

**STATEMENT TO BE MADE BY THE CHIEF MINISTER
ON TUESDAY 26th NOVEMBER 2019**

GOVERNMENT PLAN 2020–2023 (P.71/2019)

Today we debate Jersey's first-ever, integrated, four-year Government Plan. In a short while, the Minister for Treasury and Resources will move the Government Plan Proposition and Budget statement. This will lead us into important and valuable discussion of some of the Plan's detailed proposals, and the 23 amendments that have been lodged for debate. Before she does so, I thought it would be useful to remind colleagues of the ambition for the Government Plan, and to create the opportunity for Members to pose questions to me as Chief Minister, in advance of the commencement of the debate.

This is an ambitious Plan – and I am proud that it is so. Through the Plan, this Government is tackling the legacy issues of the past, and investing for the long-term wellbeing of Islanders and the future sustainability of our Island. This first-ever Government Plan combines a four-year package of spending, investment, efficiencies and modernisation proposals. It is designed to deliver the Common Strategic Policy priorities agreed unanimously by the States Assembly in 2018. It sets out 89 separate initiatives to deliver our five strategic priorities over the next four years, enabled by the necessary modernisation that will make their delivery possible.

This is a prudent, comprehensive, costed plan, which increases funding where it is needed, in a way that is affordable each year. And it is a plan that is focused on the long-term – putting the sustainable wellbeing of future generations firmly at its heart. This Assembly will be making decisions in this debate which will benefit and protect future generations of Islanders. We're not just putting more money into the services that matter to Islanders – we're changing, upgrading and modernising how they are delivered to meet our communities' needs for the long-term.

Last month, we launched the Jersey Care Model, announcing how we're planning to move more health services into our communities closer to people's homes. We've also opened a new Listening Lounge for people facing mental health crises. We're investing in preventative support – creating more 'early help' and more mental health support to help individuals and families to stay well, not just treat them when they're ill.

We're continuing to invest in and turn around our children's services, so that our most vulnerable children receive the care they deserve, and that that care is provided in Jersey whenever possible.

And in this Plan, for the first time ever, we're making the environment a priority. In 2020 we'll be investing £5 million into protecting and valuing our environment, with the establishment of a Climate Emergency Fund. We're developing and funding a sustainable transport strategy. And we're increasing protection for our countryside and natural habitats.

At the same time, we're investing in the Jersey economy. I hardly need remind Members that firms here in Jersey face rising economic uncertainty globally, as well as the continued risk associated with the UK's exit of the European Union. This Government and this Assembly's commitment to our economy is unwavering. So, in this Plan, we maintain our focus on navigating Brexit, on raising Jersey's international profile, and on increasing trade opportunities for Jersey businesses.

We will reverse the real-terms decline in our Island's overseas aid contributions. Aiding others, beyond our shores, and fulfilling our responsibility as global citizens.

And we're also proposing to invest £359 million in the fabric of our Island – not just maintaining and upgrading our infrastructure, but providing work for Islanders and island businesses for years to come.

One of the legacy issues that my Government is tackling is reversing the chronic under-investment over many years in the people, processes and IT systems that run our public services. In addition, the Plan also outlines the long-term structural pieces of work which we will be undertaking in 2020. I am pleased that so many Members attended a recent briefing on these matters and understood the urgent need to take action, and to make the necessary investment. I am pleased that in their report Scrutiny colleagues share that view. It is absolutely critical that our public services are cyber-safe, that they keep pace with technological change, and that we provide safe, secure frontline services for Islanders and the back-end systems to deliver them. I expect and welcome continued, close scrutiny of this programme of work. We have already proposed measures to avoid many of the risks typically associated with government IT projects.

But together, we must make sure that this significant investment results in better services for our communities, and businesses.

The Minister for Treasury and Resources will be proposing the Government Plan shortly, to explain how the Council of Ministers proposes to balance spending and income. So I will refrain from detailed financial comment in this statement – a self-sacrifice that only other accountants in this Chamber will fully appreciate. But one which I'm sure members will be entirely grateful for. But I do want to tackle a couple of misconceptions. The Government Plan has been criticised for proposing some moderate increases in charges and impôts. The underlying charge is that this Government is taking money out of taxpayers' pockets when they can ill afford it.

In fact, affordability and the cost of living are central concerns for this Council of Ministers. That is why the moderate increases to charges and impôts that we are proposing either introduce a small rise for those who can better afford it or nudge all of us towards positive behaviours – such as reducing drinking, smoking and driving. In financial terms, the money we raise from these increases will, broadly speaking, be offset by the increase in tax allowances which this Plan also proposes. I'm pleased to note that inflation today is at 2.7%, down from the high of 4.5% in June 2018. The rate of increase in the cost of living has slowed, and that is to be welcomed. But we're not taking it for granted. That's why the Minister for Economic Development has established the Inflation Strategy Group.

It's also why I set up the Housing Policy Development Board, to work with the Housing Minister and bring forward wide-ranging reforms to improve the affordability, and standard, of housing in the Island. This Government has taken a prudent approach to public finances and to taxes in how we're funding the five strategic priorities. We took the principled position of putting our own house in order before seeking further tax contributions from Islanders.

Our plan to generate £100 million of efficiencies is not just about making public services operate better, but it allows those savings to be reinvested in the public services, so that general taxes don't need to rise. It means we can spend more on our priorities while still balancing the books. But this isn't just a nice-to-have: it's a requirement of the Public Finance Law, that we passed here less than six months ago, to ensure that all spending commitments are funded and that the budget balances. That's why the Government opposes the amendment to separate consideration of the efficiencies from the other revenue and spending proposals – because in our view, they're an integral part of a coherent plan.

The process of developing this first Government Plan has been complex and it has not been perfect. Colleagues have pointed out a number of areas for improvement in the Consolidated Scrutiny Report, as we have done internally too, as the Council of Ministers. So, I thank Scrutiny Members for their constructive comments in this area. We will look to take them on board, and improve the process next year. But I would like to suggest to you that these matters of process are matters for another day.

Today, our focus should be on the substance of the Plan: on what this Government is proposing to do, and the resources we're planning to invest, over the coming four years. In closing, I and my Council of Ministers, are proud of this Government Plan. It's a serious, detailed Plan, through which we are taking difficult decisions head on. Through this Plan, we are tackling the legacy issues of the past, and making critical, overdue investments for the long-term wellbeing of our Island and our fellow Islanders

Let me thank Members for their engagement so far and in particular, can I thank all of the staff of the Greffe for their dedicated work supporting all of us as Members in getting us to today. I look forward to answering any questions, and the coming debate.