the £20.3 million allocated in savings for 2025 across all departments, please? Has it all been delivered and how has the impact of those savings on service delivery and operations been measured?

Group Director, Strategic Finance:

The delivery of the 2025 savings?

The Chief Minister:

The 2025.

Group Director, Strategic Finance:

Yes. So we work with departments, the Finance Business Partnering team speak very closely with all of them to make sure that plans are in place to deliver them in the year, so we have had updates on that and that was used to inform the budget and in the main most of those targets have either been delivered or the departments have confidence that they will be delivered by the end of the year. Obviously as part of the way that the accountability works they have already been removed from budget so therefore accountable officers will be held to delivering them through managing the bottom line as well but we do have specifics. In terms of the impact on services that is probably a question more for the individual accountable officers who could give you far more detail but what I would say is quite a lot of the savings that have been delivered for example against the role savings have been made through managing vacancies, so either people who leave or vacancies that already exist not being recruited to, so supported by that vacancy freeze that has happened. Obviously the fact that someone was not there and then continues not to be there should have, in theory, a lower impact than removing someone from a post. Obviously if someone leaves there may be a need to reorganise resources within the department to make sure that all the services continue to be delivered at the level that they need to be.

Deputy L.K.F. Stephenson:

So just for clarity for individual departments it is their responsibility to measure impacts of savings on operations and service delivery and if there are any issues arising from that they escalate them if needs be.

Chief Executive Officer:
Yes, we pay senior accountable officers a lot of money to prioritise within their departments and to figure those things out.

Deputy L.K.F. Stephenson:
Have any challenges been identified in meeting the savings so far?

Chief Executive Officer:
Yes.

Deputy L.K.F. Stephenson:
Would you like to share any of them?

Chief Executive Officer:
I have never known any organisation to ask for its budget to go down or any accountable officer to say it is not very difficult so it would be easier for me to tell you, if I could remember, who does not have a challenge but certainly let us talk about challenges where we have been a bit more empathetic based on our understanding of what is happening in the service and the issues. One of those has been Justice and Home Affairs where there have been some cost pressures largely occasioned by events in recent years that have changed our approach to some of the risk involved. That is one of them that I would say and I think we have had similar from I. & E. in particular around some of the pressures relating to core infrastructure.

Deputy L.K.F. Stephenson:
Are thematic and best value reviews that were established in 2023 to assist departments with achieving savings still being implemented and if so for which departments?

The Chief Minister:
So we have got Healthcare Jersey. Is this the right area, financial recovery programmes?

Group Director, Strategic Finance:
I think the short answer is that things have moved on since that thematic review. It does not mean that the principles of those reviews are not still helpful when accountable officers look at how they

deliver savings but they are not being driven as individual workstreams in the same way that they were when those were first kicked off.

Deputy L.K.F. Stephenson:

Thank you very much. Looking for this proposed budget £24 million-worth of savings is proposed for 2026. Do you believe this is achievable considering it is allocated to health for the financial recovery programme, roles and office consolidation and how are these savings going to be realised in 2026?

The Chief Minister:

Do you want me to run through those? Correct me if I am wrong. Reduction in roles is £9 million in 2026, achieved primarily by removing vacant posts, which minimises the impact on service disruption and then more focus on removing and restructuring management layers and consultancy reliance. Office consolidation, the move to the new offices is expected to show combined savings of £4.4 million between now and 2028. Of course that starts to deliver lower running costs right across the estate and I know Andrew is doing some more work on how we might further consolidate. Then with Healthcare Jersey focuses on £9 million in 2026, focusing on efficiency gains including planning control, better use of staff and resources and better procurement of contract management and income optimisation. I think that just about covers it. There is some pay management as well.

Deputy L.K.F. Stephenson:

In your view, Chief Minister, are they achievable savings? I would just add to that the note that £9 million in removing vacant posts and we have just heard that you have made lots of savings by removing vacant posts. How many more vacant posts are there out there?

Group Director, Strategic Finance:

I was going to say some vacant posts there is natural attrition in government, not because people are unhappy but because people move on so one could argue if you have a vacancy freeze there are always more vacant posts that come through. The challenge is more around how you reorganise yourselves to make sure that the remaining posts deliver all the services and have the right skills to deliver. In terms of deliverability at £9 million I think Andrew alluded to it will not be straightforward. Officers will have to work to make sure that they have got plans that deliver those savings while also protecting the services that they are required to deliver but indeed that is what they are paid for and that is part of their job, so whether it is deliverable in my view £9 million as a percentage of an overall £1.2 billion-worth of expenditure should be very deliverable within the government. Equally the office savings all should be deliverable as long as the buildings can be vacated and so on along with the plans that were set out to make sure that those savings were delivered.

