



Public Accounts Committee

Public Hearing

Witness: Treasurer of the States

Monday, 17th January 2022

Panel:

Deputy I. Gardiner of St. Helier (Chair)
Connétable K. Shenton-Stone of St. Martin (Vice-Chair)
Connétable J.E. Le Maistre of Grouville
Connétable A. Jehan of St. John
Senator T.A. Vallois
Mr. A. Lane
Mr. G. Phipps
Mr. P. van Bodegom

Ms. L. Pamment, Comptroller and Auditor General

Witnesses:

Mr. R. Bell, Treasurer of the States
Mr. R. Summersgill, Comptroller of Revenue
Ms. S. Ward, Head, Business and Performance
Ms. C. Nicholas, Acting Head, Finance Business Partnering
Mr. A. Hacquoil, Group Director, Strategic Finance
Ms. H. Cunningham, Acting Group Director, Finance Business Partnering and Analytics
Mr. G. Chidlow, Director, Finance Hub

[14:05]

Deputy I. Gardiner of St. Helier (Chair):

Good afternoon and welcome to the public hearing with the Treasurer of the States of the Public Accounts Committee. Today we will question about performance management and how we can assess the target operating model that was implemented over the years. We will question about the COVID response and costs, use of consultants and integrated technology solutions and new modernisation system. But before we start with the questions let us introduce ourselves. I am Deputy Inna Gardiner, chair of the Public Accounts Committee.

Connétable K. Shenton-Stone of St. Martin (Vice-Chair):

I am Karen Shenton-Stone, Constable of St. Martin and vice chair of the Public Accounts Committee.

Connétable J.E. Le Maistre of Grouville:

John Le Maistre, Constable of Grouville, a member of the panel.

Connétable A. Jehan of St. John:

Andy Jehan, Constable of St. John, member of the panel.

Senator T.A. Vallois:

Senator Tracey Vallois, member of the panel.

Mr. A. Lane:

Adrian Lane, lay member of the panel.

Mr. G. Phipps:

Graeme Phipps, independent member of the panel.

Mr. P. van Bodegom:

Paul van Bodegom, independent member of the panel.

Comptroller and Auditor General:

Lynn Pamment, Comptroller and Auditor General.

Treasurer of the States:

Richard Bell, Treasurer.

Head, Business and Performance:

Stephanie Ward, head of business and performance.

Acting Head, Finance Business Partnering:

Carol Nicholas, acting head of finance business partnering.

Group Director, Strategic Finance:

Andy Hacquoil, group director of strategic finance.

Acting Group Director, Finance Business Partnering and Analytics:

Hazel Cunningham, acting group director of finance business partnering and analytics.

Director, Finance Hub:

Graham Chidlow, director of the finance hub.

Treasurer of the States:

I have Richard Summersgill with me as well, who is endeavouring to join the meeting.

Deputy I. Gardiner:

We will start with hearing about performance management. The first questions will be asked by Adrian Lane.

Mr. A. Lane:

Richard, I wonder if you could just briefly start by outlining the key performance measures that you are using to monitor the day-to-day performance of the Treasury and Exchequer Department please.

Treasurer of the States:

We did publish in the annual business plan of the department key performance indicators that are aimed at not really the projects of the department or the initiatives of the department but rather B.A.U. (business as usual) for the department. So they are a mix of what you would expect to see as standard finance indicators, such as percentage of invoice debt, percentage of suppliers paid within certain timeframes, for example, percentage of invoices paid electronically and such like, coverage and investment performance as well as a series that, if Richard were here he may take you through in terms of the Revenue Jersey team, which includes some customer satisfaction measures also. In addition to which of course we have the tracker, that tracks progress against recommendations of the C. and A.G. (Comptroller and Auditor General) or the Public Accounts Committee or Scrutiny, as well as an internal audit one as well.

Mr. A. Lane:

Within those, which of those represent the top 2 or 3 challenges for performance of the department and trying to improve the performance?

Treasurer of the States:

On a well-documented basis, and when Richard comes in he will be able to contribute and indeed he can contribute over the microphone with me, but of course well-documented largely as a result of COVID, in particular, but also the challenges of implementing a well overdue new system within the Revenue Jersey team. Customer satisfaction has been an issue that additional resources have been deployed to. I would put that right up there as probably our biggest challenge from an operational K.P.I. (key performance indicator) perspective. In addition to which there are one or 2 in here that we set out to achieve before COVID as a long-term aim, such as reducing the amount of debt. That is due to the States, which of course when you consider that we have taken steps to defer debt payments through COVID then those have been difficult to achieve next to the benchmark that we had set ourselves. I do not know if you have anymore, Richard, you would like to add within the room? Richard is here now.

Comptroller of Revenue:

We are obviously on an improving slope in terms of customer service, as the Treasurer said, the implementation of new systems and then the impact of COVID which doubled our workloads through 2020. This gave additional resources which will help recover the position.

Mr. A. Lane:

I am not sure if the gaps in the sound is at my end. Are other people struggling to hear?

Deputy I. Gardiner:

It is a problem. Richard ...

Comptroller of Revenue:

We are trying to satisfy them now and then. We also monitor through email and correspondence and how quick the response to that. **[audio breaking up]** But also some important international tax metrics with regard to the exchange of information with other tax authorities under our international treaty commitments to exchange information for tax transparency. We have also, over the last couple of years, been investing in improving our compliance activities and one of the metrics in the Treasury and Exchequer departmental plan now is around additional tax revenue from compliance activities. What I would say is from really quite a rocky position towards the end of 2019, and through 2020, 2021 has seen steady improvement but there is still a long way to go and a great deal more to improve customer service over the coming years.

Mr. A. Lane:

Richard Bell, you called out the customer satisfaction metric as being off-target. Perhaps you could articulate how that expectation has been set, based on comparators or improvements to past

performance, and what your plan is to try and get yourself to the expectation from where you are today?

Comptroller of Revenue:

We tend to benchmark our service against the service of the tax authorities of the other Crown Dependencies although I think, with due deference to them, it would be true to say they do not put as much into the public domain as we do. Then the other one we really look to is Her Majesty's Revenue and Customs. For example, in terms of our response times on the telephones, I think even at the worst times during lockdown when we were getting twice as many calls as usual we were still performing better than H.M.R.C. (Her Majesty's Revenue and Customs).

[14:15]

We do try to benchmark against equal-sized administrations and some of the bigger ones. We do obviously engage with stakeholder groups about their expectations. We have, for example, very recently started to develop more customer service metrics, which we publish regularly on the internet every week. We have started to socialise among key stakeholder groups a Revenue Jersey customer charter, so effectively a taxpayers' charter, which is starting to set principles and expectations around customer needs and expectations. We are not quite at the stage, I would say, where we can categorically offer fixed service levels. At the level I would wish to it is still taking a bit longer than I would have wished to respond to correspondence, for example. Our telephone service, while greatly improved, I think I would like to go further but we do firmly believe in the once and done approach, that when people phone us we do try to fully resolve the matter. That takes time and that does limit just how many people you can respond to at any one time. One of the things we have tried to do, for example, is encourage taxpayers to call us at non-peak periods and, again, we try to on the internet, and so on, advise people when the best times to call are. Indeed, there is a live functionality on the Government website through the Customer and Local Services part of the website where you can see in real time how long it is taking to answer the phones by different lines of service, including tax.

