

**STATEMENT TO BE MADE BY THE PRESIDENT OF THE FINANCE AND ECONOMICS  
COMMITTEE TO THE STATES ON TUESDAY 4th NOVEMBER 2003**

Members will recall that during the debate on the 2004 – 2008 Resource Plan, the States agreed to amend paragraph (b) (iii) of the Proposition by adding the following narrative:-

*‘to agree that Committee cash limits for 2004, as indicated in Table 5.1, where they exceed £80,000,000, should be broken down and comprehensive departmental service analyses presented to the States by the Committees concerned before consideration of the 2004 Budget, and as part of the Resource Plan in subsequent years;’*

During the debate on this amendment a number of members expressed the view that it would be beneficial for all States Committees, not just those with cash limits in excess of £80,000,000, to present detailed service analyses to the States prior to the Budget 2004 debate and in subsequent Resource Plans.

I proposed to Committee Presidents that as the Fundamental Spending Review process requires all Committees to provide a detailed service breakdown of their estimated expenditure to the Treasury, the Finance and Economics Committee could therefore present this information to the Assembly, as an Annex to the Budget 2004. Both documents have been released today.

The Committee believes this information will enable a fuller understanding and appreciation, both by politicians and the public alike, of the extent and cost of services provided by the States. The Committee hopes this improved understanding will promote a better informed debate of our public spending priorities.

The annex provides a detailed breakdown of estimated expenditure analysed by service split by direct and indirect costs. Any cost recovered or income received for a service is set against the cost to present the net cost of the service delivered. In addition, an analysis of the number of Full Time Equivalent posts (FTE's) deployed in the service areas is also provided.

Finally, the annex identifies some of the performance measures currently used to assess the performance of the services, which will be developed further through the benchmarking project.

This is the first time such a detailed breakdown of estimated service costs has been published. The Finance and Economics Committee believes this information, provided by departments themselves, is one of the significant benefits which has flowed from the Fundamental Spending Review process to date. The Committee is indebted to all departments for their co-operation in providing this information.

The Committee hopes that this additional information will be seen as a benefit, and I am sure that the relevant Committee or Department will be able to deal with any queries in relation to the information contained in this Annex.

**RE-ISSUE**