Deputy L.K.F. Stephenson:

Is the £9 million in health achievable?

The Chief Minister:

Set against a backdrop of the increase in the health budget with the reorganisation work that is starting on digital and preventative care these are the figures that health feel confident in delivering.

Group Director, Strategic Finance:

They have a very comprehensive programme with lots of ideas that are generated to manage. To get that £9 million out you have to have more than £9 million-worth of ideas to realise all of those so the department will be able to speak in far more detail on that if you were to want more and I am sure you will when you have subsequent hearings with them, but they have certainly indicated that it is deliverable although tricky, I think.

Chief Executive Officer:

Their particular challenge in recent times has been they have saved money in certain areas but the big area is the budget where they do not have as much control over costs as one would ideally like. I think we have discussed this before, they have seen a very significant real terms cost increase from tertiary care, i.e., other hospitals that we will send patients to for one reason or another, which reflects the pressures of course of the U.K. (United Kingdom) hospital system itself. For them it is a case of one of the things we are trying to do over time is give them more areas of their own budget where they realistically can say that they can control their spending and things will not just happen to them. We are getting better at that it is fair to say but that is the kind of challenge particularly in that department more than others when a lot of unexpected bills arrive.

Deputy L.K.F. Stephenson:

Thank you. Finally from me, are you expecting any or planning for any redundancies as part of those £24 million proposed savings?

The Chief Minister:

Not currently, no. I think natural attrition is the word used as vacancies come. We organise around those.

Deputy A.F. Curtis:

Thank you. We are going to move on to looking at some of the capital, in particular Information Technology. The budget 2026 allocates funding to a failure of front line I.T. and digital services, £25 million in 2026 and across this plan £41 million, and cyber defence. I think we have mentioned that these are key risks though on your risk register.

Chief Executive Officer:

A growing risk, yes.

Deputy A.F. Curtis:

A growing risk. Coud you then take some time to explore how that level of risk has been assessed and given you are using the term "growing", Chief Executive, how the funding then is going to be used against those risks.

Chief Information Officer, Digital Services:

Do you want me to take that question? Thank you for the question. Much analysis and much thinking this year with the increased external threats, what we have seen in other organisations. Part 1 I mentioned earlier, we undertook quite a comprehensive health check of our system so we looked at our infrastructure, looked at our applications, looked at the service management across the piece. We developed a programme plan that we now call I.I.I.P. (I.T. Infrastructure Improvement Programme). This is replacing old systems, poor integration, overall increasing the resilience and improving the estate. That is driven by a very structured risk management approach in the programme.

[11:45]

We have a number of senior architects looking at each area of the system and diverting the spend in the appropriate places, so prioritisation. The third element on the cyber side is increase in defences. We are very happy to come back with a detailed private hearing presentation to go through that. It would not be appropriate in a public forum because there are commercial sensitivities to some of those plans and some of those details but it is comprehensive and I am confident that we are putting the right effort in the right places but a lot of focus and a lot of effort this year. It has been a very concerning year for a large number of organisations and we have looked very deeply as a result at our infrastructure in our estate. We are also working with our partners. Some of our key suppliers have given particular practical advice which has been very well received of where we put our efforts and our focus.

Deputy A.F. Curtis:

Okay. You have pre-empted where I was going, which is the cyber programme and its delivery in 2025, noting there is a level of sensitivity but spend allocated was £2.5 million for this year and it would be good to know whether as a department you have been able to operate the programme in line with your expectations during this year for the cyber programme.

Chief Information Officer, Digital Services:

So because of what I have just said there has been an increase in tactical spend on what we called the operational security enhancements so practical things, changes in particular use of configuration and tooling, monitoring how we use our security operation service that we have talked about before at previous hearings. We have not spent as much on assets in this year, 2025, so we deferred some of the spend to the back end of the programme in 2027 because we wanted to get the focus on the tactical things with how the external threat analysis has increased very significantly particularly this year.