Mr. A. Lane:

I do not think we need to turn it into a hearing about tax, it is more understanding how the Treasury and Exchequer team is, in practice, managing the challenges it faces. If I can come back to you, Mr. Bell: can you confirm that your targeting operating model, as envisaged in I think 2018, has now been fully implemented?

Treasurer of the States:

Yes, I can confirm largely it has been implemented. There is probably one area outstanding where we are struggling with recruitment, that is largely the analytics team, but all parts of the target operating model in terms of structure have been implemented with further changes having been made.

Mr. A. Lane:

What sort of post-implementation have you performed?

Treasurer of the States:

Most recently over the last year I have been reviewing, in particular, of the director for performance accounting and reporting, at the conclusion of their fixed term contract, to look at the structure and, in particular, found that - not in accordance with the standards set out and guidelines set out for the target operating models - there were too many line reports into that single person, which meant that there was quite a large workload upon them. So we split that role into 2. We now have a director of finance, which was a role in the structure that was left unfilled previously, and group director of business planning and analytics, who is with us today as well. Additionally, more recently, towards the end of the year, we looked again at the position of internal audit within the team and risk management. Having set up risk management as part of the finance transformation we feel that risk management is about far more than just financial management and it would be better to place risk management at the centre of government and therefore transfer risk management into the chief of staff, within the Office of the Chief Executive. In addition to which, there are a number of recommendations or more often models elsewhere that suggest that internal audit should be close to the chief executive in their organisations. However, I have responsibilities for internal audit. I retain those responsibilities but the internal audit team or the chief internal auditor now reports to the chief of staff on my behalf. Those are the principal changes that have been made, in addition to which we have retired the role of director of risk and audit - financial governance now - along with financial reporting, sits with the group director of strategic finance.

Mr. A. Lane:

If you then step back from all of that, what does the overall change in how we characterise broadly finance personnel look like from before the implementation of the target operating model to now, recognising that you are going to consolidate some lines and spread some out again?

Treasurer of the States:

For the finance model before the target operating model, it is probably worthwhile pointing out that the new structure for finance comes about as a result of numerous recommendations from the Comptroller and Auditor General, through the legacy report implemented or undertaken by the previous chief executive, and the resultant pieces of work that were commissioned by myself through

looking at the model of financial management and financial management maturity. The single biggest change of course has been that we have a single finance function now rather than 6 finance functions. That is the biggest change that is made through the finance function's operating model and, in terms of what the model delivered, it delivered more resource to look at longer-term financial strategy and sustainability, resource to address business planning and staff development, risk management team, which did not exist previously, more consistent job descriptions and grading, although we have been looking at that again more recently, and more emphasis on financial governance.

Mr. A. Lane:

If we took the total budget for the management of finance, let us say in 2018 before this restructuring began, and the total budget for the management of finance after it is complete, how would those 2 compare?

Treasurer of the States:

Excluding the issues relating to procurement and commercial services, if I remember rightly - this is about 3 years ago now - the cost went up by £1 million and we have been slowly taking that cost back out through efficiencies and changes since.

Mr. A. Lane:

That is a very round description but I understand that is how you may need to answer it. It is something that has, I think, perplexed some of your colleagues when I have asked the same question to them, given the restructures. If you were to now step out of your role as the leader of the T. and E. (Treasury and Exchequer) function and into your role as a Treasurer, how could we look at the total cost of Government pre and post the implementation of the T.O.M.s (target operating models)?

Treasurer of the States:

The total cost of Government is led by far more than the implementation of the target operating models. So far more of the increased costs of Government have arisen through growth through successive business plans. In terms of on a like-for-like basis I think the work that had previously been done showed that at tier 1 and tier 2 the costs were no greater, if anything less. However, if I put my Treasurer hat on, some of that was at the expense of roles that previously existed or individuals that previously existed now finding themselves lower in the organisation. But, as I say, the far greater growth in the costs of Government have arisen through the Government Plan process on an annual basis.

Mr. A. Lane:

Is it possible to isolate the impact of the target operating model implementation on costs? I guess what I am trying to get to is the value for money question about how much it has cost to deliver and what the implication has been.

Treasurer of the States:

As I understand it, if I recall because it has been a couple of years since we have come back to this, that the cost of tier 1 and tier 2 did reduce when you are looking just at that tier 1 and tier 2 arising from the T.O.M.s as opposed to the additional resources, further down the line through Government Plans.

Mr. A. Lane:

But, as you said, some of the individuals that had previously been costed in those tiers are now costed elsewhere so it is not a like-for-like comparison.

Treasurer of the States:

In one sense it is. Through tier 1 and tier 2 those individuals will be perhaps deployed in slightly differing roles to those they were in previously.

Mr. A. Lane:

Let me try the question in a different way, which is: how does Government satisfy itself that the implementation of T.O.M.s across the piece represented value for money?

Treasurer of the States:

It would fall for each A.O. (accountable officer) and through the P.A.O. (principal accountable officer) to be confident that the changes they have made deliver value for money. The changes that were made in the target operating models did, in many cases, allow greater productivity, more in the way of, in particular, major projects to be delivered. I think the changes to the target operating model undoubtedly served us well during COVID, much better working together than would have been the case were the target operating model not to have been in place, and so that is a significant plus there. If I come back to finance, as I say, recommendations came from various pieces of work. We do think that we are a more efficient organisation as a result of that. Indeed, I think it is incumbent upon all of us to come back to those target operating models on a regular basis. Indeed, the changes I made recently were partly driven by the need to deliver efficiencies out of the organisation and hence you saw that we removed the director of risk and audit role.

Mr. A. Lane:

Was there ever a single business case for the delivery of the target operating models?

Treasurer of the States:

The business case or the vision, if you like, was put in the document but the vision that the chief executive at the time put in place in terms of the achievements that we wanted to deliver through the One Government model; going digital, having the customer at the heart of our services, in particular, and the values and behaviours that we have also put in place since then. I think each of the departmental T.O.M.s had to demonstrate the benefits against that vision when it was also taken and given quite a degree of scrutiny by the States Employment Board on a case-by-case basis.

Mr. A. Lane:

But, by the sounds of it, never a single costed plan.

Treasurer of the States:

There was never a single costed plan for the whole of Government; it was for each department to put in place their own plan, as I understand it. It was originally a target of 10 per cent for savings at tier 1 and tier 2. I do not think that was quite delivered but that was what we were looking to deliver initially or the target was originally set.

