

STATES OF JERSEY



GOVERNMENT PLAN: ASSESSMENTS OF PLANNED EFFICIENCY SAVINGS (P.88/2019 AS AMENDED) – COMMENTS

**Presented to the States on 18th October 2019
by the Chief Minister**

STATES GREFFE

COMMENTS

Should all of the amendments to [P.88/2019 – Government Plan: assessments of planned efficiency savings](#) be adopted by the Assembly, the proposition will read –

THE STATES are asked to decide whether they are of opinion –

- (a) to request the Scrutiny Liaison Committee, throughout the life of the Government Plan, to undertake, commission or oversee detailed 6-monthly assessments of the planned efficiency savings, specifying the expected impact on the ongoing delivery of public services, by Minister, Department and CSP priority, accompanied by a comparable comprehensive review of the real impact of the previous 6 months' efficiencies; and
- (b) to agree that the Council of Ministers is requested to bring forward detailed proposals each year, to be included as a separate paragraph within the Government Plan proposition, seeking the Assembly's specific endorsement of each of the efficiencies contained in the Government Plan.

The Government Plan is intended to be a strategic document that deals with spending plans at a high level, and as Chief Minister I recognise the legitimate interest of States Members in how efficiencies are likely to affect services and Islanders.

So, while it was not possible to include 2020 efficiencies within the lodged 2020 Government Plan, this year we have planned to present a detailed efficiency plan over 4 weeks before the debate, which also matches Deputy K.F. Morel of St. Lawrence's recently approved proposition on this subject ([P.90/2019](#)). Beyond this, as per our amendment, the efficiency plan for 2021 will be included within the 2021 Government Plan, intended to be lodged in July 2020. This means that the departments' proposed heads of expenditure in the Government Plan will be after efficiencies are deducted.

However, as with all plans for continuous improvements, changes in how we deliver efficiencies may arise in the period after the lodging of the plan, and over the course of the financial year. For example, the Accountable Officer of a department may identify an additional course of action that improves financial efficiency, usually through members of staff proposing innovations and changes in process and systems.

It would seem detrimental to good public services and delivering value for money for the taxpayer if the Accountable Officer could not pursue efficiencies across the department's budget, managing expenditure within the maximum limit approved as the head of expenditure (and they could not effectively discharge their own legal obligations to support efficiency if they could not do this).

For that reason, in supporting part (b), it seems helpful to outline how it would be enacted by this government in future Government plans: The intention would be that from the Government Plan 2021–2024 onwards, we will include, as a separate paragraph within the Government Plan proposition, a request to endorse a table containing each proposed efficiency required by the plan to support each departmental head of

expenditure. It is important to remember that when the States Assembly gives permission for departments to spend, it is giving them permission to spend up to a maximum. The longstanding requirement on Accountable Officers to use resources economically, efficiently and effectively is intended to promote departments finding ways to go under budget.

If supported, efficiencies will be delivered as proposed in this table endorsed by the Assembly, including any amendments approved by the Assembly. However, in doing so, Accountable Officers would be able during the year to deliver additional or alternative efficiency savings. This would be with appropriate governance and oversight, including ensuring that Ministers are properly informed and have opportunity to provide policy direction which is incorporated into any plans. Any changes and progress against plans will also be reported 6-monthly to the Scrutiny Liaison Committee, regardless of whether part (a) of the proposition is adopted, delivering high levels of transparency and accountability. This level of financial flexibility and intelligence is required in any organisation.

This position has been adopted following constructive engagement with Deputy G.P. Southern of St. Helier.

It is also worth noting that the efficiencies contained in the Government Plan 2021–2024 will already have been reflected in the heads of expenditure put forward for approval in another part of the proposition as part of a balanced budget. Any amendments put forward to the table of proposed efficiencies, therefore, will need a corresponding amendment to the respective head of expenditure, another head of expenditure and/or income.