Deputy A.F. Curtis:

Okay and there is a small increase against what the 2025 budget predicted for 2026 moving from £3.6 million to £3.714 million. It is a small amount but it would be good to understand given the competing pressures how that assessment of the programme and how the need for change was formulated.

Chief Information Officer, Digital Services:

Can I just check you are referring to the cyber programme?

Deputy A.F. Curtis:

Yes, still on cyber.

Chief Information Officer, Digital Services:

Okay. I would have to come back to you on that because my understanding when we put the budget together is we had not changed the overall profile. Andy may have some data in front of him on it. We had simply reprofiled to move some of the asset investment to the back end in 2027 so I had not understood we had increased it. I will come back to you specifically unless Andy has got anything in front of him now to confirm that.

Group Director, Strategic Finance:

No, that is correct. We have added, so we have taken the overall programme and just moved the cash into the right years to make sure that Jason has got the money when he needs it, so that is set out towards the back of the budget.

Deputy A.F. Curtis:

So it is a phasing plan to ensure that you can deliver.

Group Director, Strategic Finance:

It is phasing. It is not new money.

Chief Executive Officer:

It is occasioned by in global terms trying to make sure that we close front doors, given what we understand to be the threat and given the experience of other organisations, so tactical spend is really about security within the existing estate as opposed to asset replacement and those sorts of things.

Deputy A.F. Curtis:

Okay, so moving from the cyber programme to the I.T. Infrastructure Investment Programme which is a grouped head of expenditure with a total of £6 million for 2025 and £6 million in the 2026 budget could you provide again likewise an update, hopefully a sensitive update, on the delivery of that, whether it has been on track and any challenges faced you expect to then roll over into next year or any lessons learned?

Chief Information Officer, Digital Services:

Indeed. First, the focus is split into 4 main areas, infrastructure, applications, network so the data network itself and then service delivery overall, which is more the methods and the approaches. We have made good progress this year. I can give you some examples from a report in front of me. We have reduced the number of the shared services around areas such as C.C.T.V. (closed-circuit television), telephony and certificate management, which has simplified the estate and given us improved resilience. Another area on the infrastructure side is we have updated to a much more modern file service so that has helped us a lot with resilience and we are very pleased with that and then the third area is we have removed quite a lot of old hardware in the data centres more than 10 years old, so we are pleased with that progress too. They are just some examples. I would need more time to give you a more thorough overview that would probably be better at a private hearing because some of that does have commercial sensitivities with which organisations we are spending and where we are changing our online.

Deputy A.F. Curtis:

So what would be good to understand given especially the I.I.I.P. is how the reliance on external consultancy, how as a department you have managed what is a broad spread of change to the I.T. estate in the context of a wider government position and perhaps one for the Chief Executive how any approaches especially to I.T. expenditure are considered in the round to what has been a changing policy and whether anything has changed.

Chief Executive Officer:

I would say 2 things, the elevated risk around cyber and the nature of that risk facing everyone but particularly facing organisations that have a multifaceted, aged estate with hundreds and hundreds of systems as you might imagine. That is an elevation of risk. We have an exceptions policy on consultancy contracts and specialist roles and we have had to lean on that because of the fairly rapid change in the risk profile and the specialist nature of some of those skills. At the same time for what you might regard as the longer-term strategy that Jason and the team are pursuing those principles still apply. In workforce planning terms what we would like to do in digital services as we have started to achieve in health and education is we really do need to have a much stronger participation in growing our own and having a proper academy and apprenticeship structure to try to build those skills on Island and make those good jobs and careers for people on Island rather than having recourse and being at the mercy of the contractor market. All of that work is still underway but as it relates to cyber the advice given to the C.O.M., which we have respected, is that we have a particular need for particular skills in the short run and we obviously suspend the policy and make exceptions to it where that happens. Is that fair?

Deputy A.F. Curtis:
Because of course you have got the cyber programme budget, you have got cyber remediation as part of the I.T. Infrastructure Investment Programme, but it is just trying to …

Chief Executive Officer:
Yes, peppering the inbox with exceptions.

Deputy A.F. Curtis:
Yes, but it is trying to work out especially looking at the 2026 budget whether anything is changing with regards to your approach. You have mentioned trying to grow internal talent, obviously there is a technology strategy we have been lightly briefed on and it is understanding whether there is going to be a change or the 2026 budget does not reflect those changes that you are proposing because it is still a capital-heavy budget and it still has got the allocations as of 2025.