Mr. A. Lane:

Thank you. No further questions from me.

Deputy I. Gardiner:

Thank you, Richard, from your questions and I am not sure if you remember the executive response, it was not from yourself, but from the chief executive in 2019 to the Public Accounts Committee, that it will come because the Public Accounts Committee at that time clearly stated that we are looking into methodology that the actions will deliver outcomes and we can quantify costs and identify savings. I am just checking if actually what I can hear it was - or please correct me - there was no evaluation framework to look back across the T.O.M. and saying this is what has happened, this is how we value it effectively and the delivery of the T.O.M. across the Government, not within your department, you as a Treasurer.

[14:30]

Treasurer of the States:

I cannot immediately recall any valuation that will have taken place. Of course December 2019 was 4 months before what has been happening for the last 21 months, so that piece of work would inevitably have very likely been delayed as a result, as indeed were some of the target operating models at the time with some of the money having just been implemented arising from COVID.

Deputy I. Gardiner:

In July 2019 basically it was suggested that it will be methodology to evaluate the process of the target operating model implementation but I understand it is probably ... it is difficult to see it back now. In terms of corporate loaning, because you have already completed the T.O.M. and you kind of learn from this, if any other director generals asked you about what the process is you followed and the level of loan and what you can suggest because some departments are still in the process. Was it direct communication between you and other director generals?’

Treasurer of the States:

There was more closely at the time and we shared, as we were the first learning, one of the instances we found was the need to consider whether there were any collective issues that needed to be dealt with that meant that we were delayed for 6 months while we were looking at regrading of posts. One of the changes that more recent implementations have put in place, which we have now come about and will be considering in the very near future, is draft proposals to have linked grades. That is more than one grade through a job with clear gateways of professional development, as you move up the grading from one grade to another, and also to allow you to have more obvious career progressions. That is one of the changes that we saw during the time and that recommendation was implemented into or rather that finding has been implemented into different and subsequent models.

Deputy I. Gardiner:

Will the implementation of integrated technology solutions have any impact of the department’s T.O.M.?

Treasurer of the States:

During the planning phase for the I.T.S. (integrated technology solutions) project a piece of work has been undertaken to validate our structure and I would broadly say that the structure that we have had put in place through the finance transformation and what is being coined the target operating model is a structure that is fit for purpose post I.T.S., with some small changes within the finance hub that are largely similar but just slightly different job focus.

Deputy I. Gardiner:

If we go quickly into recommendation tracker and a significant number of recommendations made by C. and A.G. and P.A.C. (Public Accounts Committee) have yet to be implemented by the Government of Jersey; 131 according to what I can see rest with your department. What are your views of the 3 most significant recommendations that have yet to be implemented?

Treasurer of the States:

I think for me the most significant ones relate to financial management and internal control and relate to or are dependent upon the delivery of the I.T.S. system. In terms of our financial maturity, there are a number of matters that would be resolved through the implementation as I.T.S., and you may remember back in the day the dependence upon spreadsheets and the lack of control or the control risk that that may give. Indeed, also the number of bank accounts which we have been drastically reducing in the time since, but matters such as those. More immediate, past the recommendations of the C. and A.G. in respect of cashflow management. That is also a piece of work that is in development. We have made leaps forward in terms of cashflow management however, again, we will be able to refine the model further and improve it once we have the integrated technology solution in place and, more particularly, the finance modules of that.

Deputy I. Gardiner:

I assume that while we are talking about the recommendations that are not implemented because you do not have integrated technology solution you would put it into the category of dependences why it was not implemented.

Treasurer of the States:

I think that is right, yes.

Deputy I. Gardiner:

How many of the 131 recommendations were not implemented because the integrated technology solution is not in place?

Treasurer of the States:

I would have to come back to you with that level of granularity, I am afraid.

Deputy I. Gardiner:

Okay, please follow it up for later on. Also, when I look at it, you have 17 recommendations; lack of resources is one of the key barriers for not implementing. What are you doing to address this issue?

Treasurer of the States:

Current vacancy levels in the department - excluding commercial services because they are not from other reporting I have had as yet - from a total F.T. (full-time) complement of 317 we have vacancies at 18.5. That is an improvement from when we have reported previously and questions particularly at the Corporate Services Scrutiny Panel. That is obviously moving in the right direction, however it takes constant focus. We have a chain of vacancies, as you might expect, and in particular hotspots at the moment are the challenges of backfill, necessary for us to ensure we have the manpower in place to implement I.T.S. and, as I have said before, in the area of analytics also.

Deputy I. Gardiner:

So it is going back to around I.T.S. I would like to look a bit more into the dependencies. For example, in recommendation tracker - recommendation 2 of C. and A.G. - the States as a shareholder follow-up: "Take into account the findings of the consultancy review currently in progress in developing the agreed action plan." It is marked as amber, which is 67 to 99 to completion, and the reason for not completion is dependencies. What does dependencies mean in this respect, in this case?

Treasurer of the States:

I am just trying to find that one on the tracker. It is quite a larger tracker for T. and E.

Deputy I. Gardiner:

I think it is almost half or just under half.

Treasurer of the States:

Yes, surprisingly given that more often than not these are findings from the C. and A.G. that relate to financial management or related. In terms of that one in particular I think I will have to come back because I am trying to locate it, but there was previously - whether this is covering this particular recommendation or not I would have to come back to you - a director of partnerships. That role is no longer there. Also there were a number of dependencies arising from needing to establish in the chief executive chairing the Arm's Length Bodies Oversight Board improving the governance and consistency of governance of States-owned entities from a shareholder perspective and other arm's length organisations from a Government perspective.

Deputy I. Gardiner:

What targets have you set for your department in terms of recommendations that have been accepted but are overdue for implementation? How do you work with it?

Treasurer of the States:

For 2022, we will have a key performance indicator. Performance against that will be published. It will be in our departmental operational business plan and that needs to complete a minimum target of 80 per cent of outstanding recommendations that are in place at the start of the year. For example, we had 77 outstanding at the end of 2020 and we closed 69 of those during the year.

Deputy I. Gardiner:

Probably the next piece you would follow it up, I think it would be helpful to have clear targets. How does your department reflect the risk? How do you assess the risk of not implementing recommendations?

Treasurer of the States:

That will depend upon the significance of importance of any one particular finding. More generally, the number of findings will trigger risks in terms of being able to deliver those as well as the operational business plan objectives and the Government Plan objectives, which will therefore arise in the resourcing risk.

Deputy I. Gardiner:

I will pass the next question to the Constable of St. John.

The Connétable of St. John:

Can I just follow up on that one first, Richard? How do you prioritise those risks?

Treasurer of the States:

Firstly by looking to see, as I say, which of those risks is higher to the internal governance framework, for example. Some of those risks will be more fundamental than others in terms of needing to change. You will want to deliver a balance of improvements cross the organisation rather than concentrated in any one particular area. In some cases, a number of the recommendations can often be resolved through one particular course of action. For example, starting with the Arm's Length Bodies Oversight Board - that is a bit of a mouthful - that resolves a number on the shareholder side. The issuance of a new memorandum of understanding also addresses a number of outstanding recommendations. They are ones - particularly the M.O.U. (memorandum of understanding) - that is ready to go now. The other one would be we are looking to see how we can deliver a much quicker process to improvements to the Public Finances Manual.

The Connétable of St. John:

Changing the subject, the new chief executive will be taking up post in a matter of days really at the start of February, what action are you taking to ensure a successful transition to a new chief executive?

Treasurer of the States:

I have already met with the new chief executive to give a heads up, and we have been through the issues or through the initiatives in the work we are doing. She has also asked me to take her through the risks instead of corporate, and the financial position and the initiatives that we have planned for the coming year.

The Connétable of St. John:

What are the key priorities do you think for the new chief executive to engage with your department on?

Treasurer of the States:

Active dialogue in respect of probably the financial budgeting for the hospital. Also, active interest in terms of the development of I.T.S. and the rollout of the finance modules, in particular. Most importantly, however, will be, given the very short time to deliver it, will be the Government Plan next year given that the election period significantly curtails the period of time we have for the new Government to put in place that Government Plan. Getting up to speed with where we see the income forecast and the expenditure pressures, for example, as well as on a more longer-term basis the 10-year plans that we want to put in place later this year, and in particular infrastructure funding.

The Connétable of St. John:

How do you plan to brief the new chief executive on the performance of your department?

Treasurer of the States:

I will have objectives set. Those objectives will be largely those that follow up the business plan, and they will include the K.P.I. measures in terms of the frequency of meetings. I met very regularly with the previous chief executive and the interim chief executive where hotspots in terms of, in particular, initiatives but from time to time also K.P.I.s are discussed.

The Connétable of St. John:

We are particularly interested in the performance management of the chief executive and the senior officers, such as director generals. Can you provide us with an overview of how your performance is assessed?

Treasurer of the States:

My performance with the current interim was established at the start of the period in terms of objectives. They were typically around those that involved my particular involvement, as opposed to other group directors or directors in the organisation and the high-priority items. As I say, I meet at least every 2 weeks but more often than not mid-weekly with the chief executive to go through ... often those are the big-ticket items on his agenda as well.

The Connétable of St. John:

The C. and A.G. and P.A.C. reports on the employment of the former chief executive made a number of recommendations in respect of greater involvement of the Treasury and Exchequer Department

with the States Employment Board, particularly where S.E.B. may make decisions that could commit the States to future liabilities. Since the production of these reports, how has your interaction with S.E.B. changed, if at all?

Treasurer of the States:

I am now invited as a matter of course to all States Employment Board meetings.

[14:45]

I now do not usually attend for the whole meeting but will look through the agenda and be asked to be invited to those items that I think are most likely to have financial implications rather than have me sitting through the entire States Employment Board meetings.

The Connétable of St. John:

How is that working for you?

Treasurer of the States:

Another set of meetings in my diary but other than that it gives me a bit more insight earlier in the day to any matters that might arise with financial implications further down the track.

The Connétable of St. John:

In terms of resilience being built into the performance management of senior officers, how do you deal with succession planning for your role?

Treasurer of the States:

That is a very interesting question. We have in our business plan over the coming year, slightly delayed from last year, to put in place a workforce plan for the whole department, which will have a focus with it in respect of succession planning. I tend to spend my time thinking about succession management into the roles that report into me. How we do that throughout the organisation is we have invested or turned our attention most particularly to long-term sustainability in terms of roles filled closer to home, and career progression. For example, we have 8 trainees within the organisation, 2 of which a year ago found permanent roles. We filled those vacancies with more. In more recent times, rather than fill vacancies through interims we fill them through acting-up progressions, which allows people the opportunity and indeed the people who reported into them opportunities to improve their development. We have invested in training modules to improve the professional development experience of the people within our organisation, we have more communication with people to get them more involved. A dry wall we call it, which is a fortnightly meeting where all of the members of our teams can get together to understand the developments within our particular department. We have some additional training that we have rolled out through

the year, for example, on business cases. In particular, most recently, there has been that focus towards acting of opportunities as opposed to filling roles through interims. I would like to say that was 100 per cent of the time; it is not. But certainly we have moved on a larger-scale basis to that model.

The Connétable of St. John:

What kind of leadership training do you provide for these people?

Treasurer of the States:

Most of the leadership training will be provided through the modules that are delivered through People and Corporate Services on a corporate level. Those will be the world class manager programme, we have had quite a number of graduates from that programme, as well as the leadership modules within Team Jersey as well.

The Connétable of St. John:

What about arrangements in place for deputising responsibilities for your role?

Treasurer of the States:

Firstly, I expect each of the directors responsible for their area to take that responsibility at an appropriate level as director. They are de facto the deputies for their area in terms of my specific statutory roles or, if there is any change in decisions to be made, the accountable officer. There is a standing delegation in place, if I am absent, to the group director of strategic finance. If they are not available we have in place and that captures that so that we can put those delegations in place for other directors.

The Connétable of St. John:

Who would go to S.E.B. if you were not available?

Treasurer of the States:

It might depend upon the particular item. More often than not that would be the group director for strategic finance but it could be the group director for business partnering, as each item might relate to something in a department and they might be the best person to attend S.E.B. in that case.

The Connétable of St. John:

How does your department plan for emergency contingencies in terms of senior staff availability?

Treasurer of the States:

My responsibility is to make sure we are covered at any one point in time, as you would expect. What we do have in place is a business continuity plan, which we would more regularly and indeed have to consider at some length during the COVID period of time; COVID phases in particular. Indeed during the COVID crisis or the heightened cases particularly during phase one we met at least twice weekly to discuss business continuity in particular, as well as absence.

The Connétable of St. John:

Have you reviewed how well that went and whether there were any different opportunities to do it differently?

Treasurer of the States:

What we tended to do is review as we went along rather than have, if you like, a wash-up at the end. I think probably if we moved through this current wave it would need to be linked to a corporate review, a review of any changes we would make. One point I would make is at one point in time we did lose Broad Street for a period of time as a result of some flooding. If that had happened 2 years ago I think it would have been a considerably greater crisis than it turned out to be. It seemed to be a matter of fact, day-to-day occurrence by that time not to have to be in the office and that showed that the resilience that was put in place, or the plans that were put in place, through COVID now work well.

Mr. P. van Bodegom:

Afternoon, Richard, it is Paul. We touched on earlier the implementation of the integrated technology solution, which is a significant project for the Government. What has been your role on the project?