Chief Information Officer, Digital Services:
I can give one area of change to illustrate that but no, we are not intending to increase the overall spend. It is a flat plan. We are pressured on project demand as I talked about in the first part and one of the key roles with new digital projects is systems architects, so what we have done is developed a managed services framework with 4 on-Island companies to provide us burst capacity for system architects. Typically you need those system architects for capital projects for periods of 6, 9, 12, 18 months and we have recently awarded this in the last few weeks. It has been an exercise that we have been carrying out for the last 6 months with Commercial Services. We are using that to control our vacancies, to use the burst capacity from on-Island companies to bring in the resources when we need them. My expectation is the demand for capital projects will balance off once we get a bit of control on some of the very old systems. There is a really big programme going at the

moment called Transform which replaces one of our oldest systems, replacing a very old system. That is one example. As Andrew touched on or implied part of our strategy is to build an I.T. skills academy where over a long period of time we develop an internal resource base that is higher than what we have now, so we are less dependent on third parties.

Deputy A.F. Curtis:
The budget only fixes next year but it is a 4-year budget. From running your department side do you then expect to have to see requests going to the Chief Executive and ultimately to the next Council of Ministers to change what is forecast for that revenue for your department to change to a model that is less reliant on consultants and external parties if you are looking to grow internal talent more?

Chief Information Officer, Digital Services:
I am not expecting it in 2026, no. I am happy with the budget plan for 2026. Over the longer period with the success of that skills academy I would expect the cost of capital projects to reduce because we would have our own internal resource and it would be less expensive and in time the revenue resources will not drop. We do not have a detailed plan.

Chief Executive Officer:
I understand the point. It is a fair point. Our ambition, which you will see in the budget, is to self-finance our way with a flat budget by moving things from here to here, prioritising and deprioritising, but that is not just within Digital Services. One of the things that we have done already but we need to do much more of and will be engaging the C.O.M. on is have the rest of the machine reduce its demands on Digital Services, by the rest of the machine prioritising much better than it does today. Within Digital Services we have this ambition of a relatively flat budget where we tackle all the things you have mentioned but it will go up unless we stop the rest of the machine generating tickets, many of which I would argue are discretionary and should not be in there when we are in the situation we are in with the public finances.

Deputy A.F. Curtis:
Okay. I am going to wrap up my last 4 questions on a topic into one to give a bit of time back to the panel around the Digital Government Platform. Could you provide an update on the Digital Government Platform during 2025 relative to its forecast expenditure of £600,000 and then in summarising reflect on whether you are happy that the programme will deliver on its aims given that this budget does not propose any funding in 2027 or any changes in 2026?

Chief Information Officer, Digital Services:

Perfect timing. Thank you for the question. We presented the new system, the Digital Government Platform, to States Assembly Members on Wednesday and we had some good questions and good receipt. We have been very carefully testing the platform, not rushing it. It was essentially ready for production in April and we have taken it through different stakeholders and different departments. We are intending to release the final part of operational testing for the Digital Government Platform next week and we will invite all Union Street colleagues and all States Assembly Members. That is an operational system and part of that process is to receive feedback whether it is now ready for the public. We are expecting 4 to 6 weeks for that exercise to take place and receive the feedback appropriately. We have not committed to a final go live date deliberately because we want to get the feedback from the States Assembly Members and Union Street colleagues but this year is our expectation for it. As for the £600,000 question, that is funded by the Transform programme and that is to deliver the enhancements to the Digital Government Platform the Transform programme needs. There may be another project which is being considered to reuse the platform, which is very much part of our strategy, reuse to simplify systems and that funded capital project might provide some extra cost for it but it would not change the funding plan as you see it written that is here. It is basically reuse of the technology with some new function enhancements on what is already called G.D.P.

Deputy A.F. Curtis:
Is there sufficient revenue capacity to run and maintain the system in 2026 and beyond?

Chief Information Officer, Digital Services:
As it stands at the moment. My only caveat to that answer is we cannot predict significant extra use if there is significant extra use as we would expect those capital projects to come along with the extra revenue funding, so that would be self-balancing but at the moment, yes.

Deputy H.M. Miles:
Thank you. Okay, we have completed most of our questions but I think Deputy Stephenson had a supplementary.