Treasurer of the States:

So my role on the project is as a senior client department obviously with the finance release being first, but in particular I am a member of the partnership board, which is the board that sits at the top of the project. Structures dealing with the issues for the project in terms of progress against delivery plans, issues of a strategic nature or major issues that are arising with a view to see how we can work with our partners to deliver solutions to those as well as any scope changes that need to be changed. I remind myself of those strategic outcomes we would like to deliver from I.T.S. and often provide that challenge in meetings alongside other members of the panel. From a Treasury perspective, we have various of the leadership team in Treasury in different groups on the project and we also have a Treasury board that discusses issues relating to the implementation or the design and build for Treasury itself.

Mr. P. van Bodegom:

Thank you. How does your role relate to the role of the chief operating officer, who is the senior responsible operator for the project?

Treasurer of the States:

He is the senior responsible officer, I am the deputy chair of the partnership board, but he is the responsible officer for the project.

Mr. P. van Bodegom:

What is the current status of the project?

Treasurer of the States:

I think in reporting I have had overall it is green, however for release one it is currently amber, and it is amber but has a plan being progressed to put that into green status. I have Graham Chidlow online who is our senior officer on the I.T.S. programme board. Do you have anything to add to that, Graham?

Director, Finance Hub:

No, I think you have covered it there. Yes, there have been some challenges in terms of scope and timescales for release one, which is the Treasury implementation, but very much there is a plan to get that back on track and the overall programme remains green.

Mr. P. van Bodegom:

Did you mention there had been some slippage?

Director, Finance Hub:

Just some challenges in terms of scope. I think one thing we have found is that we are very much going down a process of adopt not adapt, so adopting standard processes and procedures. What we have found as we have been going through the design phase is actually there is not just one standard process to adopt, there are several. We often have to assess those different options and choose the right one. That is taking slightly longer than what we thought.

Mr. P. van Bodegom:

Thank you. What would you say the current slippage is?

Director, Finance Hub:

That is all being replanned at the moment in terms of the implications of what it means but very much the plan is to get it back on to green.

Mr. P. van Bodegom:

Would you say that the project is running to budget?

Director, Finance Hub:

Yes, we are currently forecasting to budget.

Mr. P. van Bodegom:

Okay, thank you. You mentioned you were adopting, have there been other scope changes to the project?

Director, Finance Hub:

Nothing significant, no. We are very much trying to go down the adopt not adapt route in terms of what we are doing and certainly in finance that is very much the approach that is being taken. As I say, the key thing I think we have found is that there are various different standard approaches that we could take and, as you can imagine, this system is being used by governments, public sectors elsewhere in the world, by multinational industries as well, and so we have to adopt the right processes. So I think it is that that has taken slightly longer than we thought, but it is important we get that right.

Mr. P. van Bodegom:

I notice that payroll was taken out, have any other items been taken out?

Director, Finance Hub:

No, I think payroll was taken out at a very early stage and that was because of the difficulties of running a Jersey payroll system and the complexities around that. That has always been as a final phase of the project at such time it was decided to do that. There is always the option to do that later on, but as far as I know at the moment nothing else has been taken out. In terms of the later stage of the process ... obviously I am very much focused on release one and finance but there is work starting to happen now in terms of H.R. (human resources) and asset and inventory as well, which are obviously later phases of the project.

Mr. P. van Bodegom:

Thank you. The C. and A.G. found that the benefits tracking was not in place for the I.T.S. project. What is the latest position on the tracking benefits?

Director, Finance Hub:

So there is work ongoing on that at the moment. There are various meetings ongoing in terms of tracking the benefits and I think that is one of the C. and A.G. recommendations that are still being worked on. I think that plan is now to have that all in place before the end of March.

Mr. P. van Bodegom:

Thank you.

Deputy I. Gardiner:

One quick supplementary from me before we move to the next one. Would you please confirm if the payroll was taken out before or after the £60 million-plus budget was agreed for this project? When was payroll taken out of the scope, before or after January 2021?

Group Director, Strategic Finance:

I can try and answer that one, if it is helpful. The payroll was only ever in the exploration as an optional module. It was never in the scope of the project although it was something that we did explore with various people who were offering to develop the solution. The original amount that was allocated for I.T.S. did not include payroll and also the revised amount did not include payroll. That has been consistent all the way through.

Deputy I. Gardiner:

Thank you for the information. We are going to COVID-19 questions.

The Connétable of St. Martin:

The C. and A.G. in her report on management and public finances recommended improvements be made to the Government financial reports, including making links between budgets and the Government Plan clearer, setting out the basis for expenditure estimates more clearly and including cashflow analysis. What progress is being made on improving Government's financial reports?

Treasurer of the States:

In respect of most of those we have incorporated them, more often than not, in most of the reports that we issue during the year to improve the link to the Government Plan approvals. That reporting requirement would also be fed into the I.T.S. report, the current status on borrowing and the balance of funds are now ... they were previously and left the reporting for a period of time but are now back in the regular reporting.

The Connétable of St. Martin:

I see the Executive response was a target date of 31st December 2021. So you are happy that you have implemented all the recommendations?

Treasurer of the States:

Broadly, yes. We see that from the perspective of saying what the borrowing is going to be. I would like to have further improvements made on cashflow management but I think some of those may have to wait until such time as we have the I.T.S. in place.

The Connétable of St. Martin:

Thank you. The C. and A.G. also recommended continual development of the government system for cashflow monitoring; what improvements have you made to date with that?

Treasurer of the States:

That is very much ...

The Connétable of St. Martin:

I know you just answered it but I just wanted to get something more.

Treasurer of the States:

We have reviewed our experiences as we have gone through the year in terms of coming up with closer forecasts, invariably there has been some variation on the income received. We have more income coming in than we had forecast and from time to time less expenditure as well. We are working with departments to improve that and to understand the cashflows and obviously the further out you go the more difficult that becomes.

[15:00]

The Connétable of St. Martin:

My next question was going to be what remains to be done but I think you have answered that. I will pass on to Senator Vallois.

Senator T.A. Vallois:

A number of C. and A.G. reports on COVID-19 suggest improvements should be made to the arrangements for the preparation and approval of business cases. What action has been taken to improve these arrangements?

Treasurer of the States:

So there were a couple of areas in particular. Firstly, some of that was from previous recommendations as well. During the year we issued more guidance on the templates required for business cases. The other aspect was, I think, finding often that announcements were made in

respect of COVID measures before the formal M.D.s (Ministerial Decisions) had been signed. Unfortunately that is very difficult to achieve and iron out in an ideal frame but what we are trying to do now on a more regular basis is at least record the decisions that have been made on the day that they are being made or at least very much close to the day the decisions are being made.

Senator T.A. Vallois:

Okay, so when will business cases be required for any scheme with the potential to expose the States to a liability of greater than £100,000, if at all?

Treasurer of the States:

That, in particular, related to the business disruption loan guarantee scheme. I think we accepted, with hindsight, that had we done that we would now have put in a business case of that as well.

Senator T.A. Vallois:

What changes are you planning in respect of requiring business cases for exceptional expenditure being funded out of existing budgets?

Treasurer of the States:

We have not progressed that one as yet, although we are considering in particular - and will do during 2022 - firstly where departments have plans that are agreed in the Government Plan and during the year seek permission to spend that money on something else within their area of responsibility. I think that will be the first place that we implement such a proposal to require a business case to be put in place.

Senator T.A. Vallois:

What improvements are planned or have been made to document the level of risk appetite, more explicitly in business cases for new schemes?

Treasurer of the States:

So there have been limited new schemes since those reports have been put in place. We have, at as many stages as possible, tried to record within the business cases associated with versions of the co-funded payroll scheme, for example, the increased level of risk that is being taken on. We are endeavouring to do so as and when we can when we are rolling forward with the schemes.

Senator T.A. Vallois:

Are there any further improvements that still remain to be implemented and, if so, what will these be and when will they be implemented?

Treasurer of the States:

We see developing business cases as a continuous improvement cycle. As I said, during the year further guidance was issued in particular to specify the costs that should be included. We try and incorporate the risks. We undertook training during the year for those that do put together the business cases. Unless Andrew has any in particular this year I think it is just a process of continuous improvement. For example, for the Government Plan up and coming we will look to see what the feedback was like for the Government Plan business case process last time and put in place changes as we proceed to the next Government Plan.

Group Director, Strategic Finance:

Just to answer and reaffirm what Richard said, it is that continuous improvement process. We will take the feedback on board, including the recommendations that have been received, look to stabilise the templates and update them to make sure that they are both covering all the elements that need to be covered in a business plan to make sure that those making decisions have all the information they need to make those decisions but balance that alongside with not making an overly bureaucratic documentation process that slows down decision-making in the Government as well. So it is a balance that we need to strike on those. One of key focuses this year, as Richard said, is doing more training and reinforcing and improving the quality of the business cases that we are getting. We are working with colleagues across Government to make sure they are fulfilling that purpose of informing the decision-making.

Senator T.A. Vallois:

That is helpful, thank you very much. In terms of the role of the Public Finances Law and the role of the Public Finances Manual, the Minister for Treasury and Resources has the ability to amend the Public Finances Manual, are you planning on making any recommendations for changes to that manual following what you have learnt during the COVID-19 pandemic?

Treasurer of the States:

So there are changes drafted to control the COVID spend in 2022 that is in the Government Plan, and we will be issuing that hopefully by the end of this particular month. That is really to rectify what is in the policy. What we are also doing at this point in time is revisiting the policies in respect of general reserve and, in particular, COVID reserve spending. Those are the ones that spring to mind most readily in terms of needing to change or changes to the P.F.M. (Public Finances Manual) as a result.

Senator T.A. Vallois:

Okay, and you said that these should be ready by the end of the month?

Treasurer of the States:

Yes.

Senator T.A. Vallois:

Okay, thank you. So the C. and A.G. found that there is a significant time lag between payments being made to businesses under the COVID-19 support schemes and subsequent post-payment audit verification of such payments. Where audit verification has taken place on the early payments under the co-funded payroll scheme they have found an error rate of around 6 per cent by value. Why, in your view, have post-payment audit tests not been given greater priority?

Treasurer of the States:

I know that they have been given high priority but you might appreciate the scale of the task in pursuing those particular audits and it is more the latter rather than not seeing them as a priority. We have identified the more higher risk claims that might be made and the C.L.S. (Customer and Local Services) Department is pursuing those.

Senator T.A. Vallois:

In terms of risk assessment, whether that is the risk to the Government as to whether it is fraud or by error, what, in your view, is that risk, if any at all?

Treasurer of the States:

There are obviously, with these particular schemes that we put in place on a rapid basis with the need to turn around applications on a rapid turnaround time, increased opportunities for fraud but in particular error. In particular, perhaps for the smaller organisations rather than the larger organisations who might make a sweeping statement or generalisation to say that the risk is maybe higher in those organisations. I think first and foremost that is error with an element of fraud within them but, yes, there is a heightened risk of fraud due to us having to place guidance out there quickly. It is not a statutory scheme. Of course it did not benefit from Scrutiny, given the timescales taken to put it in place. Those all combine to mean that there is an increased chance of error.

Senator T.A. Vallois:

Just finally from me, in terms of just the error but the potential for the need to write-off so that some of these claims may not be able to be repaid, are you expecting a certain percentage of requirement for write-off under the Government payroll scheme?

Treasurer of the States:

That is certainly something as we finalise the accounts we are looking at, the degree of provision as opposed to the degree of write-off. I think it is too early for considering on a widescale basis the

write-offs of those particular amounts but certainly we would proceed with the provision against them as we come to conclude this year's accounts production.

Senator T.A. Vallois:

Okay, that is great, I will pass on to the next member, thank you.

The Connétable of Grouville:

Thank you, it is John Le Maistre. My apologies, I cannot turn my camera on for some reason but I hope you can hear me okay. What level of expenditure on COVID-19 are you expecting in 2022?

Treasurer of the States:

There is a heads of expenditure in place and a further reserve in place. My own expectation would be that the heads of expenditure will be that bit that would be spent. However, if you were to ask me 3 or 4 months ago were I to expect another phase or wave of a separate variant I might have said that was not the case. If you had asked me in the latter months of last year whether we would still be paying on the co-funded payroll scheme I would say that is not to be the case. I think that there are funds that are provided within the Government Plan, which off the top of my head are a heads of expenditure of £34 million - although Andrew will hopefully correct me in a second - and a reserve of approximately £50 million. We would not expect at this point to be spending the reserve but the reserve is very much in place should we find further phases or restrictions necessary to put in place.

The Connétable of Grouville:

I appreciate it is very unpredictable but looking beyond this year, what are your expectations of next year and years ahead with regard to COVID?

Treasurer of the States:

If you were to ask me last year I would not have expected to put much in the way of budget in place for 2022, and indeed that is our expectation for 2023 that, short of recovery programmes for measures needed to recover from COVID as opposed to addressing the pandemic and responding to the pandemic, I do not expect that there will significant costs required, depending obviously on the evolution of the pandemic in the future years.

The Connétable of Grouville:

Thank you. For the benefit of the public, what is the basic plan to recover the public finances of the States post-COVID?

Treasurer of the States:

So the current financial forecast shows a strong recovery out into the later years of the Government Plan period, out to 2024-2025 with small surpluses running in those years. That is consistent with the advice of the independent Fiscal Policy Panel. Obviously the biggest uncertainty around that would be how the pandemic evolves, but in particular to the income, although we have a fairly robust income forecasting process. The other key risk, I would think, into the future would be the impact of inflation and whether that is prolonged or not.

The Connétable of Grouville:

How do you monitor the effects of the COVID-19 pandemic on your department's business as usual activities and the disruptions to it?