Deputy L.K.F. Stephenson:
I just wanted to follow up quickly on the change of model to having an in-house academy and development of skills in house, just given the experience, one example, of the Communications Department. I would like to know in this case what assessments have been carried out that this is the best way to go. Is it the most cost effective, is it about quality? How have you determined that that is the right model to follow and also I would just add into that again because of the experience of the Communications model and the undoing of it a few years later, has the impact on local companies of that decision been taken into account?

Chief Information Officer, Digital Services:

Yes, it has. We are not saying that with a skills academy that we are going to bring all the skills in house, so for example cyber at the moment, the best example, we have a security operations centre. It is a service provided by a company in the U.K. It is a 24/7 operation, it is very fast changing, the tools, the methods, the skills.

[12:00]

We could not keep up with them here in Jersey as a whole Island let alone the Government. Our plan is to keep using that as an external managed service. I gave the other example of our system architects. At the moment we are quite happy with the plan to use it from on-Island companies. We are thinking about project managers, scrum masters so a more modern version of a project manager to move into a more agile approach. It is a horses for courses approach. We are developing what we call a sourcing strategy as part of the technology, our overall technology strategy plan, and that will answer your question in a bit more detail. That will probably be ready early 2026 with the work that my team are working on now for that.

Deputy H.M. Miles:

Thank you very much. Connétable Johnson, did you have any follow up?

The Connétable of St. Mary:

No, thank you.

Deputy H.M. Miles:

Deputy Curtis? Oh, no, I think Deputy Renouf may have

Deputy J. Renouf:

Just to return to the bigger picture for a final question. The Chief Executive has spoken very openly about the precarious nature of public finances. We have talked about the fact that we are using sources of funding that we have not used in the past, such as the contributions to the Social Security Fund. Do you think that Jersey needs to face up to a big debate on taxation, spending, size of government? Is that a debate that is now urgent and needed to reshape what the idea is behind what kind of government that we have in Jersey?

The Chief Minister:

Yes. Can I just say that we have had to rely on using our reserves, not the Strategic Reserve but the other reserves and 2026 is the first time we have put money back into the supplementation from the reserve fund since …

Group Director, Strategic Finance:
We put some in in the last budget as well.

The Chief Minister:
In the last budget, so we have reinstated that. To answer your question I think the short answer is yes, again not passing it down the road but that is something that I think the next Assembly will have to consider. We are a low tax model and we want to stay as a low tax model if we can. We need to review certain charges; we need to review how much we save. I think the best solution is from an economy point of view trying to grow our way out of this. There is no one solution. Curbing the growth will not be enough; growing the economy will not be enough. It is going to have to be a combination of a review of the approach we have to how we utilise taxpayers' money. The short answer to your question is yes, I think this next States Assembly will have to grapple with how we pay for the Island's well-being over the next 50 years.

Deputy J. Renouf:
Is it an urgent problem or is it just a kind of: "I guess we should do this with a new Government"?

The Chief Minister:
I do not think it is an urgent problem.

Chief Executive Officer:
I think the challenge with it is because it is so all-encompassing it can always not be an urgent issue. You can just paddle along and you see this in a place such as Japan and so forth which went 30 years of effectively no growth, staring at it until eventually they could no longer. All I think I was trying to convey with that word is that because of what we have had to do in the last 10 years to get through and because all the advice to us is unfortunately the next 10 years could be in geopolitically economic terms as risky as the last 10, there is just more of a risk that we could lose our footing in terms of the public finances and we need to take steps to be more secure. It will be for other people to decide over what time period to do that but we would be as well starting sooner rather than later to put more security into our footing around the public finances. I think that is what the F.P.P. (Fiscal Policy Panel) have been saying as well if you read their reports.

The Chief Minister:

I wanted to say if you were going to ask me if I agreed we are in a precarious situation and if you mean by precarious to quote Andrew we are at risk of losing our footing if we are not careful then we have to be careful moving forward now. We have seen the challenges and the issue is how we make sure that we stay in a sustainable position and that is going to be a big debate for the next Assembly.

Deputy H.M. Miles:
Chief Minister, thank you very much.

The Chief Minister:
Thank you very much.

Deputy H.M. Miles:
Assistant Chief Minister, officers, thank you very much. There were a few question areas that we did not cover but we will go through those and put them in writing if necessary and of course our next opportunity will be the C.S.P. hearing which is taking place later this month to pull together the remaining bits of the budget. Thank you and I will ask the recording to stop.

[12:05]