Treasurer of the States:

During the height of the pandemic I had regular meetings with the senior leadership team, twice or 3 times a week, to review in particular the impact of COVID upon the department in terms of absence and our ability to work remotely. There are parts of the department that work more readily from a working-from-home perspective and it just so happened that the great work that had been undertaken saw the roll out of teams on a very timely basis from a COVID perspective, which allowed many of our people to work from home. Of course that is more restricted within Revenue Jersey where there is confidential information that cannot often be taken home, and to a lesser degree but still within our finance sphere, some tasks have to be performed from within the department. So we kept the K.P.I.s under review but, in particular, availability of teams under review as well. It is fair to say that those areas where we had to reprioritise were, again, some projects or initiatives. For example, in 2020 we were due to be looking at an infrastructure fund, that team instead spent time looking at proposals firstly to estimate the level of borrowing but then proposals and the initiative to procure short-term borrowing facilities.

The Connétable of Grouville:

What tools were developed by your department to monitor the business-as-usual activities and the disruptions during this time?

Treasurer of the States:

So the tools are generally in place through K.P.I.s that we used in order to look at that. We wanted to have, and did have, more up-to-date and more real-time information in respect of absences and we were looking to deal with any hotspots through those twice or 3 times weekly meetings of the senior leadership team. We also had a tie in through that meeting up to the corporate business continuity meetings and information flowed out from there into the S.L.T. (senior leadership team) and from my attendance at the executive leadership team.

[15:15]

The Connétable of Grouville:

How did you minimise the impact on services and key deliveries?

Treasurer of the States:

So the impacts were seen, as earlier described by Richard, particularly arising from the closure of face-to-face enquiries in the Taxes Department and you heard earlier how Richard and Revenue Jersey team is putting in place programmes to recover that. That coincided of course with the implementation of the new system.

The Connétable of Grouville:

From your perspective, what are the 3 most important lessons learned in terms of the effective management of public finances from the COVID-19 pandemic?

Treasurer of the States:

I think the first lesson we learnt was that the provisions within the Public Finances Law were inadequate to deal with the scale of crisis that we had to face from a financial perspective. The other would have been ... and we made changes with the agreement of the Assembly, for which we are grateful, to give us more capacity should we find ourselves in that position again. The cashflow modelling was something that ... a light was shone on there, as well as thinking more generally about scenario planning. It just so happened on investments we had done such scenario planning but, while it might seem easy to do in hindsight, we think more about some of those issues that we saw at the start of this pandemic in terms of the prospect of significant liquidity problems and indeed the challenges that might have arisen if we had had to liquidate investments at the low point. I think what it also showed was the need for us to sharpen up business continuity planning within the department. It was in reasonable shape and did quickly adjust to the circumstances of the pandemic.

The Connétable of Grouville:

I was going to ask what actions you have taken but it sounds to me as though you have already taken actions. Thank you. I will now hand over to the next questioner.

The Connétable of St. Martin:

We note there is a letter of instructions provided from the Minister for Treasury and Resources at the launch of the latest tranche of the co-funded payroll scheme, noting that a business case could not be provided in the time required. How do you learn from this and improve the development of business cases going forward?

Treasurer of the States:

I think really in that particular instance the timescale in which we had to react meant that it was very difficult to put a business case in place. The evidence in terms of factual as opposed to - and by factual I mean numeric, before I misrepresent the position - representations that had been made, it was very unclear whether that was the right measure, which meant that also it was very clear that there was not the time to develop alternative measures. Just simply in the time that we were asked to progress and respond to the uncertainties and the problems to businesses that were being faced, it was that timescale that meant we could not develop the business case in time.

The Connétable of St. Martin:

Thank you, I will hand over to Inna.

Deputy I. Gardiner:

Thank you, Richard, for the answer. I understand that we need to react quickly and the business case is important but what is concerning me, and I would like to know your view on, is it is not necessarily the right scheme we need to move forward. We are 2 years into the pandemic and it is not just we have a wave, would we need to be prepared for this in advance so we should not be surprised?

Treasurer of the States:

In this particular case the Minister had wound down the co-funded payroll scheme and committed to implement, when mandatory health restrictions were put back in place ... our initial views leading into January were that the wearing of masks and perhaps working from home would not necessarily amount to the sort of health restrictions we were thinking of in terms of 2 metre distancing or, as we have seen previously, certain sectors being closed. We did not, at that time, expect the scale of potential impacts that came through from the representations from business and therefore we were not expecting to turn the co-funded payroll scheme on for those particular measures that were put in place. We did not see that the impact would be as great but it did have a behavioural aspect in the lead up to Christmas in some regards, with cancellations through organisations taking it upon themselves in light of the guidance rather than in light of any restrictions being put in place. We are broadly there. It has to be remembered that the co-funded payroll scheme was initially targeted at those very strong health restrictions when we were in lockdown or when sectors were closed. It is not necessarily an effective measure as we come out of those partial restrictions into a more guidance territory coming from the health team, if that makes sense.

Deputy I. Gardiner:

With the benefit of hindsight, what would you have done differently in terms of the co-funded payroll scheme?

Treasurer of the States:

We learnt as we went along with the scheme and we made changes to it. There is a more graduated scale now where the level of subsidy responds to the level of detriment that was originally a cut-off point. Most of the changes we have been making as we go along will be the changes that we have eventually put in place through subsequent phases of the scheme as we understood the impacts upon businesses.

Deputy I. Gardiner:

One more question on the COVID section before I move to other ones. Do you have a view on the level of provision you may need to make in accounts and how this compares to other jurisdictions?

Treasurer of the States:

Back to the earlier question, we will be going through that as we finalise the accounts. We have not as yet done so.

Deputy I. Gardiner:

Fair enough. Moving to use of consultants, the first report that was presented to the States following Deputy Morel's proposition was a total of £25 million for consultants and interim staff. In the latest report it has reached £47 million, what is your take on that as a Treasurer?

Treasurer of the States:

There are stories that sit beneath that rise in the numbers. On the face of it that number looks like quite a steep increase, and indeed it is. The principal drivers for the position compared to that first report fit into, if you like, 3 or 4 broad categories. Firstly, we use consultants and consultancy-based contingent labour, if you like, in particular on major projects where it is not likely that we have the scale of resources we need or the particular skillsets that we need to deliver those projects. Those in particular would be I.T.S. and the Hospital Project. We have always said that we would use consultants and contingent labour on those projects and, indeed, across projects, not just those 2 projects, of that £47 million, £15 million relates to those major projects. In addition to which they are across fixed-term contracts but in particular contingent labour, i.e. where we are hiring resources direct from other organisations. COVID has led to the need for increased provisioning and, in particular, for example, that would be in the testing and tracing team. Those numbers are included in there and in the previous report. Indeed, as we just mentioned, in terms of fixed-term contracts, in particular among COVID measures, we use those in particular but also we found that we had difficulties in recruiting across the organisation during COVID and, in particular, from outside of Jersey. In addition to which, if you are looking at the changes between those 2 numbers that you

talk about, those previous reports I understand did not include all of the agency healthcare and social workers and these latter years' reports do and that number, I am told, runs at about £6 million.

Deputy I. Gardiner:

You mention the difficulty of attracting permanent staff and fixed-term employees for specific roles. Is that an issue with the Treasury and Exchequer Department?

Treasurer of the States:

I had not looked that far back but I had looked at the last 2 reports just to look at the contrasting changes. We have spent less on consultancy in that last report than the previous report. We have spent more on fixed-term contracts that arises from our involvement either directly or through having to deliver backfill so members of our team can be involved in I.T.S. As you would expect, what we are trying to do there is use short-term appointments to cover that. We have seen a reduction in agency staff and we have seen a reduction in the use of contingent labour.

Deputy I. Gardiner:

What level of savings have been identified by the department on recruitment?

Treasurer of the States:

What level of what, sorry?

Deputy I. Gardiner:

On your staff. Were there any savings that your department reported as staff recruitment?

Treasurer of the States:

Many of our savings this year have been delivered through vacancy management, not through necessarily using less consultancy. Consultancy is often associated directly with projects and so it cannot really be seen on a like-for-like basis.

Deputy I. Gardiner:

I think I need to give a background to my question. During the Government Plan review, the review panel was advised by the Chief Minister there is a vacancy, it is not going to be filled as early as planned and it generates a saving. So can you describe the process of how savings are generated in terms of vacancies within the department and can they be labelled as savings as such? Would we have an interim of fixed term through the consultancy?

Treasurer of the States:

You will not have delivered a saving if you fill a vacancy with an interim post and, more often than not, filling it with an interim appointment on a fixed-term contract or a contract for services will cost you more than the permanent post itself. In terms of the rebalancing programme, very much unless you have a repeated programme of vacancy management, you would see holding a post open for 6 months or so without recruiting to it would create a saving in the year but that saving would not be there in the following year.

Deputy I. Gardiner:

Okay, thank you, that is really helpful. I.T.S. was mentioned several times and I know that your department was involved. We are aware from previous public hearings that because of the difficulty in recruitment more consultancy firms or outside consultants were used to be able to deliver I.T.S. because we are not able to recruit. Would the cost increase through the consultancy and not through the day-to-day budget management of the department?

Treasurer of the States:

Those costs would largely be within the project costs for I.T.S. There was provision made as we move from O.B.C. (outline business case) to F.B.C. (full business case) recognising that we would not need to use more consultancy or more contingent labour. Perhaps the best way of looking at that was indeed the drive for the increase from the O.B.C. to the F.B.C. That is not particularly because of a large scale of vacancies within the department, although it would have undeniably been a contributing factor, it was more the scale of the requirements flowing out of the I.T.S. project, in particular for root and branch changes to the financial system.

Deputy I. Gardiner:

I will tell you where my concern is coming from. From one side you said that I.T.S. is on budget, at the same time we hear that there is a difficulty to recruit to the permanent positions, that the budget was allocated for the permanent positions within the teams, it was not based on consultants. So will we see an increase within the budget or will the consultant be reported another way?

[15:30]

We are not able to recruit, we know that we did not recruit, we know that we need to replace by interim or consultants, so differently a cost overall but how are we still within the budget? Was too much contingency provided?

Treasurer of the States:

Firstly, that challenge was addressed as we moved from the O.B.C. to the F.B.C. with an increase in cost that was the subject of finding in the C. and A.G. report. Yes, there are currently issues that

we are having to resolve which may give rise to costs but not an overrun of costs against the total budget but perhaps the need to use some of the contingency arising from the need to backfill Treasury jobs in order to release people into the project. That is not necessarily that we have so many vacancies, it is that we need so many of our team involved in I.T.S. that that would start to threaten the day-to-day operations of the department were those people all to be released to the project.

Deputy I. Gardiner:

Thank you. One other quick question on I.T.S. You mentioned that financial management and interim control recommendations and cashflow management would be implemented once I.T.S. is in place. Will these 2 items be in place in phase one that is coming or is it later on?

Treasurer of the States:

I would have to come back to you unless Graham has the answer to that.

Director, Finance Hub:

There are certainly improvements in release one that will help us improve our cashflow management. There may be further implementation that will improve it even further but certainly release one will improve our cash flow management.

Deputy I. Gardiner:

Any more questions from the members of the committee? Is Richard Summersgill still with us?

Treasurer of the States:

He is.

Deputy I. Gardiner:

You mentioned about the service and communication with Revenue Jersey and we talked about that it should be improved, are you looking into options for face-to-face meetings with specifically the elderly population that are struggling with online and even the telephone, because the telephone is not always available? How are we addressing concerns from that group?

Comptroller of Revenue:

As you know, face to face stopped altogether during lockdown. Ever since things have relaxed, Revenue Jersey has always been prepared to see people on an appointment basis face to face. I think as a long-term strategy we would like to reduce the incidence of face-to-face interaction because it is the most expensive and resource consuming way of interacting with taxpayers. In an ideal world we would want the majority of people to self-serve online. After that, the telephone is

the quickest way to get a resolution. After that in writing or face to face. Given the nature of the taxpayer population in Jersey there is a fairly high incidence of elderly people and also seasonal workers, many of whom have English as a second language, I do not think we will ever not offer a face-to-face service. It really is a question of balance. At the moment, if people have real difficulties with their tax affairs and need a face-to-face interaction with us then we do accommodate that.

Deputy I. Gardiner:

Thank you very much for your answer and thank you for acknowledging the elderly population, seasonal workers and other groups that would be likely to continue to require face to face. We have been told that the Customer and Local Services at La Motte Street are open for people to walk in and make an appointment. Is that still the case for Revenue Jersey as well?

Comptroller of Revenue:

It is the case. Revenue officers are sat in the La Motte Street office as part of the local service front desk. They are routinely now seeing people on an appointment basis and if people do walk in, if they cannot be seen we do make appointments for them. But I would keep stressing that the telephone is the quickest and easiest way for most people to get an answer wherever possible. We have just started this week issuing both paper tax returns and emails to people who file online. The more people we can get to file online the quicker we can make some of the service improvements I described earlier, because the more people who file online the quicker that is processed, the quicker they get their tax assessment. In particular, it keeps their effective rate under the income tax instalment system in good order. It is vitally important for employed people that they do get their returns in early so we get them the right effective rate and they keep us apprised of changes in their circumstances.

Deputy I. Gardiner:

Thank you very much. For people who are listening there is a call to try to get online. It will improve and I do believe that most of the people who can do it would try to do it. Thank you very much, I do not think we have any further questions. Thank you for your answers. The public hearing is closed.

[15:36]